



## Special Collections Department

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# Jay Cooke Papers

1864 - 1905

(bulk dates 1870 - 1882)

**Manuscript Collection Number:** 241

**Accessioned:** Gift of Moyerman Family, 1972

**Extent:** .6 linear ft. (300 items in 2 boxes)

**Content:** Correspondence, financial documents, inventories, and printed materials

**Access:** The collection is open for research.

**Processed:** Fall 1991 by Neva Specht

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## Biographical Note

Jay Cooke (1821-1905) grew up on the Ohio frontier and came to Philadelphia in the late 1830s to work as a clerk for E.W. Clark & Co. During the Panic of 1857, E.W. Clark & Co. failed, forcing Cooke to seek other employment. In 1860 Cooke formed a partnership with his brother-in-law, William G. Moorhead, and established Jay Cooke & Co. in Philadelphia. The firm dealt primarily in bank notes, bills of exchange, and stock, in addition to discounting paper and receiving deposits. The Civil War, however, turned the direction of the company. The firm became involved in federal finances and securities, and its reputation grew in the banking business.

The firm's success was aided by Jay Cooke's older brother, Henry D. Cooke, who had political connections to President Lincoln's Secretary of Treasury, Salmon P. Chase. That alliance enabled Jay Cooke & Co. to profit from wartime financing and bond sales. Jay Cooke & Co. originated the concept of selling government loans, not just to banks, but to the general public. Cooke used newspaper advertisements and circulars to sell the loans and capitalized on wartime patriotism. His famous campaign for selling "five-twenties" (bonds paying 6 percent interest and redeemable in not less than five or more than twenty years) accounted for more than 22 percent of the over two billion dollars borrowed to pay for the war.

Because the government-financing venture was successful, Jay Cooke & Co. opened another banking house in Washington, D.C., in February 1862. It was organized separately from the Philadelphia firm and, in addition to Jay Cooke and William Moorhead, the firm added Jay's brother Henry, and Harris C. Fahnestock, an extremely adept financier, as partners. The Washington house facilitated business with the government. Henry Cooke proved himself an able lobbyist and public relations person for Jay Cooke & Co., and the firm continued its close association with the government throughout the war. By 1865 and the end of the war, business with the government slowed, and Cooke found himself and his employees in need of new work. He decided to develop a large general banking business, which in 1866 led to the establishment of another branch of the business in New York and later in 1870, with increased foreign investment and travel, a house in London. The London house was headed by Hugh McCulloch, former Secretary of the Treasury to both Lincoln and Andrew Johnson.

During 1870, Jay Cooke & Co. became heavily involved in financing the Northern Pacific Railroad. Jay Cooke also committed personal finances. Difficult economic times, overextension of the firm, and the company's complex ties to the Northern Pacific Railroad brought the downfall of Jay Cooke & Co. in the autumn of 1873. Cooke's business failure played a significant role in the Panic of 1873. Cooke made many efforts to shore up his banking houses and try to settle with his investors without going bankrupt, but bankruptcy was declared November 26, 1870. The courts appointed Edwin M. Lewis trustee for Jay Cooke & Co., and he worked with Cooke to settle with all the creditors. The final settlement of the bankruptcy was not completed until 1890.

Many of Cooke's partners retired from banking following the firm's failure. Jay Cooke's son-in-law, Charles D. Barney, and Jay Cooke, Jr. formed Chas. D. Barney & Co. in December 1873. Their new business concentrated on trading securities. Later in life, Jay Cooke was able to recover much of the estate that he had lost to creditors during the bankruptcy, and a substantial income. He managed this recovery through his connection with mineral mines in Utah and other successful investments.

## Sources:

Larson, Henrietta M. *Jay Cooke: Private Banker*. Cambridge: Harvard University Press, 1936.

Morgan et. al. *The National Experience*. New York: Harcourt Brace Jovanovich, 1989.

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## Scope and Content Note

The Jay Cooke papers contain 300 items including autograph and printed correspondence and documents pertaining to Jay Cooke & Co. The bulk of the collection is dated from the years immediately prior to and following the bankruptcy of the company in 1873. A few letters and financial documents date back to the formation of the company in 1861, and a few letters and documents date from Jay Cooke's death in 1905.

This collection includes a selection of financial records from the company such as bonds of indemnity, receipts, cancelled checks, tax assessments for western property, certificates of credit, and bonds. Also included in the collection is correspondence between investors and Edwin M. Lewis, the Trustee appointed to settle the estate of Jay Cooke & Co. In addition, there are catalogs for the Cooke estate listing real and personal property which was put up for auction. Subjects of the catalogs include books, paintings, and furniture. The catalogs list the estimated values and in some cases are annotated with prices for items sold at auction. Other items include published records of the bankruptcy proceedings and requests for dismissal of bankruptcy from the District Court of the United States in Eastern Pennsylvania. There are also three letters written immediately following the death of Jay Cooke in 1905 by his son-in-law Charles Barney to one of Cooke's doctors disputing the doctor's fee.

This collection offers many glimpses of the kind of speculative financing conducted in the last quarter of the 19th century when "Big Business" was on the rise. Further material on Cooke can be found in the manuscript collections at the Historical Society of Pennsylvania and the Baker Library at Harvard University.

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## Arrangement Note

The papers have been arranged chronologically and divided into three series. Series I consists of the correspondence and documents related to Jay Cooke and Co., from its inception in 1861 to its failure in 1873. Included in Series II are all correspondence and documents related to the failure of Jay Cooke & Co. and these are arranged chronologically. Within this series are a few documents that pertain to Jay Cooke & Co.'s western land holdings because those business transactions were directly tied into the firm's failure. Series III, Miscellaneous Correspondence and financial documents, is made up of two folders. The first contains miscellaneous correspondence following the bankruptcy but not relating to it; this folder is arranged chronologically. The second folder contains miscellaneous financial documents including cancelled checks and receipts and is arranged according to the banking house where the check or receipt was originally drafted. Also included are a leather account book and a fire insurance policy. All undated documents in the collection are located at the back of the folders in the year in which they were apparently written.

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## Series List

- I. Jay Cooke & Co, 1861-1873.
  - II. Jay Cooke & Co. Bankruptcy, 1873-1881.
  - III. Jay Cooke & Co. Miscellaneous Correspondence and Financial Documents, 1880-1905.
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## Contents List

### Box -- Folder -- Contents

#### **Series I. Jay Cooke & Co., 1861-1873.**

54 items, 64 leaves.

Included are correspondence and financial documents pertaining to Jay Cooke & Co. from the founding in 1861 to its failure in 1873.

- 1 F1 Business Correspondence and Documents, 1859-1872.  
Includes Missouri Land Grant, property tax assessment, receipt for Northern Pacific Railway bond purchase, loan agreement with the Corn Exchange Mechanical Bank.  
Removed to oversize: "Memorandum of agreement between Northern Pacific Railroad Co. and Jay Cooke & Co. Bankers of the City of Philadelphia" (1869).
- F2 Financial Documents, 1864-1872.  
Includes printed and handwritten bonds of indemnity between Jay Cooke & Co. and various investors.

#### **Series II. Jay Cooke & Co., Bankruptcy, 1873-1881.**

120 items, 144 leaves.

Included are business correspondence and various printed materials pertaining to the failure of Jay Cooke & Co. in September 1873 and the settlement of its estate.

F3 Correspondence and Documents, 1873.  
Includes bond for Northern Pacific Railway, bill of exchange, tax assessments for western lands, and other financial documents.

F4 Correspondence and Documents, Jan-Jun 1874.  
Includes correspondence between investors and Jay Cooke & Co., Minnesota real estate tax receipt, list of assets from the Jay Cooke & Co. house in Philadelphia.

F5 Correspondence and Documents, Jul-Dec 1874.  
Includes correspondence between investors and Jay Cooke & Co., financial worksheets, list of securities held by Jay Cooke & Co., dividend worksheet.

F6 Correspondence and Documents, 1875.  
Includes correspondence between investors and Jay Cooke & Co., notice of bankruptcy, affidavit from William G. Moorhead concerning a painting given to Mrs. Henry Cooke, depositions on proof of debt, and telegrams regarding sale of assets.

F7 Correspondence and Documents, 1876.  
Includes correspondence between investors and Jay Cooke & Co., letter concerning the settlement of Eleutheros Cooke (Jay Cooke's father), agreements from investors on settlement.

F8 Correspondence and Documents, 1877-1878.  
Includes correspondence between investors and Jay Cooke & Co., receipt of real estate tax, settlement agreement with the St. Paul and Pacific Railway Co., and documents concerning the Sterling Mountain Railway Co.

2 F9 Correspondence and Documents, 1879.  
Includes correspondence between investors and Jay Cooke & Co.

F10 Correspondence and Documents, 1880-1884.  
Includes correspondence between investors and Jay Cooke & Co., telegrams, statement of the bankruptcy of Harris C. Fahnestock estate, letter from Jay Cooke to Edwin Lewis about visiting him at Gibraltar.

F11 Printed Bankruptcy Documents, 1873-1874.  
Includes motion to dismiss, notice of bankruptcy, copy of cash account for Jay Cooke & Co., three documents with judgments from the Circuit Court of the United States to Edwin Lewis concerning the Jay Cooke & Co. bankruptcy.

F12 Printed Auction Catalogs, 1875-1881.  
Includes catalogs for the auction of Jay Cooke's estate. Subjects consist of real estate, elegant furniture, oil paintings, valuable books, Henry Cooke's books, real estate of Jay Cooke & Co. Also a flyer for Ocontz estate and schedule of H. Fahenstock's estate, and a poster advertising the bankruptcy sale (oversized storage).

**Series III. Miscellaneous Correspondence and Documents, 1880-1905.**

126 items, 126 leaves.

Consists of correspondence and various financial documents.

F13 Miscellaneous Correspondence, 1880-1905.  
Includes a design sketch for a deposit certificate, annual shareholder meeting announcement for Springfield Railway Co., letters between Cooke's son-in-law and doctor over the late Jay Cooke's bill.

F14 Miscellaneous Financial Documents, 1880-1905.  
Includes pamphlet on Cooke & Co. and government securities, leather bound bank book, fire insurance policy, receipts and cancelled checks for Philadelphia, New York, Washington, D.C., and London banking houses.