Jim Fisk and Jay Gould were as different as two men could be. Fisk -- the "king of flash" -- was fat and loud. He drove around New York in a coach with three white horses, three black horses, two black coachmen in white uniforms and two white coachmen in black uniforms. Gould, on the other hand, was a family man. Small and thin, he tried not to be noticed.

Still, the two businessmen had things in common. They were partners, and were among the greediest men in a greedy age. In 1869, they tried to "corner," or buy, all the gold in America.

When that failed, they turned to railroads. While some tycoons like Cornelius Vanderbilt built railroads, Fisk and Gould specialized in destroying them. The financiers would sell "watered," or over-valued, railroad stock to the public. When people found out their stocks were worth less than they thought, they sold them at a loss, and the railroad went bankrupt. But Fisk and Gould already had their money.

People began to call these businessmen "robber barons." Eventually, they angered not only people they had helped to ruin, but also powerful conservative bankers like J.P. Morgan, who thought that stability made for better business. However, in 1873, another robber baron named Jay Cooke would bring down more than a railroad -- he would bring down the whole American economy.
ew York financier Jay Cooke first bought the Northern Pacific Railroad, which ran from Minneapolis to Seattle, hoping to make a fortune in the usual way. In nineteenth-century America, people did not get rich building railroads, they got rich selling land along the railroad line, which the government gave them when they built the railroad. Because the land was next to the railroad line (and therefore had guaranteed rail access), it was usually extra-valuable, and the railroad owners could sell it for a huge profit.

But Cooke had a problem. The land alongside his railroad on the northern Plains was bad for farming. Even with a railroad next to it, few would want to settle there. So Cooke hired publicity men to cook up false stories about how good the land was. But the truth leaked out. When it did, buyers lost interest, and Cooke's business empire collapsed.

Things snowballed from there. Cooke's investment bank had been considered one of the strongest in the country, and when it collapsed, investors in the stock market panicked and started selling. Banks failed. Lenders demanded that people who had borrowed money from them pay up...immediately! Businesses went bankrupt, and jobs disappeared. In 1873, the country entered the worst depression it had ever faced.

New York -- America's financial capital -- suffered most. After ten boom years, now came the bust. By winter, 25 percent of New York's workers were unemployed. Hunger and homelessness spread. On January 13, 1874, thousands of workers filled Tompkins Square. They demanded government jobs. Instead, the police attacked them.

The depression continued for four years, and so did the protests. The government responded with force and cracked down against unions. Armories were built throughout the city. People feared a second Civil War -- not North against South, but workers against owners. Tensions eased somewhat when prosperity slowly returned, but they would continue into the new century.