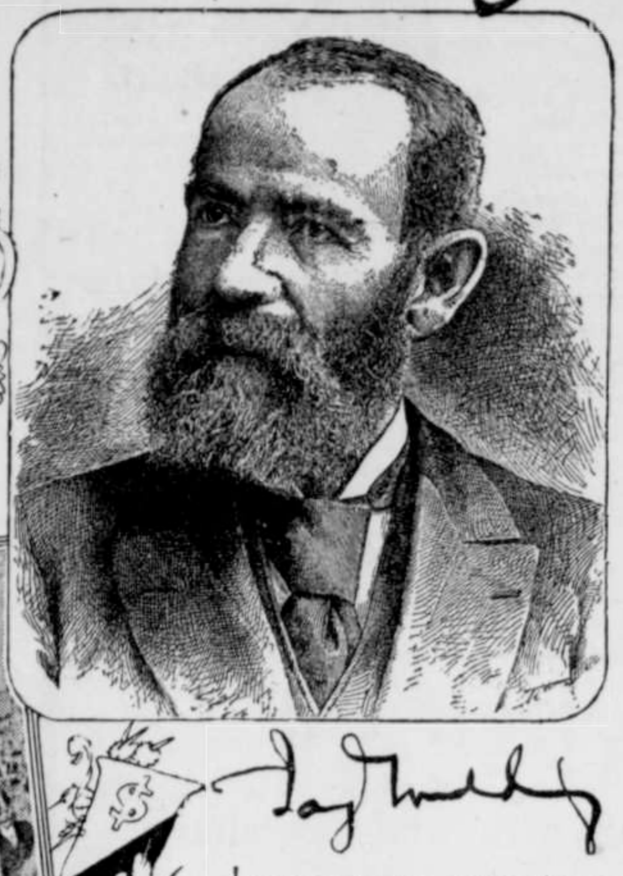
The Story of "Black Friday"

JIM FISK



SCENE IN THE GOLD ROOM ON BLACK FRIDAY

BY ELMO SCOTT WATSON

SEPTEMBER 24 is the sixtieth anniversary of an event, now almost forgotten, which at the time almost shook the nation to its foundations. For September 24, 1869, has gone down in history, as "Black Friday," the day that the gold market in Wall street was cornered, bringing a financial crisis which was felt throughout the country and shaking the confidence of the American people in some of the highest public officials in the land, a day of "ruin, insanity and despair."

The two outstanding figures in this story are Jay Gould and Col. James Fisk, Jr. Gould was a strong character, even though not an admirable one, a "lone wolf" who is described as "gifted for silent intrigue and never to be satisfied except when deceiving every one as to his intentions." Although Fish was no less ruthless and daring than Gould, he was at least a more likable character. A recent biography of him under the appropriate title of "Jubilee Jim," written by Robert H. Fuller and published by the MacMillan company, shows him as a picturesque character, a "moral jackdaw with a continual hunger for the peacock feather of public consideration." As a peddler, showman, Civil war profiteer, speculator, manipulator of railway stocks, corrupter of judges, an elusive witness at public investigations where his posturings and antics tickled the public fancy mightily, Fisk's life was a flamboyant "melodrama of industrial anarchy, personal ostentation and private luxury."

Fisk had been a partner—"as nearly a partner as any two men could be when one was Jay Gould"—with Gould in the famous Erie railroad manipulations for the undoing of Cornelius Vanderbilt and in some of the political-financial schemes of "Boss" Tweed. So Gould took him into his scheme to corner all the gold in the country. Two problems faced the conspirators. One was to buy all the gold in sight, a comparatively simple matter, for there was only about $20,000,000 of it in circulation. The other, and the more risky, was to keep the United States treasury, which had $100,000,000, from selling gold while the operation was on and breaking the corner.

Gould's first step was to seek the aid of A. R. Corbin, a Wall street speculator who had married a sister of President Grant. When Grant stopped in New York in June, 1869, while on the way to the Peace Jubilee in Boston, he visited at the home of his brother-in-law where Gould called upon the President. When Grant continued on his way to Boston it was on one of Fisk's Fall river steamers as the guest of Gould and Fisk. During the trip Gould led the conversation to the subjects of gold and crops and sought to convince the President that the government should favor a higher price for gold since it would give the farmers a better price for their crops, thus making better business for the railroads and the country as a whole.

Believing that he had won Grant over to his views, Gould embarked upon his campaign and on September 2 began to buy gold in Wall street. On that day he bought a million and a half dollars worth for Corbin and another million and a half for General Butterfield and Gen. Horace Porter (both of whom later repudiated the purchase as having been made without their knowledge). Within two days gold went up two points and with each point rise Corbin made $15,000. Soon afterwards, Gould invited Fisk into the scheme, assuring him that Butterfield (in charge of the sub-treasury in New York) and the President were "fixed all right." So Fisk began to buy heavily. Immediately gold began to climb and by Wednesday, September 22, it stood at 140½.

At this point Grant, becoming disturbed by Corbin's part in the manipulations on the exchange, sent word through his sister to close out his speculations as quickly as possible. Gould tried to bribe Corbin into disregarding the President's instructions but Corbin refused. Then Gould, seeing his scheme about to collapse, determined to double-cross his own associates. He gave secret orders to his brokers to begin to sell gold. Fisk kept faith with Gould and continued to buy. When the market closed on Thursday, September 23, gold had reached the high mark of 145.

But worse was to come the next day—Friday, destined to be known as "Black Friday." The next morning Fisk entered the gold room and loudly gave orders to Albert Speyers, his broker, to buy all the gold available up to 145. Next he sent orders to put it up to 150. By noon it was up to 160 and Speyers, who had bought 60 millions, now had in his name for Fisk's account half of all the gold in the country. Of what followed Fuller writes:

> It seems absurd that the orders given by Jim in Heath's back room and executed by that jumping-jack, Speyers, should have paralyzed business, as they did, from Boston to San Francisco. Wall Street's bedlam was only a sample. Thousands of men in every city were reading the astounding figures that came out of the ticker tape—figures that told that they were ruined. The fluctuations in the price of gold were so rapid that it was impossible to keep up with them. No speculator outside the gold room had a chance to protect himself. He gave his order to buy or sell, and after that he was in the hands of blind fortune. He might as well have gone fishing as to have tried to follow what was going on in that densely packed, suffocating room, where men were thrusting their heads into the basin of the little fountain to cool them of the fever that prevented reasoning. Men who owned stocks and bonds had to throw them overboard for what they could get in order to pay their gold losses. Demoralization was general.
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> Every fluctuation of a point in the price of gold meant gains and losses of millions, and that day, under the pressure of the tremendous forces that were represented by the bulls and bears, the price wavered like a weather vane in an easterly gale. Who could tell where these feverish pulsations in the price would lead! Fisk was declaring that gold would reach two hundred; maybe he was right. Perhaps the whisperings about a gigantic conspiracy among public officials, with President Grant at their head, to make fortunes by speculating in gold on the bull side, were true after all. Only the United States Treasury could smash the clique that was boosting gold and the doors of the Treasury seemed to be fast locked.

In the meantime telegrams had been pouring in from all parts of the country to President Grant and the secretary of the treasury, begging them to order a sale of treasury gold to prevent a crash in the business of the country. Grant decided to sell five millions and authorized the treasury to announce the sale. But the break had already come. James Brown, a Scotch banker, acting for a group of merchants and bankers, entered the gold room soon after Fisk's brokers had bid the price up to 162 and amid the din and confusion shouted that they would take any part of the $5,000,000 at that quotation. "Sold, 1,000,000 at 162," said Brown quietly. A moment later he sold a second million at 161, then 5,000,000 at 160. Then the market broke. Ten minutes later word came from the sub-treasury of the orders to sell four millions of treasury gold. It is believed that Brown already knew of President Grant's order when he made his first offer but the main fact is that his action started the break and the announcement from Washington completed the demoralization. Within fifteen minutes the price of gold had fallen 29 points. The corner in gold was ended.

A mob, led by brokers demanding a settlement, gathered in front of the brokerage house of Gould, Smith and Martin, howling for Gould. A similar mob assembled in front of the office of Fisk and Beldan shouting for Fisk. But the two conspirators, who had expected some such result as this, had fled from Wall street when the market broke and sought refuge in the Erie offices in Fisk's Grand Opera house, where they were guarded by their band of hired thugs.

Gould is said to have made eleven millions out of his coup. Despite the fact that he had betrayed Fisk, the latter forgave him and they continued friends. As a matter of fact, Fisk lost nothing, for with the aid of "Boss" Tweed's corrupt judiciary he was successful in repudiating his millions in debts. When the whole affair was investigated later before the Garfield committee it was found that half of the business houses on Wall street had been ruined. And it was not until the report of their committee became public that public suspicion of Grant's part in the conspiracy was allayed. For neither the President nor any of his kin except his brother-in-law had profited one cent from the shame of Black Friday.

His Phrase Famous

The expression "innocuous desuetude" was made famous by Grover Cleveland in his message to the senate on March 1, 1886. The sentence that contained it was: "After an existence of nearly twenty years of almost innocuous desuetude these laws are brought forth." The senate had claimed that as the assent of the senate was required to confirm the appointment of certain officers, those officers were not subject to removal by the President without the senate's permission. This claim was based on the Tenure of Office act, passed in 1867 during the conflict between congress and President Johnson. Cleveland maintained that in this particular matter that law had up to that time been allowed to remain in a state of harmless disuse.

Superior to Rockies

The valleys of Tibet are higher than the tallest peaks of the Rockies.

Engine's Wild Journey

There have been few more spectacular railway runs than that made by a great locomotive stolen two years ago by thieves from the Volkrust (Transvaal) engine sheds and driven by them fifty miles to Standerton. There they reversed it, opened the throttle, and jumped clear. The deserted engine thundered back at forty miles an hour. Right back to the sheds it stuck to the track. Then it smashed into some wagons and was wrecked.

OREGON STATE NEWS OF GENERAL INTEREST

Principal Events of the Week Assembled for Information of Our Readers.

Thomas Sutton was critically hurt near Newberg by a runaway team. Several ribs were broken, and his lungs punctured. He has a chance to recover.

Earl Elliott, 34, brakeman on the Hutchinson & Co. logging railroad near Newport, was killed when a car load of logs jumped the track and ran over him.

Fifty Chinese pheasants were released at Gresham on nearby farms by a local sportsman, J. E. Metzger. The birds were shipped from the Corvallis game farm.

Patrons of the St. Helens postoffice received their mail for the first time last week from the new quarters of the office in the new Bennett building on Strand street.

Much vetch seed is being shipped from the community around Sheridan. Twenty thousand pounds has been shipped to Atlanta, Ga., and two carloads to California.

Fanned by a strong wind, fire consumed the plant and warehouse of the Lakeview Manufacturing company and caused a loss of about $20,000, covered by insurance.

The election on a bond issue of $75,000 for a new school carried by a vote of 153 to 88 at Vernonia. It is expected that construction of at least two rooms will start immediately.

Many thousands of persons, cities and rural, from all parts of Jackson county, attended the all-day picnic sponsored by the granges of Jackson county and the business men of Medford.

The Roseburg cannery has started its fall run and will put up the largest pack since the plant was established. A particularly large pack of pears, blackberries and prunes is contemplated.

Eddie, 13, son of Mr. and Mrs. E. Grindle of Bend, died in a local hospital as the result of an injury received when a shotgun he was removing from an automobile was accidentally discharged.

A towering snag, weakened by fire, fell into the midst of a group of fire fighters on Ruddy hill, three miles southeast of Olallie lake, and crushed Fred Gibson, 45, of Dufur, Or. Death was instantaneous.

Portland people passed around $16,000,000 more in business channels during the month of August than was passed around in August last year, according to bank clearing figures of the branch Federal Reserve bank.

Property owners under the Hopkins lateral ditch in Jackson county voted 130 to 32 for the formation of the Rogue river valley irrigation district. Victor Bursell, Michael Hanley and Donald Clark were elected directors.

Stanley Madison Mode, 15, while hunting rabbits on his father's farm at Kellogg recently, was fatally wounded by the accidental discharge of a gun that had been placed against a log while young Mode, his brother and a neighbor boy, were resting.

The Baldwin stock ranch on Hay creek north of Redmond, reported to be the second largest ranch of this kind in the world, is to have all its buildings redecorated both on the interior and exterior. This was a large contract, let to a paint company in Bend.

A labor shortage exists in Salem for the first time in many months, according to officials of the employment agencies. There were demands for 1086 workers during the past week, with only 206 men registering. It was said that virtually all of the larger hop yards are in need of pickers.

THE MARKETS

Portland

Wheat—Big Bend bluestem, $1.34; soft white, western white, $1.24; hard winter, northern spring, western red, $1.21.

Hay—Buying prices, f.o.b. Portland: Alfalfa, $19.50@20; valley timothy, $19@19.50; eastern Oregon timothy, $20.50@21; clover, $16; oat hay, $16; oats and vetch, $16.50; straw, $7.

Butterfat—47@51c.

Eggs—Ranch, 32@39c.

Cattle—Steers, good, $11@11.60.

Hogs—Good to choice, $10@12.

Lambs—Good to choice, $11@12.

Seattle

Wheat—Soft white, western white, $1.25; hard winter, western red, $1.22; northern spring, $1.23; bluestem $1.35.

Eggs—Ranch, 27@42c.

Butterfat—50c.

Cattle—Choice steers, $10.50@11.50.

Hogs—Prime, light, $12@12.15.

Lambs—Choice, $11@11.50.

Spokane

Cattle—Steers, good, 9.75@10.50.

Hogs—Good and choice, $11.50@11.75.

Lambs—Choice, $10@10.25.

Wheat was moving slowly in the Umatilla area over the past week end, due to the several cent drop in quotations. Buyers estimate that about 3,000,000 bushels, or half the county's crop, has been contracted for.

Hoquiam will be the site for the 1930 Saengerfest of the Pacific Coast Norwegian Singers' association, according to a decision reached at the 24th annual Saengerfest of the order, which ended in Astoria recently.

Hop picking in Lane county began last week in most yards. Hop-raising, once as common a crop in that section as potato growing, is rapidly lessening in extent. But a few of the larger fields now remain. Many of these have long since abandoned early hop growing.

The Mt. Hood Land & Water company has established a construction camp at Clear lake, 11 miles south of Government camp, for the construction of a temporary log-crib dam to supply water to Wapinitia plains farms.

Further curtailment of production by mills and camps of the Pacific region is necessary to avoid a severe depression in the lumber industry this winter, it was stated at a meeting of the Willamette Valley Lumbermen's association in Eugene.

The present Mount Pleasant school in Clackamas county is to be moved 100 feet south to make way for a new $25,000 structure to be erected during the next few months. Students of Twilight will attend the Mount Pleasant school as the result of a recent annexation.

Some of the farmers in the Wallowa community have been busy recently working their summer-fallow and getting seed wheat ready for fall seeding. Some say they are afraid to seed because of the danger of the grain being taken by the large hordes of grasshoppers.

Blaming cold storage and shipping trouble which have been experienced in the past in handling Bosc pears on too early picking, the Suncrest orchards, Medford growers, buyers and shippers, announce that their forces will not start picking Boscs before the last week in September.

A large barn owned by Rikkoff brothers, farmers, three miles north of Eugene, was destroyed by fire last week. The barn contained 35 tons of baled straw, a threshing machine and other machinery, 25 cords of wood and about 20,000 shingles and other articles, all of which were burned.

Oregon holds the record for average yield of cranberries among all the states producing this fruit, according to a letter just received at Corvallis by Dr. Don C. Mote from Henry F. Bain, senior pathologist with the United States department of agriculture, who is now stationed in Wisconsin.

Estimated postal receipts for August, compiled by John M. Jones, Portland postmaster, indicated a loss as compared with the receipts for the same month of last year. The 1928 figure was $258,638.29, while for August of this year Mr. Jones set the figure at $248,384, a loss of $8254 or 3 per cent.

The state banking department has declared a dividend of 10 per cent to depositors in the defunct First National Bank of Joseph, which closed its doors on May 13, 1927. The dividend totals $9804.14 and is the fourth to be declared since the bank closed, bringing the total now paid out on deposits up to 50 per cent.

The Lystul-Lawson lumber mill at Glendale was destroyed by fire recently with loss estimated at more than $110,000. The mill, which is the oldest in that community, had just been remodeled and enlarged, giving a daily capacity of 50,000 feet. The fire started in the main sawmill while the watchman was away for his midnight meal.

An ivory headed cane, brought to America on the Mayflower some 300 years ago by Thomas Blossoms of England, has just been sent to the eldest living member of the Blossom family. The cane had been in the possession of the late Enos Blossom of Willamette, father of Mrs. Walter Elliott, and it now passes to Mrs. Elliott's third cousin, Virgil Blossom.

The role of Good Samaritan cost the life of Pearl Richards, 19, when her automobile plunged from the port dock at Marshfield after she had transported an officer of the British cruiser Colombo from a downtown cafe to his ship. Pearl's sister Irene, 21, was said to have leaped clear when the machine left the dock and she was not injured.

The Willamette valley faces grave danger of losing a heavy percentage of its hop crop due to a shortage of pickers, according to the Federal Employment agency at Salem, and hop growers generally. Sim Phillips, managing the U. S. Employment bureau, places the shortage in the Salem and Independence sections alone at 10,000 people. Hot afternoons and damp nights are being experienced and the growers state under these conditions unless picking is expedited the hops will be ruined on the vines.

NEARBY AND YONDER

By T. T. MAXEY

"The Golden Bridge"

IN 1873 the Pennsylvania railroad built a 13-span, single track bridge across the Susquehanna river at Havre de Grace, Maryland. In 1904 the railroad built a double-track bridge to replace the old one and offered to present the original bridge to the counties, which it connects as a highway bridge since it is on one of the main routes between Philadelphia and Washington.

Strange to say, the counties turned up their noses, so to speak, and declined to accept the gift. The railroad then offered the bridge to a group of citizens of these two counties, who accepted it promptly, had a romantic vision, "put up" $100 each as a working fund and began to operate it as a toll bridge. Auto traffic developed "by leaps and bounds," and the owners made money "hand over fist." From 1910 to 1923 it is said to have netted them more than $1,000,000, having been nicknamed "The Golden Bridge."

In 1923 the state road commission purchased the structure, under legislative authority, for $585,000, and continued the tolls until it was paid for and improvements were added.

The old span was narrow. Two trucks could not pass. To overcome this handicap and double its capacity, the annual traffic having grown to about 275,000 vehicles, an ingenious plan was worked out, whereby another deck was anchored to the superstructure. Now, all north-bound traffic moves via the upper deck, and all south-bound traffic via the lower or original deck and the tolls have been cancelled.

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"The World's Greatest Organ"

BUILT in Los Angeles and exhibited at the St. Louis World's fair in 1904, where it was played by the great organists of the world, this mammoth instrument was subsequently dismantled and remained mute in a St. Louis warehouse for several years.

And then one day its myriad parts were loaded into thirteen box cars and it was treated to a ride to Philadelphia, where it was enlarged—by 80 per cent, and installed in a great court "in the center of the largest building in the world devoted to retail merchandizing." Now, every week day, the passing throngs are privileged to enjoy the melody which peals forth from that which is said to be both the largest and finest, if it is not the very latest improved, musical instrument on earth.

This king of instruments has five manuals, 232 stops and a forest of pipes—17,854, to be exact—ranging in length from three-fourths of an inch to upwards of 37 feet, weighs 375,000 pounds, and including its several blowers of more than 100 horse power—capable of supplying approximately 21,000 cubic feet of air per minute, occupies a space of 118,602 cubic feet. The largest pipe is of wood, 32 feet long, weighs 1,735 pounds and, 'tis said, two men can crawl through it side by side on their hands and knees.

The instrument is played from two consoles—one for ordinary playing and the other for mechanical playing. Needless to say, the organ is majestic—its music, superb.

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Statuary Hall

STATUARY HALL, so called, is a great semicircular, high-ceilinged room, with a Grecian theater effect, in our National Capitol in Washington. Formerly used by the house of representatives—its walls have echoed the voices of Webster, Clay, Calhoun and other personages famous in congress in their time—it was set aside in 1864 as a national statuary hall, to which each state might contribute a statue of two of its most distinguished citizens.

Maryland is typified by Charles Carroll, a signer of the Declaration of Independence; Massachusetts by Samuel Adams who helped promote the Revolution; New York by George Clinton, its first governor and Pennsylvania by Robert Fulton, the first inventor to practically apply steam power; Virginia by George Washington, in the military costume of the Revolution and Robert E. Lee, who commanded the army of North Virginia during the Civil war, in the uniform of the Confederate service. Sequoia—a Cherokee Indian half-breed—after whom the big trees of California are said to have been named, who developed a written and printed language for his tribe, represents Oklahoma, while that great woman, Frances E. Willard, the founder of the Women's Christian Temperance Union, symbolizes Illinois. Robed in the buckskin of pioneer days, Sam Houston, who was President of the republic of Texas when annexed by the United States, depicts the Lone Star state. Space prohibits mention of all. Suffice to say the entire ensemble is an imposing gathering of images of the nation's outstanding characters of their day and generation.

Power of Journalist

A journalist is a grumbler, a censurer, a giver of advice, a regent of sovereigns, a tutor of nations. Four hostile newspapers are more to be feared than a thousand bayonets.—Napoleon.

THE DAIRY

HERD RECORDS OF MUCH IMPORTANCE

Improvement Associations' Growth Aid to Farmers.

(Prepared by the United States Department of Agriculture.)

Dairy farmers in the United States apparently are taking increasing interest in the bookkeeping end of their business, if the growth of the dairy-herd-improvement association movement is a fair indication.

There are now 1,090 such associations in this country, according to Dr. J. C. McDowell, of the bureau of dairy industry, United States Department of Agriculture, an increase of nearly 50 per cent in the last four years. He predicts a continued growth of the movement and cites its past history to support his view.

The idea of keeping production and cost records on the dairy herd started with one cow-testing association in 1906, Doctor McDowell recalls. By the end of 1924 there were 732 dairy-herd-improvement associations, as they are now called. During the next four years the annual growth of the movement was even greater. In 1925 there was a gain of 45 associations, or 6 per cent over the previous year; in 1926 there was a gain of 60, or 8 per cent; in 1927 a gain of 110, or 13 per cent; and in 1928 a gain of 143 associations, or 15 per cent.

Thus there were 1,090 associations on January 1, 1929, in which the members were keeping books on 465,804 cows. This represents a remarkable growth in the use of business methods on the dairy farm, says Doctor McDowell, but there are still about 21,000,000 cows being kept for milk in the United States whose owners might also profit by entering them in a dairy-herd-improvement association.

Keep Milker Clean and Free of All Bacteria

The most effective method of keeping a milking machine clean and free from bacteria is to stop the development of bacteria on the parts of the machine over which the fluid milk passes, according to E. G. Hasting, University of Wisconsin.

Bleaching powder is the most common germicide. It is harmless to the machine and also to the milk. By mixing 12 ounces of the powder with a gallon of water, a stock solution is obtained which is very effective in destroying bacteria.

Good results are obtained by filling the tubes with the solution then plugging the openings with a cork and letting the solution remain there until milking time, when it can be drained and the parts used without further treatment. After the milking is over, a pail of cold water should be run through the machine. This should be followed with a pail of warm water containing a tablespoonful of washing soda. After this the parts should be placed in a rack and filled with a fresh supply of the solution.

Important Advantage of Taking Manure to Field

One important advantage of hauling manure to the field daily on the dairy farm is the fact that direct hauling robs flies of an excellent place to breed and multiply. Flies are a serious menace to milk sanitation, in fact, a prominent dairyman stated recently that he considered the control of flies sufficient reason in itself for hauling out farm manure daily.

Besides controlling flies and keeping the barnyard cleaner and more sightly, direct hauling of manure prevents losses from leaching, fermentation and other agencies.

Dairy Notes

Increasing the hay is equivalent to reducing the grain ration.

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If there's a green pasture in sight now, get a temporary fence around it and a milk cow on it.

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Make a little rope halter to fit the calf's head and neck and use it regularly in teaching the calf to lead.

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The cow's board bill is the largest item connected with her keeping. The first cost of good dairy stock or pure bred foundation animals is high.

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Bull associations provide the service of a splendidly bred sire at a cost below that of an individually owned sire. Ask your county agent about the plan.

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With proper care, bulls may give satisfactory service until fourteen or sixteen years old.

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Alfalfa hay is the best to produce milk. Good clover hay comes next while timothy hay is of much less value.

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Many dairymen, in seeking to increase the milk production of their cows, have acquired the habit of feeding too much concentrated grain feed, without the necessary balancing roughage.