

Upon Jay Gould's death Joseph Pulitzer said he was "one of the most sinister figures to have ever flitted batlike across the vision of the American people," a neat turn of phrase that does not begin to represent the worst that has been said of Gould, either then or since. In "Dark Genius of Wall Street," Edward J. Renehan sets out to rectify what he maintains is this undeserved reputation as the most ruthless and pitiless of the so-called "robber barons," but he ends up adding fuel to the fire he wants to put out.

Mr. Renehan, previously the

**DARK GENIUS
OF WALL STREET:
THE MISUNDERSTOOD LIFE
OF JAY GOULD, KING OF THE
ROBBER BARONS**
By Edward J. Renehan Jr.
Basic Books, \$30,
364 pages
**REVIEWED BY
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biographer of such figures as Theodore Roosevelt and Gould's boyhood friend John Burroughs, notes that, on a recent inflation-adjusted listing of the all-time richest Americans that compares fortunes as percentages of GNP, Gould places eighth, way ahead of Bill Gates at 31. (No. 1 is John D. Rockefeller.) He cites earlier biographies that have damned Gould—who at various times had control or near control over the Erie and Union Pacific and several

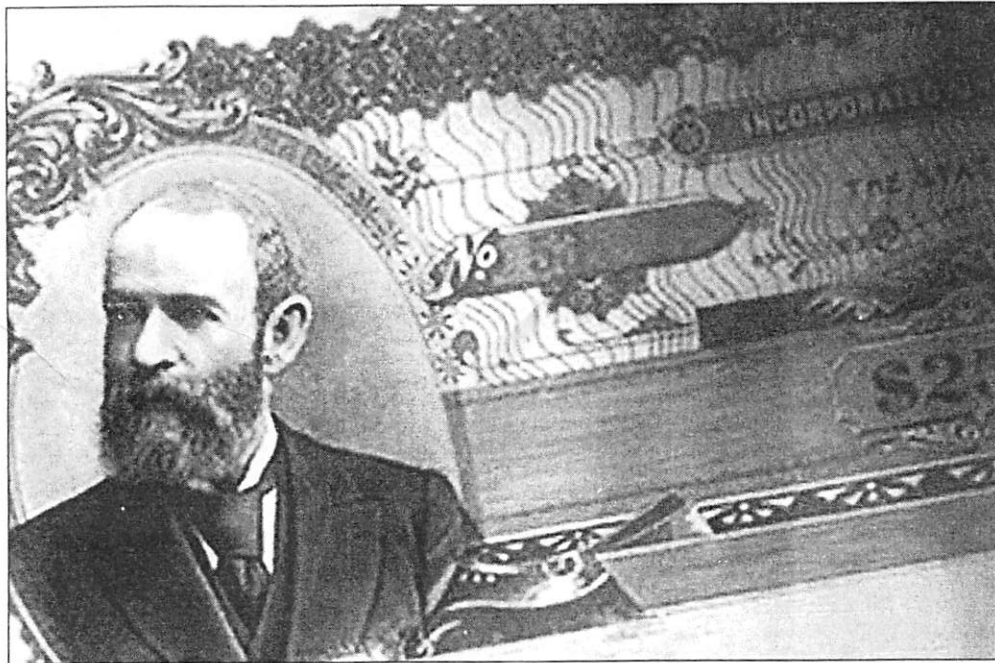
A robber baron rehabilitated?

other railroads and the telegraph industry, among his other enterprises—in the severest terms as a financial scoundrel.

In several respects this book is a commendable work. It is a readable overview of 19th century financial history with mini-biographies of the chief players, such as Cornelius Vanderbilt, Daniel Drew and Gould's partner, Jim Fisk. It is a full chronicle of Gould's life: Born into genteel poverty in Roxbury, N.Y., in 1836, he was, as a child, fastidious, serious and focused, characteristics that only intensified as he got older. By 30, before he launched his career with the Erie, he was already quite rich. He died of tuberculosis, the "family disease," at 56 in 1892.

But surrounding the author's defense of Gould there is strong whiff of, "Yes, but he was good to his mother." He points out what a loving husband and father he was, and how the press that condemned him also ignored his many philanthropies, and that he had more friends than he is given credit for.

Beyond that, though, Mr. Renehan contradicts his case "for Gould as an exemplary, successful, long-term CEO" by reciting condemnatory episodes from his subject's career. His own summary: "Although he was guilty of every crime transacted by his gener-



From the book cover

ation of American capitalists, Gould's operations were nevertheless no more sinister than those of the financiers and industrialists against whom he competed with such great success: men whose personal reputations have soared above his the past century. In the end, Gould's chief public relations error seems to have been his overarching success."

In other words, the historical travesty is not that Gould's reputation has been blackened, but that his fellow capitalists, also guilty of "crimes," were not equally blackened. By this analysis, Gould's saving grace would seem to be not that he was a good guy, but that he was no different from all the other bad guys, except more efficient at being bad.

Gould's motives, Mr. Renehan says, "were simply to make money the same as anyone else." Yet four pages after writing that, he writes, "Bond revenues raised for the improvement of the line, though officially spent on the Erie, almost always wound up devoted to the financial betterment of Gould and his cabal." And one page after that, he writes, "Gould con-

trolled the courts and, through Tammany, the legislature." (Indeed, he took a suitcase full of money to Albany to bribe legislators.) And two pages after that: "his much-publicized contemporary shenanigans manipulating Erie securities at the expense and distress of foreign shareholders... made him a social pariah."

Consider these other "shenanigans" laid out by Mr. Renehan:

— Gould's attempt to corner the gold market in 1869 led to the Black Friday panic of Sept. 24 that bankrupted investors and sent brokerages and banks crashing.

— At one point during the battle with Vanderbilt for control of the Erie, Gould and Fisk fled to New Jersey, beyond the reach of the New York courts, Gould lugging a satchel with \$7 million from the Erie's vaults.

— Gould and Fisk made hundreds of thousands of dollars each while lessening the value of the stock held by Erie shareholders.

— When Gould stepped down as Erie president, he sold his stock, reaping millions of dollars, because he knew "the market would figure out soon enough that the Erie remained a financial basket case." When the new president took over, an audit revealed that "the Erie books for the previous six years were exercises in fiction."

With a friendly biographer like this, who needs enemies?

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