

# Wall Street's Gilded Age: Nicknames of Her Capitalists and Robber Barons

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*Lenape Investment Corporation*

The "Gilded Age," loosely defined here as 1861 to 1901, saw the emergence of a small group of men who played a leading role in the Industrial Revolution. Aptly described as both capitalist and robber baron, they were responsible for much of the economic framework that exists today. Through the takeover battle for control of the Erie Railroad Company, at the beginning of the period, and the organization of United States Steel Corporation, at its end, this essay examines historical and contemporary biographical information to explain that the nicknames of seven men involved in these two entities predominantly reflected not only their activities in the stock market, but also their occupations and character traits.

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The New York Stock Exchange, symbol of America's financial strength, traces its origins to an agreement among twenty-four Wall Street<sup>1</sup> brokers gathered in the shade of a sycamore tree on a spring day in 1792 (Buck 1992). The "Buttonwood Agreement," as it became known, established the trading of stocks among themselves on a common commission basis:

"We the Subscribers, Brokers for the Purchase and Sale of Public Stock, do hereby solemnly promise and pledge ourselves to each other, that we will not buy or sell from this day for any person whatsoever, any kind of Public Stock at less rate than one-quarter percent Commission on the Specie value of, and that we will give a preference to each other in our Negotiations. In Testimony, whereof, we have set our hands on this seventeenth day of May at New York, 1792."

This simple covenant was instrumental in the development of the stock market, formally organized as the New York Exchange and Stock Board in 1817, becoming the New York Stock Exchange in 1863. Its history has been punctuated by numerous financial panics and market crashes.

In stock market terminology, a *bear market* is an extended downtrend in prices and one in which the influence of *bears* is predominant, a *bull market* is an extended uptrend in prices and one in which the influence of *bulls* is predominant (Munn, Garcia and Woelfel 1991).

The earliest description of bears and bulls is found in *Every Man His Own Broker: Or, A Guide to Exchange Alley*,<sup>2</sup> by English economist Thomas Mortimer (1775):

“The Bear is easily distinguished from the Bull, who is sulky and heavy, and sits in some corner with a melancholy posture: whereas the Bear, with meager, haggard looks, and a voracious fierceness in his countenance, is continually on the watch, seizes on all who enter the Alley, and by his terrific weapons of groundless fears — and false rumors — frightens all around him out of property he wants to buy; and is as much a monster in nature, as his brother brute in the woods.”

Although the etymology of these terms is not precisely known, *bears* is likely derived from the fur trade in which bearskin-jobbers,<sup>3</sup> in contradiction of the proverb “don’t sell the bear-skin before you’ve killed the bear,” would sell bearskins before the bears had been trapped when they anticipated falling prices so they could buy them later and reap additional profits.

Even less precise, *bulls* is likely derived from the long association of bear-baiting and bull-baiting (LUK 1880), cruel sports in which the animal was tethered to a pole and set upon by dogs, and where the distinction of bears mauling downward and bulls thrusting upward may well have been recognized.

The “Gilded Age,”<sup>4</sup> the era during which the nation made its transition from the agrarian and mercantile economy of the mid-nineteenth century to an industrial economy by the early-twentieth century, was led by a small group of men who were always aggressive and sometimes lawless. Each was in varying degrees both capitalist and robber baron.

The term *robber baron*, an allusion to the feudal system of kings and serfs in medieval Europe, was coined by Edwin Lawrence Godkin, editor of *The Nation*, in 1869 as he wrote extensively to a small but influential readership on their exploitation of workers as they amassed great fortunes for themselves. The term gained widespread popularity in 1934, at the depth of the Great Depression, when Matthew Josephson authored *The Robber Barons*.

This imagery was vividly portrayed in “The Protectors Of Our Industries” (Figure 1), a satirical cartoon by Bernhard Gillam that appeared in *Puck* magazine in 1883. It depicts Cyrus Field, Jay Gould, Russell Sage and Cornelius Vanderbilt on a barge atop their wealth, each of them clutching a bag of money. The barge, with placards decrying the low wages of the day, is supported by a multitude of workers.

Representative of the “Gilded Age” are (1) the share price manipulation of the New York and Erie Railroad Company and the takeover battle for control of the Erie Railway Company, its successor, at the beginning of the era, and (2) the organization of United States Steel Corporation, at its end. These two companies are of etymological interest in that they, along with seven men who played significant roles in their histories, were ascribed nicknames. Many of the nicknames originated in the stock market, others in the press, but for the most part they have blurred together over the past century. Historical and contemporary biographical accounts

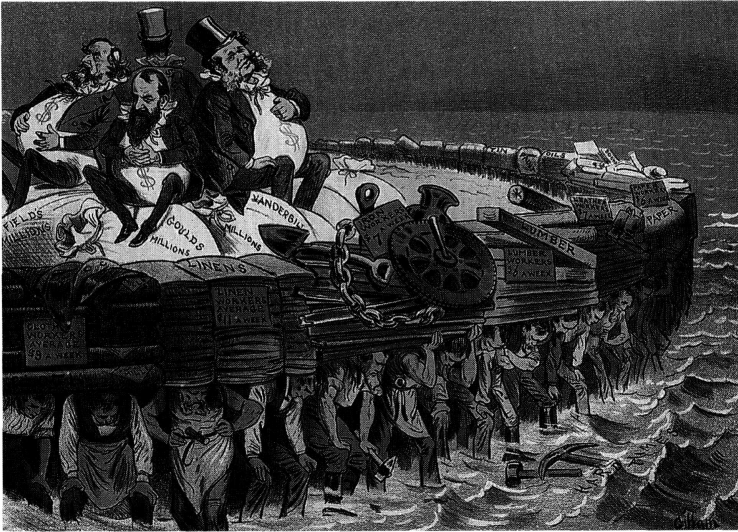


Figure 1. "The Protectors Of our Industries," Bernhard Gillam, *Puck*, February 7, 1883. From the author's collections.

provide context to understanding the circumstances and events that led to those nicknames.

The New York and Erie Railroad Company,  
the "Scarlet Woman of Wall Street,"  
and the Erie Railway Company

The New York and Erie Railroad Company was organized in 1832. Construction began in 1835 at Piermont, New York, a short distance up the Hudson River from the city, and completed in 1851 near Dunkirk, New York, on the lake. It was the longest railroad in the United States at the time and required a number of engineering feats along some 480 miles of trackage which prompted the city's aldermen to proclaim it "the Work of the Age" (Holbrook 1947).

Daniel Drew was elected to the board in 1857, and became treasurer the following year, a position from which he manipulated the company's shares for his own benefit. His usual practice was to sell *short*<sup>5</sup>, drive the share price down,

then cover his position and thus nail down his profits. Repeated over and over, the New York and Erie Railroad Company soon became known as the “Scarlet Woman of Wall Street” (Kessner 2003) an allusion to its ill repute.

The term *scarlet woman* finds its origin in scripture, the color scarlet being identified with “sin” in Isaiah 1:18 NIV<sup>6</sup> and attributed to the *woman* on the beast who was “dressed in ... scarlet” and “filled with abominable things and the filth of her adulteries” in Revelation 17:5 NIV. Without its theological dimensions, however, it came to refer to a sexually promiscuous woman.

With a constant up-and-down share price, the line failed to achieve a strong financial footing and eventually went bankrupt. It was reorganized as the Erie Railway Company in 1861.

Jay Gould and James Fisk, Jr. joined the board in 1867 and became president and vice-president, respectively, the following year. About the same time Cornelius Vanderbilt, president of the New York Central Railroad Company, sought to monopolize the state’s rail traffic and began buying Erie shares.

What followed was a spectacular takeover battle that lasted two years. Called the “The Erie War,” Drew, Fisk and Gould outmaneuvered Vanderbilt with the aid of unauthorized stock issues, political chicanery, and incessant litigation to keep control of the line in their hands. The public’s appetite for news was intense, and the press accommodated with coverage that overshadowed the impeachment proceedings of President Andrew Johnson. There were numerous economic and political repercussions left in the war’s wake, and when the abuse continued, the public had had enough. The entire board was finally ousted in 1872.

Cornelius Vanderbilt

Cornelius Vanderbilt was born in Port Richmond, Staten Island, New York, on May 27, 1794. He got his start in business at the age of 16 by borrowing one-hundred dollars from his parents with which he purchased a piragua<sup>7</sup> and began transporting freight and passengers between New York and Staten Island.

The War of 1812 provided the opportunity to enlarge his business when he received a contract to supply provisions to government posts around the harbor, and he used the profits to buy a schooner, the largest on the Hudson River, and two other sailing ships. For this he became known as the "Commodore" (LUK), a nickname that followed him for the remainder of his life.

The term *commodore*, though not an actual rank at the time, was used by the Royal Netherlands Navy in the late-sixteenth century and the Royal Navy in the mid-seventeenth century to denote a captain assigned command of two or more ships. In the late-seventeenth century it was likewise used by the British merchant marine to denote a senior captain of a shipping company.

Vanderbilt turned his attention to steamboats in 1818 and went under the employ of Thomas Gibbons, who operated a ferry between New Brunswick, New Jersey and New York, an important link in the lucrative Philadelphia-to-New York route. He launched service on the Hudson River, between New York and Peekskill, New York, in 1829, and it was here that he had his first encounter with Drew who began plying the waters with his own ships a few years later. Vanderbilt dramatically cut his fares, and Drew was forced out of the market. After that Vanderbilt expanded operations to Albany, New York, and then to Long Island Sound and points in Connecticut, Massachusetts and Rhode Island. By 1840 his fleet numbered more than 100 steamboats.

Sensing the wave of the future, Vanderbilt began buying the shares of small railroads. He acquired the New

York and Harlem Railroad Company in 1862, the Hudson River Railroad Company in 1864, and the New York Central Railroad Company in 1867. The latter two were merged to form the New York Central and Hudson River Railroad Company in 1869. At the same time he failed to gain control of the Erie Railway Company, prompting him to quip “it never pays to kick a skunk” (Josephson 1934).

The “Commodore” died in New York on January 4, 1877, leaving an estate of \$100 million, and was entombed in the Vanderbilt Mausoleum which is carved into a large rock outcrop at Moravian Cemetery, New Dorp, Staten Island, New York. It is interesting to note that entombment in the mausoleum was restricted to his sons, their families, and unmarried daughters, as once a daughter married, she was no longer a “Vanderbilt.”

#### Daniel Drew

Born in Carmel, New York, on July 29, 1797, Daniel Drew regarded himself a devout Methodist but did not let his Christian beliefs interfere with business. As a cattle drover,<sup>8</sup> he moved herds from upstate New York to the city, keeping the cattle thirsty throughout the journey and only allowing them water just as they arrived at market, hence the term *watered stock*.<sup>9</sup> The livestock trade provided enough profits to launch steamship service on the Hudson River in 1834, but he could not compete against Vanderbilt.

He founded the Wall Street brokerage firm Drew, Robinson and Company in 1844. The company became a leading trader in railway stocks and led the way to his gaining a stranglehold on the affairs of the New York and Erie Railroad Company, later the Erie Railway Company, in 1857. It was from here that he manipulated its share price.

The story (Geisst 1997) is told that Drew, in order to get the stock price as high as possible before beginning to sell short, once visited a watering hole frequented by Wall Street traders. Sitting down on a particularly hot day, he pulled a handkerchief out of his pocket to wipe his brow. As he did, a

small piece of paper fell onto the floor, but no one bothered to tell him. After he left, the other traders pounced on the paper, an order to buy Erie shares. They then proceeded to frantically buy shares pushing it to new highs, and it was only then that he began selling short, wiping many of them out as the share price dropped precipitously.

A popular saying (Colbert 2001) of the day indicates that Drew was primarily focused on the Erie:

“When Unc’e Dan’l says ‘up’

Erie goes up.

When Unc’e Dan’l says ‘down’

Erie goes down.

When Unc’e Dan’l says ‘wiggle-waggle’  
it bobs both ways!”

He was known as the “Great Bear of Wall Street” (Chancellor 1999) a nickname that was not unique to Wall Street. Jacob Little, regarded as the first notable speculator in the early-nineteenth century and Jesse Livermore in the early-twentieth century were similarly named. He was also known as “Ursa Major” after the large constellation in the northern latitudes that is commonly referred to as the “Great Bear.”

Drew brought Fisk and Gould onto the board in 1867, just as Vanderbilt moved to acquire the company. They managed to keep control of the line and continued to manipulate its shares, but Drew’s two protégés ultimately led to his ruin. In one of his now familiar forays into the stock market Drew went short on Erie, but Fisk and Gould went long,<sup>10</sup> causing Drew to lose several million dollars. He lost even more in the Panic of 1873 and within a few years was bankrupt. Drew died in New York on September 18, 1879, and was buried in Drewsclift Cemetery, near Brewster, New York. His gravemarker (Figure 2), surmounted by a Cross, is carved from gray granite. It simply bears his name and the dates of his birth and death.



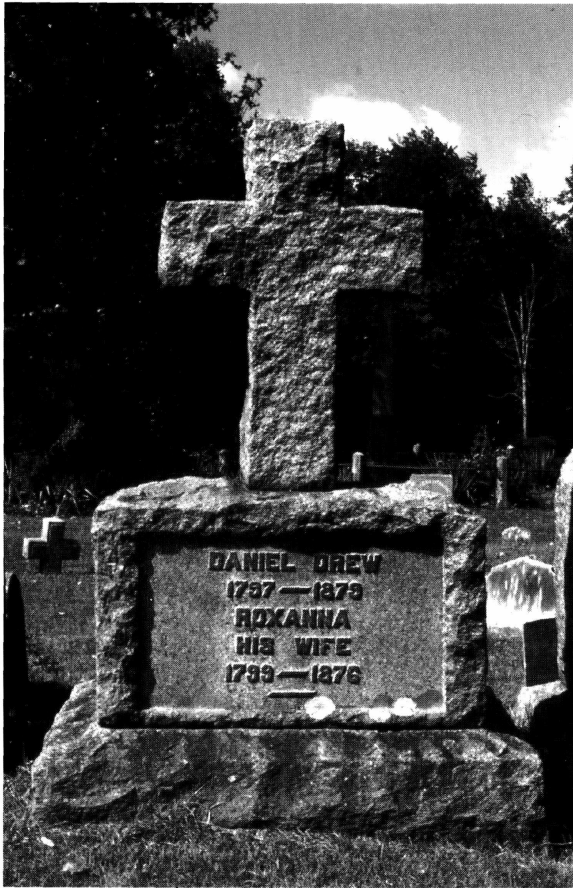


Figure 2. Gravemarker of Daniel Drew, Drewscliff Cemetery, near Brewster, New York. Photograph by author.

### James Fisk, Jr.

James Fisk, Jr. was born in Bennington, Vermont, on April 1, 1835, and moved to Brattleboro at an early age. He worked as a circus hand, hotel waiter, store clerk, and traveling salesman, but eventually made some profits during the Civil War smuggling Confederate cotton through the Union blockade. He acted as Drew's agent in the sale of the Stonington Line of steamboats in 1863, and it was with his assistance that he founded the Wall Street brokerage firm Fisk

and Belden Company in 1866 and joined the board of the Erie Railroad Company in 1867.

Fisk became one of the most outrageous figures of the day for which he was dubbed the “Barnum of Wall Street” (Fuller 1928), a nickname that quite clearly referred to showman Phineas T. Barnum who ran a traveling circus and menagerie under a number of names, but which exists today as the Ringling Brothers and Barnum and Bailey Circus.

He used the Erie’s treasury to buy Pike’s Opera House in 1868, renamed it the Grand Opera House, and then spent one million dollars fitting its upper floors for the Erie’s offices. Fisk began the production of theatrical performances, which provided him an ample supply of mistresses, though he soon settled on Josie Mansfield, an actress of limited ability.

He acquired the Narragansett Steamship Company, which ran the Fall River Line and Bristol Line of steamboats, in 1869. At the same time he launched the largest steamboat on the Hudson River, aptly named the *James Fisk*. He once exclaimed “If Vanderbilt’s a Commodore, I can be an Admiral!” (Jensen 1954) and with that went out and bought himself a diamond-studded uniform. He bought his way to a post as Colonel of New York’s Ninth Regiment of Infantry, in 1870, this time with an even gaudier uniform in which he posed for a *carte-de-visite*<sup>11</sup> photograph. The regiment’s men were granted admission to the opera house, taken on steamboat excursions, and likewise gorgeously uniformed. His career, however, proved to be meteoric.

Fisk was shot on a stairway of the Broadway Central Hotel, over business transactions, by Edward S. Stokes, who also happened to be a rival for Mansfield’s affections, on January 6, 1872, and died the following day. He was buried in Prospect Hill Cemetery, Brattleboro, Vermont. The townspeople raised \$25,000 by public subscription and asked Larkin Goldsmith Mead, a local sculptor who had shortly before received the commission to design bronze sculptures that would adorn the tomb of President Abraham Lincoln in

Oak Ridge Cemetery, Springfield, Illinois, for an impressive monument to their favorite son.



Figure 3. Gravemarker of James Fisk, Jr., Prospect Hill Cemetery, Brattleboro, Vermont. Photograph by author.

His gravemarker (Figure 3), carved from white marble, is badly weathered and chipped by souvenir hunters, but some of its features can still be discerned. It consists of an obelisk with his portrait in bas-relief near its base, flanked by four seated allegorical females. Each figure embraces a facet of his life.

The first, depicting *commerce*, is holding a caduceus<sup>12</sup> representing the staff that was held by Mercury, who was the

Roman messenger god, but also the god of trade and commerce (Cotterell and Storm 1999). A bag of coins, held by her right hand, rests on her lap. The second, *railroads*, has a locomotive on her chaplet<sup>13</sup>. A stack of railroad share certificates are clasped in her left hand. The third, *steamships*, has a steamboat on her chaplet. A stack of steamship share certificates are likewise clasped in her left hand. The fourth, depicting *the arts*, is holding a lyre in her right hand and a wreath in her left. Both icons have a long association with the theatre, the lyre as a symbol of the musical arts, the wreath as a symbol of someone who has attained distinction in the arts.

### Jay Gould

Jay Gould was born in Roxbury, New York, on May 27, 1836. He quit school in favor of private study through which he became proficient in mathematics. Working as a surveyor and then a leather tanner provided enough profits to begin investing in the stocks of smaller railway companies, and he eventually bought out the Cleveland and Pittsburg Railroad, the Rensselaer and Saratoga Railroad, and the Rutland and Washington Railroad. All three lines were in bad condition and losing money, but he reorganized them and realized large profits on their sale.

He moved to New York in 1859 and founded the Wall Street brokerage firm Smith, Gould, Martin and Company in 1860. Shortly thereafter he befriended Fisk, a fellow broker, and both of them joined the board of the Erie Railroad Company in 1867.

After Vanderbilt gave up his efforts to take control of the Erie, thus ending the "Erie War," Gould and Fisk attempted to corner the gold market and through Abel H. Corbin, brother-in-law of President Ulysses S. Grant, sought to influence the Federal Government not to intervene by selling gold from the U.S. Treasury. As the gold price moved higher and higher, however, the President became apprised of their behind-the-scenes activities and ordered a release of

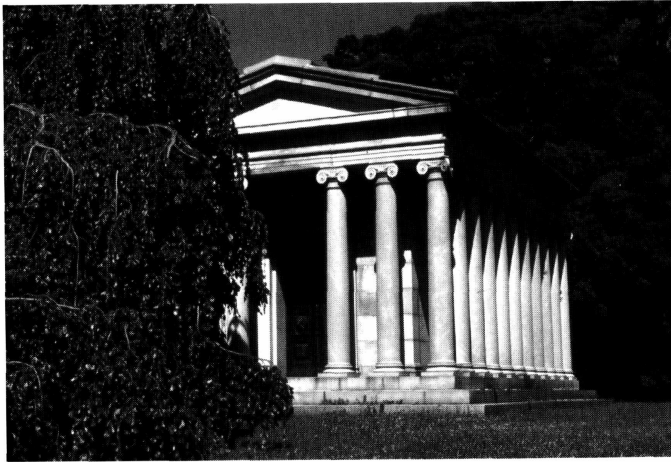
gold that precipitated a collapse of the market on “Black Friday,” September 24, 1869.

His reputation as a robber baron now assured, he was labeled the “Mephistopheles of Wall Street” (Renehan 2005). There is no reference to the character in the Bible, but Christian tradition holds that *Mephistopheles* was among the fallen archangels and the most powerful after Satan. He appears prominently in *Faustus*, the story of a man who sells his soul to the Devil, as well as Christopher Marlowe’s *The Tragical History of Doctor Faustus* and Johann Wolfgang von Goethe’s *Faust*.

After his ouster from the Erie board in 1872, he set his sights on the western railroads and began buying shares of the Union Pacific Railroad Company, taking control of the line in 1874, and the Missouri Pacific Railway Company, taking control of that line in 1879. These railroads formed the nucleus of a “Gould System” that eventually controlled one-half the track mileage in the southwestern United States.

Gould died in New York on December 2, 1892, leaving an estate of \$77 million, and was entombed in the Gould Mausoleum, Woodlawn Cemetery, Bronx, New York. The cemetery’s records<sup>14</sup> reveal he purchased a 4,000 square-foot lot in the Chapel Hill section in 1873, then chose an expansive 30,000 square-foot lot in the Lakeview section in 1882. This was the largest single lot in the cemetery at the time and remains so today.

The mausoleum (Figure 4), which was constructed of white granite, reflects the Ionic order of Classical Greek architecture. It was designed by architect Hamline Quincy French, who was responsible for hundreds of memorials in New York’s cemeteries, including more than forty at Woodlawn.



**Figure 4. Gould Mausoleum, Woodlawn Cemetery, Bronx, New York. Photograph by author.**

The “Gould” family name is conspicuously absent from the mausoleum, a reflection that Gould was a private man despite his public aggravations. As with other mausoleums that are likewise nameless, he sought a measure of privacy for himself and his family in death.

#### United States Steel Corporation, “The Corporation”

The closing years of the “Gilded Age” were marked by a wave of mergers, a movement that began slowly but quickly gained momentum. Although the peak took place in 1899 when 1,208 companies with a combined capitalization of \$2.27 billion went into consolidations, it was not until 1901 that the record-breaking organization of United States Steel Corporation, with a capitalization of \$1.40 billion, took place. Marking the first public offering underwritten by the private banking house J.P. Morgan and Company, the merger combined Carnegie Steel Company as the nucleus of the new corporation, then added American Steel and Wire Company, Federal Steel Company and several other steel-producing and steel-finishing companies.

Although John Pierpont Morgan engineered the creation of United States Steel, its impetus actually began with John W. Gates who merged together seven small wire companies in 1892 to form Consolidated Steel and Wire Company. Gates gained control of Illinois Steel Company in 1895, a logical move since most of the steel used by his company came from its mills, then parlayed his Consolidated Steel holdings into American Steel and Wire Company (Illinois) in 1898 with the addition of seven steel-producing companies, and then into American Steel and Wire Company (New Jersey) in 1899 with seven more steel-producing companies.

The laws of the State of New Jersey were favorable to the creation of trusts, so much so that the state became known as the "Mother of Trusts" (Wheeler 1973). Gates approached Morgan with the idea of combining steel and wire companies in 1895, but there was little interest at the time. Two years later, as president of Illinois Steel, he asked its corporate counsel Elbert H. Gary to put together a plan that would merge Illinois Steel with American Steel and Wire. Gary took the proposal to Morgan, and after his company reviewed it, went forward with a merger of Illinois Steel with a number of other companies that did not include American Steel and Wire, to form Federal Steel Company in 1898.

Morgan made Gary president, saying of Gates "I don't think property is safe in his hands" (Sobel 1965). Gates' maverick approach to business was apparently the reason, but the religious ties between Morgan, an Episcopalian, and Gray, a Methodist, appear likely to have played a role.

Andrew Carnegie met with Henry Bessemer, inventor of the steel-making process bearing his name in 1872, and became convinced that the future belonged to the steel industry. He established a steel works near Pittsburgh and began buying other steel-producing companies, eventually combining them into the Carnegie Steel Company in 1889.

Charles M. Schwab was named president in 1897, replacing Henry C. Frick, and by the turn of the century, Carnegie Steel accounted for one-quarter of the nation's annual steel production.

All of these paths converged in 1900 when Schwab gave a speech at a testimonial dinner in his honor at New York's University Club. With Morgan in attendance, he told the audience that production costs at his company were about as low as they could go, but economies of scale could still be had in the distribution end of the business through an integration of steel companies, thus forming a single entity with nearly limitless boundaries.

Morgan spoke with Schwab afterwards and told him that he might be willing to do business with Carnegie if the price were right. Schwab conferred with Carnegie, and a few days later Morgan agreed to a \$480 million price tag on Carnegie's properties.

Twelve weeks after that, in 1901, United States Steel was incorporated in the State of New Jersey, the offering circular finalized. The corporation would issue \$304 million in five percent gold bonds and \$1.10 billion in stock — \$550 million in seven percent convertible preferred shares and \$550 million in common shares — for a total of \$1.40 billion.

There were concerns over the public's reception to the offering; however, because the physical valuation of its properties were set at just \$682 million, meaning that most of the preferred shares and all of the common shares were watered stock. Morgan called on James R. Keene, a stock trader noted for his considerable talents of creating markets where none existed, to manage the distribution of its shares on the floor of the stock exchange. The task was carried out with Keene's usual perfection, selling a thousand shares and buying back a hundred, thus selling all the shares while at the same time supporting its price.

United States Steel was nicknamed "The Corporation" (USX 2001) in recognition of its position as the world's largest



corporation, and in its first year of operations, with Gary as chairman and Schwab as president, it accounted for two-thirds of the nation's steel production.

### John Pierpont Morgan

John Pierpont Morgan was born in Hartford, Connecticut, on April 17, 1837. He began his career in the private banking house Duncan, Sherman and Company in 1857 and became the New York agent and attorney for the American interests of George Peabody and Company (London), of which his father was a partner. He joined his father's firm the following year - which became J.S. Morgan and Company after the death of George Peabody - becoming head of the firm after the death of his father Junius S. Morgan. Morgan became a partner in Dabney, Morgan and Company in 1864, then a partner in Drexel, Morgan and Company in 1871, which became J.P. Morgan and Company after the death of Anthony J. Drexel, thus extending his reach to both sides of the Atlantic.

He became prominent in railroad matters after thwarting Fisk and Gould for control of the Albany and Susquehanna Railroad Company in 1869 and became more so with the successful underwriting of 350,000 shares of the New York Central Railroad Company to English investors in 1879. He thereafter embarked on a refinancing and reorganization of bankrupt and troubled railroads that was called the "Morganization of America" (Strouse 1999).

When the U.S. Government's gold reserve stood at \$42 million in 1895, Morgan provided \$62 million in gold to the treasury to avert a financial panic, in effect becoming the nation's *de facto* central bank<sup>15</sup>. The apogee of his career, however, was the organization of the one-billion-dollar United States Steel Corporation in 1901 that merged Carnegie Steel Company, Federal Steel Company, American Steel and Wire Company and a number of other steel-making and

steel-finishing companies to create the world's largest corporation.

Morgan's nicknames were "Jupiter" (Kessner 2003) and "Zeus," both of which are clearly reflective of the man who headed what was arguably the most powerful financial house in the world. *Jupiter*, the all-powerful Roman god, and *Zeus*, the Greek equivalent, was the supreme deity and father of the gods (Cotterell and Storm).

It is interesting to note that the firm's articles of partnership were autocratic. Any dispute between partners was to be settled by the senior Morgan, and his decision "shall be final." The senior Morgan could compel the resignation of any other partner by dissolving his partnership; there was no appeal. Morgan retained one-half of any distributions and the other half was to be divided among the remaining partners (Thomas and Morgan-Witts 1979).

Morgan died in Rome, Italy, while traveling through Europe, on March 31, 1913, leaving an estate of \$78 million. His remains were returned to the United States and buried in Cedar Hill Cemetery, Hartford, Connecticut. Designed by architect George Keller and constructed by the New England Granite Works, the large family monument (Figure 5) of red granite, which has corresponding gravemarkers, depicts Morgan's vision of the "Ark of the Covenant," the chest that contained the two stone tablets upon which were written the Ten Commandments of God (Unger 1957). One of the monument's insets simply records Morgan's name, birth date, and death date – the same semantic items are repeated on his individual gravemarker.



Figure 5. Family Monument of John Pierpont Morgan, Cedar Hill Cemetery, Hartford, Connecticut. Photograph by author.

### John W. Gates

John W. Gates was born in Turner Junction, Illinois, on May 8, 1855. Achieving only modest success running a hardware store at the age of 19, he went to work for the Washburn-Moen Company as a barbed-wire salesman in Texas. Traveling to San Antonio in 1876, he set up a barbed-wire corral in the town's plaza, filled it with longhorn steers, and successfully demonstrated the ability of the slender strands of steel wire with intertwining barbs to hold cattle. He received orders for hundreds of miles of barbed-wire, more than the capacity of the plant.

He quit after being refused a partnership in the company and moved to St. Louis where he built a plant and began manufacturing and distributing unpatented and unlicensed barbed-wire. Gates formed Southern Wire Company in 1880, then bought out his major competitor to form Braddock Wire Company in 1882. He merged seven

small wire companies to form Consolidated Steel and Wire Company in 1892, gained control of Illinois Steel Company in 1895, and eventually merged fourteen companies into Consolidated Steel to form American Steel and Wire Company in 1892. With the organization of United States Steel Corporation in 1901, Gates walked away with \$120 million for his holdings in American Steel and Wire.

He went on to form Republic Steel Company and participate in the reorganization of the Kansas City Southern Railway, but most notably, he formed Texas Company (later Texaco), which invested in a well at Spindletop, a small knoll near Beaumont, Texas, that blew in at 100,000 barrels oil per day.

Gates was a consummate gambler — at poker, at the track, or in the stock market — for which he was nicknamed “Bet-A-Million.” A number of stories have been forwarded to explain the origin of the nickname, and while each focuses on his penchant for gambling, two accounts stand out as being particularly complete in their detail. Coincidentally, both relate to events that are said to have occurred in 1900.

The first explanation (Wendt and Kogan 1948) says that Gates attended a horse race in England and bet \$70,000 on a horse named *Royal Flush*. The horse won, and so did Gates, to the tune of \$600,000. An English newspaper reporter wrote that Gates had bet one million dollars at the track that day, winning more than two million dollars, dubbing him “Bet-A-Million.” American newspapers picked up the story and the nickname stuck.

The second explanation (Beebe 1959) says that Arthur E. Stillwell, as president of the Kansas City, Pittsburg and Gulf Railroad Company, had a Pullman<sup>16</sup> car named *Campania*. When the line suffered a financial setback, Gates became involved in its reorganization as the Kansas City Southern Railway Company, and it was aboard the *Campania* that he wagered a cool one million dollars with James R. Keene, the stock manipulator, on a race between two raindrops running

down one of the car's windows, resulting in his being dubbed "Bet-A-Million." Whichever the actual story, it made "Bet-A-Million" a special figure in history.

Gates died a few days after surgery in Paris, France, on August 9, 1911, leaving an estate of \$100 million. His remains were returned to the United States and placed in the receiving vault of Woodlawn Cemetery, Bronx, New York, for several years as construction of the Gates Mausoleum in the cemetery's Pine section had not yet been completed at the time of his death. The mausoleum (Figure 6), with its Doric order columns, is a fine example of the clean lines of Greek Revival architecture. It was designed and constructed by the memorial firm Farrington, Gould and Houghland Company, which was also responsible for the mausoleums of other notables, among them Jules S. Bache and Frank W. Woolworth. The bronze door incorporates a mourning figure designed by sculptor Robert Aitken.

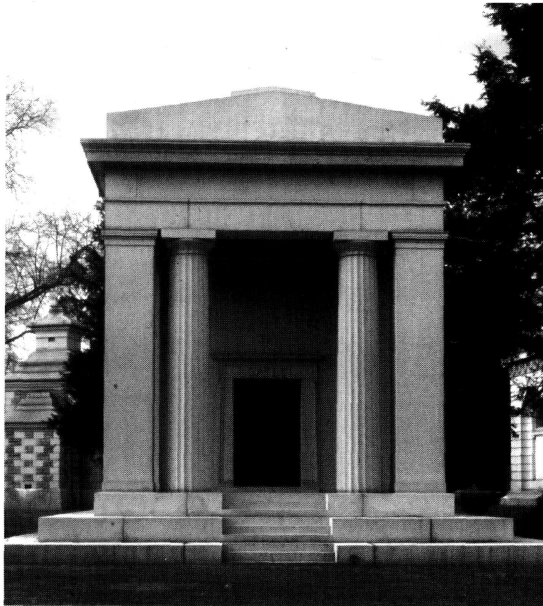


Figure 6. Gates Mausoleum, Woodlawn Cemetery, Bronx, New York. Photograph by author.

### James R. Keene

James R. Keene was born in Chester, England, in 1838, but little else is known of his early life. Some years after his family emigrated to the United States, he made his way to San Francisco and began investing in the shares of mining companies and eventually became president of the San Francisco Stock Exchange. He made his way back to New York with the intention of traveling to Europe but became enmeshed in the activity on Wall Street and became one of the market's great traders who was able to spot bearish and bullish trading patterns by "reading" the symbols and numbers on the ticker tape.

His considerable talents in creating markets where none existed were in demand by many of the day's financial figures, including William Havemeyer, John Pierpont Morgan, William Rockefeller, and Russell Sage, who called on him to manipulate share prices to draw in buyers, allowing promoters to sell their newly-created stock issues.

He also became interested in horse racing and began investing in a stable of thoroughbreds. *Spendthrift* won New York's Belmont Stakes in 1879, and *Foxhall* won France's Grand Prix de Paris in 1881 and England's Ascot Gold Cup in 1882.

Keene took heavy trading losses in Chicago's grain markets in 1884, however, and lost his entire fortune, leaving him with nothing but debts. He began a remarkable comeback and once again became a powerful presence on Wall Street.

Back to investing in race horses, he bought the Castleton Farm, near Lexington, Kentucky, in 1891. From there he had five more Belmont winners: *Commando* in 1901, *Delhi* in 1904, *Peter Pan* in 1907, *Colin* in 1908, and *Sweep* in 1910. His keen eye on both the stock market and the track, and his gray hair, earned Keene the nickname "The Silver Fox of Wall Street" (Chancellor). "The front of his head was somewhat bald and the gray of his hair like the gray of his beard"

(Wheeler) commented another speculator of the day, Richard D. Wyckoff.

Once asked about the speculative trading through which he won and lost fortunes, Keene replied "Why does a dog chase his thousandth rabbit? All life is speculation. The spirit of speculation is borne in me" (Sobel).

Keene died "a millionaire" in New York on January 3, 1913, and was buried in Woodlawn Cemetery, Bronx, New York. There are no individual gravemarkers in the lot, only a family monument of white marble inscribed "Keene"; the cemetery's records, however, show his grave to be directly in front of the monument.

### Conclusion

The "Gilded Age" gave rise to a small group of men who led the nation into the Industrial Revolution. Their activities in the stock market and elsewhere gave witness to another phenomenon - the *nickname* - as it became attached not only to companies and corporations, but also to those who shaped them. Many nicknames originated in the stock market, others in the press, but a common aspect is our societal need to create, apply and preserve nicknames. They are found today in stories, legends and anecdotes, but it is through the study of corporate America that much is revealed about our social history. The personalities have faded with death, but their deserved, and sometimes not, nicknames continue to live on in the annals of research, being especially reflected by cemetery books and cemetery tours.

### Notes

1. "Wall Street" takes its name from a street along which a crude wall of timber and earthwork was constructed by the Dutch in 1653 on the northern boundary of New Amsterdam. Sometime after the British took control in 1664 of what was now New York, the wall was removed but the street retained its name. The term came to refer to the country's financial establishment.

2. London's eighteenth century stock market was known as "Exchange Alley," or "The Alley."
3. Bearskin-jobbers were middlemen.
4. The "Gilded Age" takes its name from the novel *The Gilded Age: A Tale Of Today* by Mark Twain and Charles Dudley Warner, authored in 1873.
5. A short position, taken by a trader who is a bear, is established by borrowing shares and selling them in anticipation of buying them back at a lower price at some later date and returning them to the lender.
6. New International Version of the Bible.
7. A pirigua is a small, flat-bottomed sailing ship with two masts.
8. One who drives cattle is referred to as a drover.
9. Watered stock refers to shares that are overvalued relative to their underlying assets.
10. A long position, taken by a trader who is a bull, is established by buying shares.
11. Carte-de-visite, or CDV, became popular as calling cards after Andre Disdéri patented a method of taking several photographs on a single plate in 1854.
12. A caduceus is a staff with two intertwining snakes. Early on it denoted trade and commerce, but became associated with a precursor of medicine in the seventh century.
13. A chaplet is a wreath or garland worn on the head.
14. Cemetery records are from Susan Olsen, Executive Director, The Friends of The Woodlawn Cemetery, Bronx, New York.
15. The Federal Reserve Bank was established in 1913.
16. The Pullman Palace Car Company was founded by George M. Pullman in 1867. The company manufactured private rail cars, often referred to as "mansions on rails," as well as dining cars and sleeping cars for general passenger travel.

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