

AFTER HOURS

BOOKS, ARTS, LEISURE

Mining the Gold Conspiracy



The Gold Ring by Kenneth D. Ackerman (Dodd, Mead & Co., 340 pages, \$21.95)

Because the story of Black Friday is not familiar to most of the modern audience, *The Gold Ring* should help bring some historical perspective to recent Wall Street scandals.

By Joel Chineson

Adopting the third-person form that earmarks his quirky autobiography, Henry Adams confessed, "The mystery that shrouded the famous classical attempt of Jay Gould to corner gold in September 1869 has never been cleared up—at least so far as to make it intelligible to Adams."

Pity, then, that Adams died seven decades before the nation's bookstores offered *The Gold Ring*. Kenneth D. Ackerman's account of the plot by Erie Railway officials Jay Gould and Jim Fisk Jr. to corner the gold market. A reading of this lucid history would surely have clarified many of the matters that puzzled Adams, and its stylistic dash would probably have captured his admiration as well.

Yet Adams' loss is the modern reader's gain. Because the story of Black Friday is not familiar to most of the contemporary audience, *The Gold Ring* should help bring some historical perspective to recent Wall Street scandals. On Sept. 24, 1869, the price of gold plummeted almost 17 percent in 15 minutes, provoking national panic, stock-market depression, and the collapse of several financial institutions. The result of Gould and Fisk's machinations was a full-scale ruination war. The result of Gould and Fisk's machinations was a full-scale ruination war. The result of Gould and Fisk's machinations was a full-scale ruination war. The result of Gould and Fisk's machinations was a full-scale ruination war.

In pursuit of their greedy dream, the two partners sought and enlisted the aid of, among others, President Ulysses Grant's brother-in-law, Abel Corbin; Tammany Hall boss William Tweed and his lackeys; Judge Albert Cardozo, father of the future Supreme Court Justice Benjamin; and attorney Thomas G. Shearman, founder of New York City's Shearman & Sterling.

Gould and Fisk were even sufficiently bold to try to recruit President Grant to their side. The government could help farmers sell their crops overseas, they argued, by letting gold prices rise and the value of greenbacks fall. Grant, an unwavering advocate of "hard money," did not take the bait.

In the days following the Civil War, Gould, Fisk, and other speculators were unfettered by any effective market restraints or serious enforcement presence, for this was five decades before the first federal regulation of commodity-exchange trading and more than six decades before federal securities laws were adopted. The era has never been better evoked than by Mark Twain and Charles Dudley Warner in their novel, *The Gilded Age*, which gave its name to the period:

Beautiful credit! The foundation of modern society. Who shall say that this is not the golden age of mutual trust, of unlimited reliance upon human promises? That is a peculiar condition of society which enables a whole nation to instantly recognize point and meaning in the familiar newspaper anecdote, which puts into the mouth of a distinguished speculator in lands and mines this remark: "I wasn't worth a cent two years ago, and now I owe two millions of dollars."

The Gold Ring nearly matches in vividness Twain and Warner's

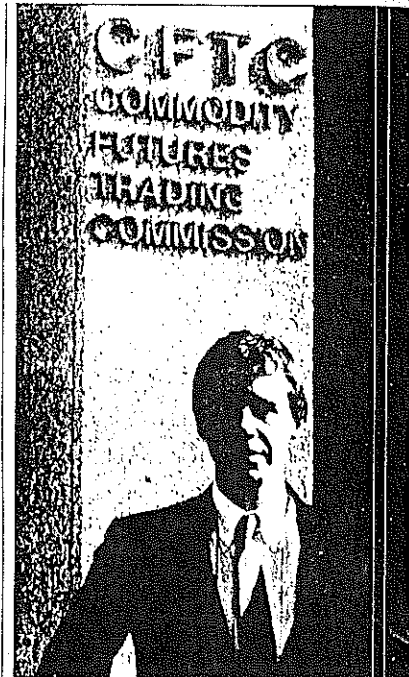
Fisk's Narragansett Steamship Co. fleet:

Grant shrank from the spotlight, but Jim Fisk adored it. Marching into the [Boston] Coliseum with Grant's entourage, Jim's ornate "admiral's" uniform drew as many eyes as the unassuming President did. The mustachioed "Prince Erie" took in the crowd's deafening cheer as if it had been aimed at himself. When the President took off his hat to the masses, so did Jim Fisk at his side.

The egotistical display took Bostonians by surprise. Many in the crowd thought the conspicuous fat man with the animated gestures was the President. They wondered who the non-descript man in the black suit at his side was. Jim's New York friends thought it a grand joke and started calling him "Jubilee Jim." Fisk loved the nickname and added it to his collection.

Ackerman is also adept with technical matters. His explanations of complicated stock and commodity transactions are always comprehensible, reflecting not only his narrative skills but also, one suspects, his expertise in financial regulation, earned during his years with the Commodity Futures Trading Commission.

This depth of knowledge is also



Kenneth Ackerman and the agency where he fostered his idea for his book.

evident in the chapters dedicated to the congressional inquiry following Black Friday.

Like a nugget of the precious metal Jay Gould so coveted, *The Gold Ring* sparkles. □

Author, Author

No author had ever before dedicated an entire book to the 1869 Gold Conspiracy and Black Friday, but Kenneth Ackerman seemed made for the job. He understood the commodities markets, and he even

Wall Street, the role of congressional investigators, the strategies involved. It seemed like a good story."

Although Ackerman believes that few parallels can be found to the

"The exchanges were still relatively new," says Ackerman

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