

Reunion Talk

The following text is based on James H. Harding's notes for a speech he wrote and delivered during the Jay Cooke family reunion on Gibraltar Island in Lake Erie in 1998.

Jay Cooke was born in Sandusky in 1821. He was the son of Eleutheros Cooke and Martha Carswell. Eleutheros, who had emigrated from Granville, NY, was a lawyer, the first to rise above the small farmers in his family. "None of them were of colonial aristocracy or the accounting house," according to Larsen, one of Jay Cooke's biographers. Jay inherited his aggressiveness and writing ability from his father. Settlers in this Sandusky Firelands area had strong moral principles and were sturdy pioneers.

The country around Sandusky was recently pacified, but quite wild. One memoir described it as follows: "To the south of this village was a vast prairie covered with waving grass with hordes of deer and wolves and innumerable flocks of wild turkeys, prairie chickens, etc." Jay took an early interest in fishing and hunting. He received local schooling only to the age of 14.

Jay Cooke's early working experience was in Hubbard and Leiter dry goods, a hardware store, where he soon became head clerk. He had a real aptitude for numbers and commerce. Around the age of 15 he was "induced" to go to St. Louis to work at Seymore and Bool. In one of his memoirs he wrote, Mr. Seymore was "in love with a cousin of mine [in Sandusky] and wanted me not only on account of my merits as a clerk but as a link between himself and Miss Hurd." He also wrote, "I ...attended a... French dancing school where I learned to waltz etc. etc. I also took lessons in French and could converse quite freely with the French ladies who came to our store." In a letter he wrote, "Picture to yourself your brother Jay in a spacious ball-room with a beautiful French brunette by his side dressed in a fine brown coat with white silk vest, black cassimere pants, white silk stockings, fine pumps, white handkerchief and gloves, hair dressed and all erect, talking Parley Voo with the beautiful creatures."

The panic of 1837 ruined his employers. At 16 he returned home with \$200 in pocket. He said, "I had acquired southern habits and showed off as a capitalist that 'felt his oats' and if a boy affronted me I would fight him of course."

In spring of 1838, he received an urgent invitation from his sister's husband, William Moorhead, to come to Philadelphia to work for the Washington Packet and Transportation Co. There he not only looked after the advertising and editorial notices, but also solicited trade on the docks and even came to blows with the boys of a rival concern.

He returned to Sandusky in summer of 1838, at the age of 17. His capabilities came to the notice of Mr. Enoch W. Clark, and Mr. Edward Dodge. In 1839, at the age of 18, he returned to Philadelphia.

He was a success at Clark's leading stock and exchange houses in Philadelphia. He became proficient at money changing and acquired a knowledge of currencies. He also wrote a column. At 21 he was made the youngest partner of the firm and showed a surprising maturity and grasp of the business. He then became the head of the Philadelphia part of the firm. The crash of 1857 brought the firm down. Throughout, Jay Cooke was known for his generous spirit.

He married Dorothea Allen, who came from a Kentucky slave-owning family. They were to have 8 children, 4 of whom died. In a memoir he wrote the following on his courtship: "... we kept up a heap of correspondence and scarcely a day passed without letters passing between us and in those days this was 'financially speaking' a big thing. Postage for a single letter from Philadelphia was 25 cents and frequently my letters contained enclosures or extra pages of affectionate lucubrations so that each separate sheet must pay postage. I sent letters costing 50 and 75 cents quite frequently."

In a letter he described his bachelor party: "Old gents were flirting with the girls, the young with the old, and the young with the young by the bye none of the usual restraint and formality, but all seemed as one family united for a joyous festival. It was indeed a pleasure to see so much enjoyment around me. Oh, but I was tired when they all left. I had worked from 1/2 past 7 in

the morning arranging matters and it was 10 times the task I had anticipated.”

In a letter to Elizabeth Dorothea Allen he wrote, “It is indeed a pleasure to make those we love happier. It has always been my greatest pleasure. I learned early to understand how much happiness it would give me. Love is indeed a worn out cast off and has always sounded too hackneyed - for all other sentiments there are a dozen expressive words but for love but one, which has become worn out by its mingling with other kindred sentiments - friendship, esteem, regard, etc etc, - oh that we could catch from inspiration some bright and heavenly expression, one that would mingle together the poetry and music of this beautiful and blessed feeling. I must close but again let me assure you how much I love and cherish you in my most innermost thoughts. You are my own dear Libby—Oh do not allow your heart to love me less. Do you know how proudly I imagine you as my bride; you shall be the loveliest, happiest in the land. Oh, you are very dear to me and in my own conviction it is no sin to tell you so.”

Jay Cooke was brought up as a Methodist. He joined the Episcopal Church, for “convenience”. St. Paul’s Episcopal Church was only two blocks away. It is possible that his wife persuaded him to make the change.

Jay Cooke was with the Clark firm for 19 years until 1858 when he was 37. He made a comfortable fortune, freelanced, and became involved with transport finance. In 1861 at the age of 39 he started his own firm.

The country was on the brink of the Civil War. Jay Cooke organized the State of Pennsylvania financing and successfully raised 3 million dollars at par.

With this track record in Pennsylvania, Jay Cooke tried unsuccessfully to raise money for the country. There was banker reluctance. Then his brother Henry, a supporter of the Chase bank in Ohio, moved to Washington as a lobbyist. The key senator was from Ohio. With this help Jay Cooke tried again and was an enormous success, raising 1 billion dollars for the country.

To raise this money, he took remarkable risks, gained little financial reward, and was the subject of much congressional scrutiny and jealousy by established banks. He was accused of being a “Snake oil salesman.” But he achieved tremendous name recognition and became a trusted banker. He

was a big success in time of huge expansion. At this time he also managed the bond market and the sales for National Banks.

What was Jay Cooke's achievement? It can best be described by General Grant's message to Jay Cooke, sent through Jay Jr. in March 1865. Jay Jr. and his mother visited Fortress Monroe in Virginia, March 1865. Jay later wrote: "After visiting Fortress Monroe, Norfolk, Portsmouth and the other points of interest at the mouth of the Chesapeake and James River we started in the evening for City Point. We arrived at the wharf about five o'clock...and as was my habit in those days when going to new places, especially one of so much interest I was up as soon as we arrived and went down to the main deck. While walking backwards and forwards by the gangway watching all the movements around me, I saw coming down the wharf a man dressed in plain military costume without military insignia.... I asked his name and was told that it was General Grant... We entered into conversation and I gave him my father's message. 'Tell the general to push the fighting. We will supply all the money that is needed.' He seemed gratified and in a moment replied: 'Mr. Cooke, when you return tell your father I appreciate his message and this services. Tell him that he is doing more than all the generals in the army; for without his aid we could not do any fighting.' "

Where did Jay Cooke acquire the gift to persuade? It must have been based on his religion-based optimism, his "patriotism", his frontier egalitarianism, his innate empathy with people, and his lack of rancor. He did not engage in anti-south rhetoric. In fact he had great sympathy with the South. In one of his memoirs he said, "I found myself constantly during the struggle filled with wonder and admiration at the daring and pluck they displayed under the depressing and disadvantageous circumstances in which they were placed. History does not record such deeds of valor and endurance as these misguided men sustained during these long years. Think of their position: Without foreign recognition or aid to any extent -- their ports blockaded their rivers and railroads mostly in our possession; their credit ruined - their numbers decreasing and yet fighting desperately to the very last. We are compelled to admire their bravery and is it not true that with all our vast armies and vaster resources there were times when the weak hearted amongst us questioned our ability to conquer them? Those of us who never yielded to such doubts could not help however deploring the lengthening of the struggle when it seemed that we ought to have accomplished the suppression of the rebellion much sooner.

“I have always felt that God designed punishing the whole nation north and south for the evil and crime of slavery and to bring about emancipation before we of the north should succeed in conquering the slave states. Had the south given up before Lincoln issued his emancipation proclamation slavery would in all probability have been perpetuated.”

As the war was ending, Jay Cooke built his mansion on Gibraltar Island and another called “Ogontz” outside Philadelphia. His intention was to employ returning soldiers for the building of his “Ogontz” mansion. He described it as follows:

“The plans for this home were adopted several years since but owing to the war and the great scarcity of hands the commencement of the building was postponed until the end of the war when it was undertaken with the intention of giving work to our brave soldiers returning to their homes. On the very day on which Richmond was surrendered to our forces under the victorious Grant the lines were marked out. Forest trees removed and the first spade-full of earth cast up marking the site of the present mansion. This was [in] April, 1865.

“In all matters pertaining to the building, materials and furnishing of this house the endeavor has been first to employ returned soldiers, who are worthy, residing in the immediate neighborhood; second, to give work to those of our neighbors and after these to the citizens of our own city of Philadelphia.

“The stone and sand have been dug from our own ground within a short distance of the building and much of the sawing and fancy carpentry was done at the little mill at the foot of the lawn. Our good friend and neighbor Mr. Childs superintended the masonry and many of our neighbors, carpenters, etc. completed the woodwork and other portions of the building.

“Mr. John Rice of Philadelphia had the general oversight of the whole works, assisted by Mr. MacNeil and some twenty or thirty others: master mechanics and artists and in this connection I will state that at a dinner given to all the principal parties connected with the erection of the building the most cordial feelings were expressed and a most happy occasion enjoyed by all present.”

Why such luxury? The following is a quote from his introduction to the Ogontz record: “The desire and intention was expressed to make Ogontz under God’s care and blessing a pure and delightful home, wherein God our Savior should be acknowledged and served faithfully and that in the distribution of our hospitalities from time to time we would not forget the poor and wearied ones of Christ: His faithful evangelists and preachers.

“May selfishness never abide within these walls and may those who come after us remember that it is our wish and prayer that Jesus our only savior and redeemer may always be acknowledged here and faithfully served in all purity and godliness of living and his servants always welcomed here as blessed guests.

“If it seems to some who look upon these beautiful halls and apartments that they were originated in pride and are illy suited to be the home of the professed followers of Jesus – ‘who had not where to lay his head’ we answer that as no thought of pride entered our minds when planning and executing our work, so we humbly pray we may be preserved from a hurtful and foolish pride hereafter, for we know that it is no our abiding place -- a little while and we shall be gone and even the chances and changes of this mortal life may wrest it from us whilst yet we linger on the earth.

“No! We humbly acknowledge that all that we have belongeth to Him. It is He that giveth the power to get wealth: and with His aid and guidance we hope to glorify Him even here and may many precious influences go forth from these walls and many times may the Savior be entertained here in the persons of his faithful ones.”

Jay Cooke was known for his generosity. He was instrumental in rebuilding the Southern churches and he invited many ministers to his home. He spent with little reserve.

Concerning family matters, Jay Cooke wrote to Mrs. Cooke in 1868 about the intentions of John Butler, then 26, toward their daughter Sally who was then 16. “Emily had a talk with John last evening walking up from church and John disclaimed anything but the attentions of a friend, says he wrote Sallie because he felt as she was the first one to speak to him about joining the church he thought it right to tell her he had decided to do it. He told Emily he knew Sallie was but a child and would have to go to school for 3 or 4 more years yet and that whilst it was impossible not to admire her yet he had paid her no other attention than he felt it right to show one so sprightly and not as much as he had paid to Virginia Thomas. Emily did not let him know that you or I knew she was to talk to him but said you had expressed surprise at his writing Sallie and also felt badly that strangers were talking about his marked attentions to Sallie and you and I both would feel it a breach of hospitality if after all our kindnesses to him any attempt should be made to gain Sallie’s childish affections or to flatter her by attentions such as should only be given to older persons. ”

Phase II of Jay Cooke’s life was about to begin. He itched for another great scheme. It is possible that he wanted to be a hero again. The following quotes are from his memoirs regarding the New York Bank: “I assured them I would go to NY on the following Monday and within three days would secure the 5 million capital and the establishment of the 4th National...” “I received many hearty congratulations...”

With regard to fishing, he wrote: “Mr. Sloane, the president of the Mad River and Lake Erie RR had invited to Put-in-Bay for 3 days stay some 300 guests consisting of Gov. Hayes, etc.—200 at the West House, 100 at the Beebe house—...” “The landlords had vainly endeavored to procure a supply of fresh fish...” “I was taken to task, of course all in good humor...” “They said that they had been promised fish fried, baked, roasted and broiled, and that not one of these promises had been kept.” “Thus sympathizing with them and acknowledging that they had just ground for complaint I volunteered in my own individual behalf to right at once this great wrong. As many of the party present were of-fish-alls, and therefore all for fish I would see to it personally that they would be fully supplied on the morrow.” With two helpers, he got 155 bass. “The astonishment of the people was unbounded & I was congratulated upon the fulfillment of my promise.”

With regard to the financing of the Northern Pacific Railroad, Jay Cooke pioneered new investment banking techniques, including the syndicate. He failed to sell, and faced lack of management control and ridicule in Congress. He had invested his firm's own money. Failure resulted in 1873.

What were the causes of this failure? Was it his hubris? Perhaps his faith led him astray or perhaps it was due to narrow nationalism leading to his failure in Europe.

The effects were losses by widows, bankruptcy and loss of properties. Jay Cooke's son-in-law, Charles D. Barney, wrote in a memoir: "We did not at once move from the big home at Ogontz, because we, like Mr. Fahnstock, and some of the other partners were to have what we all called 'panic babies' at the time. Katherine came October 27th, and as soon as possible we moved to a small house owned by Mrs. John M. Butler, Mrs. Barney's sister Sally, where we remained for practically the entire winter. I don't know how we all crowded into this little home, but we managed some way. There were, besides Mrs. Barney and I and our three small daughters, Mr. Cooke, Mrs. Barney's brother Harry, Miss Bronaugh, who proved to be a second mother to Harry, and the Butler family. As the latter consisted of Mr. Butler, Sally, Mr. Butler's mother and the two Butler children [Elizabeth and John Morris] the house was unmistakably filled to the doors." Then they moved to Rev. Parvin's house, then Noblett Cottage. "Here it was my particular pleasure to put Dorothy to bed each night. Dorothy had the idea that each night the shutters must be closed and a silk quilt must be used to cover her. After I had heard her say her prayers and kissed her good night, we would always say: 'Now hut the hutters and tover me ups with the hittit.'"

Phase III of Jay Cooke's career involved helping with resolving bankruptcy. He worked on developing the Horn Silver mine. For this, he needed a 150 mile railroad to transport the ore. The following is a description of his encounter with Jay Gould from a speech to the Firelands Historical Society in 1900: He went to the office of Sidney Dillon, then president of the road, and presented his name. "Why, how are you Mr. Cooke?" said he. The old financier did not know that they had ever met before. "Don't you remember the time you gave me \$20,000 when you were at Clark's?" continued Mr. Dillon. "I was in trouble and you saved me. What can I do

for you? Whatever you say will be done.” Mr. Dillon asked to be excused for a moment and returned with a man short in stature who was introduced as Jay Gould. In all his visits to New York he had never met the evil genius of Erie.... Gould had by this time lived down much of the opprobrium with which his name was associated, and the meeting gave the two men mutual pleasure. Mr. Cooke unrolled maps and presented his case with the fascination of his halcyon days. He told Gould that the 176 miles of track to the Horn Silver mine could be laid for \$10,000 a mile. Gould and Dillon at once agreed to the proposal. “With us three men,” Mr. Cooke remarked, “there is not the least occasion for a written agreement.” “No,” said Gould, “go right ahead, we will take the remaining half and supply the money as fast as it is needed.” The road was completed in five months.

Jay Cooke was able to restore his fortune and retrieve Gibraltar which he had been forced to sell. He also started the Ogontz School in the big mansion.

In summation, Jay Cooke had an extraordinary talent for money and business. He was a charismatic persuader, a non-intellectual, a man with old-fashioned religion who was narrowly nationalistic. He was highly principled, totally honest, loyal and extraordinarily generous.

Oberholzer, wrote the following in his biography of Jay Cooke: “Finally, I must testify to the pleasure it has given me personally to obtain a look into a career so open and good and honest, and hope that others may derive from the account of it a little more cheer, faith and philosophy. It was a life from beginning to end among difficulties that most would have seemed overwhelming; yet Jay Cooke’s outlook was always clear and confident. He lighted his own way through mists and shadows and helped thousands of his fellows to find the sunshine. He was a marvelous financier, a firm patriot and a good man.”