J. Edgar Thomson and Thomas A. Scott: A Symbiotic Partnership?

A Dun & Bradstreet agent reported to his home office in August, 1873, that Thomas A. Scott was "looked upon as the muscle and backbone of the Penna. RR Corporation and its tributaries while 'Edgar Thomson' Presdt. is the brain."* This early attempt to describe the unique relationship between Thomson and his vice-president, Scott, set the tone for the others that followed. The contemporary public was endlessly fascinated by their reputed wealth and power. At the height of their careers in the late 1860s and early 1870s, Thomson and Scott controlled a rail empire that centered around the world's largest corporation, the Pennsylvania Railroad, commanding assets of more than $400,000,000. From this road their financial and political influence radiated south to New Orleans and the southwest, and into the midwestern cities of Cincinnati, St. Louis, and Chicago. At the outer reaches of their authority, the West, they variously exercised a controlling influence on such transcontinental giants as the Northern Pacific, Union Pacific, Kansas Pacific, Atlantic and Pacific, and Texas & Pacific railroads. In the nation's financial centers Thomson and Scott were widely recognized as the nucleus of the so-called "Philadelphia parties." Allied with such prominent figures as Andrew Carnegie, Anthony J. Drexel, Matthias W. Baldwin, and Jay Cooke, and with generous lines of credit at such overseas houses as J. S. Morgan and the Baring Brothers, this regional investment group commanded immense resources invested in myriad business enterprises and speculations.1

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For all Thomson’s and Scott’s prominence, however, they remain enigmas. Although they were subjects of numerous conjectural newspaper articles and later historical works, they were exceedingly careful businessmen and left little first-hand evidence of their affairs. Neither is the subject of a biography, neither left a major collection of papers, and Scott was even able, despite a state law to the contrary, to keep his estate evaluation from the public record. Their surviving business correspondence frequently concluded with the admonition “destroy this letter,” and apparently more often than not the recipients obeyed. This paucity of evidence has left the outline of what they did only partially visible, as the continuing dispute over what part Scott played, if any, in the disputed election of 1876, that was recently aired in the *Journal of American History*, indicates; why they used their financial and political might as they did will always engender debate.\(^2\)

Central to an accurate evaluation of Thomson’s and Scott’s place in the nation’s development is an understanding of their continuing relationship; all else is dependent upon what bound these two apparently very dissimilar men together. For the twelve-year period after the onset of the Civil War the unisonal nature of their partnership makes it impossible to divorce the actions or motivations of one from the other. So close were they that often their collective personality takes logical precedence over any attempt to divine their individual courses.

The most common explanation for their mutual attraction rests upon the symbiotic nature of the association’s two dissimilar personalities united to create the perfect nineteenth-century businessman, each providing what the other lacked. The interpretation, started while both men lived, and gained credence after Thomson’s death in 1874, seemingly by sheer repetition. A thoughtful reporter struck the theme in Thomson’s obituary when he opined that Scott would deeply “mourn the man whose right arm he has been for many years....” His assessment of the centripetal forces within the partnership was apt for railroadmen: “Mr. Thomson, grave, taciturn, deliberate, has been the ponderous, silent, central balance

wheel of the great machine. . . . Mr. Scott has been the earnest, active, daring, untiring force. . . ."

Upon Scott's death in 1881, the earlier mechanical metaphor was replaced by a more human one. After modestly characterizing Scott as "the greatest railroad manager that ever lived," the journalist felt obliged to explain the "railroad prince's" relationship with Thomson, whom the author felt was Scott's "superior in solid foresight and mental grasp. . . . He and Thomson formed a combination of brain and railroad talent greatly diverse, but so harmonious as to be effective of great results on all occasions."

When J. L. Ringwalt wrote his famous *Development of Transportation Systems in the United States* in 1888, he included an essay on the duties and the importance of railroad presidents that reinforced the journalists' earlier observations on Thomson and Scott. Curiously, Ringwalt discussed only the personalities of four "distinguished dead railway presidents," John Garrett of the Baltimore & Ohio, William Vanderbilt, and the two Pennsylvanians. Scott's great advantage, Ringwalt thought, was the rapidity with which he made decisions and "so accurate was his judgment and intuitive his perception that he rarely erred. Work thus became easy for him. . . ." Thomson, however, "absorbed the knowledge of others, weighed, considered, and digested it thoroughly, and reached conclusions by cool, methodological reasoning." When convinced he was right, Ringwalt noted, Thomson "knew no hesitancy or doubt." Ringwalt considered that their divergent personalities intermeshed to form the complete railroad executive.

In 1896 J. Elfreth Watkins wrote a massive three-volume golden anniversary history of the Pennsylvania Railroad, and he too felt obligated to include in each of the two executives' sketches at least a mention of their close rapport and its consequences. Thomson found in Scott, wrote Watkins, "abilities of a different order, and the co-operation then instituted between the two . . . had an immeasurable influence upon the destinies of the Company." When Watkins reached Scott's presidency, he thought it incumbent to

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delve more deeply into their working relationship. Scott’s “services were so closely interwoven with those rendered by President Thomson,” he continued, “that it is difficult to name any important administrative act or measure connected with the development of the Company’s interests that does not bear the imprint of Colonel Scott’s individuality.” Watkins then gave a cursory examination to the binding nature of their partnership. He concluded that three factors held it together: Scott never “exceeded the authority or stepped beyond the jurisdiction of the office of vice-president”; he was “always loyal to his chief, to whom he was indebted for many opportunities for usefulness”; and, as Thomson aged, “he found it necessary to delegate the solution of many important problems to the younger man who was to take up the burden when he could lay it down.” Watkins clearly attempted to integrate the personal aspects of their relationship with emerging corporate organizational theory, emphasizing the chain of command, personal loyalty, and orderly transfferral of executive power.6

Seven years later, bucking the popular tide of muckraking journalism, E. J. Edwards returned to the importance of personalities in an article entitled “The Great Railroad Builders” that appeared in Munsey’s Magazine. Although the essay dealt with a wide variety of railroad magnates from Commodore Vanderbilt to the Canadian Sir William Van Horne, prominently displayed side by side on the first page were large portraits of Thomson and Scott. About them he made two basic assumptions: that Thomson the engineer melded splendidly with Scott the financier; and that personalities were an important ingredient in the relationship. Thomson’s engineering background, Edwards contended, “typified the relation which science and the actual work of railway building have had to the development of our national systems,” while Scott after the war “revealed his financial ability by his part in the creation of the Pennsylvania Company, a triumph of financial strategy. . . .” Edwards had little to say specifically concerning Thomson’s personality except, repetitiously, that he was an engineer which presumably meant he was therefore dull. Edwards, however, depleated

his stock of adjectives describing Scott's outgoing nature. "The superb cavalry leader of the railway army, that inspiring and magnetic genius who during the Civil War put aside his duties to do invaluable service to the government," made Scott, according to Edwards, "the most attractive figure in the intensely exciting railway life of his time." These twin assumptions, derived in part from the earlier newspaper articles, became, albeit with modification, an important part of the accepted explanation for Thomson's and Scott's business successes.7

That perceptive observer of political events in Pennsylvania, Alexander K. McClure, expanded Edwards' conclusions in 1905. McClure, who had known both men personally and who had been politically allied with the Pennsylvania's officers throughout most of his political career, thought that "there never was a more fortunate combination than that of Thomson and Scott. . . . Thomson was naturally conservative, but his conservatism was well leavened with practical progress." Then he reached back for almost the exact words of Thomson's obituary and repeated the "balance wheel" description to explain Thomson's and Scott's amity. McClure, however, could be metaphorically original when he wished: "while Thompson [sic] was a master in planting the firm foundation for our great railway system, Scott was the tireless and heroic architect who hastened the creation of the structure. . . .." Like Edwards, McClure had difficulty in adequately describing Scott. "Colonel Scott was a man of wonderful versatility . . . of physical vigor, of compact and symmetrical form, and capable of the most extraordinary endurance." As a clincher, at least in McClure's view, Scott was "one of the most sagacious of politicians."8

Modern historians have continued to build upon earlier attempts to describe Thomson's and Scott's personal relationship. Samuel Richey Kamm in an excellent study of Scott's Civil War career surmises that Thomson specifically chose Scott as his vice-president in 1860 because "the major problems of the Pennsylvania were then of the type which demanded the talents of a public man. That Thomson was not." Citing McClure and Herman Haupt, an early

confidant of Thomson’s and an abrasive public personality whose seat on the ruling councils of the road Scott filled in the mid-1850s, Kamm confirms that Thomson’s “lack of public qualities was noted by everyone who knew him,” while “Scott was the antithesis of Thomson in this respect.” Thus does Kamm skillfully converge the divergent personal attributes of the two into a plausible whole.9

Shortly after World War II the managers of the Pennsylvania Railroad commissioned the engineering firm of Cloverdale & Colpitts to write a centennial account of the company. In this most dispassionate corporate history, George Burgess and Miles Kennedy tried to explain Scott’s relationship with Thomson, and, after reviewing the evidence, concluded that they “made a practically perfect team.” The reasons for this assertion brought together the earlier assessments perfectly:

Thomson could be as bold as the occasion demanded, but was inclined towards caution; Scott, but for Thomson’s caution restraining him, was something of a plunger, as indicated by his Texas and Pacific venture. . . . Thomson was an unusually reticent man, unhappy in any public appearance and ungifted as a negotiator; Scott was fond of people generally, and his charm plus his quick intelligence well qualified him for the duties Thomson disliked to perform.

Burgess and Kennedy did, however, inject a new and discordant note into the suppositions surrounding the business partnership, averring that “sometimes both were on the reckless side, as when Scott and his friends organized the Southern Railway Security Company to buy up the railroads of the Southeast . . . and Thomson at least acquiesced in and probably recommended the participation of the Pennsylvania Railroad in the venture,” an excellent point that deserves later amplification.10

John F. Stover, who in several books has examined Thomson’s and Scott’s importance to the nineteenth-century business world, essentially subscribes to the views of Burgess and Kennedy. Stover has described Thomson “as the judicious and rather cautious

president of the Pennsylvania," who in tandem with Scott "made a perfect combination for more than a dozen years." Moreover, they efficaciously joined caution with courage and the public personality with the private. As a counterpoise to Thomson's solemnity, Stover contends that Scott "had a natural charm and a fondness for people."

The acceptance of an hypothesis that seems to explain the affinity between Thomson and Scott has taken place over the last century without notable opposition. Essentially, however, this view rests upon one basic contention—that two flawed personalities were professionally allied to create what almost a century later was called "a perfect combination." This interpretation implies that both men needed a symbiotic corrective to succeed in the corporate world. All the commentators appear in some degree to accept this line of reasoning. Moreover, this viewpoint offers many advantages: it has historical credibility; it enjoys a consensus; and it offers a coherent explanation for the "Philadelphia interests" activities. If their schemes were hastily conceived and ultimately failed, Scott was judged to have had the upper hand. If opportunities were missed through doubt or hesitation, Thomson's viewpoint was thought to have prevailed. Their successes were the result of a judicious balance of both men's temperaments.

It would be folly to assume that Thomson's and Scott's contemporaries all misread the two personalities and their mannerisms. The evidence is simply too solid to the contrary. What is bothersome, however, about this interpretation is its very simplicity which requires for credibility a firm adherence to the old aphorism that in human affairs "opposites attract," and its universal application to account for all their actions and motivations. In the first instance, it would seem reasonable that a partnership of more than a dozen years that specialized in supplying venture capital to hundreds of uncertain enterprises and in managing the largest and most profitable corporation on the continent would require more to hold it together than simply the happy circumstance of two mutually disparate personalities joining forces to do battle in the marketplace. Something a great deal stronger must have sustained the

friendship in the face of disasters such as their Lake Superior scheme, their abortive takeover of the Union Pacific Railroad, their attempts to establish a transatlantic steamship company, the battering they took from Standard Oil, and their failures to promote stable rate cartels in the East. None of their financial reverses through 1872, however, shook their mutual respect. Secondly, other important factors that help to account for their relationship's durability shed more light on the two men's motivations and place them in a proper, if a more complex context. In the absence of primary materials, especially pertaining to Thomson's and Scott's decision-making process, this may be the only way to understand them at all.

Burgess and Kennedy's caveat concerning Thomson's occasional predilection to take a financial plunge is the best place to begin if only because it is the only chink in an otherwise solid hypothesis. This does not weaken the personality argument; it only puts the partnership into perspective. A cursory glance at Thomson's estate evaluation is enough to dispel the idea that he was financially conservative. If Thomson was as hidebound as accounts indicate then he would have invested the bulk of his funds in gilt-edged securities, particularly in the stock of his own railroad, which until 1873 had missed only one dividend and over which he exercised dictatorial control. Yet, of the more than 88,000 shares he held at his death only 1,400, valued at $72,000, were in the securities of his own road. His propensity to enter highly speculative schemes at their inception in anticipation of reaping large profits, a method of operation he refined while chief engineer on the Georgia Railroad from 1834 until 1847, was strikingly apparent in his holdings. While in the South he bought and sold heavily in that region's commodity markets, invested in unfinished Alabama, Mississippi, and Tennessee railroads, speculated in real estate and budding manufacturing enterprises, and invested in the securities of his own company and those of the rival Central of Georgia. Throughout his life Thomson

13 Inventory and Appraisement of the Estate of John Edgar Thomson, 1874, Office of Registrar of Wills, Philadelphia.
was always an expansive financial figure, quite out of character with his own personal, social, religious and political philosophies.\footnote{Reports of the Directors, Etc., of the Geo. R. R. & Banking Co., to the Stockholders in Convention, 1851, 1852, 1853, 1854 (Augusta, Ga., 1851, 1852, 1853, 1854), 31, 30, 29, 27; J. Edgar Thomson to Lemeul P. Grant, January ?, 1846, L. P. Grant Papers, Atlanta Historical Society, Box 1, Folder 1; Thomson to Grant, Feb. 12, 1843, June 23, 1844, Sept. 12, 1845, \textit{ibid.}; James H. Grant to L. P. Grant, May 7, 1848, \textit{ibid.}; Thomson to L. P. Grant, Oct. 1, 1851, L. P. Grant Letter Book, I, Box 3, \textit{ibid.}}

As Burgess and Kennedy correctly observed, Thomson, probably in tandem with Scott, often invested heavily in projects of dubious worth. His willingness to court such risks explain his holdings of 10,000 shares of Karlhaus Coal and Lumber, 4,600 shares of Volcanic Oil, $16,000 in the bonds of the Lake Superior and Mississippi Railroad, 100 shares in the Horse Creek Oil and Manufacturing Company, each block estimated at 1874 depression levels to be worth a dollar. Some securities fell below even this level: 10,000 shares of Kenzua Petroleum Company worth a total of twenty-five cents; 50 shares in Hope Mutual Insurance Company declined to a hopeless twelve and a half cents; 200 shares of Susquehanna Gold Company valued at half a dollar; 80 shares of Live Oak Copper Company were sold in 1874 for twenty cents; 5 shares in West Branch Boom Company brought the estate only seventy-five cents; and 25 shares of the Astor House Hotel Company were auctioned off for a quarter. More than 50 of Thomson's 116 stock investments in 1874 were worth less than five dollars. Even considering that a year earlier some might have been promising investments, that he paid less than par for many, and that he probably sold off his most valuable assets in 1873 to meet his endorsements on the California and Texas Construction Company certificates, the estate rendering is a fascinating study of how even an intelligent investor could go awry.\footnote{Inventory and Appraisement of the Estate of John Edgar Thomson, 1874.} One explanation for Thomson's involvement in these abortive schemes was that he was "careless of his private fortune, which was left to the care of his secretary and personal assistants." The one thing Thomson was not, was "careless" of his fortune. His surviving correspondence with his early private secretary, William Jackson Palmer, indicates that Thomson used his young secretary as a fact-finder to present evidence upon which to base his invest-
ment decisions. There is no indication that Jackson made any important decisions. Moreover, no evidence indicates that his later amanuensis, R. D. Barclay, was accorded any greater latitude. In fact, Thomson's death was in large part caused by his close attention to detail and his excessive workload.\textsuperscript{16}

If most observers exaggerated the two men's instinctive financial differences, all have ignored the broad base of personal likenesses that underlaid their apparent disparities and served to reinforce the positive assets each man brought to the combination. It is quite possible that these similarities, particularly in their backgrounds, outweighed personality factors in their relationship; certainly the number of correspondences shared by Thomson and Scott was striking. Their similarities began at birth; both men came from families of local importance. Thomson's father was a surveyor and engineer, much sought after for regional projects, while Scott's father was the village innkeeper, the local host and chief purveyor of the latest news and gossip. In a broad sense both men followed in their fathers' footsteps. Thomson became the arch engineer, the man who knew and thoroughly understood \textit{things}, and Scott, as Kamm points out, assumed his father's ease with strangers and matured with an uncanny insight into and an affinity for \textit{people}.\textsuperscript{17}

Although Thomson was fifteen years Scott's senior, both men were raised in parallel settings. The elder partner grew up on a farm located ten miles south of Philadelphia on the principal turnpike from the Quaker City to Baltimore. The circumstances of the family were modest and the glitter of the nearby port city was a rare experience for the four Thomson children. Scott, the seventh of eleven children, was born in the frontier town of Loudon in Franklin County, Pennsylvania, and the family hostelry was located on the heavily traveled road between Baltimore and Pittsburgh. Scott's father derived little more than a subsistence income from the inn, for he could afford only a smattering of schooling for his brood. Thomson, also, received little formal education, although excellent private institutions existed only a few miles away. Both men were taught at home, in Scott's case by his older sister and her husband,


\textsuperscript{17} James Hill Martin, \textit{Chester (and its Vicinity) Delaware County in Pennsylvania} (Philadelphia, 1877), vi; Kamm, "Thomas A. Scott," 3.
and their surviving mature correspondence even exhibits like writing styles. Neither man apparently learned to write from the traditional Bible, as their letters evidence none of the rhythmic style so easily identified with that source. Instead they both wrote an exceedingly spare prose, short, terse, and shorn of adjectives, adverbs, and often all pretense to punctuation. Scott may have adapted his form from Thomson; neither had a business style common to the nineteenth century, but their letters do illustrate a probable similarity of thought processes.18

Accounts of Thomson’s and Scott’s early lives agree that both were left on their own at an early age—a prime ingredient in the American Myth of Success. Scott, the sources relate, was orphaned at the age of twelve, and, while living with his sister and later his brother, held a succession of clerical jobs. His origins later impressed even his enemies. Collis P. Huntington in 1877 wrote his “silent” partner David Colton, “do not underrate the power of Tom Scott. He came up from a very small beginning by his own force of character to his position of President and Chief Manager of one of the largest R. R. organizations in the world.” Thomson’s claim to the self-made man distinction was more tenuous. Many standard sources relate that the family’s impecunious circumstances required him to abandon his hopes for a West Point education to become the principal breadwinner. The story simply does not stand. Thomson was nineteen when he obtained his first employment, several years older than the incoming cadets’ average age and rather late for a boy to enter the job market under any circumstances. Thomson, however, probably enjoyed the status accorded by the story and may have even felt it was to a degree true, since he had risen to high position without the benefit of a formal education. In essence, both men held the highest offices on the railroad by virtue of vast practical experience, a wealth of common sense, and the force of their own personalities.19

Thomson's and Scott's parallel experiences continued into maturity; both men early held jobs on the Pennsylvania State Works, that awkward combination of canals and railroads flung across the Commonwealth from Philadelphia to Pittsburgh to compete with New York's immensely profitable Erie Canal. Unlike the Empire State's experiment, however, the State Works from the start were a political boondoggle that drove the state to default during the depression of 1837. Employment on the project was determined by whom you knew rather than by ability, and Thomson and Scott both had the necessary connections. Moreover, after each secured a position with the state he became the favorite of an older individual who rapidly advanced his career. Thomson joined a survey in 1827 to locate a route for the Philadelphia and Columbia Railroad. Major John Wilson, chief engineer of the project, quickly noted his aptitude and in a year and a half promoted the young engineer to a position as his principal assistant. In 1830, when the state temporarily cut off funding for the project, Wilson appointed Thomson chief engineer of one of the Camden and Amboy Railroad's location parties. Thomson successfully completed this task and then went briefly to England to examine railway technology there, following which Wilson again came to his aid and helped place Thomson, now twenty-six years old, as chief engineer on the Georgia Railroad. When completed that line was the longest railroad in the world under one management.20

Scott's rise was more prosaic, since he lacked the vital engineering skills so necessary to the transportation revolution then underway. He was forced instead to progress by sheer dint of application and through an infectious personality. His brother-in-law, Major James Patton, a collector of tolls on the State Works, secured Scott a clerkship, and a year later, at the age of eighteen, he was promoted to chief clerk. After subsequent failures in the lumber and ice business, Scott re-entered the state's employ as a clerk in the Philadelphia collector of tolls office where, again, he was shortly elevated to the chief clerkship. Ever restless, he soon quit and accepted a posi-

tion as shipping agent for a private freighting and commission business in Columbia, where he was "discovered" in 1850 by Herman Haupt, then Thomson's protégé and superintendent of transportation on the Pennsylvania. Haupt desperately needed a talented man to handle the delicate job of transportation agent at Hollidaysburg, the temporary junction of the Pennsylvania and the State Works. Scott, well versed in both public and private enterprise, handled his duties so well there that Haupt promoted him a year later to agent at Pittsburgh, and in 1853 to general superintendent of the road's western division. In this capacity Scott proved an excellent administrator with an uncanny eye for spotting talent. For example, he selected an immigrant Scottish lad, Andrew Carnegie, as his personal telegrapher. Thomson now marked Scott as a man to watch. After Haupt left the road for the Hoosac venture in 1856, Thomson seasoned Scott as general superintendent, starting in 1858, and a short two years later, upon the death of Henry Foster, as vice-president of the road.  

All contemporary accounts indicate that Thomson and Scott brought to their unique business relationship a prodigious capacity for prolonged work and an astounding ability to juggle a number of important projects simultaneously. They rarely took vacations, and when they did they combined business with pleasure, as when they went to Saratoga to take the waters with the presidents of the other three eastern lines, or when they went to Europe to sell securities. Scott, more mobile than Thomson in the later years of their friendship, regularly scheduled business meetings on weekends, often requiring all-night travel. A private railroad car helped ameliorate his discomfort but not the ravages of such a pace. Thomson kept a more sedate schedule, at least after the war, usually staying in his office seventy-two hours a week and reserving Sundays to catch up on his work at home. This workload mounted in intensity during a quarter of a century and wrecked both men physically. Both were plagued by ill-health in the years prior to their respective deaths.

Thomson was frequently confined to bed with heart trouble, and Scott was the victim of three paralytic strokes in as many years.\textsuperscript{22}

Their staggering business responsibilities left them with neither time nor inclination for personal pleasure and intellectual pursuits. Although Scott was reported by the Dun & Bradstreet agent to have been “a good liver,” it is hard to understand when he found the time. Undoubtedly, the agent based his observation upon Scott’s $250,000 mansion in the fashionable Rittenhouse Square district, his attendance at such galas as “the greatest social event in the history of Philadelphia” honoring the Grand Duke Alexis, son of Czar Alexander II of Russia, who was sent around the world in the care of the Russian Navy to forget an unfortunate infatuation. Scott, however, probably never considered his town house and his estate “Woodburn” near Darby, Pennsylvania, where he died, as essential to his personal satisfaction. Rather, one suspects he performed the public role expected of a “railroad prince.” Moreover, nowhere in the extensive contemporary literature does Scott appear as intellectually well rounded, interested in the arts, or an avid reader of anything except favorable copy he had placed in friendly newspapers.\textsuperscript{23}

The same observations, with some qualification, generally hold true of Thomson’s interests. Owner of a less fashionable house in the same Philadelphia district, he shunned its high society and much preferred to relax at home with small intimate gatherings. Like Scott he was not a devotee of the arts, although he contributed to or invested in the Pennsylvania Academy of the Fine Arts, the Duluth Library, the Historical Society of Pennsylvania, the Academy of Music and Swarthmore College. In 1874 his library was valued at a mere $500. Although not inventoried for the public record, most of its volumes were undoubtedly technical works. A memorialist described Thomson’s literary tastes, perhaps with some license, as “simple. Pope was his only poet, and in prose he was best pleased with translations from classic history, especially Herodotus and Tacitus. The Spectator, it should be said too, was one of his

favorite books." The essayist continued in a vein that casts doubt on the foregoing, contending that "nothing had more amusement or interest for him than, for example, the leaders and paragraph writing of the Nation." When tired, the writer claimed, Thomson turned to a good novel. Unfortunately no evidence of these interests crept into his surviving correspondence. He did, however, like Scott, enjoy a good horse race.24

It would be a mistake to conclude that their preoccupation with work cast them as provincial Philistines. Their interests were too geographically broad and professionally diverse to nourish a naive local boosterism. Moreover, Thomson and Scott were fortunate in that neither was closely attached nor beholden to the mercantile aristocracy of Pennsylvania's two largest cities. While they acquired financial and political support from these and other centers, they often found themselves making decisions inimical to the entrenched urban interests. Freed from these restraints, both men found it easier to think in sectional, continental, and even international terms. While traditional accounts portray Scott as the more expansionary, Thomson tried in the 1840s to build a rail system between the Tennessee River and the Gulf of Mexico, and another to connect the Mississippi Valley with the Atlantic Ocean. The following decade he began a lifelong obsession with the idea of joining the oceans by rails, and for technical and personal reasons advocated a southern transcontinental route, although he presided over a major northern road. Even the outbreak of war did not dampen his enthusiasm for a grand transcontinental project, it merely changed his route preference. When the Union Pacific was chartered in 1863, he was among the original subscribers. Scott also invested in the project and later spent most of his fortune and energies in an attempt to construct the Texas & Pacific along the 32nd parallel, the route Thomson had advocated before the war.25

Along with their transcontinental dreams the two men also invested heavily in local resources throughout the country. After the war hostility from the "Big Four" of the Southern Pacific—Leland

Stanford, Collis P. Huntington, Mark Hopkins and Charles Crocker—forced Thomson and Scott to limit their investments to the region east of the Rocky Mountains, but within that area their interests ranged from the Atlantic Coast to Minnesota, south to the Gulf, west to Colorado, southwest to Arizona and into Mexico. They preferred mineral extraction schemes, especially coal, copper, silver, oil and gold, but they also had a weakness for western bridge companies and their connecting railroads, often in league with Carnegie who was adept at creating his own iron markets. While many of these resource development plans came to naught because they were instituted far ahead of demand, they do demonstrate that Thomson and Scott were anything but parochial businessmen. They often sought their advantages on the outer fringes of the national economy where the risk factor was high and their political and financial influence was low. Scattering their resources gave them a broader national outlook, but it also created magnificent problems. They had to keep abreast of political developments in dozens of states just to protect their investments and try to create favorable climates in others to promote their schemes. Their experiences in dealing with territorial legislatures and the Mexican government probably influenced their decision to abandon their grand plan to build a rail empire in Java.

The specter of provincialism was further ameliorated by Thomson’s and Scott’s dependence upon overseas capital markets to finance their far-flung dreams. Their frequent European sojourns pointed up the increased foreign ownership of the Pennsylvania Railroad’s securities and the “Philadelphia parties” critical reliance upon overseas capital to finance the rapid expansion of their financial empire’s capstone and their private outside ventures. While these trips provided Thomson and Scott a measure of relaxation, the partner left at home—they never went abroad together—struggled under a doubly onerous workload. Like many of the post-war generation, Thomson and Scott must have instinctively be-

26 See for example Scott’s attempt to have Cameron secure the appointment of a friend as Arizona’s Territorial Governor. Thomas A. Scott to Simon Cameron, Mar. 16, 1869, Samuel Barlow Papers, The Huntington Library, San Marino, Calif.; also a letter on Javanese plans from Andrew Carnegie to L. Van Wondrehum Van Vliet, Oct. 3, 1872, in Carnegie Letter Book, 1872-1873, United States Steel Archives, copy kindly loaned to author by Joseph Wall.
lieved that European culture and society were far superior to the indigenous varieties. Between visits to bankers and brokers, both men attended social functions and sporting events, and journeyed to all the required landmarks, traits that they did not demonstrate to the same degree back home. For years Thomson’s wife kept a scrapbook of their activities and the surviving mementos indicate she had a keen interest in the latest news about the English royal family. While this does not mean that Thomson shared her enthusiasm, the scrapbook does indicate that she at least persuaded him to attend social functions. One tangible result of Thomson’s and Scott’s continental excursions was that they acquired prestige for their exposure to what was considered a genuine culture, a valuable overlay for their financial prominence. Moreover, unlike many Americans, neither man had a reputation as a boorish parvenu. They were simply unsuited by disposition to slip into that mold. Of much more importance to Thomson and Scott were the successful negotiations for the securities contracts they sought or for the credit they needed. As with all else, these trips were first and foremost for business purposes, any social or cultural “returns” were incidental.

The multitude of personal, familial, intellectual, and cultural similarities that helped to bind Thomson’s and Scott’s symbiotic professional relationship were strengthened by an obvious psychological bond. Thomson viewed the Pennsylvania Railroad subconsciously as the family he never had, and in this perspective his employees on the road assumed a special importance to him. For a long period in his mature years, after the death of his father, Thomson felt no strong emotional ties. He was never close to his brother, who evidently died sometime during the 1840s, and there is no evidence that he was any nearer to his two spinster sisters. A bachelor until 1854, Thomson died without issue, although on his deathbed he adopted his niece. To fill this emotional void Thomson displayed an attachment and loyalty to the Pennsylvania Railroad that normally was reserved for a wife, and toward his employees he assumed a strong paternal image. Undoubtedly, when he bequeathed

27 Lavinia F. Thomson scrapbook, John Edgar Thomson Foundation, Philadelphia. The partners’ trips abroad and their business transactions there can be followed in Minutes of the Board of Directors of the Pennsylvania Railroad, Office of the Secretary of the Penn Central Railroad, Philadelphia.
the bulk of his fortune to care for the orphaned daughters of Pennsylvania Railroad employees killed in the line of duty, he was prompted by such motivations. Perhaps nowhere, however, did he display his paternal attitude more forcefully than in his dealings with his fellow officers on the road, especially with his first vice-president, Scott.  

Too much importance is often attached to psychological conjecture, but in Thomson's case several striking situations point strongly to his benevolent paternalism. For the majority of his twenty-two years as president he was surrounded exclusively by officers a generation younger than himself. In fact, during that period only one man close to his age, William B. Foster, reached the executive suite, and Foster was Thomson's brother-in-law after 1854. Haupt, a decade younger than his mentor, was the next eldest to acquire Thomson's trust, followed by Scott almost sixteen years Thomson's junior. The other prominent men Thomson introduced to power and groomed as possible future leaders—George B. Roberts, A. J. Cassatt, Andrew Carnegie, and William J. Palmer—were all born in the decade of the 1830s. At the time of Thomson's death at the age of sixty-six, Scott, his heir apparent, was the only important man in the company over fifty, and he had not yet turned fifty-one. Roberts, who succeeded Scott in 1880 was only forty-one, Frank Thomson (no relation to J. Edgar), who assumed the presidency in 1897, was thirty-three and Cassatt, not destined to hold the highest executive post until 1899, was only thirty-five. Perhaps Thomson unconsciously surrounded himself with youth to fill some void in his personal life, possibly he did it to insure future officers. The result was that a whole executive generation was missing, and its absence was not the accident of war or premature deaths. It was never there. Thomson, in more than one respect, was the "old man" of the company.


29 Burgess and Kennedy, Pennsylvania Railroad, 793; E. H. Talbott and H. R. Hobart, eds., The Biographical Directory of the Railway Officials of America (New York, 1885), 41, 206, 240; Robert E. Riegel, "William Jackson Palmer," Dictionary of American Biography, XIV, 195; John F. Stover, American Railroads (Chicago, 1961), 117. Foster's birthdate is unknown, but judging from his children's ages he must have been about the same age as Thomson.
Thomson must also have noticed that two of his three eastern competitors enjoyed the luxury of an assured managerial succession. The 1860s and 1870s were still an era when even huge businesses, as yet bereft of entrenched bureaucratic precedents, were informal enough to be dominated by personalities who provided them a measure of corporate safety. The Vanderbilts owned and cared for the New York Central, the Garretts dominated the Baltimore & Ohio, and even Jay Gould had a son anxious to continue his father’s work. The only other major eastern trunk line without a son prepared to assume the reins of power was the Erie, surely a corporate example of disorder that struck fear in Thomson’s heart as he looked to the future. In the absence of a dynastic successor, Thomson must have concluded that his wisest option was to “adopt” a likely candidate and prepare him for future presidential responsibilities. Haupt obviously thought this to be the case when he wrote Thomson in 1861 that if he had not left the road in 1856 “Scott would not have attained the degree of prominence to which he has fallen heir.” This was not a difficult course to pursue as Thomson by the outset of the war was in an extremely secure managerial position, and had he had a son he probably would have had no difficulty in passing his mantle to him. Other men, such as Herman Lombaert, related by marriage to an original director, the influential James Magee, never really possessed Thomson’s confidence, although he was elevated to a vice-presidency in 1861. Edmund Smith, like Thomson an engineer, and by 1869 a vice-president, was also never considered by the president as a possible successor. Neither man was active in policy formulation and apparently both were early relegated to the roles of routine functionaries.30

Through a benevolent paternalism Thomson was thus able to insure a continuation of his policies and provide a measure of stability and security for the company by selection and promotion of an heir apparent. The principal advantages of this procedure were that Thomson was assured his own successor would care for the railroad with an intensity similar to his own and that he set a precedent for orderly successions in the future. The office did indeed

30 Italics added. Herman Haupt to Thomson, Dec. 9, 1861, Herman Haupt Papers, Box 3, Yale University Library. The relationship between Thomson and his two vice-presidents is inferred from a close reading of the Minutes of the Board of Directors of the Pennsylvania Railroad, 1847-1881.
remain heavily dependent upon personal relationships long after the corporate structure had become strongly formalized. The major disadvantage to this process was that the informality of the process stultified the inflow of new blood into the corporate executive councils and perpetuated, what became in the twentieth century, an outmoded corporate philosophy. While the Pennsylvania Railroad was extremely fortunate in attracting bright young men and eventually promoting them to executive rank, it was inevitable that the road's incestuous merit procedures would increase its resistance to fresh ideas and change—a contributing factor to the road's bankruptcy in 1970. Moreover, the jockeying for advantageous position in the upper corporate ranks, so evident while the Thomson-Scott partnership ruled, continued long after the elder man's death. To replace Scott a three-way race developed between Roberts, Frank Thomson, and Cassatt. Roberts, a favorite of both Thomson and Scott, was jumped in five years from the fourth to the first vice-presidency. Thomson, a Scott protégé, who had followed his superior to Washington during the Civil War, was the dark horse, and Cassatt, an independently wealthy engineer and horse breeder, was rumored to be running strongly. Four days after Scott's May 1, 1880, announcement to the board that he was retiring, a special committee requested Roberts to render himself eligible to become president and on May 5 he was unanimously elected to that office. The brevity of the whole process suggests that Scott nominated his own successor. Cassatt was given the first vice-presidency as a consolation prize, but, reportedly angry at losing out to Roberts, he resigned two years later. This opened the way for Thomson to succeed Roberts and Cassatt did not secure the prize until the last year of the century. Until 1907, the year of Cassatt's death, however, Thomson's "progeny" occupied the presidency of the road. James McCrea was the first man to hold the position who was not beholden to either Thomson or Scott. Interestingly, every president through the middle of the twentieth century, with the sole exception of Scott, resembled the prototypical Thomson; all were engineers with long experience on the road. The railroad's reputation for technical excellence and conservative management was obviously no accident.31

31 Burgess and Kennedy, Pennsylvania Railroad, 385-387, 453-457, 517-518; Minutes of the Board of Directors of the Pennsylvania Railroad, May 1 and May 5, 1880.
Thomson’s paternalistic relationship with Scott led to a paradoxical situation in which the father was overshadowed during his own lifetime by the son. Certainly, Scott was the best-known partner, perhaps simply because, as Burgess and Kennedy surmise, “with Thomson’s self-effacement in public, people came to look on Scott as the Number One man,” or, to return to Kamm’s thesis, because Scott had the “outside” or “visible” company job. For example, Thomson was tendered a federal Senate seat in 1868 but the gesture was more a recognition of his influence as the largest employer in the state than of his popularity. In an era when Senators were elected by state legislatures the honor was no measure of the nominee’s public viability. However, when Scott was seriously considered as the liberal Republican presidential nominee in 1872, the politicians recognized that he was one of a rare breed of corporate executives who commanded a strong public following. Undoubtedly, the fact that his railroad did business in fully half the states, and that most of the remaining states had some Thomson-Scott money invested in them, was not overlooked. Moreover, the disproportionate newspaper coverage devoted to Scott’s affairs indicated his higher visibility. Scott simply was unable to maintain a private professional or personal life, the very things Thomson was loath to sacrifice. This disparity in their reputations and fame has continued to the present. Scott has consistently attracted an exaggerated proportion of scholarly attention. His pleasing public personality may account for this fact, but it has occurred in the face of considerably less documentation than Thomson left. While the latter was as well known as Scott in business and financial circles, and, quite possibly, commanded more respect in them, the recognition inequality between the two men poses a difficult question; was their relative popularity any indication of the true distribution of authority within the relationship?

The lack of extant correspondence between them makes any answer necessarily conjectural, but the father-son analogy suggests a strong hypothetical possibility; the elder Thomson was in every respect the younger man’s mentor, providing Scott at all times with his power base and influence. It is a fact that at his whim Thomson could have relieved him of his position, thereby seriously under-

mining his influence elsewhere. The question should also be asked whether Scott ever independently carried any large-scale projects to completion. He did not. Thomson's money and reputation were invested in every significant business endeavor in which Scott was publicly associated, although it was quite possible that Scott's amply attested powers of persuasion were ultimately responsible for inducing Thomson to invest in schemes he might normally have avoided. Scott's active role in the partnership exhibited the degree of respect and confidence Thomson maintained in his protégé, but this did not alter the fundamental basis of the relationship; Scott remained dependent upon the "old man" for his business legitimacy, and perhaps his integrity as well. Scott, apparently not at his best in striking out alone, was nevertheless undoubtedly capable of the bold stroke, the brilliant strategy, and unquestionably he suffered the tactical reversals characteristic of the era's businessmen. Unfortunately, he had only six years to demonstrate what he could do on his own, and, since the majority of them were depression years, he was denied the chance to secure a stronger claim to his abilities.

Scott's dependency upon Thomson was strongly evident from the very beginning of their relationship. As chief engineer, Thomson was heavily involved with a number of Pennsylvanians speculating along his road's right of way. These investments—concentrated in coal, lumber, real estate, forwarding and express companies, sawmills, turnpikes and telegraph lines—were all in some degree dependent upon the railroad's fortunes. By later standards, the original financial coterie was composed of smalltime businessmen. Many, such as Christian Spangler, James Magee, George Howell, Alexander James Derbyshire and, later, John Scott, were members of the Pennsylvania Railroad's board of directors. Haupt, Thomson, and Scott, although holding seats on the board, were primarily corporate officials. The remaining investors were either landowners, such as William P. Dysart, who was cut in for a percentage, or men like James Martin Bell, an ironmaster and banker with an intimate knowledge of local financial opportunities who, after the road was opened, received the company's Altoona banking business. Thomson brought Scott into this group in the early 1850s, quite possibly

34 Burgess and Kennedy support this hypothesis solely on the narrow grounds that Thomson was Scott's superior until 1874. Burgess and Kennedy, *Pennsylvania Railroad*, 347.
loaning him capital, just as Scott later backed Carnegie. Scott proved an apt student.  

As the Pennsylvania Railroad expanded into the Chicago, St. Louis, and Cincinnati markets, so too did Thomson’s and Scott’s outside ventures. By the end of the decade the two men were powerful enough to break away from their Philadelphia investment partners and to rely solely upon their own resources. The new financial group, composed of Thomson, Scott, Carnegie and several lesser executives, commanded sufficient capital by 1857 to invest $60,000 in Haupt’s Massachusetts Hoosac Tunnel project, to venture heavily into the coal business via their Westmoreland Coal Company, and to investigate purchasing potential mining properties as far west as Illinois. The panic of that year enabled Thomson and Scott to buy out those directors who were unable to withstand the financial contraction, especially James Magee who collapsed in the crash. Once on their own, Thomson and Scott showed their daring by branching out in several new directions. Maintaining their investments in Pennsylvania, they established the Western Transportation Company to lease and construct the Pittsburgh & Steubenville Railroad, which required a Virginia charter. To obtain it they brought Simon Cameron into their orbit, a connection that proved invaluable to the partners for almost two decades. Control of this road opened corollary financial opportunities which the two men readily grasped, such as coal investments along the route of the road and land purchases in the midwest.

By the outbreak of the Civil War, Thomson and Scott, freed from the fiscal restraints of the conservative Philadelphia mercantile


aristocracy that dominated their board, had established a broad belt of investments reaching from the Quaker City to across the Mississippi River and up as far north as Maine. The war contracted their outside activities until 1864, as they struggled to meet the increased demands of massive troop supply requirements. In that year Thomson’s and Scott’s interest focused on the profitable opportunities in the western Pennsylvania oil regions. They invested in several oil companies and kept a watchful eye on the transportation network serving that growing locale. Also in that year, Scott took his first flyer in Arizona mineral properties that proved to be the entering wedge for the partnership’s later southwestern schemes. After Appomattox, however, the “Philadelphian interests” multiplied their investments tenfold. This postwar “spree,” ending only with the 1873 depression, established Scott’s reputation as an intrepid financier and manipulator, overshadowing that of his partner.  

Julius Grodinsky, in his excellent study, *Transcontinental Railway Strategy*, recognizing this phenomenon, begins his investigation of their activities by explaining that the expansion program “between 1869 and 1871 under the joint leadership of Scott and Thomson . . . was truly magnificent.” He then portrays Scott as the partnership’s moving force in its penetration of the South, far West, and the southwest. Joseph Wall, in his biography of Carnegie, continually unearths Thomson’s and Scott’s backing during this period, concluding at one point that Carnegie “had eagerly accepted Scott and Thomson as his mentors, and their values had become his values, their goals his vision of success.” Wall seems somewhat bemused over the frequency with which the two men appear. In 1868, when the Iowa Contracting Company was formed to build a railway across the prairie from Keokuk to the Missouri River, he notes, “as usual, Scott and Thomson were heavy subscribers.” The Davenport and St. Paul Construction Company, Wall finds, “not only included the old familiar names of Thomson and Scott, but also Oakes Ames and John Duff, representing the Union Pacific interests.” “Again J. Edgar Thomson was the central figure,” he contends in Carnegie’s Allegheny Valley Railway bond transactions. As late as 1873 Carnegie continued to depend on Thomson and

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37 Charles Hinchman to Palmer, June 20, 1866, Palmer Papers; Scott to Barlow, Aug. 28, 1864, Sept. 21, 1864, Sept. 22, 1864, Jan. 23, 1868, Sept. 25, 1871, Barlow Papers.
Scott. He named his steel works constructed that year the Edgar Thomson Mill.\textsuperscript{38}

Even a brief survey indicates that the Pennsylvanians' situation was rather unique in entrepreneurial history. Although other partnerships were active in the nineteenth century, combinations such as Rockefeller and Flagler, or Carnegie and Frick, or Huntington and Crocker, or Gould and Sage simply do not convey the same implications as does Thomson and Scott. The above men, while members of powerful financial groups, all had significant interests outside their partnerships. Thomson and Scott, however, perhaps because their total personal assets were never exceptionally large, in the range of only five to ten million dollars, could not afford the same luxury.

With their rather minimal private fortunes scattered over nearly the entire continent, Thomson and Scott relied to a great extent upon their connections with the Pennsylvania Railroad for their solvency and influence. And this dependence may have been one of the strongest bonds in the partnership, for in a real sense the parent company's prosperity was crucial to their private projects. Thomson's authority within the partnership partially derived from his senior executive position on the railroad, which, in turn, rested upon the uninterrupted flow of dividends; the financial health of that corporation was indisputably their most vulnerable point. The acid test of this proposition came in 1873 when the partnership disintegrated. Many details of the conflict that severed their relationship are obscure, but the outline clearly illustrates the partnership's fundamental basis. Scott's Texas & Pacific Railroad was at the heart of the matter. This ambitious project was undertaken in opposition to the Southern Pacific and Central Pacific interests and, according to some, by Scott's prolonged fit of pique at being removed from the presidency of the Union Pacific in 1872. The Texas & Pacific crossed a wide expanse of uninhabited southwestern territory, and was precariously financed. Following the example of the Crédit Mobilier and others, Scott started the California and Texas Construction Company to build his road and to provide him with immediate

financial returns. Apparently, Thomson was unable to dissuade Scott from investing heavily in the project and, when once underway, Thomson dropped out. The transcontinental soon developed serious financial difficulties due to Scott's inability to win a federal guarantee for the road's bonds or to acquire a loan of government securities. To continue construction, which was necessary to thwart the Southern Pacific's plans to build over the same route, and to project an active political image in Washington, Scott was forced to make large personal cash advances. Sometime in 1872, he discovered that he was overextended and appealed to Thomson to loan the construction company working capital. Thomson, against his better judgment, came to his partner's aid because he realized his own reputation and money were already indirectly involved and he simply could not afford to allow the younger man to fail, particularly in a promotion of this scope. By the summer of 1873 Thomson was a co-endorser on unsecured paper to the extent of between $1,500,000 and $1,700,000, while Scott was liable for $7,000,000.39

Several months before Jay Cooke closed his doors on September 18, inaugurating the great depression of that decade, the Texas & Pacific and the Thomson-Scott partnership were in trouble. In mid-1873 Thomson evidently could not or would not advance further funds to the construction company. Strapped for capital, Scott left for Europe in July to raise the sorely needed money. Despite optimistic newspaper reports that he was on the verge of success, the following month he was forced, undoubtedly behind Thomson's back or without his blessing, to attempt what neither man had ever before considered doing—tap the Pennsylvania Railroad's treasury. On August 18, with both Thomson and Scott absent, the California and Texas Company appealed to the Pennsylvania's directors to sell it $2,000,000 worth of the 7 per cent currency bonds of the Pittsburgh, Cincinnati & St. Louis Railroad at 80 for an unsecured personal note endorsed by three of the five principals in the concern, excluding Thomson and Scott, and for the deposit with the Pennsylvania of $4,000,000 of Texas & Pacific construction bonds. The proposition was referred to the board's

39 Unidentified newspaper clipping, Thomson scrapbook; Wall, Carnegie, 298; Philadelphia Ledger and Transcript, Nov. 5, 1873; Inventory and Appraisement of the Estate of John Edgar Thomson, 1874.
finance committee. While this group debated what must have been an embarrassingly delicate request, Thomson found himself in personal financial trouble.40 He wrote to Carnegie, who had about $250,000 of his own money invested in the project, asking whether the ironmaster could sell some of Thomson’s bridge stock, complaining “I am short at present.” Thomson was about to be shorter. With the fall of Cooke’s banking empire, precipitated by Cooke’s overextension in the Northern Pacific Railroad, in which Thomson had also invested, the pressure on Thomson became critical. As his notes were presented he was forced to unload securities in a declining market. Carnegie took a hard look at the situation and refused to aid his former tutors. When Thomson, pressed as he was, learned of Carnegie’s reluctance to pledge his credit to support the partners, he wrote a personal plea for reconsideration, placing the entire blame for the California and Texas Construction Company’s financial mismanagement squarely upon Scott, who had “acted upon his faith in his guiding star, instead of [upon] sound discretion.” Thomson, who was calling in all his debts, pointedly reminded Carnegie “you of all others should lend your helping hand,” adding “I shall be glad to get out of this Texas matter with a loss of only three times your subscription.”41

At the very moment Thomson was struggling to preserve his financial position, the economic vitality of his badly overextended Pennsylvania Railroad was being sapped by the declining securities market and the national business downturn. Thomson was in no mood to tolerate Scott’s entreaty for the road’s help. Scott had touched a central nerve in their relationship at the worst possible moment. A confrontation between the two men probably ensued, for on November 7 Scott presented his resignation to the board. No formal vote was entered in the minutes but the directors, chaired by Thomson, refused to accept the resignation, declaring it was neither “necessary” nor “desirable.” Undoubtedly, Thomson did not favor it, for if he had the resignation would have been accepted. Financially, Thomson survived—just barely. But the partnership that had withstood other horrendous losses was irretrievably rent

40 Minutes of the Board of Directors of the Pennsylvania Railroad, July 2, Aug. 18, 1873; unidentified newspaper clipping, Thomson scrapbook.
because Scott ignored Thomson's advice concerning the Texas & Pacific and then pulled the "old man" into it, and because Scott dared to attempt to involve Thomson's Pennsylvania Railroad in a private speculation. Over the years both men had made investments whose profitability was directly dependent upon the road's fortunes, but the company had never been liable for a dollar. And as long as Thomson lived it would remain that way. The estrangement between Thomson and Scott became so great that by January, 1874, Carnegie found mediation impossible. Carnegie approached Scott about guaranteeing Thomson for $150,000. He later explained to Thomson that he urged Scott "to see you and make satisfactory arrangements, based upon bygones being bygones, he [Scott] to abandon all personal undertakings and devote himself to carrying out your views, as he professed himself anxious to do." Scott, however, would not see Thomson about Carnegie's offer, and, instead, attempted to lure Carnegie into a deal in such a way as to seem to support Scott's side of the dispute. Carnegie would have nothing to do with the ploy and explained it in full to Thomson.\footnote{Minutes of the Board of Directors of the Pennsylvania Railroad, Nov. 7, 1873; Carnegie to Thomson Jan. 29, 1874, Joseph Wall's Carnegie Collection.}

Scott withstood the financial crisis, although he had at least one note protested. Simon Cameron and other friends came up with $2,000,000 to support him and Scott eventually put the pieces of the project back together. In 1881 he sold the Texas & Pacific Railroad to Jay Gould for $2,400,000 and died with a personal fortune estimated at $1,800,000. Thomson took the financial beating of his life and his estate, although valued in 1874 at about $1,000,000, was notable for its lack of solid securities. He had sold them to support his Texas & Pacific paper. The partners' dispute was duly reported in the press, and must have added to the discomfort Scott felt at Thomson's death, which occurred before amicable relations were restored. Carnegie ever after contended that he was partially responsible for Thomson's death because he refused to grant credit to an obviously sick friend at a crucial time. Scott certainly must have harbored the same deep remorse since he was primarily responsible for Thomson's strained personal financial circumstances. In 1875 Scott purchased from Thomson's estate the remaining $106,000 of endorsed California and Texas Construction notes for securities, most of which were guaranteed by the Pennsyl-
vania Railroad, valued at $217,500. Reportedly, Scott was embarrassed by the publicity these notes received in the estate valuation. Scott's feelings must have exponentially intensified when Thomson made no effort to deny him the Pennsylvania Railroad’s presidency, although the option to make Scott a sacrificial goat to appease a disgruntled stockholders' committee that was examining the managers’ policies should have appealed to Thomson. His widow only exacerbated Scott’s guilt feelings by her cool attitude toward him and her willingness to relate to friends the details of the rift between her late husband and the new president.43

An upheaval of massive proportions was required to disrupt a partnership that was based upon a complex web of personality factors, of shared experiences and values, of a success ethos, of Thomson’s paternalism, and of the Pennsylvania Railroad’s well-being. Although the Texas & Pacific crisis, Scott’s challenge to Thomson’s authority, the 1873 financial panic, the Pennsylvania Railroad’s fiscal vulnerability, Thomson’s illness, and the 1874 stockholders’ meeting destroyed their former relationship, the events failed to alienate the two men completely. Their likenesses were simply too strong. Witness Thomson’s urgent attempts throughout that year to bolster his own and Scott’s precarious financial positions, having determined not to withdraw and take his losses. The strongest evidence that the estrangement was not total, however, was Thomson’s willingness to continue to support Scott for the Pennsylvania’s presidency. Thomson had little to gain and a great deal to lose from Scott’s accession, particularly if the younger man repudiated his policies. While it is quite probable that had Thomson lived the partnership could never have been restored to its pre-1873 form, Thomson evidently considered that the similarities that for over a decade bound the two men closely together, and the debt of gratitude that Scott owed him, were sufficient to insure Scott’s future loyalty. He was correct.

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