



EVERYBODY OUGHT TO BE RICH

*The Life and Times of John J. Raskob, Capitalist*

DAVID FARBER

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to Be Rich

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*In memory of Adolph H. Rosenthal (1902–1978)  
who believed in hard work, family, and being a mensch*

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by his call. While Charlie is several inches taller than his grandfather and a much more dapper fellow, I quickly came to understand how John Raskob was able to accomplish so much. Charlie paddled his way solo up the Amazon as a teenager, became an investment banker, then decided to give that up to paint—his work hangs in museums around the country. He is always juggling about a hundred side projects while he keeps in close contact with half the world. My wife told me I should also note that he has the best manners of any man she has ever met. The fact that his wife Barbara Paul Robinson is at least as accomplished, energetic, and invested in the world makes the Robinson duo a terrific template for imagining just how JJR moved through the world. That writing about John Raskob allowed me to get to know Charlie and Barbara has been an extraordinary treat.

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D.F.

Everybody Ought  
to Be Rich

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# Introduction

“The name Raskob does not seem to suggest romance” began an article in one of America’s most popular magazines at the advent of the Jazz Age.<sup>1</sup> But by 1927, when Big Business ruled the land, John Jakob Raskob was widely celebrated as a heroic figure, “an artist, though one who deals in facts and figures rather than pigments or marble.”<sup>2</sup> His reputation reached its apogee in 1929, when he declared in an article published in the *Ladies Home Journal* that “Everybody ought to be rich!” He would become infamous soon enough, when the path to riches he promoted—monthly investments in the stock market—proved spectacularly bad advice.

John Jakob Raskob was far more than those few ill-timed words of advice.<sup>3</sup> In his day, he embodied the American Dream. In the first decades of the twentieth century, he exemplified what it meant to be a man of humble and provincial beginnings who joined the highest reaches of the American elite. In a 1919 front-page profile, the venerable and conservative New York *Sun* explained Raskob’s rise in a way that captured the meaning it had for the era’s burgeoning middle class. The well-known New York City writer and bon vivant Ed Hill focused on Raskob’s small-town upbringing. Raskob, he explained, had been born in the old and dying Erie Canal service town of Lockport. The people in Lockport, New York, Hill continued, did not expect “geniuses” to be born in their midst: “Country towns all over the United States are full of middle aged and elderly men who have never been able to beat this point of view—to tear loose from it. The hometown gets hold of them somehow and cramps them and clogs their feet and chills their ambition, and they give up finally and bog down for life. Not Raskob.”<sup>4</sup> Raskob, born in 1879, would not “Go West” to find his opportunity as had a prior generation. He would instead find his main chance in the hard-edged new world of capital.

John Raskob was not exactly an “Alger boy.” He did not go from rags to riches. His father ran a modestly successful, local cigar-making business. Still, Raskob did haul himself up from the provincial backwaters and reach the center of national politics, finance, and culture. He was a small-town boy who became

a big-city tycoon. Raskob had innate talent and some uncanny skills. And he would be helped by a host of well-born men. But, in large part, what people in the early decades of the twentieth century admired about John Raskob was that in making his way to the top he displayed a remarkable amount of pluck. The word “pluck” is little used today but in the early years of modern America it was the preferred term for heroes and heroines who displayed a combination of resourcefulness, dash, and spirited courage in the face of life’s travails and uncertainties. John Raskob had pluck in spades.<sup>5</sup>

Raskob was the real-life version of the characters F. Scott Fitzgerald and Sinclair Lewis created in their portraits of the money-making men of the Jazz Age. He began as a \$5 a week stenographer at Holly Pump and Machine Shops. He became the financial helmsman of the DuPont Company and then General Motors. His stock pronouncements made headline news and moved the markets. He built the Empire State Building. Raskob was one of a small group of men who created the capitalist order of the modern United States. As the leading business journalist in the 1920s wrote: “John J. Raskob of Wilmington, Delaware is to-day the organizing genius of this country.”<sup>6</sup>

Americans tend to measure their historical journey through the lives of their most prominent politicians and statesmen—Washington and Lincoln, Theodore Roosevelt and Franklin Roosevelt, Kennedy and Reagan—a reasonable and understandable approach for a democratic people. They trace their struggle for social justice and civil rights by memorializing the efforts of individuals such as Frederick Douglass, Susan B. Anthony, Jane Addams, Martin Luther King, Jr., and the millions who marched and sat-in, picketed, struck, and organized. But just as the United States was shaped by democratic politics and social struggle, it was also forged by capitalists and the free market system. Thus, the stories of its most successful capitalists—men such as Stephen Girard, Cornelius Vanderbilt, John D. Rockefeller, and Sam Walton—tell us something equally significant about the making and meaning of the United States.<sup>7</sup> From the age of industrialization through the Jazz Age and then into the economic abattoir of the Great Depression, John Raskob helped write chapter and verse of America’s free market adventure.

Raskob was a doer: a corporate financier, a stock market mover, a builder, a political operator, a philanthropist, a fun lover, a family man, a man of faith, a promoter of capitalist risk-taking, and an ever-restless instigator. The amount of energy he poured into life was prodigious. For decades, he had a framed statement in his office: “Go ahead and do things, the bigger the better, if your fundamentals are sound. Avoid procrastination. Do not quibble for an hour over things which might be decided in minutes. However, if the issue at stake is large, stay as long as the next man, but go ahead and do things.”<sup>8</sup> From the time he was a \$5-a-week stenographer in 1900 to when he became one of the nation’s

wealthiest men on the eve of the stock market crash in 1929, Raskob followed his own advice.

The drive to “do things,” lots of things, lay at the core of Raskob’s character. Raskob’s own family often wondered what made their *pater familias* tick. Like many of the great men of the second industrial revolution, including Andrew Carnegie and John D. Rockefeller, Raskob was driven not by greed or avarice, or by the desire for adulation and power. Raskob’s drive, at least in its rawest form, seemed to be almost physical. He loved to be, literally, in motion, careening from place to place and from opportunity to opportunity. From childhood days, he looked for ways to speed through his daily life. When he was young, he ran when others walked. He pedaled like a madman when he rode his beloved first bicycle. Later, he would fly down unpaved roads in automobiles, picking up moving violations at an alarming rate. Even in his old age he took pride and pleasure in his ability to speed-walk his way along crowded mid-Manhattan sidewalks as he raced from his East Side apartment to his Empire State Building office. Motion kept Raskob calm; the faster he moved the better he felt. Where that need came from Raskob never said, and no recorded early childhood incident lends itself to psychological explanation. The desire seems to have always been there: to be in motion and to stay in motion and to never just sit and watch the world go by. While Raskob’s passion for speed and motion and change would on more than one occasion move him in the wrong direction, bringing financial reversal and personal crisis, much more regularly his restless character and physical need for motion linked up with his talents to produce extraordinary outcomes.

Raskob was an architect of the capitalist system. He was fascinated by the flow of money, the workings of the credit markets, the processes by which value was given to company assets, real estate, and stock prices. Without formal education, he drilled down into company reports and made himself a master of bond divestitures and equity offerings. His interests were anything but academic. In partnership with the great industrialists and financiers of his time he put his knowledge to work: buying up companies, leveraging investments, creating new pools of credit for both the rich investor and the middle-class consumer, reorganizing corporations, plotting hostile takeovers, financing skyscrapers, and channeling money into the political system. Raskob was one of a handful of men in the United States who created the credit revolution at both the elite and the mass level that fueled America’s spectacular, world-leading economic growth.<sup>9</sup>

Raskob was not much interested in the making and marketing of goods or new products. In that sense, he was nothing like Henry Ford. He built platforms—in his case financial platforms—that allowed companies to grow and consumers to buy. Raskob focused his genius on devising new ways for credit to flow from banker to industrialist, from investor to entrepreneur, and from seller

to consumer. Raskob worked at the interstices of industry, finance, and—by the late 1910s—the booming new marketplace for consumer goods, specifically autos.

Within the business world, Raskob was a celebrated figure. Every big banker and corporate titan knew him and sought his friendship and his advice. During the 1920s *Time* magazine, the *New York Times*, and the *Wall Street Journal* printed story after story on Raskob's daring business escapades and financial moves. When he threw himself into politics in the late 1920s as manager of Al Smith's presidential campaign and head of the Democratic National Committee, he made headlines across the United States.

Despite such publicity, much of what Raskob actually did was often mysterious to the American public. He never ran a major corporation. He never invented a noteworthy product. Even when he started up a new enterprise he almost never took public credit for his accomplishment. When he built the tallest skyscraper in the world—the Empire State Building—he did not name that building after himself, as his close friend and rival Walter Chrysler had done with his own venture. Raskob did not even name himself president of the corporation that owned and managed the building. He gave that honor to Al Smith, whose 1928 presidential bid Raskob had largely funded and who, in the aftermath of defeat, needed a noteworthy position as balm to his wounded pride (and his empty wallet). Raskob never sought the limelight; he was the anti-Trump of his time.

Raskob's indifference to publicity was partially a matter of character. His ego needed little reinforcement from the public-at-large; his close friends in America's corporate and financial elite gave him more than enough praise and respect to maintain his sense of self. And Raskob saw no benefit in seeking publicity given how many of his financial deals involved careful, even secretive maneuvering.

Perhaps Raskob's indifference—even hostility—to publicity helps to explain why Raskob faded from American memory. Given the abstract quality and often deliberately secretive nature of their work, capitalists and financiers like John Raskob have often remained at the periphery of the American story—unless scandal or criminality or a debacle of some kind brought them public disgrace. Raskob got such unwelcome attention when the stock market crashed and when some of his less savory stock market plays were very publicly investigated by New Deal congressional committees. He was slammed by politicians and journalists for his role in luring the unwary investor into the great Bull Market of the late 1920s and for exploiting lax financial regulations to avoid federal taxes. Given how little clarity Raskob had brought to his place in the American economy or how rarely Raskob had taken credit for his successful financial alchemy, perhaps it is not surprising that in the public mind his glaring failures overwhelmed his complicated achievements. As the New Deal era replaced the Jazz

Age, chroniclers reduced Raskob to a footnote: he was one of the Old Order who delivered America to the ravages of the Great Depression. Raskob's role in American history deserves more and Raskob himself—a compelling character—deserves better.

When Raskob was barely out of his teenage years he partnered with Pierre du Pont to create one of the world's greatest business corporations. In 1902, Raskob worked side-by-side with the young Pierre du Pont to engineer the leveraged buyout of the DuPont Company, then a mid-sized family-owned explosive powders company operating in an illegal industry-wide cartel. Pierre and two of his capable cousins bought the creaky family business from their moribund elders for just \$2,100 in cash. John and Pierre figured out how to finance the other \$14 million. Then the unlikely partners, one a self-taught, small-town Catholic boy and the other an MIT-educated scion of a storied and wealthy family, crafted and deployed a sophisticated array of debt instruments to raise millions more to take control of the explosives industry, invest in research and innovation, reorganize every aspect of the corporation's operations, and lay the groundwork for DuPont's industrial empire.

Raskob's total dedication to the DuPont Company won him Pierre's love; his consistently successful financial strategies earned him the trust and respect of the rest of the men who ran the nation's largest explosives company. So when Raskob decided in 1915 that the sputtering new General Motors Company represented the greatest financial opportunity he had ever seen, Pierre and the rest of the DuPont men agreed to do what John recommended. Over time, Raskob wagered tens of millions of DuPont money, representing a sizable portion of the extraordinary profits the company had accrued from selling its deadly wares during the Great War, to finance the General Motors Company. Without DuPont's massive infusion of capital, General Motors could not have survived. As the business press of the era reported, it was Raskob, and Raskob alone, who brought the DuPont millions to GM.

To safeguard those millions, Raskob left his position as the chief financial officer of the DuPont Company to take over GM's finances. Billy Durant, GM's founder, became Raskob's new partner in corporate adventure. Raskob found the capital Durant said he needed to grow the business. Quickly enough, Raskob discovered that his new partner could not have been more different than the old one. Pierre du Pont was a rock steady, by-the-numbers corporate strategist. Durant had risk-taking zest and dreamed of every American family owning one or even two gleaming cars. Together, he and Durant were building not just a company but a new industry, a new way of life.

Most Wall Street bankers believed Billy Durant was much too willing to let his fantastic dream of an auto nation get in the way of sound corporate strategy. Raskob ran interference for Durant, justifying his plans to investors and finding

Durant the money he needed to buy up competitors, acquire more companies, hire talented managers, and expand into new markets. Raskob and the other men who helped run GM—including Walter Chrysler and Alfred Sloan—did their best to make Durant’s dream a workable reality. But each of those men, as they watched Durant spend millions without much care for organizational efficiency or rational disbursement of investment capital, lost faith. Raskob was one of the last to doubt Durant. But when he finally took one risk too many, Raskob, in association with the hardnosed men of the House of Morgan, shoved Durant out the door.

Raskob then talked Pierre du Pont into replacing Durant as GM president. In the early 1920s, they partnered with Alfred Sloan to rebuild General Motors. It was Raskob who figured out how to beat Henry Ford at his own game by betting on a consumer credit revolution and creating GM’s installment buying arm, GMAC, which allowed car dealers to fill their showrooms and millions of people to afford GM’s more expensive and stylish cars. Then, to motivate and maintain the loyalty of GM’s extraordinary management team, most especially the irreplaceable Alfred Sloan, Raskob devised one of the first corporate stock option plans. The business press dubbed it Raskob’s “millionaires’ club.” The press was not exaggerating; dozens of GM managers would accrue GM stock worth millions (including Raskob); Sloan, who took over as GM president in 1923, eventually made hundreds of millions of dollars. The business elite saw Raskob as a visionary who had figured out how to get managers of corporate America to act like owners; instead of working only for salary they were working for a share of the company’s profits. Raskob’s stock option plan for top managers became conventional wisdom in corporate America.

Raskob was, in his time, best known for his financial genius. Without the money and status he earned in the business world his other activities in politics, religion, and philanthropy would not have been possible. But Raskob was more than just a successful capitalist; he threw himself into the life of the nation. He worked with everyone from President Wilson to John Rockefeller in attempting to solve the bitter labor strife of the post-World War I years. He was toasted in the 1920s, at least by some, for promoting labor peace through shared prosperity. From his early days in the business world, motivated in part by his own rise from relative obscurity, he thought about ways in which economic opportunity could be widely expanded. At the DuPont Company and then at General Motors he created savings and stock option plans for both salaried employees and hourly workers. He desperately wanted to bridge class divides in American life, and his fondest hope was that he could create a way to share the wealth the American corporate system was fast producing.

In the late 1920s Raskob laid out a plan to operate the largest investment trust in the world. Working people, he announced, would be welcome investors in this massive trust; for just a small monthly payment they, too, could leverage

their money and become shareholders in America's booming corporate economy. "Everybody," he said, "ought to be rich." Before Raskob could launch his investment trust for the masses, the stock market broke and then crashed. Luckily for Raskob he had not realized his dream of taking and investing the savings of millions of working Americans in the stock market; if he had he would have lost it all.

Although Raskob had not directly invested the public's money in the market, he was pilloried by pundits and politicians for having ballyhooed corporate shareholding just before the Crash came. In a few months' time, Raskob went from Jazz Age hero to villain of the Old Order. He never accepted any responsibility for contributing to the stock market bubble. Instead, he felt betrayed by those who refused to understand that risk was at the very heart of the capitalist system and that losses were a part of the game. Raskob was never much good at understanding that few people had his nerve and willingness to rebound from dramatic setbacks; he failed to grasp that most of his fellow countrymen wanted less risk and more security in their lives.

Raskob himself lost most of his personal fortune in the 1930s. That loss bothered him much less than did Americans' support for the New Deal which, he believed, punished capitalist risk-taking by redistributing wealth and restricting economic opportunities. In the 1930s, Raskob stopped dreaming of making "everybody rich" and threw himself into safeguarding his own wealthy class. As the founder and behind-the-scenes operator of the American Liberty League, Raskob directed capitalists' most direct attack on the New Deal. Raskob, alongside other wealthy men, laid the course for economic conservatives' decades-long struggle to rein in the liberal welfare state.

Raskob believed that the great majority of Americans best served their own interests by binding their economic future to America's job-creating and wealth-producing elite. Public policies, government interventions, and even good-hearted politicians that stood in the way of that free market productivity weakened the national fabric and reduced, he argued, all Americans' ability to prosper. Even after the stock market crash of 1929 and the Great Depression of the 1930s, Raskob rejected the need for any major role of the federal government in American economic life or in the safeguarding of individuals from the "creative destruction" of the capitalist system.

Raskob was never just a hard-hearted economic conservative or, to put the case hardest, a political reactionary. He knew that businessmen could be predatory, and he supported Progressive Era efforts to rein in and punish businessmen and industrialists who cheated their customers or deliberately caused harm to consumers or workers. In that sense he was like many other leaders of the giant corporations who rose to power in the first decades of the twentieth century. Raskob wanted a rational corporate order based on the rule of law. But he never accepted the premise that complex, punitive regulatory measures and large-scale

public welfare policies were the best way to ensure income equity, social virtue, and economic fair play in the United States. He refused to believe that most Americans wanted the security the New Deal promised and not the opportunity a relatively unfettered free market offered.<sup>10</sup> Raskob spent a sizable chunk of his fortune and of his energy in the late 1920s and 1930s fighting for his political principles, beliefs a later generation would call conservative. Raskob believed that the free market, not the federal government, provided Americans with their best opportunity to prosper. That his own life proved that a man with enough drive and talent could overcome humble beginnings and achieve great wealth made it hard for him to see the world differently.

Raskob was not, despite his faith in the virtue of the free market, a one-dimensional economic creature. He was a devout Catholic at a time when only a tiny number of his fellow religionists had cracked the WASP elite circles that ran the nation's affairs. His religion was a defining feature of his public and private life. As one of the very richest Catholics in the United States, Raskob felt it his duty to give millions to the Church for every kind of philanthropic effort. He provided the money to build schools, hospitals, churches, and better lives for Catholic priests and nuns. In thanks, Pope Pius made him one of the first American Knights of Malta and gave him a relic of the "True Cross." As a leading Catholic layman living in a time of widespread anti-Catholic feeling, Raskob worked hard to make American Catholicism strong and respected. At the elite intellectual level, he became a major benefactor of *Commonweal* magazine, American Catholics' most influential lay journal of ideas and opinion. Quietly, within American Catholic circles Raskob fought to give laymen a greater role in their Church. Especially in the late 1920s when Raskob was at the peak of his financial power and influence, he expended great sums of money, as well as his precious time, attempting to reform the operational side of Church affairs, urging the American Church's leadership to recognize what Catholic businessmen and other professionals could bring to what he called the secular side of their parishes and archdioceses. More famously, in 1928, Raskob was named head of both the Democratic National Committee and the presidential campaign of the first Catholic presidential candidate, the "Happy Warrior," Governor Al Smith. While his reasons for supporting Smith were personal and complicated, in part he joined the campaign to fight for repeal of Prohibition, which he saw as a hysterical slap at America's Catholic immigrants by the Protestant majority (as well as a portentous case of state-sponsored destruction of an entire industry). Though with only limited success, Raskob used his time in the political limelight to fight anti-Catholic prejudice in the United States.

While Raskob's millions were not enough to put Smith into the White House, soon after the campaign, Smith and Raskob teamed up to build and manage the Empire State Building. While the Great Depression tested Raskob's massive

investment in the building—most of his fortune went into it—in the end, the Empire State Building paid off. Not only did his skyscraper become one of the iconic architectural wonders of the world, in the 1950s it was the world's most valuable building. While few remember that John Jakob Raskob built the Empire State Building, in his last quiet years he knew what he had accomplished and he loved little more than going each day to his wood-paneled office suite on the 80th floor and looking out over the world he had changed.

Raskob slowed down in the 1940s. He stepped out of politics and began no major ventures. Instead he bought up gold mines in Mexico and massive swathes of land in the American West. When Raskob died in 1950, after ensuring that his ten surviving children and his wife would never want for anything, he left most of his fortune to the Raskob Foundation for Catholic Activities which, as Raskob wished, quietly continues to donate money to good works around the world.

Raskob is a rare figure in modern American capitalism. He kept copious records of his personal life, his deals, and his nearly ceaseless activities. His excursions into Big Business, politics, religion, real estate, and the social whirl of the American elite are all neatly documented. In doing so, he illuminates the world of America's corporate big-wigs and financial masterminds. Raskob's private life was as rich as his business affairs: he traveled by private railway across the United States, gambling in the El Mirador in Palm Springs with starlets, playing high stakes blackjack at the fabled Beach Club in South Florida, rolling into New York to take the best seats at Broadway openings, and then celebrating afterwards in exclusive speakeasies like midtown Manhattan's Club Borgo. A man of relentless energy and curiosity, Raskob makes for an entertaining, as well as an informative, guide to American high life.

Raskob's overarching belief that the marketplace could produce prosperity and that giant corporations could create stability in the American economy still undergirds American life. The consumer credit revolution he helped to build changed American values as much as it reshaped the material conditions of America's households. His belief that Americans needed to tie their savings and their fortunes to the corporate business world has taken modern form in 401K plans, the lure of employee stock options, and every giant pension program that invests in equities. Raskob's legacy is all around us.

This account of Mr. Raskob is no hagiography. Even setting aside the broader implications of Americans' faith in the market, Raskob was far from a saint. Even his economic judgment was far from perfect. Many of his business decisions and investments did not turn out well; many people, including those closest to him, lost a great deal of money by following his advice. He could be a hard man, too. He had no patience for or empathy with people who could not seize opportunities and make the most of them. He never understood how or why so many people banked their lives on security, avoided risks, and allowed themselves to be

tied down by their family backgrounds or restrained by their fears and insecurities. His social vision, too, was occluded by most of the limits of his time; he rarely noticed racial inequality or showed any concern about the very poor. Especially as he became older, he often failed to understand how people could disagree with him about fundamental issues of political economy unless they were venal and corrupt, and he railed against those who did. Raskob saw himself as a loving family man but his relations with his children and with his wife were often troubled. Raskob's longtime friend, president of General Motors Alfred P. Sloan, once called himself a "narrow man," acknowledging that his laser-like focus on business success had limited his social vision. By that definition Raskob, a man of broad interests and adventurous spirit, was not at all narrow, but sometimes his inability to see that few other people could or would live as he did, that very few people had his combination of talent, intelligence, drive, and risk-taking personality, had a similar effect. Raskob could be a difficult man, limited in his sympathies and mercilessly hard on his political opponents, as well as on his friends and family.

Raskob did, however, also demonstrate all his life a generous ebullience and visionary enthusiasm that swept people up into his orbit. He stayed ever true to his oldest friends, the humble men with whom he had come of age at the end of the nineteenth century in Lockport; he sent many of their children to college and safeguarded their families against misfortune. His closest friend, Pierre du Pont, said that he had never met a man he trusted so much. Raskob had an exceptional talent for walking into a room and convincing hardnosed men, whether they were bankers or industrialists or politicians, that he was the harbinger of the next and most necessary step in the adventure upon which they had been waiting to embark. Raskob lived his life with wit, intellectual curiosity, and constant self-challenge to do more, to see more, and to experience more. He was a protean man, unafraid to throw himself into new social realms and to reinvent and retool himself to take on new adventures. The inner fire that fueled him seemed to many in his generation a source of American greatness. Men and women of all kinds relished his company.

Of course, Raskob was more than just an extraordinary and complicated man. He was a member of a particular economic elite in American life that took up an extraordinary opportunity to shape their society and the American future. Thus, this biography of Raskob is also a story of America's corporate and financial elite and the world they made. Inasmuch as capitalism stands nearly unchallenged and the marketplace acts as a powerful arbiter of Americans' individual and social worth in our own time, Raskob's life and his time, his successes and his failures, reveals much about the moral economy not just of the past but of the present and of the future.

## Small Town Catholic Boy

Johnny, as friends and family first called him, was a Catholic boy, half-Irish and half-German. He was born in America. His parents were native-born, as well, though just barely. His mother's parents, Ellen O'Riley Moran and John Moran, were from County Roscommon, Ireland. They had made their way from the little village of French Park to America around 1850, in the midst of the potato famine. Johnny's mother, Anne Frances, the seventh of what would be nine children, was born very soon thereafter in 1851. The Morans were neither quite so poor nor desperate as most of their countrymen who fled Ireland during the Great Famine. But they were very much a part of that great wave of Irish immigration that changed the religious and ethnic composition of the United States so dramatically and so quickly in the mid-nineteenth century, giving rise to an angry and populist anti-Catholic nativist movement. Grandfather John Moran had come to America with some skills as a bookkeeper and had been drawn to the commercial bustle of Lockport, New York, and the well-established, if often rough community of Irish immigrants that populated the town. That he had come to Lockport with some commercially useful education and with his wife marked the Morans as a class apart from the great many single, unschooled Irish men who had first arrived in Lockport in the 1820s to work as unskilled laborers on the Erie Canal.

Johnny's paternal grandfather, Jakob Raskob, had also come to America in 1845 with some advantages. Like a good many of his mid-nineteenth-century German immigrant compatriots he had a bit of capital and a great deal of drive. His name indicated the family's likely roots in the Alsace region that had, until the Franco-Prussian War of 1870, been a predominately German-language speaking part of France. But according to his own account he had been born in southwest Prussia, in the village of Großlittgen. That is where he had been when he decided to make his way to the United States at the age of twenty-five. He began the journey as a single man. During the month-long voyage, he met Margaret. In 1847, after Jakob established himself, they married at the St. Louis Roman Catholic Church in Buffalo. Soon thereafter, Jakob set himself up as a saloon keeper,

a lucrative business in nearby Lockport where thousands of thirsty men working the Erie Canal stopped off while their boats stacked up around the locks that had made Lockport famous. By 1865 he was a licensed distributor of liquor, and he paid a yearly federal fee to make cigars, a business that had just started to take off in the United States, helped by a high tariff that virtually eliminated competition from the world's leading cigar makers in Germany and Belgium.

In 1866, Jakob Raskob was listed on the federal tax rolls as already possessing \$2,000 in finished cigars. He told the 1870 federal census takers that he was a property owner worth some \$5,000, with his assets neatly divided between inventory and real estate, making him a man of means in his small town. Unlike many recent immigrants, he had also chosen to become a naturalized citizen of the United States. The Raskobs were Americans though they did maintain a strong connection to German culture and the German language. By the 1870s, handmade cigars—there was as yet no such thing as a machine-made cigar—had become the Raskobs' sole business. Jakob had almost certainly learned cigar making in Germany and began to train his oldest son, John, in the trade.

When John Jakob Raskob was born March 19, 1879, his father John was still working for grandfather Jakob. They were solidly middle-class people, making and selling cigars locally. The extended family lived together at 43 East Avenue in a cramped building his grandfather owned. The cigar business was in the same building. The odor of tobacco permeated the household.<sup>1</sup>

John Raskob had married Anna Frances Moran, crossing ethnic but not religious lines, on May 28, 1878, at the Roman Catholic Church in Indianapolis. Anna's parents had left Lockport years earlier, first to neighboring Niagara Falls, and then to Indianapolis. Somehow John and Anna found each other and maintained a long-distance courtship. John was, at least according to one of his cousins, "a stunning looking man."<sup>2</sup> They were both twenty-seven when they married, which was, then, about average for a man and a little old for a woman. Johnny arrived just over nine months later. Three more children, Gertrude, William, and Edith, quickly followed. Intense, happy memories of his boyhood years stayed with Johnny all his life. He believed he had an idyllic childhood. He loved Lockport.

In the early nineteenth century, Lockport had stood as a proud symbol of American ingenuity and material prowess. In 1821 just three white families had settled in the area. Since the great majority of the Iroquois people who had lived in the area had been driven out or slaughtered by the Continental army in the late eighteenth century, these American settlers felt as if they had discovered a virgin territory, dotted with towering oak and black walnut trees. Their only neighbors were a small number of Indians who lived nearby on the recently allotted Tuscarora Indian Reservation. Among the Tuscarora, the site that would

become Lockport was best known for the multitude of rattlesnakes that sunned themselves on the many expanses of bare gray rock that marked the plateau of the Niagara escarpment.

By 1825, a visitor wrote, everything had changed. Where once there had been only rock and trees, there was now “the canal—the locks—stone and frame houses—log buildings—handsome farms—warehouses—grist mills—waterfalls—barbers’ shops—bustle and activity—wagons, with ox-teams and horse teams—hotels—thousands of tree stumps, and people burning and destroying them—carding machines—tanneries—cloth works—tinplate factories—taverns—churches.” The awestruck writer concluded, “What a change in four short years from a state of wilderness.”<sup>3</sup> At the end of 1825 over 3,000 people lived in the brand new town of Lockport, the site of the great locks that made possible the 363-mile long Erie Canal, the greatest technological and economic accomplishment of the day.

The locks, ingeniously devised by one of the Erie Canal’s unschooled hero-engineers, Nathan B. Roberts, conquered the sudden rise of the Niagara escarpment rock ridge that interrupted the canal’s steady westward movement to Lake Erie. These locks lifted boats in five stages up sixty feet. Lockport, as was much celebrated in early nineteenth-century America, was where the great canal builders had defeated nature, turning wilderness into commerce by allowing cargo and passengers to make their way by “artificial river” from the Atlantic Ocean via the Hudson River to Lake Erie and thus the great interior of the American continent.

The opening of the great locks in 1825 had brought many dignitaries to Lockport and one of the most illustrious was the great friend of the American Revolution, the Marquis de Lafayette. He charmed his audience by noting of their locks and of the nearby Niagara Falls: “Lockport and the County of Niagara contain the greatest natural and artificial wonders, second only to the wonders of freedom and equal rights.”<sup>4</sup> A modern-day observer, the historian Carol Sheriff, makes a related if more telling claim. The Founding Fathers, she notes, were widely seen by their fellow Americans, as “establishing free institutions, the next generation of leaders had the luxury—as well as the imperative—to concentrate on spreading prosperity.”<sup>5</sup>

New York Governor DeWitt Clinton, champion of the Canal, certainly saw himself that way, as a new kind of national hero, not a founder of political democracy and liberty but a promoter of commerce and economic uplift. The Erie Canal was, as much as any single phenomenon in Jacksonian America, the physical manifestation of the American Dream: the idea that in the United States individual economic opportunity was a right and economic success likely for anyone—white men, that is—willing to take their chances and make their play. The government, politicians like Governor Clinton believed, had a responsibility

to help make those opportunities possible. That the Erie Canal, unlike the far less glorious, slave-built canals popping up at the same time below the Mason-Dixon line, was dug and blasted into existence by free men, almost all of them recent immigrants to the United States, hungry for opportunity, only underlined the dazzling symbolism and functional reality of the canal.

Some 1,200 men, nearly all of them newly arrived Irish immigrants, built the Lockport section of the canal. Most earned \$12 a month plus “found” (meaning food and drink, including a daily half-pint of whisky), a good wage, then, but one that also undercut prevailing pay, infuriating the small number of American-born laborers who often brawled with the Irish. Despite extraordinarily dangerous working conditions, these men overcame the greatest brute physical challenge facing the canal builders. They carved a channel through the rocky plateau of the Niagara escarpment that extended westward toward Buffalo for three miles past the site of the locks. Under the orders of the self-taught canal engineers, these men used black powder to blast away the dolomite rock and millions of cubic yards of debris. Erratic charges blew up men, too, and sent rock storms pounding into the newly established town. Nonetheless, the Irish hard men soldiered on. Using newly devised mechanical cranes and wooden-wheeled ox wagons, the men piled up shattered rock and debris some seventy-foot high along the south side of the canal. The massive piles were still there when Jakob Raskob arrived mid-century in Lockport to sell liquor and cigars to the booming town’s still fast-growing population, which thanks to the large number of early workmen who stayed on to settle there had a powerful Irish Catholic cast. At the advent of the Civil War, when Johnny’s father was just a boy, Lockport was a well-known, prosperous town, filled with shops, groceries, grog houses, taverns, and hotels.

When Johnny was growing up in the 1880s and 1890s, travelers still came to see the mighty locks at work and the canal still dominated Lockport but not as it had once done. By the mid-nineteenth century, railroads had begun to compete with the Erie Canal. When Johnny’s father was born in 1850, the Canal had already lost almost all of its passenger business to the railroads, which, in fits and starts, had begun to run parallel to the canal in 1830, just five years after it opened. The great 1853 merger that created the New York Central Railroad finalized the process; four trains a day ran all the way from Albany to Buffalo. They made the run in about fifteen hours. The one-way ticket cost \$10, serious money then. The canal’s packet boats charged far less, around \$6.50, but it took them ten days to cover the same distance. Very few were willing to trade that much time for that amount of savings. Before 1850, passenger travel by packet boat had been a lucrative business, drawing a relatively high-class clientele of businessmen, traders, and tourists. Up to 120 passengers, with nighttime sleeping quarters for forty, floated comfortably on a seventy-eight by fourteen-and-a-half foot craft towed by mules down the canal; musicians

serenaded them and fancy meals of roast beef and plum pudding, with plenty of liquor, were served. These passengers had sustained all sorts of businesses up and down the canal, most especially in Lockport, which was a natural stopping point due to the time it took boats to work their way along the queue lined up at the locks. But by the end of the 1850s the canal passenger business was finished. With the end of the service-oriented higher-end passenger trade, freight alone sustained the slow-moving, mule-towed canal boats and even they faced ever fiercer competition from the railroads. As a result of close profit margins, the canal boat crews were increasingly made up of poorly paid, hard-worked, rough single men who had few other opportunities.

By the time Johnny was a boy, living just a few blocks from the waterway, the canal had long lost its allure. Freight tonnage had peaked in 1880, despite fervent attempts by the canal's supporters and beneficiaries to retool the canal to make it a more cost-effective carrier. The men who worked as boat crew, as well as the boys, some no older than Johnny, who led the slow-stepping mules that still towed the freight boats were often tough customers, sometimes on the run from the law or family troubles. Few talked about their past lives. Usually known only by monikers such as Oswego Dutch, Rhode Island Red, Bohemian Dutch, Squirrel Wheeler, Shivery Newman, and Monkey Joe, many stole fruits and vegetables growing along the towpath, as well as the occasional chicken. They were a hard-drinking bunch. The son of one of the boat captains, who grew up alongside these men and boys, remembered them fondly but he readily admitted that "they were a footloose breed of men."<sup>6</sup>

For Johnny, the canal did not represent Governor De Witt Clinton's dream of American prosperity or of technological mastery. The canal was the local swimming hole. Johnny's parents and the parents of his friends let the boys play there, but Johnny knew that the rheumy-eyed men who worked the canal boats were to be avoided. The canal never figured in his dreams for the future; he grew up knowing that the best years of the Erie Canal were behind it. Young Johnny Raskob was growing up in a town that directly witnessed what the European émigré economist Joseph Schumpeter described so brilliantly in his characterization of a market-based capitalist society: its economic progress—America's economic progress—depended on a process of "creative destruction" that continually upended whole industries and social relations and produced turmoil so that new, more efficient, and more profitable uses of capital could form and so replace the old, outdated, and less efficient. As Johnny Raskob was finishing grammar school, Lockport's greatest days as the site of national and even international renown for technological mastery and canal-based economic vibrancy were behind it.

By the end of the nineteenth century, Lockport was just a provincial little town that serviced an economically marginal, old-fashioned artificial waterway.

Not many years later, though long after Johnny Raskob had made his way far from upstate New York, F. Scott Fitzgerald would use Lockport as a marker of failure. In *Tender Is the Night*, Fitzgerald casts out his tragic hero Dick Diver from the glamour of the French Riviera and places him at novel's end, destitute, alcoholic, and hopeless, in Lockport on a journey to oblivion.

As a boy, Johnny Raskob did not see Lockport that way, and as a young man he never wanted to, even as its desultory job market put a ceiling on his ambitions. He would always remember his small town as a warm-hearted community where everyone, Protestant and Catholic alike, got along. For young Johnny, Lockport was like a contemporary Currier and Ives print come to life. The lithographs of horse-drawn sleighs running through fields of snow, passing by clapboard houses, so popular in Victorian American middle-class homes, could have been sketched from everyday life in wintertime Lockport.

Johnny loved the curtains of snow that fell on Lockport every year, burying the town in a white blanket. He never forgot the great blizzard of 1893 that left snow drifts ten-feet high. Bursting with energy and always avid for exercise, Johnny, at a young age, took charge of shoveling the mounds of snow that covered the sidewalks at the corner of East Avenue and Charles Street where his family lived and the family's cigar-making business was housed. When the canal froze over, forcing the freight boats to quit for the winter months, Raskob and his friends skated on the hard ice. As a teenager, he rode in horse-drawn sleighs, racing along and flirting with girls. Raskob came of age at the end of the nineteenth century in a small-town America that he and others like him, soon enough, would make obsolete in the twentieth century. Even as his fame and his wealth accrued, even at the very end, a part of him yearned to go back to his small town, a recurring dream for so many of the men and women who left provincial pleasures and security at the cusp of the twentieth century to build the juggernaut of modern American mass society.

Johnny worked part-time from an early age. When he could, he picked fruits and vegetables for local farmers and at harvest time he guarded area vineyards from the pilfering hands of the canal boat workers, though he later admitted that he and his friends were a greater danger to the grapes than the boys who walked the canal tow path. But his first steady job came in 1891 when he was twelve.

In Lockport, every boy wanted a paper route. Few got one. Almost any kid ten or older could be a "newsie," selling papers on the corner or to the boat men who lined up at the locks waiting their turn to move up and down the Erie Canal. But hawking newspapers was a precarious game; a paper route was a sure thing, money in the bank and high status in Johnny's circle of friends. Johnny set his sights on winning a prized route. Although Johnny was smaller than most boys his age, in 1891 he talked the circulation manager at the *Lockport Daily Journal* into giving him not one but two paper routes.

Johnny had an advantage in pursuit of his first vocational challenge. His parents had provided their first-born son with a bicycle and not one of the penny-farthing big-wheeled novelty contraptions. Raskob was one of the first boys in town to have a relatively expensive pneumatic tire “safety” bike—a steel-stamped, lugged frame bicycle that floated along on two wood-rimmed, ball-bearing equipped wheels of the same size. He loved the bike, and it made the two paper routes circuit possible. Still, Johnny had to convince the manager of his riding prowess and his dedication to the newspaper delivery business. And he had to want to work not just one route but two, despite the fact that his family was economically secure and by no means needed Johnny’s small wages. From the beginning, Johnny liked to work and to work hard; his father took evident pride in his son’s enterprising spirit and in the evening they would talk about business. Johnny’s success left his friends jealous.

Johnny’s paper routes gave him the run of the town. One route was near his house in lower-town, the fading industrial district. The other route took him past the mighty five-stage canal lock, one-time technological wonder of the North American continent, and into the slightly posher environs of Lockport’s upper-town. Johnny rode from bottom to top in Lockport, delivering his papers and collecting the weekly subscription fees. Johnny, even then, a careful observer of the world around him, noted how a wide spectrum of Lockport families lived.

Indicative of his life to come, Johnny kept scrupulous accounts. Once, memorably, he got into a fist fight with his closest friend who was helping him with collections after Johnny had spotted a discrepancy of two cents. Johnny flew through the town, racing the clock, a ball of energy, focused on his missions. Only a few years earlier, his second grade teacher at the Washburn Street School had been struck by Johnny’s almost uncanny discipline and his warm, steady brown eyes, which always returned her gaze. He was slim, she remembered, and not an outstandingly handsome boy, but he had “a face one would remember.”<sup>7</sup>

As Johnny’s bike-riding prowess indicated, he was an avid athlete. He found an outlet for his restless physical energy at the Lockport YMCA. Basketball had been invented at the Springfield Massachusetts YMCA Training School in 1891 and almost immediately made its way to the Lockport Y where Johnny, despite topping out at around 5’6”, relished the game. Johnny also took to the gymnasium exercise routines that the Y first made widely available to American youths—he was particularly good at rope climbing and was not shy about demonstrating his skill, especially if girls were in view.

The YMCA was one of many organizations in the late nineteenth century that were nationalizing culture in the United States, breaking down traditional regional and ethnic ways of life. At the Y national culture meant, in part, playing brand new games, such as basketball, as well as volleyball, and following

the games' standardized rules. Not only were young Americans increasingly playing the same games, whether an Anglo-Saxon Protestant boy in Springfield, Massachusetts, a Jewish kid in Chicago, or a half-Irish and half-German Catholic teenager in Lockport, but they also were changing the culture simply by *playing*. Johnny was part of that generation of American young people who came of age thinking that recreation and fun and a certain amount of frivolity were part of a good, healthy, and respectable life.<sup>8</sup>

That Johnny was a member of the Y, as were so many of his friends, says a good deal about his family and the relatively unusual, easygoing relationship between Catholics and Protestants in Lockport. Catholic boys were not supposed to join the YMCA. The Y had begun in London in 1844, at least in part, as a place to train boys and young men in Protestant beliefs. At a meeting of New York state YMCA leaders in 1892 the proselytizing mission was reaffirmed: "No association is satisfied . . . until the man is grounded spiritually and has a being active in the Lord Jesus."<sup>9</sup> The Catholic Church hierarchy understood that this version of Christian "spirituality" was not meant to be supportive of theirs. A Catholic priest in nearby Connecticut explicitly warned his parishioners that the YMCA was an "anti-Catholic institution" and insisted that a canon of the Church forbade Catholics from joining the Y or even attending YMCA activities.<sup>10</sup>

Word of this canon had either not made its way to upstate New York or more likely no one, including the local priests, paid attention to it, a spirit of non-conformity not unusual in American Catholicism at that time. Although there had been plenty of troubles between Protestant "native" Americans and Irish Catholic immigrants in the early and mid-nineteenth century, by the end of the nineteenth century relations between Catholics and Protestants in Lockport were remarkably amicable. Johnny had no idea growing up that in much of the United States many Protestants had religious contempt for Catholicism and viewed Catholics—"Papists"—with grave suspicion, fearing that the Pope commanded them in ways incompatible with American democracy.

In Lockport, Johnny had Protestant and Catholic friends and never seems to have thought much about it, just as his parents felt no concern about his membership in the "Protestant" YMCA. For Johnny, and perhaps his parents, the Y was a place of middle-class respectability, not a covert form of Protestant proselytizing. Likewise, as a little boy he went to the nearby public school and not a Catholic one.

At the same time, the Raskobs were very much a religiously observant Catholic family. Johnny had been baptized at St. Mary's, the German-dominated Roman Catholic Church that had been established in 1859 as an alternative to the Irish-oriented St. John the Baptist Parish. When Johnny was older, he left the public school to attend the new Catholic school established at St. Mary's.

Johnny's father was a committed member of the local chapter of the Catholic Men's Benevolent Association, an affiliate of the Catholic Central Union that had been founded by upstate New York German-American parishes in 1855 in nearby Buffalo "for the promotion of Catholic interests, temporal and spiritual, and the zealous practice in common of Christian virtue and works of charity."<sup>11</sup> As a boy and young man Johnny regularly attended Mass and practiced his faith. He mournfully wrote a friend at one point that he had attended a rollicking party with plenty of good-looking girls, but he could not ask any of them for a dance; he had given up dancing for Lent. Johnny held his faith dear, but he did not grow up in an all-Catholic or ethnic community or neighborhood. Unlike many Americans who came of age at the end of the nineteenth century, Johnny was and would remain all his life at his ease among people of different faiths and ethnicities.

Johnny's teenage years were happy ones. Indicative of his middle-class status, he went on to high school, a relatively rare undertaking for Americans in the 1890s. He admitted later in life that he had been an indifferent student. Far more of his energies went into his social life. Johnny was unendingly and vocally infatuated with girls. He and his friends spent countless hours talking about lower-town girls and upper-town girls and girls who were pretty and girls who were sweet and who had interests in whom. His admiration for and interest in attractive women would be another life-long constant.

Sometime in his mid-to-late teens, Johnny began working part-time on the New York Central passenger trains on the Lockport to Buffalo route. He was a "candy butcher," walking up and down the aisles selling candy, as well as newspapers and books, to the passengers. It was a good job for a teenager with wit and energy; Thomas Alva Edison had gotten his start in life working on the trains as a candy butcher, too. Selling on the trains put Johnny for the first time in the commercial whirl of the national marketplace. His customers, the men who filled the passenger cars, were often drummers or traveling salesmen, a field that had exploded onto the American scene in the decades after the Civil War. Often representing big companies out of New York and Philadelphia, the urbane drummers tended to be a fast talking, sharply dressed breed of men, far different than the kind of people who populated Lockport. Successful sales representatives could earn several thousand dollars a year, big money then.

Johnny was not a complete rube. He had, by this time, visited New York City with his parents (he had an aunt who lived in Brooklyn), a family visit unusual enough to be reported by the *Lockport Daily Union*. But walking the aisles of the New York Central, pitching his wares to the savvy, smart-talking men aboard the New York Central was a direct education into the ways of the world that lay outside the cultural bounds of Lockport.<sup>12</sup>

Another teenage candy butcher working around the same time as Johnny Raskob tells an instructive story about his own introduction to the ways of the marketplace by an older salesman. Max Ravage, a Jewish immigrant who would later write a classic account of coming of age in turn-of-the century New York City, was politely peddling his candy for a penny a piece. A professional salesman watched in amusement and then pulled young Max aside. Raise your prices, he said, otherwise people will think your candy is no good. "Americans," he continued, "had no sense of value. They were so rich they didn't need any." And forget about being so polite, "Move along, elbow your way through the crowds. . . . Don't be timid. America likes the nervy ones. This is the land where modesty starves. And yell, never step yelling." Of course, it worked. Candy that Ravage had bought for well under a penny could be sold, he discovered, for a nickel a piece.<sup>13</sup> It was a new world, a modern world. Raskob intended to embrace that world.

By the time Johnny was working on the trains in the mid-1890s, he and his father had decided he would not go into the family cigar business. Neither Johnny nor his younger brother William ever learned how to roll a cigar, which is rather remarkable given that both their father and grandfather were skilled artisans. The boys were supposed to do better; and more pressingly, the prospects for the hand-rolled artisanal family cigar business were not good.

The cigar business had been good to the Raskob family for a long time. Jakob Raskob had begun making cigars just as the industry took off; in the early 1860s fewer than 5,000 men made cigars in the United States and per capita consumption of cigars had already nearly tripled since Jakob had first arrived in the United States. Most cigars were hand rolled by men who owned their own businesses and who employed just a few other men, often family members. There were no national brands or national distribution of cigars. Every cigar was handmade, and it took time to learn how to form the loose tobacco, roll it in the fragile outer leaf wrapper, and shape the cigar. Cigar makers had to master a multitude of styles, especially at the high end, where Cuban tobacco dominated. A cigar maker had to know how to make the corona, coquette, perfecta, favorite, and many others. Cigars became more and more popular throughout the nineteenth century and per capita consumption soared. The five-cent cigar became the new industry's standard and competition became fierce.

By 1892 Johnny's father ran the family cigar business and employed a handful of cigar makers. Jakob Raskob, a widower for many years, still lived at 43 East Avenue but was listed in city records as a boarder not a cigar manufacturer. That Johnny's father had been able to take over the trade from his father demonstrated that the business was viable and that the Raskobs had succeeded where many other family cigar businesses had not. For example, Samuel Gompers, born the same year as Johnny's father, had also joined his father in the family cigar business. But the Gompers lived and worked in New York City and by the time

young Gompers was a highly skilled cigar maker in the 1870s, he could make more money working for one of the big cigar manufacturers that were beginning to dominate the marketplace. Gompers went on to become a leader of the Cigar Makers' International Union of America and then the founder and president of the American Federation of Labor.

The cigar business was increasingly becoming a regional and national one and the Raskobs were still just a local concern, in competition with sixteen other cigar manufacturers just in Lockport. At the low end of the market—the canal boat crew end—cheap stogies made in mass using wooden shaping blocks and other less skilled production techniques were the popular choice. In the vast middle, five-cent cigars were increasingly made by cigar companies employing a thousand men (and by the early twentieth century, women). They could make a good cigar much cheaper than the small family-operated concerns. By the end of the century national brands, such as Antonio Y Cleopatra, King Edward, Garcia & Vega, and Swisher Sweets, were heavily advertised, promoted by professional boxers and celebrity actresses. Both John Raskobs, father and son, understood that the family cigar-making business was a dead end. Back in 1848, an agitated German political economist named Karl Marx had made note of the general phenomenon affecting the Raskobs' business prospects: "Constant revolutionizing of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air." John Jakob, namesake of two generations of cigar-making Raskobs who had made good lives in Lockport, was going to have to find his own direction.<sup>14</sup>

John had to choose that direction sooner than he had expected. His father died, unexpectedly, on June 4, 1898, at just forty-seven years old. The doctor at first thought he had typhoid, which explained the fever, nausea, and stomach pains, but the treatment for that disease failed and the father of four died at home seven weeks after he had become ill. The cause of death was liver failure. His son believed that his death was related to his years of making and smoking cigars. Whether he was right or not, John decided then and there that he would never smoke. Not long after his father's death he wrote a long letter to one of his closest friends: "Sometimes as I sit and watch an old man smoking and enjoying a pipe, I almost wish that I smoked too so that I could sit down and enjoy myself likewise at such times as I get the blues. Nevertheless I am afraid of it as I cannot banish the idea that smoking was partially the cause of my father's death in early life."<sup>15</sup>

John was not at his father's side when he died. The family had no phone and when his father suddenly took a terrible turn, he had run out to bring the doctor. When he returned, he saw his mother at the top of the stairs. He later wrote, "I

shall never forget the agony on her face.” He went up the steps. “She fell into my arms and said, ‘Papa is dead.’” Twenty-eight years later, he wrote: “The impression on my mind could be no more clear than if it happened yesterday. . . . [N]ever in my whole life was my heart wrung as it was when I saw the anguish and suffering in my mother’s face. . . . in that moment I passed from boyhood into manhood.”<sup>16</sup>

In the manner of the day, John had not been that emotionally close to his father. Still, John and his father had shared a bond. Since he was a little boy, his father had talked to him about business. His father had shared with him some of the ins and outs of the family enterprise and had advised him as he looked for part-time work during his youth. John believed that his father had done right by him by letting him take on responsibilities at home and in the work world at an early age. His father, John said later in his life, had given him a strong sense of self-confidence.<sup>17</sup>

The funeral for John Raskob took place at St. Mary’s Church. The Reverend Father Geysen, who knew the family well, spoke highly of “the manly qualities” that John Raskob had shown throughout his life. The large church was crowded with mourners and the *Lockport Daily Union* reported that the church was also filled with floral arrangements, including a commemorative pillow from Branch 31 of the Catholic Men’s Benevolent Association and a harp from the *Saengerbund*, the German singing club to which Raskob had belonged since his bachelor days. John Raskob, the newspaper’s short obituary stated, “was a man of qualities which endeared him to his family and a large circle of friends in business and social life.”<sup>18</sup>

John’s father’s death set a pattern for Raskob that he kept for the rest of his life: when tragedy struck his family or friends he put his head down and he moved forward, fast. Those close to him never fully understood his emotional register.

John focused on his mother and his younger brother and sisters for whom he felt responsible, although the family was not destitute. John and Anna had diligently saved money and his father had a life insurance policy. All together Anna Raskob had about \$3,000 and lived for free in the home her father-in-law had bought years earlier. If Anna took in a boarder or two—which she almost immediately did—and lived modestly, she and the younger children had enough to live on. But nineteen-year-old John decided he could not let his mother survive on that savings. He wrote one of his many friends: “I did not like to see her use this money when I was able to get out and work. I started out knowing I had to work and work hard which I did.”<sup>19</sup> Up until his father’s death, John had been having a lot of fun but he had not found his path in life, in large part because he had not been in any hurry to find it.

John had graduated from high school in 1897 and had then enrolled at Clarke Business School in nearby Buffalo. He left Clarke right after his father’s death to go to work. He had done some coursework on bookkeeping, stenography, and

other business skills, and he had been working part-time since he was a boy. He knew he was ready to do more and he accepted his self-appointed responsibilities eagerly.

John E. Pound, a leading lawyer in Lockport, immediately hired Raskob to fill in temporarily for one of his law clerks who was stricken with typhoid. Pound had known John's father and had watched John grow up. He wanted to help John make a start in life. It was Raskob's first real job. John Pound's younger brother and one-time junior partner, Cuthbert Pound, a graduate of Cornell University, was amused to discover that John, the low man at the firm without any legal training, "was the smartest boy" in the office, outperforming all the young law students who were apprenticing at Lockport's biggest and most prestigious law firm. Cuthbert, one of the few other young men from Lockport who would go on to big things, in his case a distinguished career as a New York state judge, also noted, with some ambivalence, that John had a restless "aggressiveness" about him.<sup>20</sup>

John, with a strong reference from Pound, then found work at a struggling manufacturing firm in Lockport, the Richmond Company. To secure the secretarial position, he had to supply his own typewriter, which he rented. It was not the best time to be looking for new work. The American economy was just recovering from the Panic of 1893, which had led to hundreds of bank failures and thousands of companies going under. In the mid-1890s nearly 20 percent of American wage earners were unemployed. While the economy was moving forward again in 1897 and would do so for almost the next ten years, many businesses were still on shaky financial ground and millions of people were still looking for stable employment. John thought he was lucky to find a decent job. Six weeks after starting at Richmond Manufacturing, his boss, Mr. Phinney, had still not paid him his promised wage of \$5 a week. Raskob was out \$2 for the typewriter rental.

John persevered and found a much more secure position at Lockport's biggest and most successful enterprise, Holly Pump and Machine Shops, which employed hundreds of skilled machinists and mechanics. Raskob was put to work as a stenographer. The firm hired him at \$5 a week. He loved working full-time, though stenography was far from his favorite activity and he was earning a poor wage for a high school graduate with a year of business school behind him. Still, Raskob threw himself into the company's operations, seeking opportunity.

Holly Pump was a fascinating place. Back in 1864, old man Birdsall Holly, a self-taught engineer, had created a system for suppressing town fires that included a central water-pumping station, pipes, and fire hydrants. Holly then figured out how to manufacture all of the components, which another branch of his company installed for municipal customers all over the United States. Holly built on that success to launch and manufacture a central steam-heating system.