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Article Summary: Gould is said to have tried to exercise political control over the Nebraska State Republican Convention of 1876. Period newspaper accounts differ, but Gould's main concern was clearly the manipulation of his railroads' securities rather than the expansion of the railroad network.

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NEWSPAPER COMMENT ON JAY GOULD
AND THE STATE REPUBLICAN CONVENTION
OF 1876

BY RUTH MOORE STANLEY

ACCORDING to a careful authority on western railroads, Jay Gould, "undoubtedly the best known railroad manipulator of the seventies and eighties,"¹ conducted his operations entirely from the East. "The entrance of Gould into the field of western railroads was in large part accidental," writes Robert E. Riegel of "The Gould System," in his *Story of the Western Railroads*.

He saw the speculative opportunities in the depression of Union Pacific securities in the period shortly after the road's completion. In his subsequent manipulations he became interested in a large number of western lines, which he then proceeded to use for his own advantage. His control was always exercised from the East, owing to his infrequent western trips.²

¹ R. E. Riegel, *The Story of the Western Railroads* (Lincoln, 1963) p. 160.

² *Ibid.*, p. 161.

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On at least one occasion, however, Jay Gould may have made a foray into the West, apparently for the purpose of exercising political control. On September 26, 1876, the Republican state convention assembled in Lincoln, and if we could accept literally the accounts of the *Omaha Bee* of that week, the gathering was telegraphically controlled from beginning to end by Gould in his hotel room in Omaha. The trouble is, we cannot wholly credit the racy narrative of that memorable week as reported in the *Bee*, whether written by its city editor, Alfred Sorenson, or—as seems more likely, judging by his almost unmistakable style, by its publisher, Edward Rosewater.

Setting aside, for the moment, the question of the *Bee's* accuracy, it is well known that Gould began in 1873 to buy large shares of Union Pacific stock from Thomas Scott at the time when its par value of \$100 per share had sunk to \$30, then \$14, following the Credit Mobilier scandal. According to Riegel, Gould "hoped to get President Grant to favor the establishment of a sinking fund, which would advance the price of the securities of the road and produce a net profit on the transaction. The whole scheme rested on the attitude of Grant, and particularly on the terms of his address to Congress."³ It also rested on favorably inclined members of Congress; and the dominantly Republican Nebraska state legislature, which was about to elect a new congressman, was in 1876 one of the few remaining pockets of western resistance to Gould's plans. (As early as 1869, according to Henry Adams, "the great corporations had no difficulty in buying whatever legislation they wanted from State Legislatures.")⁴

But in Nebraska a Republican state convention of September, 1874, with N. K. Griggs of Beatrice as President, had drawn up a platform containing protests against excessive railroad rates, a demand for equitable taxation of

³ *Ibid.*, p. 161.

⁴ Henry Adams, "American Finance, 1865-1869," (*Edinburgh Review*, 1869, as cited by E. Stevenson, *Henry Adams: A Biography* (New York, 1961), p. 85.

railroad property, a request that "our senators secure the passage of (Rep. Lorenzo) Crounse's railroad land tax bill," and—most alarming of all, a recommendation that the federal government establish and operate a double track railway from the Missouri River to the Atlantic seaboard.⁵

In May, 1876, when a Republican state convention was held in Fremont, Nebraska for the purpose of choosing delegates to the national convention, "the spirit of progress—or rebellion, for social progress involves rebellion . . . was active. . . . It was manifested in the election of Charles H. Van Wyck"⁶ (nominated by Griggs) as "chairman, over Amasa Cobb, the candidate of the conservatives or reactionists, by a vote of 87 to 77."⁷

Clearly, from the standpoint of a manipulator of railroad stocks, the Nebraska Republicans, call them rebellious or call them progressive, needed attention.

Soon after the Fremont convention in May, Edward Rosewater became aware of Gould's plans and began to sound warnings and name names in the editorial columns of the *Bee*:

NEBRASKA'S GREATEST DANGER

. . . The real issue of the campaign of '76 in Nebraska involves the vital question whether this commonwealth is to be a mere province of the imperious railway king who controls the Union Pacific, or whether the people shall elect their own legislators . . . untrammelled by the coalition between Gould and Hitchcock. . . .

We know what Nebraska will be if she tamely submits to the dictatorship of Hitchcock and Gould. . . . Only a few weeks ago . . . the Nebraska State Democratic Convention . . . was just as much under the control of Gould as the Republican State Convention would be under the manipulation of Hitchcock.

Let the people ponder and awaken to the magnitude of their danger; and let them begin the work of organization before it is too late.⁸

⁵ J. Sterling Morton and Albert Watkins, *Illustrated History of Nebraska* (Lincoln, 1913), III, 137-138.

⁶ "Mr. Van Wyck's address to the convention on assuming the chair was a mild beginning of his subsequent career of chronic insurgency." Morton and Watkins, *op. cit.*, III, 175.

⁷ *Ibid.*, 175.

⁸ *Omaha Weekly Bee*, May 24, 1876.

Two weeks later Rosewater followed this with additional snappy paragraphs, one cast in the form of a "letter to the editor:"

'There's millions in it.' We mean in Jay Gould's great land sale. There is also a handsome dividend for Senators and Congressmen who shall vote for that steal.

* * * *

CORRESPONDENCE

Omaha, June 1, 1876

EDITOR BEE:

I frequently hear it remarked that "the Hitchcock business won't get into the *next* convention." Can it be possible that everybody does not *know* that there is a complete Hitchcock ticket now in the field. . . .

If Joseph C. McBride, Frank Welch, Guy Barton, C. H. Gere, Ed. S. Towle, and several other ambitious gentlemen, have not a perfect understanding, a solid arrangement, with reference to securing the "Hitchcock" influence in September, and returning theirs in January, a vast amount of hard work and some money have gone for naught.

* * * *

They are

ALWAYS ON HAND

to manipulate the primaries, to handle conventions and to cajole and influence the voters. Of late to this immense working force there has been added the officers and influence of the Union Pacific Railroad, with Jay Gould at its head.⁹

The Omaha *Bee's* sources of information were correct in at least some respects; Frank Welch and C. H. Gere were named, as we shall see, to important positions at the forthcoming convention. But as often, the *Bee* over-reached itself. So many damning facts were presented, in such rapid succession, about Senator Phineas Hitchcock, Jay Gould and their associates that the public must have grown bored reading the diatribes day after day, or perhaps decided that the writer had some personal axe to grind. "If we are to believe the Omaha *Bee*," wrote the editor of the *Beatrice Express* (long a foe of the *Bee*), "there has never been but one wicked transaction that Hitchcock did not

⁹ *Ibid.*, June 7, 1876.

have a hand in, and that was the crucifixion of our Saviour; and we are expecting to learn at any time that he (Hitchcock) is a lineal descendant of Judas Iscariot."¹⁰

The *Beatrice Express* also commented:

The *Bee* asks, "Who is disorganizing the republican party?" Look in your mirror, Rosewater, and you will see the m—mouse or monkey, we can't say which. *Man* doesn't fit at all.¹¹

The editor of the *Bee* was used to attacks, and unperurbed, increased his own. But as the September convention drew near he saw that barring a miracle, "the Hitchcock-Gould forces" were going to win. The following editorial illustrates the reliability of the *Bee's* advance information; it also makes clear why an enemy labelled the editor "an inveterate libeller."¹²

HITCHCOCK'S VICTORY

For the first time since his election to the Senate Phineas W. Hitchcock has secured a republican delegation from Douglas County. . . . and here we have them:

Isaac S. Hascall, surnamed rightfully "rascal;"
Paul Vandervoort, the notorious post office bummer;
Pat O. Hawes, the New York pie man;
Silas A. Strickland, the bummer chief;
General Geo. M. O'Brien, surnamed Munchausen.

These are the men through whom Mr. Hitchcock proposes to control the State convention.¹³

As the convention began in Lincoln, Rosewater made one last desperate attempt to reverse what he knew had already been accomplished. His leading editorial on September 27 was titled:

JAY GOULD'S PROVINCE OF NEBRASKA

. . . Nebraska happens . . . to be one of the States traversed by the great trans continental railway, whose sovereign is Jay Gould. . . . The initial step in the conquest of Nebraska was successfully accomplished in the purchase of (Senator) Hitchcock. . . . Having bought Hitchcock, Mr. Gould very naturally supposed he had secured absolute control of Nebraska. The Fremont Convention, which repudiated Hitch-

¹⁰ The *Beatrice Express*, August 14, 1876.

¹¹ *Ibid.*

¹² *Ibid.*, September 25, 1876.

¹³ Omaha *Bee*, September 20, 1876.

cock, furnished striking proof to the contrary. In order to complete the work of political subjugation, Jay Gould placed the vast resources of the Union Pacific at the disposal of Hitchcock in the primary elections. This effort, however, was only a partial success. And now Jay Gould has taken the field in person. He has come among us prepared for aggressive warfare, and the mediocre Hitchcock has at last a powerful brain to direct him in the contest for supremacy. The *Bee's* predictions that Nebraska is destined to become the province of Jay Gould may ere long be realized. It only remains to be seen whether the members of the Republican State Convention are as merchantable as our back pay grabbing senator. . . . willing to occupy the degrading and humiliating attitude into which the Hitchcock-Gould conspirators are trying to place them.¹⁴

"And now Jay Gould has taken the field in person." Was this actually true? No doubt about it, according to the *Bee*. On the editorial page it informed its readers that Gould had sent a telegram to Thomas Kennard, then in Lincoln making final arrangements for the convention, requesting that Kennard meet him at the Grand Central hotel in Omaha "on Sunday." Kennard, Gould and Frank Welch were together "in close councils on the arrival of the Lincoln train," added the *Bee*. "Gould means to control our State nominations, if money and promises can accomplish it." Furthermore:

Jay Gould's bullet manufacturing dodge is a very good one to detract public attention from the real object of his visit. . . . When a millionaire like Gould, who has extensive interests all over the country, assumes to visit a western city and devote a week of his valuable time there without any other ostensible purpose than to put \$5,000 into a bullet manufacturing establishment, he must presume the people to be more than blind to believe such talk.¹⁵

According to the *Bee*, the building chosen for the convention enabled Kennard "and his clique" to arrange all preliminaries in the interest of the Hitchcock-Gould machine. Kennard chose the new Opera House as convention headquarters, and since a theatrical troupe was playing there every evening, there could be no night sessions of the convention—an unheard-of innovation, "an outrage," but an ingenious one. It freed the evenings for manipulation

¹⁴ *Ibid.*, September 27, 1876.

¹⁵ *Ibid.*, October 4, 1876.

of delegates, said Rosewater, "with money bribes, promises of federal offices and railroad patronage."¹⁶ He quoted from the convention speech of John C. Cowin of Omaha, who was running against Frank Welch for Rep. Lorenzo Crounse's seat in Congress. Said Cowin on the convention floor:

Jay Gould, head of this gigantic monopoly, is sitting in the Grand Central hotel in Omaha, in constant and direct telegraphic communication with his subordinates, who are here to manipulate the delegates of this convention.¹⁷

Thomas Kennard and his Lincoln associates at once denied the *Bee's* accusations. But the denials did not quiet the opposition. For example, the Omaha *Herald*, a Democratic organ, commented soon after the last day of the convention:

Personally, we regret the political taking off of Judge Crounse, because he is a very genial gentleman. *And it will prove a warning to his successors not to be picking quarrels with Mr. Jay Gould.*¹⁸

The convention over, Rosewater devoted his editorial columns to sorrowful resumes of what had happened to Nebraska:

THE REPUBLICAN TICKET

. . . For the first time in its eventful history the Republican Party of Nebraska has been the victim of a corrupt conspiracy, which placed the control of its nominating convention into the hands of the most notorious stock gambler on the American continent. It is an indisputable fact that General Frank Welch is indebted for his nomination to Jay Gould, the head of the most gigantic railroad corporation in America. Had the choice of the Republican Party been untrammelled by bribery and intimidation, Gen. Welch would not have been the nominee of the Republican Convention.

* * * *

. . . In selecting a candidate for temporary chairman, Gould picked out Gere from Lincoln. . . .

. . . While Jay Gould is the most unscrupulous stock gambler the nineteenth century has produced, he is without doubt as great a genius in manipulating a convention. He managed this convention with all the tact, skill and bril-

¹⁶ *Ibid.*

¹⁷ *Ibid.*

¹⁸ *Omaha Daily Herald*, September 29, 1876. Italics added.

liancy of that brain which has . . . so long held supremacy in Wall Street.

. . . He knew that a discussion of the live issues of the day would give the convention permanently to the opposition, so there was a resolution introduced and quietly passed which . . . concealed a deep scheme to throttle the popular voice. It said, "all resolutions shall be referred to the committee on platform without debate." When Mr. Gere appointed Gwyer as the chairman to whom all resolutions must be referred, Jay Gould put the last screw in the coffin lid of John Cowin (Welch's rival for the congressional nomination.)¹⁹

Rosewater also charged that the manipulators of the convention took care to wait until two-thirds of the members had left for their homes, before presenting the platform and resolutions, and that the "sham pro-rata resolution" which seemingly regulated Union Pacific rates, "was adopted without dissent, because few understood the trick to which they were subjected."²⁰

It is interesting to compare the *Bee's* summary of the convention's outcome with an editorial account of the same events in the *Beatrice Express*:

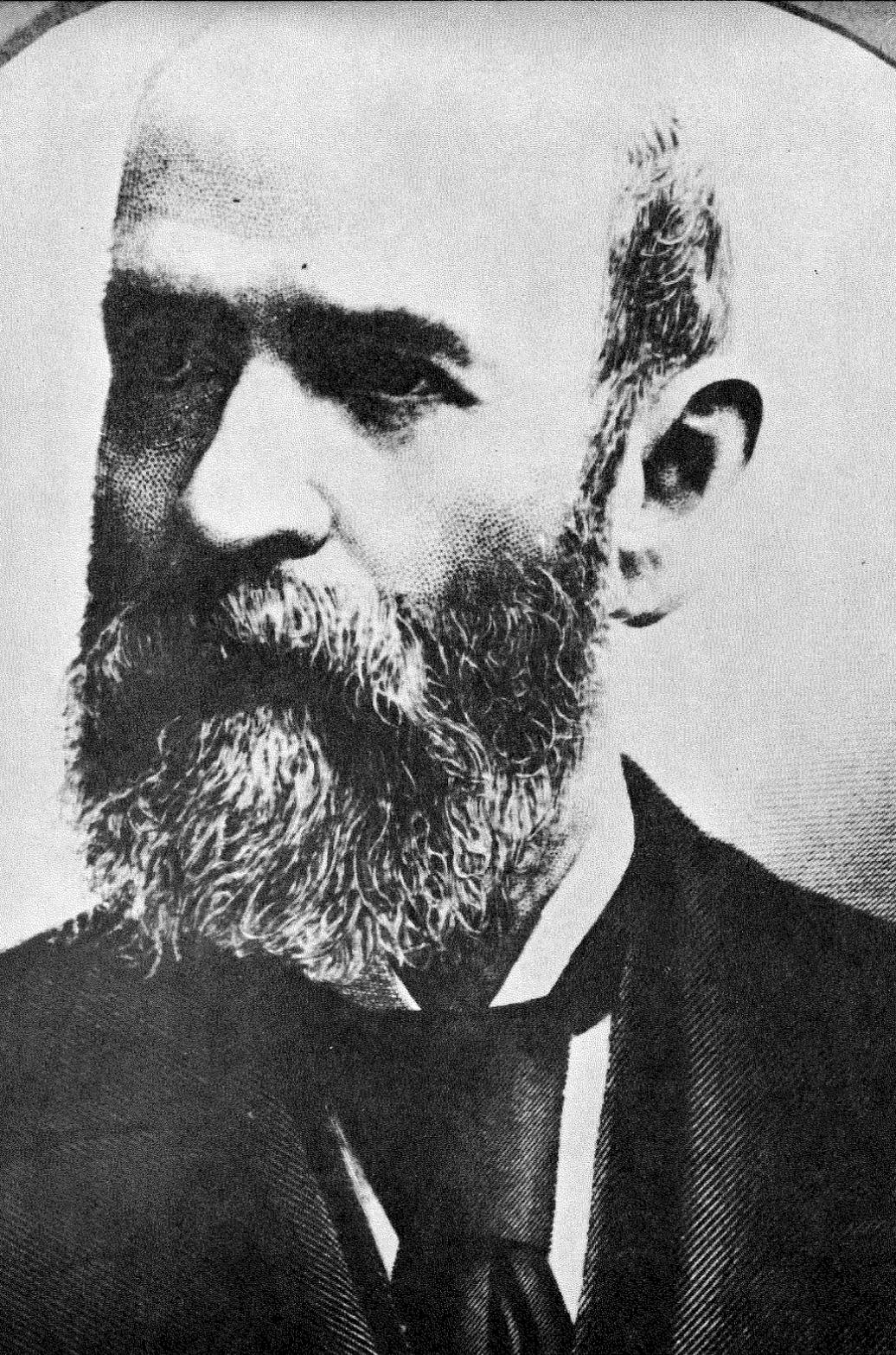
The contest at the Omaha primaries and in the county convention was made upon a Hitchcock issue, and the result is that Rosewater and his faction are badly scooped. We do not hesitate to say that we are extremely well satisfied with the result. Satisfied, because there can be no doubt but the success of Rosewater would have been ten times worse than the success of his opponents can possibly be; satisfied, because it is a stern rebuke to an inveterate libeller; and when we express our satisfaction in this manner we do not wish it understood that we are a Hitchcock advocate. We do want it understood, however, that we are for the better element of politics, no matter who represents it.²¹

Remembering that between the *Bee* and the *Express* there had been for some time a running feud, we turn to the columns of Charles H. Gere's own newspaper, the *Daily State Journal*. The dignified, factual-sounding account of the same convention in the Lincoln Opera House is reassuring; we might be reading "all the news that's fit to print," or possibly the calm prose of the *Christian Science Monitor*

¹⁹ *Omaha Weekly Bee*, Oct. 4, 1876.

²⁰ *Ibid.*

²¹ *Beatrice Express*, September 25, 1876.



Jay Gould, railroad financier.



Edward Rosewater, editor of the *Omaha Bee*.

in modern times. Mr. Griggs nominated so-and-so for such-and-such a committee . . . unanimously carried . . . the chair ruled . . . and so on.

We look further in the editorial columns of Gere's *State Journal*, and come to a summary which is a little unsettling:

The Republican State Convention that sat in this city during the greater part of last week, was remarkable for several things, but was especially observable for the general intelligence of its members, and the ability and talent of its talking men. . . .

* * * *

We believe that republicanism in Nebraska has been purged of a vast quantity of biliary matter by the shaking up of last week, that the bonds of political association have been strengthened, that the clannish disposition . . . has been to a great extent eradicated. . . .

The JOURNAL welcomes the dawn of a better day upon the policy of the Republican party, with the greatest pleasure. It will tend greatly to the purification of our politics, and give us a better standing at home and abroad.²²

In other words, all was for the best in the best of all possible worlds. Slightly skeptical, we leaf through a few more issues of the *Journal*, and finally come upon an unrestrained song of victory:

GRAND RECEPTION

Hon. Frank Welch at Omaha
Enthusiastic Reception on Short Notice
Bolters, Democrats, etc.

ON THE TRAIN

bound for Omaha yesterday, we found a number of Lincoln gentlemen, who were going to Omaha for the purpose of enjoying the reception that was proposed for our next Congressman, the Hon. Frank Welch.

Arriving at the depot (in Omaha) the crowd was quite large. . . . the true friends of Frank Welch. . . . The busy BEE was noticeable only by its absence. . . .

Dissatisfaction does exist owing to a certain class of Republicans of this city, but there is one thing these gentlemen must remember, that a division of the Republican Party at this time will result in the sure election of a Democratic

²² *Daily State Journal* (Lincoln), October 1, 1876.

legislative ticket from Douglas County. If they are ready for that, then let them govern themselves accordingly.

GAD²³

The reliable Albert Watkins, when he wrote his account of this crucial convention for the *Illustrated History of Nebraska*, included a summary of the *Bee's* accusations of its control by Jay Gould.²⁴ Watkins went further, and cited the remarks of Samuel Bassett, a member of the September, 1876 convention from Buffalo County, as written for the *Sunday State Journal* many years later:

It was at this convention that the railroad interests obtained a grip, a control of, and influence and power in the politics of the state which was not loosened or relaxed for any appreciable length of time, no matter what political party was in power, until the abolition of the free pass evil in 1907.²⁵

If the Gould railways had helped to settle and build up the western states through which they ran, some might argue that the end justified the means by which Gould gained control of state legislatures. But as Riegel has pointed out, "the whole interest of Gould lay in the manipulation of the securities of his various concerns. The development of the roads was an entirely minor concern. . . . Gould made a fortune, but the roads that he touched never quite recovered from his lack of knowledge and interest in sound railroading."²⁶

²³ *Daily State Journal* (Lincoln), October 4, 1876.

²⁴ Morton and Watkins, *op. cit.*, III, 177.

²⁵ *Ibid.*, III, 178.

²⁶ Riegel, *op. cit.*, pp. 161 and 178.