The Rise and Fall of J.Pierpont Morgan:
The Shift in John Pierpont Morgan's Public Image From the Bailout of the Moore & Schley Brokerage House in 1907 to the Pujo Hearings in 1913[1]

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I. INTRODUCTION

"Mr. Untermyer:	Is not [your] commercial credit based primarily upon money or property?
Mr. Morgan:	No sir; the first thing is character.
Mr. Untermyer:	Before money or property?
Mr. Morgan:	Before money or anything else. Money cannot buy it."[2]

On December 19, 1912 in Washington D.C., Samuel Untermyer[3] questioned John Pierpont Morgan[4] as part of a national investigation of the financial and monetary conditions in the United States under the Pujo Committee[5]. As noted in the above testimony, it was Morgan's character and his method of doing business that was questioned throughout the investigation both by Untermyer and the public. Being the primary target of the Pujo investigations from 1912 to 1913 served as a stark contrast to Morgan's role as the savior of the American financial system a few years earlier in the Panic of 1907. In the midst of the financial crisis in November of 1907, Dr. Woodrow Wilson, President of Princeton University, commented on the character and leadership of Morgan:

[2] Money Trust Investigation of Financial and Monetary Conditions in the United States Under House Resolutions Nos. 429 and 504. Part 15, December 19, 1912. p. 1084. Accessed online through the Federal Reserve Archival System for Economic Research (FRASER).

[3] Samuel Untermyer (March 6, 1858 – March 16, 1940) was the Congressional investigator during the Pujo Committee Hearings. In 1911 he delivered an address entitled, "Is There a Money Trust?" which helped lead to an investigation by the Committee on Banking and Currency of the U.S. House of Representatives headed by Arsène Pujo the following year.

[4] John Pierpont Morgan (April 17, 1837 – March 31, 1913) was an American financier, banker who dominated corporate finance and industrial consolidation during his time. J.P. Morgan & Co. was founded in New York in 1871 as Drexel, Morgan & Co. by J. Pierpont Morgan and Philadelphia banker Anthony J. Drexel, which was named J. P. Morgan & Company in 1895. In bailing out the New York Stock Exchange, the Brokerage House Moore & Schley, Knickerbocker Trust Company, and Tennessee Coal & Iron Railroad Company, Morgan lost $21 million. He was investigated in 1912 by the Pujo Committee.

[5] The Pujo Committee (May 1912 to January 1913) was a congressional subcommittee which was formed to investigate the so-called "money trust", a small group of Wall Street bankers that exerted powerful control over the nation's finances. Arsene Pujo of Louisiana obtained congressional authorization to form a subcommittee of the House Committee on Banking and Currency. Samuel Untermyer led the investigation and hearings of several Wall Street financiers including J.Pierpont Morgan.

> "I am glad to see that in the midst of all this financial turmoil Mr. Morgan's name has not been among the celebrities. He seems to have kept his hands clean and his reputation clear of any dishonor. He would make a good Chairman for a common council of the people. He is a man of brains and would make a good leader."[6]

By March 13, 1913, however, the *New York Times* called for a harsh re-evaluation of J. Pierpont Morgan and other bankers:

> "It is necessary to question the good faith or fair dealing of the bankers in their relations with these controlled corporations in order to realize the impropriety of permitting this condition to continue unchecked without supervision."[7]

In only a few years, the public media viewed J. Pierpont Morgan in an entirely different way. It is this shift in public opinion that is the subject of this paper.

II. POLITICAL ECONOMY, 1907 to 1913

The period 1907 to 1913 witnessed the power of the Progressive movement as a back drop to the Panic of 1907 and its effects. The Panic was indeed devastating: national production fell by 11%, imports dropped by 26%, the unemployment rate increased from 3% to 8%, and bankruptcies peaked at the second-highest volume to date.[8] With the economic effects of the Panic, a middle class had developed that was suspicious of both business elites on Wall Street and the radical political movements in the Midwest and West. It was during these years that the "money trust's"[9] control over "new issues of securities, its occupation of places on corporate boards of directors, and its

[6] "Dr. Woodrow Wilson Defines Material Issues; Scathing Arraignment of Political and Industrial Conditions Which have Made Possible the Recent Panic in Financial Circles. Radical Reform in Our National Politics Suggested Through the Appointment of a Common Council Selected from College Men." *New York Times*, November 24, 1907.
[7] "Analysis of Money Trust." *New York Times*, March 1, 1913. p. 1. Accessed online through ProQuest Historical Newspapers: The New York Times (1851 – 2006).
[8] Bruner, Robert F. and Sean D. Carr. *The Panic of 1907: Lessons Learned from the Market's Perfect Storm*. New Jersey: John Wiley & Sons, 2007. p. 142.
[9] Money trusts had mixed meanings during and after the Panic of 1907; it was most usually a phrase that represented the colluding interests of the banking elite. To see different ways of defining money trusts see Samuel Untermyer's speech, "Is There a Money Trust?" delievered in 1911.

high profits acted as the three corners of a self-reinforcing iron triangle of conflicts of interest."[10] The group of financiers who controlled this "triangle of conflicts," was feared by the general public. Thus Republican President Theodore Roosevelt, known as the "trust-buster," led the Progressive movement, which favored government regulation of business practices to ensure competition and free enterprise. Muckrakers, or Progressive journalists of the time, published magazines, wrote journals, and reported for newspapers encouraging the public to demand more regulation of the financial system. Roosevelt echoed calls for a new control on business in saying, "the nation now suffers from economic growing pains. We have not caught up politically or ethically with our industrial progress."[11] These years saw the increase in government enforcement of existing laws such as the Interstate Commerce Act and the Sherman Anti-Trust Act. With a weakened economy and a persistent federal deficit there were also changes in fiscal policy, including the imposition of federal income taxes on businesses and individuals and the creation of the Federal Reserve System under President Wilson in 1913.[12] It is within this politicl, social, and economic context that J.Pierpont Morgan's public image changed dramatically.

III. THE SHIFT IN J.PIERPONT MORGAN'S PUBLIC IMAGE, 1907 to 1913

During the financial panic of 1907, J. Pierpont Morgan was glorified in the public eye for bailing out the Brokerage House Moore & Schley[13] and for leading Wall Street

[10] De Long, J. Bradford. *J.P. Morgan and His Money Trust.* Harvard University, 1991. p. 7.
[11] Duncan-Clark, Samuel John. *The Progressive Movement: Its Principles and Its Programmes*. Boston: Small, Maynard & Company, 1913. p. 12.
[12] Faulkner, Harold. U. *The Decline of Laissez Faire, 1897-1917*. New York: Holt, Reinhart and Winston, 1951.
[13] In November, of 1907 J. Pierpont Morgan proceeded to save the Brokerage House Moore and Schley, which was $25 million in debt with stock in the Tennessee Coal and Iron Company as collateral against loans. If Moore & Schley had collapsed, many anticipated other financial institutions would follow. Morgan's U.S. Steel proposed to buy the Tennessee Coal stock. Fearing restraint of

out of the financial crisis. Morgan was praised for the structure of the Moore & Schley bailout as well as the positive impact this deal had on the rest of the financial system. In the *New York Times* article "Bankers' Support Clears Situation: Relief of Trust Companies Quickly Reflected in Financial District," the author argues that the settlement of the Moore & Schley deal, contributed to a "relaxed pressure on the banks and the currency supply," which was essential for the health of the entire financial system.[14] The speed with which Morgan was able to assemble the management of the two companies and execute the deal was also praised by the media. In the *Times* article "Bankers Confer with Mr. Morgan: Long Discussion in His Library," the author commended Morgan for organizing a deal in such a short amount of time given that "no legislation which could be enacted, particularly no legislation enacted in great haste, could [have been as] effective in bringing about improvement in the financial and business world."[15]

What is most noteworthy is the praise Morgan received for his leadership and character during the financial crisis. National newspapers, political figures, and business leaders alike commended Morgan for stepping up to the challenge of saving America's financial system. The *New York Times* published articles that painted Morgan as the hero of the 1907 Panic, the "Old Man" who looked out for America's financial system. One such article, entitled "John Pierpont Morgan in Human Form: Career of the Man Depicted as a Financial Colossus and the Business Genius has Organized," glorified

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trade charges, U.S. Steel chairman Elbert Gary met with President Theodore Roosevelt, who had derailed Morgan's Northern Securities railroad merger in 1904. Roosevelt knew the economic stakes involved and vowed not to interfere. This deal is also sometimes known as the Tennessee & Coal Iron deal.

[14] "Bankers' Support Clears Situation: Relief of Trust Companies Quickly Reflected in Financial District." *New York Times*, November 7, 1907.

[15] "Bankers Confer With Mr. Morgan: Long Discussion in His Library Not Ended Until 4 o'Clock this Morning." *New York Times*, November 4, 1907.

Morgan noting, "the Morgan Colossus of the 1907 is pictured as carrying the Nation's banks across the troubled waters of shaken confidence."[16] At the 139th Chamber of Commerce of the State of New York annual dinner, Senator Spooner named Morgan the "uncrowned king" of financiers, giving him credit for "holding men to a faith better than Congress could have done in a dozen years"[17]. Both during and directly after the 1907 Panic, public officials, business leaders, and the general public saw J. Pierpont Morgan as a moral and virtuous savior of the American economy.

Morgan was viewed in a negative light starting most notably during the news coverage of the Pujo Committee Hearings. On December 22, 1912, *The New York Times* criticized the irresponsibility and arrogance of Morgan by comparing his methods of running his company to the act of blindly giving "a man a check for $1,000,000 with the knowledge that the recipient had not a cent in the world." The author went on to argue that "a millionaire like J. Pierpont Morgan could afford to make experiments in character, but the best of characters is not much use in the City when it came to credit."[18] In this way, the author emphasized that the risks that Morgan took in his everyday business, are not carried out in a vacuum; the risks created by financial giants like J.P. Morgan & Co. can result in consequences affecting the rest of the City and beyond. Other sources focused on the absurd extent to which Morgan was able to exert influence and power. In the *New York Times* article "Five Men Control $368,000,000 Here: Morgan Influence Shown," the author noted that the "phenomenal rise" in the growth and influence of the Bankers' Trust Company was due to J. P. Morgan & Co." The author went on to note

[16] "John Pierpont Morgan in Human Form: Career of the Man Depicted as Financial Colossus and the Business Genius Has Organized." *New York Times*, November 10, 1907.
[17] *Ibid.*
[18] "London Discussing Morgan's Opinions." *New York Times*, December 22, 1912.

that Morgan was one of the three men of the Banker's Trust Co. who had "all stock transferred into [their hands], who were authorized to exercise all rights and power, to name Directors, manage the institution, and determine what mergers might be made."[19] Here, the author brought to light Morgan's access to control basically all aspects of the business for which he had orchestrated a bailout. Criticisms of Morgan's allegedly irresponsible business practices and excessive control of the financial system continued to spread within various different media sources. The shift had begun.

IV. CRITICISMS OF J.PIERPONT MORGAN, 1911 to 1913

In the following years, J.Pierpont Morgan's image continued to worsen in the public eye. A first set of charges against him was voiced by Charles Lindbergh[20]. On the morning of December 25, 1911, Lindbergh, sparked the "hue and cry"[21] of the Money Trust Hunt when he announced on the House floor: "we know that a few men control, by stock holdings and a community of interest, practically all the most important industries…these same few men control the finances of the country and may bring on a panic any day that such would suit their selfish ends." [22] He followed with the creation of House Resolution 405, which demanded an investigation of the financial system geared toward select bankers that exerted a great amount of control. From that day forward, Lindbergh served to aggressively influence the national debate he had sparked over the

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[19] "Five Men in Control $368,000,000; Here: Morgan Influence Shown." *New York Times,* December 11, 1912.

[20] Charles Lindbergh (January 20, 1859 – May 24, 1924) was a member of the House of Representatives from Minnesota and the radical leader of the progressive Republicans within Congress. It was Lindbergh that began to stir up the "hue and cry" of the Money Trust Hunt that he believed was headed by J. Pierpont Morgan.

[21] Tarbell, Ida. "The Hunt for The Money Trust." *The American Magazine,* May 1913, 7. The Lamont Papers: The Money Trust Investigation, Box 210, Folder 20. Tarbell recounts Lindbergh's speech in the opening of her article.

[22] Noyes, Alexander D. "Money Trust." The Lamont Papers: The Money Trust Investigation, Box 210, Folder 17. This article was in the Lamont papers, without binding or note of what journal the article originated.

money trusts in the United States. Though his views against the money trusts were frequently featured in *The New York Times*, his main platform for attacking J.Pierpont Morgan and the money trusts was through his book, *Banking and Currency and The Money Trust*, which was published in 1913.

Lindbergh's piece, which he dedicated to the public, served to facilitate the downfall of J.Pierpont Morgan's public image in several distinct ways. Lindbergh stressed that the "king bankers" led by J.Pierpont Morgan had been taking advantage of the general public.[23] He argued that the extreme wealth of Morgan and the "banker class" had manipulated the financial system and used personal relationships to influence the development of major industries, such as the Railroad, Steel, and Oil industries. To highlight his point, Lindbergh compared wealth to a loaf of bread noting, "the whole loaves are only handled by the kings of the system, and it is through the expenditure of our united energy that they are enabled to amass this so-called wealth."[24] In his opinion, the public was completely at the whim of the "banker class" as it was always the case that "we [the public] take the losses and they [the bankers] take the profits."[25] Lindbergh noted that the abusive power of Morgan and the "banker class" was amplified by their suppression of any attempts to change within the status quo. He claimed their power to suppress was real since the money trusts had "wielded their power over the newspapers for the very purpose of beguiling the public" into believing the things that they want the public to believe.[26] As the leader of this class, Lindbergh painted Morgan as the villain.

[23] Lindbergh, Charles A. *Banking and Currency and the Money Trust*. Washington, D.C.: National Capital Press, Inc., 1913. p. 84.
[24] *Ibid*, 44.
[25] *Ibid*, 35.
[26] *Ibid*, 53.

Lindbergh negatively shaped Morgan's image by presenting the dangers of Morgan's excessive concentration of power. For example, Lindbergh tore apart Morgan for his policy on issuing loans. As Morgan had said in the Pujo hearings he "never loaned money on security no matter how perfect or valuable, unless [he] knew the borrowers personally or had an individual knowledge that satisfied [him]". Lindbergh interpreted this statement as full proof that money trusts existed given that "it matter[ed] not how honest the applicants, or how valuable their security, rather they had to be known to be subservient to that firm". Ultimately, Morgan's alleged "refusal of a loan to those who could secure it because they were not favorably known to bow to the king banker" was sufficient proof for Lindbergh that the money trust existed; denying a loan for these reasons was evidence of the problems in the current financial system.[27] In his analysis of the Pujo testimony, Lindbergh noted that Morgan also exemplified the existence of the money trust. Not only did Morgan's discussion of the U.S. Steel Co. deal prove that the money trust existed, but Lindbergh called the money trust a "dangerous" entity given that Morgan was able to both completely eliminate competition in the Steel industry and also extort a fee of $62,500,000.[28]

Lindbergh's most powerful tactic in shaping Morgan's negative image in his book was to create a sense of conspiracy surrounding Morgan and the other "banker kings". He claimed that "secret meetings" were held by representatives in Congress who were controlled by the trust kings, such as Morgan. It was these meetings that inspired him to stand up to the trust kings and propose his initial resolution on December 2, 1912[29]. Lindbergh felt the public must finally "stand up" to the all-encompassing power of the

[27] *Ibid*, 84-85.
[28] *Ibid*, 204.
[29] *Ibid*, 64.

banker class.[30] He blamed the "interests," or money trusts, for manipulating the press and members of Congress into laughing his initial resolution out of Congress since they recognized that this resolution was aimed at the very heart of all the trusts and combinations[31]. In desperate and dramatic language, Lindbergh claimed that public sentiment was the only possible opposing force to these trusts that controlled every aspect of society. He encouraged the public to act against the conspirators:

> "Are *we* satisfied that the bankers to whom *we* pay enormous tributes from our very life's necessities….should control financial legislation? Shall the people supinely pay the constantly increasing usury, and still cheer their popularly elected representatives for permitting bankers to control the bills that are to be reported to the House, as well as the debates on them? …Are the people to have no hearing on the questions of banking, currency, and usury?"[32]

Thus, Lindbergh was able to both create a sense of conspiracy surrounding the power of Morgan and the trusts, while ultimately encouraging the public to speak out against this seemingly unstoppable power.

A second set of criticisms of Morgan was put forward in *McClure's Magazine*[33]. While Lindbergh was stirring up controversy on the House floor, *McClure's* took advantage of the growing public discontent with J.Pierpont Morgan and the banker class. In the *Sixty-First Second*[34], Owen Johnson produced a satire of the financial panic of 1907 and included a pithy yet damaging account of Morgan's role in the downturn and resolution of the crisis. This piece specifically critiqued Morgan, referred to as Gunther,

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[30] *Ibid*, 70.
[31] *Ibid*, 62-63.
[32] *Ibid*, 78.
[33] *McClure's Magazine* was an American monthly founded by S.S. McClure and John Sanborn Phillips in June, 1893. It was popular at the turn of the 20th century, featuring political and literary content. It published serialized novels-in-progress, a chapter at a time. The magazine is credited with creating muckraking journalism.
[34] As noted in the *New York Times* book review "Society in Fiction" on March 30, 1913, the Sixty-First Second is a detective story regarding the highest circles of the high in New York city". Throughout the book, there are allusions to the financial panic of 1907. Published in *McClure's Magazine*, this piece is considered muckraking.

as a representation of the corrupt collusion that was gaining traction within the media at the time. Two key scenes parodied and simultaneously attacked the structure of the financial system in the United States and Morgan's role as the dominant figure in orchestrating the deals that supposedly prevented the collapse of the financial system.

As noted earlier, *The New York Times* praised Morgan for undertaking the responsibility as the chief leader to prevent the United States from a financial melt-down directly after the panic of 1907. One of the key visuals the media used throughout these articles was the image of Morgan shepherding all the top business leaders in his library on Madison Avenue. It is no surprise, therefore, that Johnson used this same setting to satirize Morgan as the acclaimed leader the media made him out to be. Contrary to past images, Morgan no longer led the ten brilliant and virtuous business leaders who debated how to rescue the United States out of financial ruin in Morgan's library. Rather it was ten men, whom Johnson describes as representing the ridiculous amount of "ten billion in capital collectively," that hid behind the closed doors of the library and schemed about how to make individual profits. In setting this scene, Johnson played off past images of these so-called saviors and warped the image into a seething portrayal of corruption. Through exaggerated parody, he scorned not only the businessmen themselves, but also the current structure of the financial system that would allow and even promote this type of concentration of power. Johnson sets the scene of the famous debates in Morgan's library with the following passage:

> "The group of ten men were assembled at Gunther's. In five years these ten men, *without the impediment of law*, could own every necessary newspaper and magazine in the country…control every important industry, every necessary chain of banks, the entire food supply of the nation, and control the necessary number of

> candidates in both political parties in matters essential to their financial interests."[35]

According to Johnson, Morgan was not shepherding the leaders of the financial world and facilitating collaboration, but rather providing a lair for the most powerful to scheme. Johnson portrayed him, not as the great peace-maker, but rather the "master spirit who could unite these ten men into one unanimous body with but a single object". To really emphasize Morgan's role in exponentially worsening this corrupt collusion, Johnson used language such as "unite", "one unanimous body", and "single object" to target the concentration of power that is occurring in this library meeting.

The second noteworthy scene in *McClure's* that adds to Morgan's negative public image was the description of Morgan, who Johnson noted was "probably at that moment the most powerful personal force in the United States." The following passage explored the qualities that had brought Morgan both obscene success, but also and more importantly, would serve to launch his demise.

> "Morgan surrounded himself by choice with that element of seclusion which Napoleon by calculation adopted on his return from Italy. Just as it is true that what is a virtue in one man is a defect in another, the imagination he possessed was much less than he was credited with and his power lay in his ability to control it. For imagination, which is the genius of progress, in a banker approaches a crime. His strength lay in being that inevitable man who results as the balance wheel of conflicting interests. For beyond the Stock Exchange, which is a purely artificial organization, the financial powers will always create what amounts to a saving check, around one inevitable personality, whom they can trust and about whom, in times of common danger, they can rally as to a standard. At this moment, the invested wealth of the country, frightened at the cataclysm which threatened it, had thrown its resources implicitly into the hands of this one man, who came forward at the psychological time to stop the panic, issuing his orders, and marshaling his forces with a response of instant obedience."[36]

[35] Johnson, Owen. *The Sixty-First Second.* New York: The McClure Publications, Inc., 1912. p. 254.
[36] *Ibid*, 257-258.

It is in this passage that the average reader could really get a sense of the absurd amount of power, control, and influence Morgan had, according to muckrakers like Johnson. The entire financial system, as Johnson described above, lay unjustly at the feet of J.Pierpont Morgan, a tyrant comparable, in his view, to Napoleon.

A third set of criticisms came with the muckraking articles of Ida Tarbell[37]. May 1913 saw the real demise of J.Pierpont Morgan's public image as he was featured in Tarbell's famed article "The Hunt for the Money Trust,"[38] in *The American Magazine* (see appendix). The entire article is relevant as it is one of the only pieces that comprehensively discussed the timeline of events for the money trust investigation as well as the public controversy surrounding them. However, two distinct layers stand out in shaping Morgan's growing negative public image.

In perhaps a more clever strategy than that adopted by other critics, Tarbell primarily attacked the financial system as an entity while indirectly criticizing J. Pierpont Morgan's role as the "overseer" of this corrupt system. She pointed to the danger of a *system* wherein "one man [J.Pierpont Morgan] [had] the ability to make a bond issue from the desert of Sahara, put his name on it, and [have it be] subscribed". Tarbell noted Morgan's emphatic testimony when he noted that he never "promote[d] unnecessary collusion, but rather would welcome competition."[39] In doing so she highlighted that Morgan's method of business was to take up each deal by itself and decide as he thought best. Tarbell went on to propose the flaw in this type of decision-making: "Morgan's

[37] Ida M. Tarbell (November 6, 1857 – January 6, 1944) was known as one of the leading "muckrakers" of her day. Earlier in her career she had worked for *McClure's Magazine*.
[38] The Editor of *The American* notes in the May issue of 1913 that the motivation behind this article was to de-mystify the Pujo hearings and put provide a comprehensive chain of events that the average person could understand. Ida Tarbell created this personal investigation by going to Washington, reading through nearly half a million words of testimony, and talking with many authorities first hand.
[39] *Ibid*, 15.

decisions were formed "apparently on instinct, certainly without formulated reason."[40] Thus, she left the lingering question for the reader: what if someone evil was in control?

Tarbell also painted Morgan as having an astounding lack of self-awareness in regards to the power he held. In outlining these situations, Tarbell led the reader to the conclusion that the "king" of the American financial system was completely out of touch with the average citizen. She emphasized her point when she referenced Morgan's testimony during the Pujo hearings regarding the Reading Company[41]. During these hearings, Morgan was in fact able to show he had "rescued the company from bankruptcy," but Tarbell shows that in the process Morgan had utterly failed to relate to the average American. She quoted the following testimony to prove her point:

> "Mr. Untermyer: Has the price of coal increased to the consumer?"
> "Mr. Morgan: *That, I do not know*."[42]

Thus, Tarbell argued although the Reading Company remained solvent, Morgan was unable to identify whether the deal was beneficial or detrimental to the general public, an accusation that likely resonated with many of the magazine readers. Tarbell went on to analyze the Pujo testimony noting that Morgan's downfall was his inability to reconcile his own experience running "great enterprises with such simple and magnificent self-confidence," with the experience of the man who "buys his coal by the basketful". It was in this "apparent ignorance," she claimed, "that the foundation of the popular mistrust of his power lied." Building upon this feeling of disconnect between Mr. Morgan and the general public, she noted "Mr. Morgan with his consciousness of ability, his undoubted

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[40] *Ibid*, 16.
[41] The Reading Company from 1897 to 1904 was an alliance between coal and iron companies under voting trustees. Morgan played a significant role rescuing this company from bankruptcy.
[42] Tarbell, Ida. "The Hunt for The Money Trust." *The American Magazine*, May 1913, 7. The Lamont Papers: The Money Trust Investigation, Box 210, Folder 20. p. 16.

sense of responsibility towards those who deal with him, has like many of his time, little or no sense of a personage with whom the rich and powerful must at least deal fairly or fall, and that is the ultimate consumer."[43]

Ultimately, Charles Lindbergh, Owen Johnson, and Ida Tarbell criticized Morgan's lead role in a corrupt financial system, his methods of doing business, and his disconnect with the average citizen. The shift was complete.

V. THE DEFENSE OF J.PIERPONT MORGAN, 1913

J.Pierpont Morgan, with the help of Thomas W. Lamont[44], did not go down without a fight. On March 28, 1913 Lamont received a letter from *The American* requesting Lamont's views in regards to Tarbell's soon to be published article. Specifically, *The American* requested that Lamont "help on [the content of "The Hunt for the Money Trust" article] by putting down very frankly [his] views with facts of human relation, or material historical facts bearing upon the subject of the article." The letter referenced past silence from J.P.Morgan & Co. and requested that Lamont break this silence:

> "When statements were made about J.P. Morgan and Co. that were not true, or they were unjustly attacked even, no reply was made, because it was thought to be undignified, or possibly it was felt that defense would be construed as admission, or what not. But the public relation to these matters is becoming more and more apparent; and whether we like it or not, the most important thing is public education."[45]

[43] *Ibid*, 16.
[44] Thomas W. Lamont (September 30, 1870 – February 2, 1948) was a partner at J.P. Morgan & Co. until 1943 when he became Chairman of the board.
[45]"Letter to Lamont from *The American Magazine*", March 28, 1913, The Lamont Papers: Money Trust Investigation, Box 210, Folder 20. This letter was placed directly before Lamont's essay "Comments on Miss Tarbell's Article".

As a response, Lamont wrote "Comments on Miss Tarbell's Article" as a critique of "The Hunt for the Money Trust" [46]. In his essay, Lamont claimed broadly that Tarbell's article "clearly showed the entire failure of critics to comprehend the point of view of the banking and business world". As such, Lamont presented three important critiques to Tarbell's article which all showed J.Pierpont Morgan in a more positive light. Lamont's first critique referenced Tarbell's "garbling of Mr. Morgan's testimony" from the Pujo hearings. He pointed specifically to Tarbell's account of Morgan's Steel Corporation testimony: "Yes," Morgan told the committee "I put those companies together not however, for the sake of control, but simply to have a concern which could produce every form of steel." In Exhibit A of the essay, Lamont showed how the actual testimony differed substantially from Tarbell's account. Lamont presented the testimony transcripts with Samuel Untermyer questioning Morgan about his role in the Steel Corporation:

"Untermyer:	The same policy would dictate, would it not, buying competing industries and putting them together?
Morgan:	No, take for instance the United States Steel Corporation, today I would not buy anything.
Untermyer:	I know because you have got enough now to have a very commanding power, did you not?
Morgan:	No, not that either.
Untermyer:	You did engage in buying up competition there in order to form a company, did you not?
Morgan:	No, I bought it up for the purpose of having a corporation which in itself could manufacture all kinds of steel."[47]

Drawing from the actual testimony, Lamont noted that Tarbell's original sentence "purports to be a quotation and is not Mr. Morgan's language at all". Lamont highlighted a second instance when Tarbell "garbled" Morgan's testimony in regards questioning of

[46] "Comments on Miss Tarbell's Article." Lamont Papers: Money Trust Investigation, Box 210, Folder. This letter was not dated or published.
[47] *Ibid*.

Morgan's involvement in the Equitable Life Insurance Society[48]. He mentioned Tarbell's misrepresentation of Morgan's testimony when she quoted Morgan as saying "I told [Mr. Ryan] I thought it was a good thing for me to have, he did not want to sell it, but he sold it." Once again, Lamont used to the actual testimony that he believed was the basis of Tarbell's incorrect account:

"Untermyer:	Did you tell him why you wanted it?
Morgan:	No, I have told him I thought it was a good thing for me to have.
Untermyer:	Did he tell you that he wanted to sell it?
Morgan:	No, but he sold it.
Untermyer:	He did not want to sell it, but when you said you wanted it he sold it?
Morgan:	He did not say that he did not want to sell it.
Untermyer:	What did he say when you told him you would like to have it and thought you ought to have it?
Morgan:	He hesitated about it and finally sold it."

Lamont concluded that "there was not the slightest evidence of any unwillingness on Mr. Ryan's part to sell, or any pressure or exercise of power by Mr. Morgan to force him to sell." He went on to say "on the contrary, Mr. Morgan expressly says that Mr. Ryan did not say he did not want to sell." With this information, it is more difficult to vilify Morgan for his role in both the Steel Corporation deal and the Equitable Life Insurance Society purchase. Thus Lamont's paper served to counter Tarbell's criticism and spin Morgan's image in a positive way.[49]

Lamont's next critique of Tarbell's article was the resounding "unfairness" and "partisanship" that helped to shape the "general tenor" of her article. Within the first paragraph of his essay, Lamont took issue with Tarbell's conclusion that Mr. Morgan was

[48] The Equitable Life Insurance Society was known for decades as one of the largest life insurance companies in the nation. In 1911, the company became a mutual company wherein the policyholders, not the shareholders have the right to elect its directors. During this time, J. P. Morgan, bought $504,000,00 of the financier, Thomas Ryan's, shares in 1909.

[49] "Comments on Miss Tarbell's Article," Lamont Papers: Money Trust Investigation, Box 210, Folder 20. This letter was not dated.

the “special object of her distrust and want of faith” after hearing him at the Pujo Committee hearings. Lamont noted that “there was absolutely no basis for such an imputation” and that her interpretation of Morgan’s presence at the hearings was “grossly unjust to Mr. Morgan and to the readers of the magazine who should be entitled to the facts”. Lamont went on to assume that Tarbell’s distrust for Morgan was due to the delivery and tone of Morgan’s responses. To address her possible concern he noted “in view of Mr. Morgan’s scrupulous fairness, straightforwardness and sincerity in every answer, the gratuitous suggestion that at any moment of the examination he paused to consider whether he should tell the truth, becomes peculiarly unjust and unworthy of the author.”

Lamont also criticized Tarbell’s bias when she used “hearsay and surmise for the purpose of creating an atmosphere of mystery and of creating the impression that some undisclosed persons in Wall Street had shown an interest in suppressing the investigation”. Tarbell began her article by dramatically tracking the struggles and pressures that Charles Lindbergh faced when he sought to propose an investigation of money trusts in the House. Lamont took pains to discredit both the drama behind the beginning of the investigation and also Tarbell’s assumption that Charles Lindbergh was entirely forthcoming with his accusations of hosting secret meetings and pressuring him to refrain from proposing the House Resolution 405. Lamont noted, “[Tarbell] refers to the fact that attempts were made to turn Mr. Lindbergh’s attention in other directions, ‘attempts he firmly believes to have originated in Wall Street” and also referenced Tarbell’s belief that there was in fact, as Lindbergh said, an “emissary” who had tried to prevent the investigation. In response, Lamont noted that there was "not the slightest evidence as to identify or determine the affiliations of this 'emissary.'"

Lamont's essay also served to highlight some of the injustices of the investigation on whole, as felt by the banker class. In particular, he tried to defend any criticism Morgan faced for his responses during the hearings given that "like all the witnesses before the Pujo Committee, Mr. Morgan was denied the benefit of counsel, such as witnesses invariably have in any legal proceeding." He explained that much of the testimony was "unfair" given that "everything was in the hands of the counsel for the [Pujo] Committee, who was untrammeled by the ordinary rules of evidence and who was free at his pleasure to ask misleading questions, to shift the discussion at will, to deny witnesses the right of explaining their answers or even fully to answer the question which he had asked." [50] Through this essay, Lamont ultimately served as the mouth piece for not only J. Pierpont Morgan, but also the banker class, in attempting to down-play muckraking campaigns.

It is no surprise that Lamont wrote such an extensive, detailed, and highly drafted essay in attempts to combat Ida Tarbell's muck-raking journalism.[51] It was articles such as Tarbell's that Lamont saw as the primary threat to Morgan's image. In a separate untitled memo, Lamont pointed to these muckrakers as being corrupt, biased, and poor journalists. The effect of the present day muckraking campaign, in Lamont's opinion, was to "incorrectly leave on your mind, and yours, the impression that the conduct generally of large business affairs is corrupt". He felt that "if the ordinary man or woman of intelligence today were asked his opinion of the management of our great corporations

[50] *Ibid.*
[51] Three versions of Lamont's essay were in his papers in Box 210.

in general, he or she would answer that while such management was efficient it was without ideals of honor and was corrupt". Lamont was infuriated that such falsities were being spread about bankers given that the reporting and journalism was done with such low standards. In his memo, he recounted a discussion with a magazine journalist:

> "Lamont: Have you seen the bank's books?
> Journalist: No.
> Lamont: Have you talked with anybody who says he has seen them?
> Journalist: No.
> Lamont: Would you like me to get access to the facts for you?
> Journalist: No."

Here Lamont substantiated his views in regards to muckraking journalism – he did not see their reporting as viable, legitimate, or truthful given the lack of thoroughness. He went on to say that the above passage was representative of a "general campaign" in the news that gave "unerringly the impression that the evils [reporters] describe are typical of corporate management."[52]

Presented with the challenge of cleaning up Morgan's image, Lamont solicited the advice of professors at the Harvard Graduate School of Business Administration as he drafted a letter Morgan would send to A. P. Pujo on February 25, 1913[53]. In response to Lamont's request for advice, Professor Gay suggested to "shed light on the banking industry as a whole" and that Morgan and colleagues within J.P. Morgan & Co. should adopt "a policy of frank acknowledgement would be advisable in allaying a certain public resentment over evils which have existed, although to a large extent they are now disappearing". This concern clearly resonated with the calls for public understanding that was present in the letter from *The American* as mentioned earlier. Public confusion

[52] 'Untitled', 1913. The Lamont Papers: Money Trust Investigation, Box 210, Folder 16.
[53] "Letter to A. P. Pujo, Chairman of the Committee on Banking and Currency." February, 23, 1913. The Lamont Papers: Money Trust Investigation, Box 210, Folder 26.

regarding the leaders of the financial system and the function of the money trusts was clearly a paramount concern. To "satisfy the public," therefore, Professor Sprague presented advice in this same letter on how best to explain the logic behind the consolidation of financial institutions. He put simply the reasons why this trend had taken shape in the past decades:

> "It will be seen that all of these causes tend to the development of a small number of very powerful banking houses, but they are likely to be less potent as the years go on. 1) Owing to lack of capital relative to opportunities for its use, large foreign investment which could only be handled by investment houses with broad international connections. 2) Conditions are lacking in stability, many of our most important undertakings have been established in advance of profitable demand and this work has been undertaken by bankers in whom investors had complete confidence and it has naturally enormously increased the prestige of some few of them. 3) Our unsatisfactory banking system makes it exceedingly difficult to market securities, only smart for a corporation which foresees recurring needs for large amounts of capital to associate itself closely with those best qualified to assist it at all times and in all circumstance."

Professor Sprague ended the letter with a qualifier to his own advice: "This wide range of activities is difficult to explain to the satisfaction of the general public." Thus, Professor Sprague believed that J.Pierpont Morgan's public image was determined much in part by the public's ability to get out of the "perfect maze" that was the American financial system.[54]

The efforts of Thomas W. Lamont and Professor Gay and Professor Sprague at the Harvard Graduate School of Business to better J.Pierpont Morgan's public image were largely unsuccessful. Shortly after the Hearings, Morgan died and was unable to salvage the public praise he once received so easily. Morgan's lasting image was his response on the last day of the Pujo Hearings:

[54] "Letter from O.W.M. Sprague, The Graduate School of Business Administration, The Office of the Dean Harvard University, Cambridge, MA", March 20, 1913, The Lamont Papers: The Money Trust Investigation, Box 210, Folder 20. This letter was not published.

“Mr. Untermyer:	Does Wall Street speculation, Mr. Morgan, draw a great deal of money from the country?
Mr. Morgan:	I think so; yes.
Mr. Untermyer:	Would you favor any legislation that would reduce the volume of speculation?
Mr. Morgan:	No.
Mr. Untermyer:	You would let speculation run riot?
Mr. Morgan:	Yes.”[55]

As this exchange with Mr. Untermyer confirmed the views of the muckraking campaigns, it is not difficult to see why Lamont was unable to combat the Morgan’s negative image.

VI. CONCLUSION

The unearthing of both Lamont’s “Comments on Miss Tarbell’s Article” and the letter from the Harvard Graduate School of Business Professors serves to complicate the discussion of J. Pierpont Morgan’s role as a Wall Street king and the public’s memory of him. Most importantly, these letters point to an alternative narrative that suggests Morgan was unjustly condemned as a corrupt financier. Lamont pointed to specific instances wherein muckrakers, such as Ida Tarbell, twisted the words of Morgan to develop a “general campaign” against the corrupt financial system. Similarly, Professor Gay and Sprague emphasized the inability of the general public to navigate through the complicated financial system to see the real efforts and actions of Morgan during the Panic of 1907. It is difficult to determine why these documents were not published by Morgan’s supporters. Only through the lens of history can we question whether publishing these documents would have made any difference in the eyes of the public. With this said, in highlighting the inconsistencies and holes in Tarbell’s reporting as well the confusion surrounding the working of the American financial system, Lamont,

[55] “Money Trust Investigation of Financial and Monetary Conditions in the United States” under House Resolutions No. 429 and 504. Part 15. December 19, 1912, 1090. Accessed online through the Federal Reserve Archival System for Economic Research (FRASER).

Professor Gay and Professor Sprague allow for the possibility of a new understanding of J.Pierpont Morgan and his fellow bankers. Broadly speaking, the trend of muckraking campaigns calling for greater financial regulation can also be seen in a new light.

It is important to read these new sources with a cautious eye given that both authors were friends of Morgan. However, it is clear that the public perception of J.Pierpont Morgan and his fellow bankers as tracked in newspapers, political journals, and satirical monthlies may be incomplete. Though the perspective of Lamont and the Harvard Professors did not stick within the public media, we now have a more comprehensive understanding of the true John Pierpont Morgan.

APPENDIX

Exhibit A: Tarbell, Ida. "The Hunt for The Money Trust." *The American Magazine*, May 1913, 7. The Lamont Papers: The Money Trust Investigation, Box 210, Folder 20. The picture is of Charles A. Lindbergh with the caption "The Swede who Dreams" (not visible in this photo).

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THE AMERICAN MAGAZINE
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The Hunt For A
MONEY TRUST
By Ida M. Tarbell

Author of "The History of the Standard Oil Company," "The Tariff in Our Times," etc.

Illustrated with Portraits

IT WAS a Swede from Minnesota who first raised in Congress the hue-and-cry of the MONEY TRUST HUNT — a Swede who dreams," a fellow member describes him—Charles A. Lindbergh. Nearly two years ago now Mr. Lindbergh began to stir up the House of Representatives, of which he had then been a member for some three years, on the subject of possible "financial combinations in restraint of trade." His efforts were jeered. "Which pleased me," the gentleman tells you. "When the House finds something it can get fun out of you can be sure it won't let it drop."

But even if Mr. Lindbergh had not appreciated the conserving force of ridicule sufficiently to bear it with equanimity he would not have been allowed to drop his inquiry. In less than six months after it was suggested he declares he had received a *thousand* letters urging him to follow it up, many of them offering him information to support his claims. Still more encouraging to one of his temperament were the attempts made to turn his attention in other directions; attempts he firmly believes to have originated in Wall Street. When finally one whom he described to Congress as an "emissary" of that district called upon ... an investigation could bring on a panic," he told his "emissary," "then it was better that the conditions were known now, that at least the future of the country should be assured."

But Mr. Lindbergh's proposed Money Trust hunt would hardly have covered the ground as rapidly as it has or taken the trail it has, had it not been for a speech delivered before the Finance Forum of New York City on December 27th, 1911. Mr. Samuel Untermeyer, the maker of the speech, had been asked to talk on the trusts, of which few men know more, he having been engaged as a lawyer in forming and fighting them ever since their first appearance. He announced as a subject "Is there a Money Trust?" and he proceeded to tell a really alarming story of the power over money and credit and so over all industry, which in recent years a few gentlemen have secured, through various processes, not all of them of their own invention or intention. The story was the more appalling because it was so calm and coherent and so obviously backed by a very large familiarity with the operations he was discussing.

Mr. Untermeyer's speech traveled far and fast. A month after it was delivered the Committee on Rules which had been laboring with Mr. Lindbergh's resolution summoned him to tell them in more detail and less formally, what he had told the Finance Forum. A favorite candidate for the Democratic nomination to the Presidency echoed his speech.

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