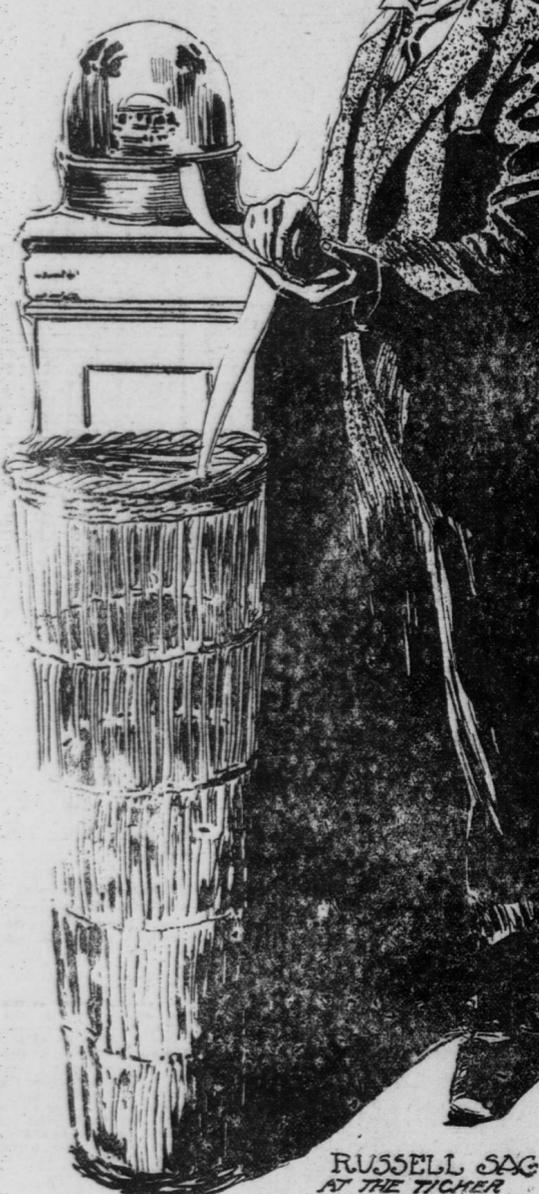


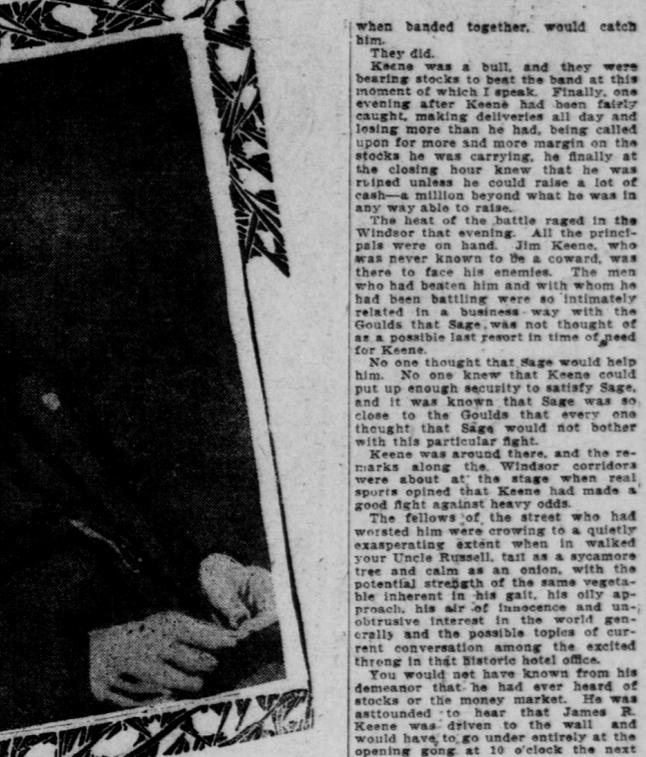
# RUSSELL SAGE, A CHARACTER OF THE

## The Pawnbroker of Wall Street Ready Cash for People in Need, Was His Motto

BY  
A. H. BALLARD



JAMES R. KEENE, RUSSELL SAGE ONCE SAVED FROM RUIN



A CHARACTERISTIC POSE OF RUSSELL SAGE

**T**HE power of Russell Sage's name was the millions of dollars that it represented.

As a man he was not liked anywhere, although the most impressive characteristic about him—the trait that you noticed first on meeting him—was personal charm.

You cannot call it anything else. It was precisely what you mean when you speak of a woman as charming. It was his smile—his manner—his tact, his well-oiled intelligence.

That might easily have made him a widely popular man, if his character had been different, if he had been generous, for example. But, in fact, this regularity with which he always made a hit with every one he met at the outset rendered him the most despised and hated of men in the end with nearly all persons who had the misfortune to come in contact with him. For he used this tactful and insinuating charm of temperament to wheedle his interlocutor into doing just what he wanted him to do at the passing moment.

Unscrupulousness did not bother him in the least. I know of few people within the radius of his acquaintance who did not feel, at one time or another, that they had been bamboozled by this smooth money and property accumulator.

It may not seem in good taste to dissect the attributes and personal customs of this man, now that he has just stepped into the hereafter, but his life teaches so many lessons, so many truths, that are of intense interest and positive importance to the Americans of the present moment, and from the fact that you cannot understand correctly any one of these lessons unless the bald, plain, unvarnished verities he written in unequivocal terms, perhaps something may be gained, and I may be excused for energetic frankness when I jot down some of the prominent occurrences that made this millionaire better known to me than many other persons whom I have interviewed and met in private life.

I knew him for years in a business way in New York, as I was a newspaper man, handling many stories with which he had to do, and Mrs. Sage is a relative on my father's side. Therefore I could, and did, often see Mr. Sage downtown, talked with him about many exciting happenings in the "street," and was a visitor to his home on Fifth avenue, just above the old Bristol Hotel, I think it was, when I could not readily get out of going there.

Mrs. Sage was a valued source of news to me, and a gracious lady withal, when she was not too much under the baneful influence of Mr. Sage's peculiar talents with regard to everything and everybody. Let her alone, and she would have made a genial, whole-souled, generous, fine-minded, broad-gauged woman. But she grew to be as like Russell Sage as two peas can be alike—mentally. And, as they had

no children, they seemed to dry up together, in sort of money-lined leatheriness of atmosphere that you could cut with a knife when you entered the tomb-like portals of that brownstone mansion, where a negro kept constant watch to see that you did not steal anything.

I have been to Mrs. Sage's house when she was giving an afternoon tea, and felt sorry that the biscuits and cake and tea perhaps cost so much. In some inscrutable way you felt that it was a pity to spend money on anything for comfort or sociability or such things. I would not have dared to help myself to a second piece of cake, or a large slice of toast, or gulped down a copious swig of tea for fear of appearing extravagant or wasteful or Sybaritic—the cardinal sins in the decalogue of that house.

After a short session of that kind, wherein I usually managed to get the report of some charity enterprise, in which Mrs. Sage was interested (it could always secure something in the Mrs. Sage's name, as she was on all the committees for charitable schemes), I have gone farther uptown to some up-to-date hostess and fairly revelled in the contrast.

Where stiff-necked gloom reigned down in the neighborhood of the Bristol and a negro stared at you to see that you did not eat too much, farther up the avenue you could find a gathering of ease where one might perhaps get a cup of tea with a "kick" in it—and the others, noting my sigh of relief, would exclaim that they knew where I had been.

Mr. Sage wanted Mrs. Sage to take charge of all their interests in charitable enterprises, and she did. When applications were made to him for contributions he was wont usually to refer all comers to Mrs. Sage. She was more of a worker than a giver, although she gave a great deal. She believed in organized charity and was prominent always in the best known charity work that went on in New York in the evening. Mr. and Mrs. Sage would talk over matters and thus the old gentleman controlled the affair and he was relieved of all seeming responsibility. He had genius in arranging every circumstance of his life in a similar manner. He did not care for the limelight, but could perceive the outcome of things—could peer to the end result and you seldom found him in a weak position where results were concerned. He managed everywhere to reap some sort of harvest in anything that he mixed up in.

This method of handling charities led to the famous episode wherein a committee of ladies called upon him at his Rector-street office one beautiful day to secure his subscription to a worthy charity. They informed him as they handed him the subscription paper that Mrs. Sage had put her name down for \$25 and they expected something handsome from him. He was affable and complacent and listened approvingly to their explanation of the merits of their charity. He looked over the subscription paper and wrote upon it:

"There, I think that will be about right," said he, as he folded up the paper, and they went out delighted that he had subscribed.

When they got out on Broadway they thought that they would like to just take a peep and see whether he had put his name down for \$500 or \$1000 or what.

They looked and found that he had

inserted the words "Mr. and" in front of Mrs. Sage's signature for her original \$25, thus participating in her subscription and having got rid of the importunate ladies.

Such an idea as that almost tickled him to the point of distraction. It was not that he was particularly afraid that people were after his money. It was his sense of outwitting some one.

That was in line with his supreme satisfaction in making money in the street by judging and guessing better than the other fellows. Making or saving a few dollars would give him just as keen delight as the favorable turning of a large amount. In fact, I believe that he took a more intense pleasure in the successful outcome of a small dicker or piece of smooth cunning than he did in the successful completion of some gigantic transaction.

His parsimony and thrifty habits were inbred and part of his bone and flesh. No man knew him better than Mr. Whiting, the financial editor of the Evening Post, and Mr. Whiting liked him. He amused Whiting, Whiting liked to study him. And it was Mr. Whiting's positive and unshakable belief that if there were a barefoot race from Harlem to the Battery in some winter for \$10 and Mr. Sage thought he could win it he would surely enter.

I have heard Mr. Whiting say this himself, and also that he would be afraid to go out of the room and leave his valuable diamond ring on the table alone with Mr. Sage. Of course Uncle Russell would not theoretically approve of taking the ring, but the boys in the "street" knew that the temptation would be too cruelly strong for Mr. Sage. Mr. Whiting thought that under those circumstances Uncle Russell would surely fall. He would see value and profit in front of him and no one protecting it. He could not help annexing the stuff. The liking for property was too strong in the blood.

The funny part of all this is that Mr. Sage is perfectly aware of the estimation in which the boys of the "street" held him. He would laugh over it. And he would pinch them just as hard and as often as the market rates for money would allow him to do so.

He was an occasional emissary from some of the boys to obtain "puts" and "calls" and "spreads" from Uncle Russell. Very few times during these operations do I remember of our getting much out of him. Nearly always he got our money.

He sold these securities on the market for years and years. The boys tried all the time to get the better of him. But he netted himself a great deal instead of their getting his money. They were tempting baits. But he manipulated the sale of them and the figures were fixed by him, so that with his judgment on the probable turn of the market he was not often caught heavily.

The one great time that he showed his essentially cowardly nature was when Grant and Ward made their spectacular failure. He had a lot of securities and loans out and lost millions that day. He was so rattled at the thought of losing this great sum of money that he tried to watch. He closed his office to stop payment of his losses, and fled up to the Western Union office, whence the Goulds sent him back down to Rector street again to stick it out and show manhood.

He went up to the Western Union building at noon every day during the time of his greatest activity in Wall street. He was interested in Western Union and a lot of other properties, elevated railroad stock, etc., with the Goulds, and it was necessary, in his opinion, for him to talk to the Goulds each day. Another thing, Jay Gould and his son George had a fine lunch served each day in their offices in the Western Union building. Uncle Russell dropped in just at lunch time, and buttoned his lunch, but appreciated.

especially by George Gould, who has a strong sense of humor. If you missed Uncle Russell downtown, if he were too busy to see you for a few moments during the morning, you could always catch him at lunch with the Goulds. He must have saved as much as a dollar or two a week on what he might have otherwise bought for lunches in that way, and Gould could stand it. They had enough lunch brought in at any rate.

Again, Mr. Sage would never go through the elevated railroad gate first. That would mean that he would have to pull out some of the tickets he always carried and perhaps deposit one for you as well as himself. He habitually permitted you to go through the gate first, and the probabilities were that you would deposit a ticket for him and he would ride on it. He owned a great part of the stock of the elevated roads at the time and of course the tickets he carried in his pockets cost him nothing. But if you bought a ticket for him, that was so much more money for the earnings of the road.

These are fair samples of the ingrown and double-dyed habits that served to swell his coffers, bit by bit, penny by penny, uninterrupted, steadily, everlastingly.

He never missed a chance for this sort of thing. It came as a natural reflex action in the regular events of his daily life, and just as the drops of water wear away the stone, these perennial, constant-flowing small accretions to his wealth just as surely kept on building up his fortune. He could no more help getting richer and richer as the days went by than he could help becoming thirsty on a hot day.

Sage had the pawnbroker instinct and his early life and youth, steeped in sharp bargaining and the wiles of country trading up in Troy, N. Y., helping him to enjoyment when he saw the person with whom he was trading handicapped by anything—even liquor—fostered and solidified that predominant characteristic of his physical and mental equipment.

His love was money-making. It consumed the bulk of his wakeful existence. It guided every move he made and every thought that passed his mind. Similar to the habit of Cyrus W. Field, he never carried any change in his pocket—a quarter would be a large find. Similar to the chronic parsimony and penuriousness of Lloyd Tavis, he would have an old umbrella repaired and hunt out a cheap shop for the job, instead of buying a new one. I never knew him to buy a cigar for a friend, but I have seen him accept the treats of acquaintances who accosted him in the Windsor Hotel, at the cigar stand and downtown. Whatever you expended on him availed you nothing, however, unless it was an opportunity to study some one who was slicker

and cleverer than his associates and who seemed to be pleased to have other people spend their change, while he spent nothing.

In the matter of spending small amounts, Mr. Sage was a joke among the hilarious, quick-witted, energetic, entrancingly interesting crowd of stock brokers, market operators, financiers, sporting swells, merchants, dabblers and respectable, staid citizens, who congregated nightly at the old Windsor, and where Sage always showed up at least a little while every evening during the '80s, for example, and down at the Hoffman House, where the crowd was a little more light and flippant and transitory.

Yates, Bennett, Flower, Joslyn, Belden, Sage, Keene, Gould—such men were to be seen each evening on sauntering around the Windsor lobby, and a host more.

Sometimes private sales were arranged right there and then that sent the figures of the market skyward or tobogganing downward, according to what was doing. It was the solid aftermath of the 3 o'clock closing of the stock exchange. It was the arena where Sage and Gould and many of the powers of the street lolled around in the evening, said important things, and sometimes did astounding things.

Down in the Hoffman House, where David B. Hill lived, where the Brunswicks and Delmonicos were near by, and the swift horse crowd, Harvey Durant, DeLancey Kane, A. H. Hummel, Charley Bacon, the Rathbones, the smart set, and indiscriminate roisterers hung out, there was often a sympathetic flutter as stocks were talked over.

But up at the Windsor was the spot where things happened. If anything unusual was expected, the newspapers sent their trusted men of the "street" up to the Windsor. You might drop in at the Fifth Avenue Hotel and inspect the Amen bench, where you would find half a dozen millionaires, including Tom Platt, General Arthur, Andrew D. White, Frank Hiseock, politicians, men of affairs, who were talking and could give you the gist of what was going to happen in finance or politics. You might look in at Delmonico's, or the Brunswicks, or the Hoffman House, but you'd find the news all ready for you up at the reliable and substantial old Windsor. There was the real crowd that regulated the turning and the revolutions of the financial firmament.

But you never felt sure that you had solved the problem until you had laced your Uncle Russell, and knew just what he was going to do or had done in the particular question that absorbed attention that particular evening.

It is amazing, when I look back upon the kaleidoscope and fast changing panoramas of events of that time, spectacular event after cataclysm, stun-

ning announcement after surprising developments, bull movement after bull market, bear raid after bear raid; campaign after campaign, startling rumor after disturbing report, roasting story after glorious dream of soaring prices—all these would succeed each other, and pass by now in my memory, and still see the steady specter of Russell Sage quietly and shrewdly gazing at it all, taking it all in, comprehending every iota of the situation, standing ready always at a moment's notice with the ability to draw the largest individual check for money in New York; ready to step in where wanted, where he could get the largest rate of interest—saving men, corporations, stock firms, even witnesses, enemies, from dire disaster with his ready cash at the highest rate of interest he could command.

Speak Uncle Russell's name, and you would see any one and every one who is wise stand still and ponder.

You could stop any broker on the floor of the exchange by beginning to tell him something about what Mr. Sage was going to do or had done.

You could secure the undivided attention of any financier or big operator or wildest gambler on the curb by merely mentioning Uncle Russell's name.

In truth, he was a power—a wizard.

"Why?"

It was because his positively known stupendous sum of ready money, ever at his command, and the unbelievable amount that he could raise at a moment's notice, a little while every evening, from dire disaster with his ready cash at the highest rate of interest he could command.

So, at times of great excitement, when something big was happening in the "street," it was Russell Sage who was firm were going to the wall when a great bear or bull campaign was under way, that was Uncle Russell's opportunity, and he ruled the day.

It was a comparatively simple matter to secure a payment of \$100,000 on what he would do so far as certain absolute principles went. No one would be so rapid and amateurish as to presume that sentiment would weigh an ounce in Uncle Russell's movements. It was simply and solely a question as to where he could obtain the highest and safest rates of interest for his money when loaned and how best he could secure a payment of the money he demanded. The greater the stress, the greater the impending calamity to others, the better he liked it. He was bothered never with any qualms of sympathy or sorrow over the new ones who were losing money or struggling between heaven and earth, their life jeopardized, their property, their life in the balance. He was a financial operator, a calm financier, furnishing the sinews of war as a commissary would, selling at the highest rates when the goods were most needed and exacting the fullest payment for the supplies, even to absorbing the entire personal property of the bankrupt.

His safety at such tremendous times lay chiefly in the fact that he did not get excited when he was winning, nor go excited when he was losing—and I really believe that the smaller the amount he lost the bigger fuss he kicked up in his own mind about it. I know of one night that he did not sleep at all because he had a paltry \$18,000 lying idle that was not working for him. It positively went over night without being out of interest somewhere. He lay awake thinking about it, and his household was treated to a lot of whimpering and cross-grained talk in consequence. It was imagined that he might be alling on account of too hard work and too close application to his office and affairs. There was nothing the matter with him whatever. He was worrying that that \$18,000 did not earn some interest over night. And I know that the first thing he did the next morning was to put his work somewhere and relieve his mind.

The best example of his universal potency, the way magnates of the "street" hung upon his words and the complete way in which his actions turned gigantic battles into defeat or victory for this one or that, according to Uncle Russell's own sweet will, was the case of James R. Keene in 1880.

Keene had come on to New York from triumphs to the tune of a few millions in the stock market of the California metropolis. He had brought his money with him, and stopped to make a little more in Chicago. When he arrived in New York he felt that here was a field worthy of his mettle. He made some brags, undoubtedly, and the peculiarly pungent phrase expressing confidence in his own ability to cope with the best of them in Wall street certainly reached the ears of the quickest and slickest of the room traders and brokers generally. Forthwith they determined to "lay" for the artful Jim.

Great master of manipulation that he was, it was inevitable that these fellows,

when banded together, would catch him.

They did.

Keene was a bull, and they were bearing stocks to beat the band at this moment when it speaks. Finally, one evening after Keene had been fairly caught, making deliveries all day and losing more than he had, being called upon for more and more margin on the stocks, and when he was finally, at the closing hour knew that he was ruined unless he could raise a lot of cash—a million beyond what he was in any way able to raise.

None thought that Sage would help him. No one knew that Keene could put up enough security to satisfy Sage, and it was known that Sage was so close to the Goulds that every one thought that Sage would not bother with this particular fight.

Keene was around there, and the remarks along the Windsor corridors were about at the stage when real sport opened that Keene had made a good fight against heavy odds.

The fellows of the street who had worsted him were crowing to a quietly exasperating extent when in walked your Uncle Russell, tall as a sycamore, and calm as an onion, with the potential strength of the same vegetable inherent in his gait, his oily approach, his air of innocence and unobtrusive interest in the world generally and the possible topics of current conversation among the excited throng in that historic hotel office.

You would not have known from his demeanor that he had ever heard of stocks or the money market. He was astounded to hear that James R. Keene was driven to the wall and would have to go under entirely at the opening gong at 10 o'clock the next morning.

But of course the old fellow knew to the minutest detail how Keene stood, what Keene had, what Keene had lost, what Keene had been doing all day and how desperate Keene's position was at that hour. Sage had made up his mind what he would do before he had stepped out of his own house at Fifth avenue and Forty-second street to go over to the Windsor.

After a little while Keene sat down and talked a few moments to Sage. An ominous hush came over everybody during those few moments. Just the exchange of a few words, but it was enough for James R. Keene and Russell Sage to arrive at a bargain. Whereby Sage agreed to advance Keene a clean \$1,000,000 in cash the following morning, and as much more as he needed, but he did need it at a rate of interest no one on this earth save Keene will ever know.

Sage never told his wife what he made out of any given transaction. I don't suppose he cared much to view the rate, as such, himself. The aggregate amount that he gained as it poured into his repositories was enough for him to know or think of.

Suddenly Keene walked quickly forward and confronted the men in the Windsor Hotel lobby, saying:

"I will meet all my obligations. I have won over you. You thought you had me, but you haven't."

That was the only time I ever saw Russell Sage excited to an unusual degree.

"Yes. He can have a million from me. Yes, two of them, if he needs it. I'll give him five it—now, tomorrow morning, at any time he wants it."

That completely settled it.

It was as potent as the ukase of an Emperor. Every one there knew that Keene was saved. Every one knew that Uncle Russell had the cash and that he had agreed to let Keene borrow all he needed to pay all his obligations. What the transaction cost Keene no one could compute, but it broke up the party netted at least a half-million dollars for himself in those few moments of conversation with James R. Keene on the old leather sofa at the Windsor Hotel that ever after.

Keene has lost and won several fortunes since that eventful night in 1880, but it is sure that he never went through any more trying moments and never came so near being ruined as he did in 1880. Sage saved him, and Sage was well paid for it.

That is the detaching element in every episode wherein you find yourself saying that Sage saved anybody or any interest. Look into it closely and you will find that he was well paid for saying it. That was his power. He had the cash. He was the pawnbroker for the "street." His "puts" and "calls" and "spreads" on the market constituted only a convenient method for his making a book" on the market.

But he would never help any one out of a matter of genial brotherly humanitarianism. He positively had brought himself to consider it a crime to give a penny to a beggar. That was encouraging poverty and degradation. His wife agreed with him, in so far as her spoken words went, but I believe she will get over that after a while. Mr. Sage was not a normal man as regards the giving of money for any purpose, but he was a miser.

From constant association, she is likely to resume a normal attitude in this respect as time goes on. To be identified with charities and have Mrs. Sage do plenty of executive work in the conduct of organized charities was their approved rule. They liked to see the Sage name displayed in the daily newspapers in connection with any appropriate charity.

In the lingering days of extreme age it seems that Mr. Sage stretched his ideas and loosened up slightly in his apparent benefactions to the extent of actually parting with some real cash.

This, I consider, was a noteworthy concession on his part, and a remarkable change of heart, in so far as he was concerned.

By temperament and nature he was a born coward. When he held his clerk, Narcosse, between himself and a bomb, and then refused to pay the widow, proved that. No one who was known to him but lost a vast fortune on his power of cunning, his wheedling, his self-restraint and lack of generous enthusiasm, could be anything but a coward.

He knew all his life that his money was his power—that having the most cash on hand in the "street" was his chief leverage.

His problem always was to keep his funds working and bringing him in as much interest as he could make them. He had quite an efficient system in his office, guided by all sorts of moral suasion, although his employees were not liberally paid, by means of which he could promptly be advised of anything that any firm was getting into—that is, any firm to which he had loaned money.

This kind of sharpness and watchfulness and industry which prospered him when he was house-trading in Troy, kept the wolf from the door most effectually in New York, and helped him to lay up a hundred millions in his family.



MRS. RUSSELL SAGE, TRAINED BY THE DEAD FINANCIER TO MANAGE HIS LAST ESTATE