DURANCE, John Charles, 1917-
SAMUEL HALLETT: THE CAREER OF AN AMERICAN PROMOTER, WITH IMPLICATIONS FOR THE TEACHING OF HISTORY.

The Ohio State University, Ph.D., 1969
Education, teacher training

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SAMUEL HALLETT: THE CAREER OF AN AMERICAN PROMOTER, WITH IMPLICATIONS FOR THE TEACHING OF HISTORY

DISSERTATION
Presented in Partial Fulfillment of the Requirements for the Degree Doctor of Philosophy in the Graduate School of The Ohio State University

By
John Charles Durance, B. Sc. in Ed.

* * * * * *

The Ohio State University 1969

Approved by

[Signature]
Adviser
College of Education
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ACKNOWLEDGMENTS

Special thanks and sincere appreciation is expressed to Professor Robert E. Jewett for his assistance and encouragement during the completion of this study. The writer is also grateful to Professors Robert B. Sutton and M. Eugene Gilliom for their helpful suggestions.
VITA

March 14, 1917 . . . Born - Hamilton, Ontario, Canada

1947 . . . . . . . . . . . B. Sc. in Ed., The Ohio State University, Columbus, Ohio

1947-1948. . . . . Teacher of Social Studies, Harrison-Adams High School, Rosewood, Ohio

1949-1951. . . . . Teacher of Social Studies, Galion Senior High School, Galion, Ohio

1951-1961. . . . . Supervising Teacher of Social Studies, Kent State University School, Kent, Ohio

1962-1968. . . . . Supervisor of Student Teachers, Kent State University, Kent, Ohio

1968-1969. . . . . Assistant Professor of Secondary Education, Kent State University, Kent, Ohio

FIELDS OF STUDY

Major Field: Social Studies Education

Teaching of the Social Studies. Dr. Robert E. Jewett

History and Comparative Education. Dr. Robert B. Sutton

American History. Dr. Francis P. Weisenburger
### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACKNOWLEDGMENTS</td>
<td>ii</td>
</tr>
<tr>
<td>VITA</td>
<td>iii</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td><strong>Chapter</strong></td>
<td></td>
</tr>
<tr>
<td>I. CONFLICTING REPORTS AND OPINIONS</td>
<td>4</td>
</tr>
<tr>
<td>II. LAUNCHING A CAREER</td>
<td>12</td>
</tr>
<tr>
<td>III. OPPORTUNITIES IN LONDON</td>
<td>29</td>
</tr>
<tr>
<td>IV. PROMOTING THE NAUTILUS</td>
<td>48</td>
</tr>
<tr>
<td>V. ATLANTIC AND GREAT WESTERN NEGOTIATIONS</td>
<td>63</td>
</tr>
<tr>
<td>VI. SOCIAL AND PERSONAL AFFAIRS</td>
<td>77</td>
</tr>
<tr>
<td>VII. THE DIVING BELL IN FRANCE</td>
<td>94</td>
</tr>
<tr>
<td>VIII. TRIBULATIONS OF RAILROAD FINANCING</td>
<td>115</td>
</tr>
<tr>
<td>IX. THE MARIETTA AND CINCINNATI RAILROAD</td>
<td>154</td>
</tr>
<tr>
<td>X. INDIANA BONDS AND THE UNION PACIFIC</td>
<td>176</td>
</tr>
<tr>
<td>XI. SUMMARY</td>
<td>199</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>220</td>
</tr>
</tbody>
</table>
INTRODUCTION

Although a North Carolinian over a century ago recom-
mended the benefits of examining the materials of which
history was made with the idea of turning readers into
writers of history,¹ little direction was furnished until
Henry Johnson published his book, Teaching of History in
1915.

Since then, and many reprints later, increasing atten-
tion and emphasis has been focused on teaching the method
of historical research. Especially in recent years, appro-
priate illustrations as well as experience in establishing
historical truth have come to be included in selected sec-
ondary social studies curricula, much as Johnson had
delineated. Projects stimulated or reinforced by Jerome
Bruner's emphasis on teaching the structure and method of
the discipline have resulted in publications and materials
which have facilitated this approach.

An outstanding example is furnished in the work of the
Committee on the Study of History, carried forward under the

¹Ralph W. Haskins, "History," The Social Sciences,
Foundations of the Social Studies, ed. John U. Michaelis and
A. Montgomery Johnston (Boston: Allyn and Bacon, Inc. 1965),
p. 31.
direction of Van R. Halsey Jr. With emphasis on inquiry in the use of original source material, units have been planned for supplementary use in a course of study or as a course in themselves.  

This method, as with others which would teach the historian's critical skills by giving students direct experience in their use, has been found by some teachers to be more rewarding when limited to shorter topics within a larger structure. In either case, it is obligatory for the teacher to describe accurately his methodology and to demonstrate its relevance and application to current problems.

With this in mind, the following study is planned to be useful as collateral material employed within the framework of a larger theme. Based principally on primary sources with necessary supplements from secondary accounts, it is directed toward helping students and teachers to arrive at conclusions in answer to the following questions?

What is history?

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What is historical method?

What "springboards" can be developed for further inquiry and research?

How can biography be exploited in the teaching of history?

Since the historical content concerns the brief and controversial career of an American promoter, Samuel Hallett (1827-1864), the question of appraising his lifework is also posed as a further illustration of the historian's obligation to interpret as well as to record.
CHAPTER I

CONFLICTING REPORTS AND OPINIONS

In late July and early August of 1864, New York newspapers carried accounts of the murder of a prominent citizen. Samuel Hallett, financier and railroad tycoon, had been assassinated while working as general manager of the Eastern Division of the Union Pacific Railroad in Kansas. Articles concerning the death of the thirty-seven year old entrepreneur were vague and conflicting. The New York Times stated that an engineer named Talcott had shot Hallett as the result of a sharp financial dispute.¹ According to the New York Daily Tribune quoting from the Leavenworth Conservative, a heartless beating administered at Hallett's instigation was said to have resulted in the tragedy.²

Such a "rumor" was vehemently denied in an article reprinted from the same western newspaper which appeared in the Times of August 7. Hallett's death was described as "the most dastardly, cruel and bloody tragedy that has ever

¹New York Times, July 30, 1864.

occurred in Kansas. However, another version copied from the Leavenworth Bulletin appeared in the identical issue. Although the act was not justified, the writer claimed that Talcott had great provocation for his deed. Hallett was characterized as reckless and as possessing little regard for the requirements of law. It was alleged that he had called at Talcott's house and had threatened his life.

These explanations were described as utterly devoid of any truth in a column appearing in the Tribune of August 10. The author stated that two days before the homicide the two men met in the streets of Wyandotte, exchanged greetings and shook hands without any evidence of vindictive feelings. It was questioned that the murder was perpetrated by a desire for revenge and the suspicion was raised that Talcott may have been "the paid agent of others, who had a deeper interest in the death of the victim."

Years later stories of the tragedy were still circulating. A July 1910 edition of the Rochester Democrat contained an article written in Bath, New York recalling the shooting of a famous neighbor on July 27, 1864. It

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4Ibid.

was recounted that Talcott mistook Hallett for someone else and the killing was a terrible blunder. Another mysterious report said to have been current was that Hallett was not dead and that a wax image was transported to his nearby home in Wayne and buried there in an attempt to collect the large insurance policies which he carried.\textsuperscript{6}

One more description is contained in a collection of essays about interesting people and places in the western New York area published circa 1947. It is suggested that Hallett's assailant may have been a discharged employee or an embittered land speculator whose town would have been bypassed by the projected railroad.\textsuperscript{7}

The old Hallett home on the outskirts of Wayne remains today a source of rumor, legend and mystery as it has been for over a century. A neglected family cemetery, overgrown by brush, is located on the property and adds to the enigma. There at the foot of a weathered, but impressive obelisk, the former owner is buried. One side of the monument is inscribed, "Samuel Hallett Born Dec. 3, 1827, Died July 27, 1864." The opposite side is engraved, "Ann Eliza his wife 1828–1893." Surrounding headstones mark the plots where

\textsuperscript{6}Rochester Democrat, July 28, 1910.

the four Hallett children and other relatives are interred.

"Lake Home," as the estate was named by Hallett, gained a reputation as a haunted place shortly after his death. It was told locally that Mrs. Hallett could be glimpsed riding a white horse at midnight to visit her husband's grave. The story was given credence because the shock of the tragedy caused such a marked change in her personality. Returning from Europe with the children when informed, the lady soon became a recluse and adopted spiritualism.8

Raucous crows and blackbirds were said to favor the area. Hunters declared that their dogs avoided the neighboring woods after nightfall. Townspeople stated that lightning was mysteriously attracted to the Hallett cemetery. A silver coffin in which Samuel Irving, the youngest son was supposedly buried, was alleged to be the cause.

Tales of hidden treasure were responsible over the years for the looting and destruction of much of the interior of the house and its furnishings. Important papers, especially those relating to early Union Pacific affairs were rumored to be concealed in one of the massive fireplaces.

8 Interview with Mrs. Ada B. Turner, July 1, 1964. Mrs. Turner is the widow of the former superintendent of the estate and lived on the property from 1917 until 1925. She was well acquainted with the Hallett heirs. Her booklet, Aisle of Pines (n.d., n.p.) gives a brief history of the family and home.
Neither treasure nor papers were ever found. 9

The mansion, situated on a hill near the juncture of Schuyler and Steuben counties in the southwestern section of the scenic Finger Lakes country, is still imposing. Eight large pillars flank each of three sides of the Southern plantation-style home. Outlines of elaborate sunken gardens once surrounding the house are visible. Three lakes shimmer in the distance, enhancing the view from spacious verandas.

Despite devastation caused by neglect, age and vandalism, former grandeur is suggested by the spacious dimensions of thirty-odd rooms, massive carved fireplaces and an impressive staircase. Obviously the owner of such an establishment was a wealthy man, or at least the beneficiary of generous credit.

Assessments of Hallett's financial and personal integrity differed as widely as reports concerning the circumstances of his death and hearsay about his home and family. Possibly the author of a eulogistic article in the New York Tribune of August 1964 was accurate in stating that Samuel Hallett "had attained a position which gave him control of some of the most gigantic financial enterprises of the age." 10 His genius, intellect, resourcefulness and

9 Interview with J.S. Pease, owner of the former Hallett estate, July 1, 1964.

ambition were credited with having expedited, if not having
saved from destruction, two of the chief railroads of the
country.

A writer in the local newspaper of Wyandotte, Kansas
agreed. The death of the "leading spirit" in the Pacific
Railroad enterprise was described as an irreparable loss to
Kansas and to the United States. It was declared that the
man did not live who could replace him. Future millions of
travelers from the Atlantic to the Pacific were reminded,
"that to Samuel Hallett, more than to any ten men, they are
indebted for the early completion of the great artery of
travel." 11

Nevertheless, important associates disagreed sharply
with any complimentary views of Hallett's character and
contributions. In England, Benjamin Moran, Assistant
Secretary of the United States legation, expressed a con­
flicting opinion in his diary. On receiving a letter from
James McHenry in the United States, also a former business
ally, he wrote on August 11, 1864:

His letter contained a slip giving the particulars
of the death somewhere in Kansas, of Samuel Hallett,
a man often mentioned in this journal. He was shot

11Wyandotte Gazette, July 30, 1864. Quoted in W.W.
Clayton, History of Steuben County New York (Philadelphia:
for attempted cheating, and no doubt deserved his fate. A more finished scoundrel I never knew.  

McHenry, highly respected businessman and financier, well-known in Europe and North America, expressed his opinion of Hallett:

... for a long time after other people distrusted him, I continued to place implicit faith in his statements and promises, I shall shew how I have been deceived.

William Reynolds, a Pennsylvania financier and railroad executive, cooperated with Hallett and McHenry in securing capital for the construction of the Atlantic and Great Western Railroad. In his manuscript history of the negotiations he described Hallett as follows: "He was a man of good address, indomitable perseverance, self-reliant, and without conscience or scruple as to the means employed to accomplish his ends." 

Such strongly expressed opinions, both laudatory and critical, were typical of estimates of Hallett's character

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and career. Frequently a focus of controversy during his life, his death gave rise to further conflicting reports. Hearsay continued through the years, especially in the Western New York area where the Halletts were a prominent family and where their former estate excited curiosity and speculation.

By tracing the protagonist's career which began humbly in a remote New York hamlet and took him to the courts of Queen Victoria and Napoleon III, facts can be distinguished from rumors and a more accurate historical perspective can be gained.
CHAPTER II
LAUNCHING A CAREER

Samuel Hallett was born in Canisteo, Steuben County, New York on December 3, 1827. The hamlet which was settled in 1798, was then growing as an outlet for the lumbering and mining industries of the surrounding country. Hornellsville, the nearest town, located four miles northwest, was the metropolis of the area. In 1850, when the New York and Erie Railroad opened there, it had attained a population of 900. It was in this sparsely populated, but developing region that the future financier spent his boyhood and youth.

Although coming from a poor family, he was able to attend the common school during the winters until he was sixteen. Two terms at nearby Alfred Academy prepared him for the Albany Normal School where he is said to have earned his way as a driver on one of the "fast" coach lines operating in that vicinity.

After graduating in 1847, he taught in the public schools for several years, at one time teaching in Bath with "marked success."¹

¹Clayton, p. 433.
In 1848, Hallett married a former classmate. Mrs. Hallett, who was described as "a very sensible but very plain, red-haired ordinary looking American woman,"\(^2\) was a member of two prominent Wayne families, the McDowells and the Mitchells.

John Mitchell, a close relative, was involved at that time in several commercial ventures. He operated stores in neighboring communities. At various times he traded in lumber, operated a sawmill, foundry and machine shop and dealt extensively in real estate. Inefficient management and the over-extension of credit caused a business crisis. Endorsing notes for his brother George, who was engaged in similar enterprises in Hammondsport, increased financial troubles and caused bankruptcy when George's business failed. Property was sold under the sheriff's hammer at a great loss.\(^3\)

When the failure occurred in 1851, Hallett had left teaching and was employed as a confidential clerk for George Mitchell. It was rumored that he made several thousand dollars from the Mitchell's failure.\(^4\) Probably the


\(^3\)Clayton, p. 498.

Wayne estate was acquired at this time from John Mitchell who is said to have been the original owner.

Although Hallett denied any unethical transactions, the Mitchell brothers from that time on became his implacable enemies. A booklet authored and circulated by John, entitled Financial Sam, was a source of great irritation and embarrassment to Hallett since he was the subject of the text. He commented:

I can safely say of a truth, that the most devoted love and inveterate hatred, I bear any persons living--was planted in Wayne--It seems strange to me, that those to whom I owe most for my prosperity--and those to whom I am most indebted, for willful malignity, and envious persecution, should have been members of the same family. It is the more strange, from the friendly alliance that once existed between me and those who most seek my ruin.5

Following the collapse of the Mitchell enterprises, Hallett associated himself with Francis McDowell, his brother-in-law. Together, they operated a lumber business in Adrian, New York. This venture established a successful partnership and firm friendship which continued until Hallett's death.6

The next year, 1852, Hallett moved to Hornellsville

5Hallett to his wife, March 8, 1857, in Samuel Hallett Papers (Ohio Historical Society, Columbus, Ohio), vol. 5. Cited hereafter as Hallett Papers.

6Clayton, p. 433.
where he opened a banking and brokerage office. Two years later, the Bank of Hornellsville was organized with Hallett as president and Francis McDowell as cashier. George McDowell, a younger brother of Francis, and N.M. Crane, husband of a sister of the McDowells, were also included.

Gradually a business dealing in securities, bonds, mortgages, real estate and lumber was promoted. A credit statement regarding the president dated February 8, 1854 contained the following comment:

What he is worth, he has made himself, and made it by equivocal means; he is a man of no principle, not only buys, but sells paper at a heavy shave.7

However, a later inquiry sounded considerably more favorable.

Aug. 22, 1855, - Is 30 years of age, has a family, good habits, superior capacity, is prompt and active, is worth 50,000 dollars above liabilities in Real Estate and Personal Property; . . .8

Equity capital was sufficient to speculate in western railroads. A memorandum of agreement dated June 25, 1855 stated that Samuel Hallett negotiated a loan for $45,000 through a Portsmouth, Ohio bank to the Scioto and Hocking Valley Railroad Company.9 His private ledger shows active

8Ibid.
9Hallett Papers, box 1.
trading in the bonds of that company over a number of years.10

In August 1855, Hallett had completed arrangements to go to Europe "on business connected with the financial affairs of a western railroad company."11 Apparently he planned to sell the Scioto and Hocking Valley bonds, obtain additional financing and procure iron rails for construction. The evening before embarking, he was arrested on a warrant issued by the district attorney of Albany County. George Mitchell, his former employer, secured the indictment charging his onetime assistant with defrauding him of land three years previously.

Hallett claimed that the fifty acres in question had been assigned to him by Mitchell as security for money expended. Evidence submitted lead the district attorney to enter a nolle prosequi on the indictment and no trial was held.12 Hallett later declared: "I left the Court without a blot upon my character, but possessing the sympathy of all for having been made the victim of the business hallucinations of a monomaniac."13

10Hallett Papers, vol. 1.


12Ibid.

That the delayed voyage was finally accomplished seems certain, although direct evidence is lacking. Two years later while on a second trip to England, Hallett referred to the visit of 1855 in letters to his wife. He mentioned that he occupied the same rooms in the Adelphi Hotel, Liverpool, which they had used on their previous visit. Allusions to business indicate that his position on the first visit was not favorable.14

Home in 1856, Hallett continued to expand his enterprises vigorously. In addition, politics offered a further outlet for some of the energy, ambition and drive for recognition which were so typical. As the exciting and emotionally charged presidential election approached, he became actively involved. His views were definite—"I hate the Irish and the Roman Catholics..."15— and he enthusiastically championed Millard Fillmore and the principles of the Know Nothings.

The party platform opposed the election of Catholics and immigrants to office and urged the requirement of twenty-one years residence for naturalization. It favored popular sovereignty in the territories and called for an indestructible union.

14 Hallett to his wife, March 5, 1857, Hallett Papers, vol. 5.

In opposition, the Democrats led by James Buchanan upheld the Kansas-Nebraska act and popular sovereignty. They denounced Know Nothing politics as intolerant and unenlightened. According to Hallett, the Democrats' only claim on the confidence of the people was in their name.  

Recently organized Republicans—described by Hallett as a party without a policy—nominated John C. Frémont. Main planks in the platform opposed legalization of slavery in the territories and any extension of slavery. The Ostend Manifesto was particularly condemned.

Presidential candidates having been selected and party platforms formulated, politicians turned their attention to congressional aspirants and state issues. At the Dansville convention of the Know-Nothing in September, Hallett was nominated as a candidate for the House of Representatives.

The Hornellsville National American glowed with praise over the choice and termed the selection "especially gratifying." In dubious logic it was

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17 Ibid.

18 National American (Hornellsville) quoted in Corning Journal, Sept. 18, 1856.
pointed out that there was a need to send men to Congress who were sufficiently affluent so that they would be beyond the influence of bribery and therefore not be tempted by the prospect of acquiring sudden riches. Hallett was just the man—impregnable to bribery and eminently possessing the qualifications prescribed by Jefferson, honesty and capability.¹⁹

The Corning Journal, a Republican paper for J.C. Fremont and W.L. Dayton as declared by its masthead, vigorously attacked the argument. Assuming that wealth was a candidate's most conspicuous qualification and implying that only the rich could be trusted, was termed an equivocal compliment. In any case, the author declared, it had been understood all along that Hallett's money would secure him the nomination and his friends would rely on it to win the election. For the voters' consideration it was asked, "What but his one thousand dollar contribution to the campaign or corruption fund, secured his nomination?"²⁰

Whether or not such a sum was ever paid is not recorded. However, a letter in Hallett's correspondence

¹⁹Ibid.

²⁰Corning Journal, Sept. 18, 1856.
requested payment of one thousand dollars which he was alleged to have promised for electioneering expenses.\textsuperscript{21}

During an animated campaign, the Mitchell controversy was fully exploited. It was charged that the prospective Congressman had been indicted for felony. In addition, his personal and business ethics were sharply questioned.

Hallett replied by publishing a pamphlet in order to vindicate himself of these aspersions.\textsuperscript{22} He defended his character and good name eloquently, stating his qualifications for office and upholding the American party platform.

Despite the most energetic efforts of the Know Nothing candidate and his supporters, when the returns were counted he was soundly defeated. Jubilant headlines in the \textit{Corning Journal} announced, "Steuben Redeemed."\textsuperscript{23} The Frémont party's majority of over four thousand was celebrated in an article which concluded by asking, "where is Sam Hallett?"\textsuperscript{24}


\textsuperscript{22}"A Reply to the Implications of Henry H. Hull," Editor of the \textit{Steuben Courier}, Hallett Papers, box 7.

\textsuperscript{23}\textit{Corning Journal}, Nov. 6, 1856.

\textsuperscript{24}\textit{Ibid.}
Rejection by the electorate was accepted calmly as evidenced by a note Hallett received from a minister friend commending him for his coolness in defeat and complimenting him on showing up the Mitchell calumny. Several months later the former candidate wrote that defeat was really a blessing. Otherwise vast opportunities for financial success and self-improvement might have been lost to him.

Consolation could indeed be found in numerous and tempting commercial ventures. Railroad construction was being promoted zealously. Chances for investing risk capital in developing areas appeared to be endlessly rewarding. Inventions and improvements on existing ones offered hope of enormous profits.

Hallett and his relatives-by-marriage who were associated with him in business had found an enterprise which seemed to offer prospects for rich returns. This was the exploitation and sale of a diving bell, the Nautilus submarine.

The Nautilus consisted of a bell-shaped diving
chamber with an opening at the top secured by a close fitting cover. Air for regulating pressure and for the consumption of workmen inside the bell was maintained by a reservoir at the surface. A small steam engine and boiler operated an air pump. The reservoir could be placed on a floating craft or could be stationed on shore or other convenient stable foundation. Pipes and a flexible tube connected it to the interior of the chamber. An arrangement of blocks and pulleys made it possible to move the bell as an operator wished.

Although similar to previous machines, certain unique features were invented by Edgar H. Forman of New Rochelle, New York and patented after his death by his assignee, Major Henry B. Sears.27

The Nautilus Submarine Company of the United States was incorporated in 1855 with a capital stock fixed at $500,000. Major Sears was elected president of the company the next year.28 Plans called for the manufacturing, using and selling of diving bells and related equipment. Uses envisioned included: construction of piers and


28Minutes of annual meeting of stockholders, Oct. 25, 1856, Hallett Papers, box 1.
breakwaters; raising of ships; recovery of sunken treasures; gathering of pearls, coral, sponges; exploration and any other useful underwater operations.  

It was hoped that the employment of these machines would have wide appeal in the United States, Europe, Asia and Africa. The promoters looked toward organizing separate companies abroad and piling up lucrative dividends.

Aware of this, Hallett acquired an interest in the European venture. From Sears he received title to "one half the bonus of $83,500 to be paid by the Nautilus Submarine Company of the United States to Alvin C. Morton, for certain considerations." Later, in June 1856 he bought 785 shares of the American company for $23,550 to be paid in cash and notes. Since total shares issued

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29 Incorporation document from the state of New York for the Nautilus Submarine Company, July 17, 1855, Hallett Papers, box 1.

30 Alvin C. Morton, civil engineer, was employed by canal and railroad companies from 1827 until his death. He was at one time connected with the Erie, the Atlantic and St. Lawrence and the Grand Truck railroads. It is probable that he assisted in developing the Nautilus. He was a shareholder and director of the company.

31 "Transfer of European Stock," April 27, 1856, Hallett Papers, box 1.

32 Receipt from Sears to Hallett, June 16, 1856, Hallett Papers, box 1.
were limited to 10,000, this gave him a substantial holding in the company.

At a special meeting of the trustees in November, Hallett presented an agreement with reference to his going to Europe as agent. The agreement was adopted. The company bound itself to supply and equip a machine with air pump and other necessary apparatus for conveyance to Great Britain and various other countries. The agent was responsible for transportation and securing any necessary employees. He was instructed also to secure patents for the benefit of the company in any countries he believed desirable. (The patent for Great Britain had already been obtained in the name of Joseph Henry Tuck.) All expenses for the machine and costs of demonstrations as well as salaries of employees, not to exceed $20,000, were to be paid by Hallett.

As sole representative of the company, he was empowered to sell all patents and rights and receive money, securities and properties in return. Compensation was to consist of a commission of five per cent on the amount of all sales, plus reimbursement for expenses. The contract

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^Minutes of trustees of Nautilus Submarine Company, Nov. 24, 1856, Hallett Papers, box 1.
was to expire in twelve months and could be extended or discontinued at that time.  

Confident of the performance of the machine, optimistic over anticipated profits as a result of the agreement and dividends on stock, Hallett prepared for his European expedition. A favorable report on a series of demonstrations and experiments at Glen Cove, New York in December increased enthusiasm. He added this endorsement from the Chief Engineer of the United States Navy to others he was collecting.

Similar recommendations on the efficiency of the diving bell and extent of its underwater operations were amassed. Senators, congressmen, governors, state officers, engineers and bankers were solicited for or volunteered a variety of testimonials. Hallett's business acumen, financial integrity, character and personal charm were also warmly attested.

A.C. Morton's letters commended the Nautilus as being worthy of the interest of such eminent British engineers and contractors as Thomas Brassey and Robert Stephenson.

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34 Memorandum of agreement, Nov. 28, 1856, Hallett Papers, box 1.

35 Jesse Gay, Chief Engineer, United States Navy, to Captain A. Bigelow, Commander, Navy Yard, New York, Hallett Papers, box 1.
The letters also suggested that, "Mr. Hallett has other important commercial agencies in Europe." 36

A United States Senator provided an introduction to Minister George M. Dallas in London. A recommendatory letter from Millard Fillmore was alleged to have been obtained by John K. Hale, political friend and endorser of Hallett. Eighteen months later a critic described the letter as "the Midas wand with which he [Hallett] has several times waved incredible amounts of gold almost into his coffers." 37 Evidence was not lacking in support of the same critic's statement that, "the great forte of Mr. Hallett ... is the collection of a marvellous number of these unreserved epistolary indorsements from persons in office." 38

The collection was increased further when a cordial visit with Colonel John C. Frémont produced a letter of introduction to a Paris friend. Acquainted with Hallett through previous business transactions, the Colonel broached another venture during the interview. 39

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36 A.C. Morton to various addressees, Jan. 21, 1857, Hallett Papers, box 1.

37 Cincinnati Daily Commercial, Sept. 12, 1858.

38 Ibid.

He explored the feasibility of forming a company for his Mariposa grant in California, to be capitalized at $4,000,000. Hallett advised against this and recommended a smaller amount of capital and a plan that would not look like a speculation, but a legitimate loan. Frémont agreed and offered control of the Mariposa for an $80,000 loan in four installments. An answer to this proposal was promised from Europe.  

Foreseeing the necessity of competent legal advice, the hopeful entrepreneur negotiated a contract with Isaiah T. Williams to accompany him as a consultant. Signed on January 3, 1857, the agreement suggested the great expectations of the signers and the possibility of interesting enterprises in addition to the Nautilus. A generous fee and commissions were promised on all profits from "business matters, agencies and adventures of every nature...." Specific understandings were included for a division of gains which might be realized from Scioto and Hocking Valley Railroad investments. However, previous commitments for sharing earnings with Francis McDowell "and certain

40 Diary, Jan. 20, 21, 1857, Hallett Papers, vol. 2.

41 Hallett with Williams, contract, Jan. 3, 1857, Hallett Papers, box 1.
other parties" and a separate pledge to Alvin C. Morton were recognized.42

In addition to preparing for ventures abroad, Hallett was organizing his financial affairs at home for an indefinite absence. He decided to liquidate the banking business in Hornellsville, having more ambitious plans in mind. Remaining properties, farms, mills, timber lands, mortgages, holdings in stocks and bonds were placed in charge of his brothers-in-law.

These arrangements required volumes of correspondence and considerable traveling from Hornellsville to Albany and New York City. Such typical dangers and inconveniences of railway travel as—"sorrowful night. Cold—snow—Cars off track—very uncomfortable"43—were encountered. Despite such obstacles and under great pressure, Hallett completed all preparations the morning of his scheduled departure. On January 21, 1857 he sailed on the Asia for England.44

42Ibid.


44Diary, Jan. 21, 1857, Hallett Papers, vol. 2.
CHAPTER III
OPPORTUNITIES IN LONDON

The journey to Liverpool was extraordinarily safe and pleasant. There were no accidents, no fog, a calm sea and favorable winds throughout the entire crossing. After a voyage of twelve and a half days, the passengers disembarked on February 2.¹

Hallett had made some interesting acquaintances during the trip. A fellow passenger, Dr. E.N. Kirk of Boston who was going to Paris to establish a Congregational church, offered to assist in the introduction of the Nautilus and air pump. Dr. Kirk told Hallett that he had aided professor Morse, who could not speak a work of French, introduce his telegraph in France.² A wealthy Scotchman considered the pump a wonderful invention and agreed to introduce it into his factories in Scotland.³

¹Hallett to Judge Hyde, Feb. 3, 1857, Hallett Papers, vol. 5.
The shipboard companions dispersed after a farewell dinner at which Hallett had given a speech. His theme was, "America at the landing of the Mayflower—America now—Pacific Railroad—Ocean telegraph." Recognizing inadequacies in his background, he later wrote to his brother-in-law, Francis McDowell, requesting books, especially the speeches of Clay and Webster, to supply a "little more bottom." Other members of the Nautilus group made up of Major Sears, company president; Isaiah Williams, lawyer; and George Williamson, engineer and inventor of the air pump, soon departed for London. Hallett remained in Liverpool which he said seemed almost as familiar to him as New York.

Using "strong" letters of introduction he made two business calls. At Bailey Brothers, an old and wealthy iron company, he proposed half cash and half Scioto and Hocking Valley bonds for iron "to sell for what money I wanted and have enough left." A visit with John Davis,

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a broker, also seemed to offer promising returns for future transactions. 8

Encouraged by his reception and by discussions of the Nautilus which he believed had already created a great "stir," Hallett left Liverpool asserting, "I shall make all that is worth the asking before I leave Old England." 9

In an expansive mood, he journeyed by train to London. Glimpses of green fields, large meadows, hedges, rows and meandering brooks increased his sense of well-being and recalled impressions of the previous visit made with his wife. 10

Arriving in the city on February 6, he immediately commenced making arrangements for establishing his enterprises. An apartment was engaged on fashionable Piccadilly Street, opposite Buckingham Palace. Impressed by the location, he wrote home:

We are in the vicinity of Nobility-- In their very midst as to Locality. A member of Parliament occupies the next room. Titled ladies are all around us--. 11


9 Hallett to his wife, Feb. 5, 1857, Hallett Papers, vol. 5.

10 Ibid., Feb. 12, 1857.

11 Ibid.
Thus favorably situated, the eager financier was soon in touch with Joseph H. Tuck, English representative of the Nautilus Company, who had been engaged previously to secure patents for Great Britain. Tuck reported progress in preparing the way for incorporating an English company. Particularly impressive were the very respectable business connections which he had established.

There was need for such associations and much patient groundwork. The money market was stringent. Hallett noted that negotiations in England proceeded slowly and methodically. He described the situation further in a letter to a Nautilus Company officer:

Londoners have been so often and so thoroughly swindled, by Americans they look upon every new invention and new enterprise as a new humbug to swindle them, and it takes, in consequence, the best of introductions and most cautious bearing to even get a hearing.12

However, a conference was arranged by Tuck on February 9 with John Goddard, an officer of the Rock Life Insurance Company, one of the largest such companies in England. After exploring the Nautilus enterprise thoroughly with Tuck, Goddard, and his brother Lemuel, an influential banker, Hallett was satisfied that a successful company could be organized. He was particularly impressed

12Hallett to H.S. Parks, Feb. 9, 1857, Hallett Papers, vol. 5.
by John Goddard whom he described as "an excellent example of an English gentleman, tall and noble looking, an excellent business man, solid and cautious, honest and frank."  

During the interview, Hallett described the large investments he had made to perfect the invention. He explained that he had come to England with his engineer to introduce the Nautilus to London capitalists. Both he and Tuck described it as the most valuable invention of the age, implying that fabulous fortunes could be made through its introduction.  

Evidently all present were impressed by expectations of munificent profits and with the advantages of collaboration on the project. It was agreed to prepare a prospectus and proposals for the formation of a British company and the sale of stock.

A few days later, another meeting was held with the same men present. A plan for incorporating the Nautilus Submarine Company, for Great Britain, Ireland and the East and West India Possessions was settled on. Capitalization was placed at £ 250,000 in 25,000 shares. It was further agreed that securing "first class" men for officers and

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directors would be necessary. 15

Hallett was jubilant. He estimated that he would receive $500,000 cash for the sale of the diving bell patents and $100,000 for rights to use and manufacture the Williamson pump. Of this, $150,000 from the enterprise was to go to his firm alone. 16 He confided to his brother-in-law:

I may as well tell you now, I have sold the whole affair verbally—The only condition is the experiments—If the Bell performs as it did in the U.S. the thing is done. 17

Working diligently to bring negotiations to a successful conclusion in England, Hallett and his advisers drew up contracts and prepared an elaborate prospectus. In addition, other countries were not overlooked. Arrangements were made for securing patents for Austria and Sardinia. Two Russian officials were shown models and specifications and encouraged to consider introducing the bell and pump to their government. 18


16 Hallett to his wife, Feb. 12, 1857, Hallett Papers, vol. 5.

17 Hallett to F. McDowell, Feb. 12, 1857, Hallett Papers, vol. 5.

Reassured by interest in their project and by a notice of the arrival of a complete *Nautilus* in good condition from New York, the promoters continued circulating favorable publicity. An excellent opportunity was offered when Hallett arranged for Sears to read papers at two meetings of the Society of Arts, Manufacturers and Commerce of which Prince Albert was president.

In preparation, a model was placed on display in the rooms of the society. Engraved announcements were sent to prominent government officials, engineers and bankers. Hallett personally addressed letters and invitations to every foreign minister in London including George M. Dallas, representative of the United States. The distinguished company was urged to be present when an American invention of great practical utility and national importance would be introduced.19

Soon all was in readiness. In anticipation Hallett wrote to his brother-in-law in New York: "while you on 4 March Inaugurate James Buchanan President, I will inaugurate the Royalty of Great Britain in the Mysteries of the Nautilus."20

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19 *Diary, Feb. 28, 1857, Hallett Papers, vol. 5.*

20 *Hallett to N.M. Crane, Feb. 27, 1857, Hallett Papers, vol. 2.*
The American entrepreneurs were not disappointed with the introduction of their venture. Major Sears' paper was highly successful. He easily answered any objections and critics left the meeting in agreement that the Nautilus was all that was claimed for it.\(^{21}\)

Exploiting the favorable publicity, Hallett quickly called a conference with the Goddard brothers, Sears and Tuck for a sale of patent rights. To the astonishment of the others, Tuck arose at the meeting and informed the group that no further business could be conducted until an arrangement had been made with him for a pump for which he held the patent and which he jointly owned with a Mr. Lee, its inventor. He claimed that this patent antedated that of the Williamson pump and employed the same principles.

Hallett assured the group that this was the first intimation he had received of such a claim in the month he had been in London. The Goddards then stated that they were sure he would not wish them to become involved in an affair in which there was still litigation.\(^{22}\)

\(^{21}\)Hallett to F. McDowell, March 5, 1857, Hallett Papers, vol. 5.

\(^{22}\)Sears to H.S. Parke, March 6, 1857, Hallett Papers, box 2.
Sears immediately left for Paris in order to locate Lee, who was residing there, and attempt to arrive at a solution of the controversy. Back in London within a week with the situation still unresolved, he decided to return to the United States in order to obtain evidences of title and other essential documents.23 On April 7 he wrote from New York that he was sailing for England with all papers necessary to give a full, perfect and clear title.24

During Sears' absence other troubles appeared which blocked the progress of negotiations. On March 14, Hallett was notified that a one hundred pounds import fee was due immediately on the Nautilus and equipment. If unpaid, the machine could not be used in England, or even put in order.25

Fortunately for him, he had previously paid his respects at 24 Portland Place, residence of the American

23 Hallett to Sears, March 13, 1857, Hallett Papers, vol. 5.

24 Sears to Hallett, April 7, 1857, Hallett Papers, box 2.

Minister, George M. Dallas. He was somewhat disappointed on that visit, having been met at the door by a "plain American young man" (probably Benjamin Moran) to whom he had presented a letter of introduction from Senator Sickles of New York. However, Dallas received him cordially and offered to help in introducing the Nautilus in any way possible.

Taking advantage of this offer which Hallett believed was made—"all because Sickles is Senator—Member of Congress and a friend to Buchanan"—he again called at the legation. The visit produced a letter from Dallas to Prime Minister Palmerston, requesting admission of the diving bell duty free. After Hallett delivered the letter, a reply was received from Palmerston that he would be happy to grant the request.

The agent of the Nautilus Company was most grateful.

26Dallas was a former United States Senator, Minister to Russia and Vice-president of the United States. He became Minister to Britain in 1856. Both Hallett and Benjamin Moran, Assistant Secretary of the legation, declared that he had serious presidential ambitions.

27Hallett to his wife, Feb. 28, 1857, Hallett Papers, vol. 5.


29Diary, March 16, 17, 1857, Hallett Papers, vol. 5.
He wrote to Sears,

Major our company are under great obligations to Mr. Dallas as well as myself personally—He does everything I ask him and in a kind, obliging spirit too—30

With this obstacle removed, preparations were pushed vigorously for the first public experiments and demonstration of the Nautilus at Victoria Docks. While Williamson prepared the machinery, Hallett provided publicity and arranged for the attendance of the most influential people whom he could locate.

On the fourth of April an interested company of spectators was assembled on the banks of the Thames. Included were representatives of several foreign countries, engineers and bankers. Noteworthy among them were members of the Society of Arts and the Royal Polytechnic Society. The presence of Sir Charles Fox31 was particularly flattering.32

All were able to observe the Nautilus make thirteen descents to a depth of twenty-two feet. Four ladies

30 Hallett to Sears, March 17, 1857, Hallett Papers, vol. 5.

31 Construction engineer who had designed the building for the Crystal Palace Exhibition of 1851; during his career he was engaged in railroad and bridge construction in Britain, Europe and other parts of the Empire.

32 Hallett to Williams, April 7, 1857, Hallett Papers, vol. 5.
risked the trip without experiencing any inconvenience. Several times the diving bell was attached to a stone of about four tons which was lifted to the surface, then replaced on the river bottom. Not the slightest accident occurred to mar the occasion and all the experiments were considered highly successful. "Every thing [sic] was triumphant," according to the promoters.33

Hallett had good reasons to be optimistic. In addition to the success of the Victoria Docks experiments, he was excited about the possibilities of becoming involved in other promising ventures. The first lead occurred on February 25 when he received a visit from A.C. Morton, who with Henry Doolittle34 and his wife, had arrived from the United States.35 After several conferences had been held with both men, he recorded that Doolittle called on April 1, "to submit a Rail Road enterprise for my consideration."36

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33Diary, April 6, 1857, Hallett Papers, vol. 2.

34Henry Doolittle, railroad contractor of Dayton, Ohio, had received in 1853 the contract for grading the Franklin and Warren Railroad through Ohio to Dayton, there to connect with the Cincinnati, Hamilton and Dayton Railroad. This line later became part of the Atlantic and Great Western Railroad.


36Ibid., April 1, 1857.
The contractor envisioned a six foot gauge railroad stretching from New York City to the Pacific Ocean. Operated by three corporations as far as St. Louis, the line would be composed of the New York and Erie to Great Valley, New York, the Atlantic and Great Western to Cincinnati and the Ohio and Mississippi to St. Louis. Both the eastern and western ends of the road were finished. It was the middle section, the Atlantic and Great Western, which remained to be constructed. When completed, a span of almost 1200 miles of a single gauge track would extend from New York to St. Louis making changes of cars for passengers and freight unnecessary. The Pacific Road, of the same gauge, was planned to reach from St. Louis westward until "the mouth of the Columbia River announces another ocean." Thus, New York City could become the great center of the commercial world in the future, according to Doolittle.

Hallett's proposed role in this undertaking was not yet clear. However, it is certain that Doolittle and Morton were in England to raise money for the construction of the Atlantic and Great Western. Doolittle had signed an agreement with that company as contractor for the line passing through Ohio. Morton was acting as contractor

37Ibid.
for the Leadville Railroad, which was to become the Pennsylvania section. They were operating together under an authorization to negotiate for capital and purchase supplies and equipment. 38

Work had begun on the road soon after Marvin Kent, first president of the Atlantic and Great Western, "had the pleasure of removing the first shovel full of earth on the line at Kent, Ohio" on July 5, 1853. 39 Construction eventually came to a standstill because of lack of funds and support in the United States. In order to continue building, it was necessary to search abroad for assistance.

Doolittle and Morton came to London shortly after Hallett arrived. 40 They at once began their efforts to establish promising connections, evidently without success. It is probable that this was mentioned to Hallett with the idea that he could somehow assist with the financial negotiations.

38 Copy of power of attorney given by Atlantic and Great Western Railroad Company, Jan. 19, 1857, Hallett Papers, box 1.

39 Marvin Kent, History of the Atlantic and Great Western Railroad (Kent, Ohio: Kent Courier Print, 1899), p. 2.

Another enterprise broached to Hallett by the two contractors which he considered "equal in magnitude" to the railroad was the "Becker Piano." This American invention was constructed with two keyboards so that four people could play on it at once. Square, with a dome-like center, it was made of ebony and ornamented with gilding. It was said to resemble an Eastern palace and was considered by some to be an attractive piece of furniture. The unique feature for which Doolittle and Morton held the patents was a cylindrical sounding board which was believed to produce a beautiful tone.

Hallett was enthusiastic over the possibilities of exploiting this instrument. He considered it "just the thing for English aristocracy and French fashion," and worth more than all the Nautilus. Although enthralled by what he considered the limitless opportunities for a man of ambition and brains, he declared that he would not be led astray from his primary purpose. He confided to his

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41 Hallett to N.M. Crane, April 12, 1857, Hallett Papers, vol. 5.

42 Journal of Benjamin Moran, p. 197.

43 Hallett to F. McDowell, April 14, 1857, Hallett Papers, vol. 5.
wife, "I came here on one mission—I shall end it first." Nevertheless, he cultivated the acquaintanceship of Mr. and Mrs. Doolittle assiduously. Although much occupied by preparations for the Victoria Docks experiments, he still found opportunities for frequent business conferences and social calls. On the day he made a proposal to Morton and Doolittle to take over the piano invention, he spent the evening with the Goddards and Doolittles whom he had introduced to his prospective backers for the Nautilus.

The time was well spent, since the offer was accepted. On April 8, Hallett signed an agreement to take out patents for "Becker's Piano," for Europe. He was to receive one quarter of the profits on condition that he pay for the patents and operate the invention for a joint account. The only cost which he estimated for himself was, ... "his brains," ... and "say $1,000 next 3 or 4 months, $500 now." Opportunities to work into a lucrative and dominant

44 Hallett to his wife, March 31, 1857, Hallett Papers, vol. 5.
45 Diary, April 3, 1857, Hallett Papers, vol. 3.
46 Diary, April 8, 1857, Hallett Papers, vol. 2 and letter to F. McDowell, April 5, 1857, Hallett Papers, vol. 5.
role in the Atlantic and Great Western negotiations were very much on Hallett's mind as he planned to exploit the piano and continued to push for acceptance of the Nautilus. Having learned that Morton was planning to go home soon, he wrote to his brother-in-law and business partner in the United States: "I hope to arrange with Doolittle to get my finger (and eventually my body) into his $14,000,000 enterprise." 47

A letter to the same confidant soon after, frankly revealed his ambitions and uncertainties:

... Mr. Doolittle has a splendid enterprise. I am cultivating him and his wife, my utmost for the love I bear them. I am afraid I shall not be able to get hold of it. Some parties here have it under consideration and if they can put it through, I am out. Morton has an interest—It is through Morton's friends Doolittle is now acting. I shall have half of Morton's Commissions if he succeeds—It amounts to no less than fourteen millions. I am in to control the affair here. The New York and Erie Railroad Co. have given under seal, their agreement to pay 10% on all business passing over it ....

I would bury all my S. & H.V.R.R. interest to get inside this. ... There is millions of money and mountains of glory in such a scheme .... I will in some way get my arm in. ....

Efforts to insinuate himself into the transaction were considerably advanced two weeks later when he with

47 Hallett to F. McDowell, April 9, 1857, Hallett Papers, vol. 5.

48 Ibid., April 14, 1857.
Doolittle and Morton visited by appointment a "money king" at one of the finest country mansions he had ever seen. The subjects of the conference were the Atlantic and Great Western and $14,000,000.49

Apparently Hallett acquitted himself well at the meeting and was sufficiently persuasive regarding his connections and abilities. On May 1 he received a memorandum from Morton stating that full power was conferred on Doolittle to act in business connected with the sale of bonds, purchase of iron and negotiations for contracts for the construction of the Atlantic and Great Western. Hallett was requested to cooperate with Doolittle since the writer was returning to the United States.50

The proposition was received with delight and efforts to become an indispensable associate continued unabated. In this connection, John and Lemuel Goddard were asked if they could make the scheme of the Nautilus available in someway to assist in raising money for the railroad.51 Since the diving bell was as yet uncertain collateral,

49Ibid., April 28, 1857.

50Memorandum, Morton to Hallett, May 1, 1857, Hallett Papers, box 2.

Hallett was anxious that Doolittle might manage the negotiations without his help. He confided to his partner, "my perseverance and close watch only keeps it in my arms."\(^{52}\)

\(^{52}\)Hallett to F. McDowell, May 5, 1857, Hallett Papers, vol. 5.
Characteristically optimistic and immensely self-confident, Hallett was certain that he could terminate his ventures advantageously. Yet, in the three months in which he had been in London chances for success were still tenuous and depended very much on his audacity, perseverance, business acumen and favorable circumstances. In particular, controversy concerning the Nautilus patents seriously impeded progress and blocked any financial returns on an enterprise in which he and his associates had invested heavily. As he expressed it, "a straw, turned wrong could throw us into chancery—" ¹

Consequently, he worked tirelessly, attempting to resolve the patent disputes, arranging demonstrations and generating interest among influential commercial, governmental and scientific circles. As a result, glowing reports were published after the Nautilus was used to replace heavy iron roller plates under the piers at

¹Hallett to H.S. Parks, May 13, 1857, Hallett Papers, vol. 5.
Victoria Docks. One account stated that with the same number of men employed on the project, the Nautilus did in two days and two hours an amount of work which had previously required three weeks and four days.²

An elaborately planned series of experiments conducted for a large assemblage of engineers and scientists also received enthusiastic notices. The press described the highlight of the trials as the time when Hallett, "with the self-confidence which often distinguishes enterprising genius," had the hose connecting the diving bell with its auxiliary barge disconnected. Then, with a single diver, he made four descents to a depth of twenty-five feet, demonstrating that the Nautilus in an emergency had within itself the ability to reach the surface with ease and speed.³

Following an elegant luncheon provided for the spectators, the distinguished engineer Robert Stephenson,⁴ commented,


⁴Son of George Stephenson, inventor, and founder of railways, himself a railway builder and noted construction engineer.
...I must frankly say that, from the beginning to the end, I have never witnessed a piece of mechanism so perfectly adapted to the purposes for which it was designed as the Nautilus Diving Bell and Pump.\(^5\)

During the next month Hallett worked assiduously, exploiting favorable publicity in order to keep the newspapers "puffing it." Demonstrations and trials were continued, because he feared that if he allowed interest to lag all would be lost. His exertions were rewarded and a visit to the Nautilus came to be regarded as one of the sights of London.

Especially gratifying was an inspection by the engineer Brunnel\(^6\) when he and a party of forty who had dined with him at Greenwich, visited the Great Eastern, electric telegraph and the Nautilus.\(^7\)

However publicly successful the introduction of the diving bell appeared, dissension among its sponsors continued to prevent the organization of a company and to threaten the entire enterprise. Major Sears suspected

\(^{5}\)The Era, June 14, 1857, Hallett Papers, box 2.

\(^{6}\)Probably Isambard K. Brunnel, designer and builder of railways, bridges, tunnels and steamships including the Great Western, first steamship for regular transatlantic trips and the Great Eastern, largest iron ship of its time.

\(^{7}\)Hallett to H. Clarke, July 10, 1857, Hallett Papers, vol. 6.
that Hallett was misrepresenting company affairs and was scheming to appropriate £40,000 in shares and one third of the profits for all Europe. He promptly denounced the "plot" to the Englishmen interested in promoting a company. In addition, Charles Goodyear, the American inventor who was then in London, was said to be interested in locating Sears, possibly even in having him arrested because of a previous unexplained involvement in a "rubber affair."^8 Hallett, describing the situation in letters to the home office wrote regarding Sears, "I am in perfect hell upon earth, in consequence of his acts here and before he came."^9 He noted that reports circulated by Goodyear had made the rounds of the patent men to the infinite harm and prejudice of the company.^^10

Although Sears soon left for the United States, he was adamant in refusing to transfer patents to Hallett who insisted that he needed them in order to establish a British corporation. Joseph H. Tuck, whom Hallett now regarded "as corrupt as is possible for a villain to be,"^^11

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8Hallett to H.S. Parks, July 10, 1857, Hallett Papers, vol. 6.

9Ibid.

10Ibid., July 14, 1857.

still held essential patents and refused to assign them.

On July 10, John Goddard, the chief prospective English promoter, informed Hallett that unless the dispute were amicably settled without litigation, he could not consent to continue. Sir Morton Peto, an influential director of Goddard's insurance company who had agreed to become a trustee and aid in forming a corporation, concurred. 

Eloquent letters to the New York office describing the situation from Hallett's viewpoint produced a prompt reply. The sum of £40,000 in cash without any reference to stock which he had estimated the sale of the Nautilus rights would bring was at variance with communications received from Tuck and confirmed by Sears. The company intended to deliberate regarding this and to consider the problem of transferring patents. They would either grant this authority to Hallett or send over a director empowered to act.

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12Sir Samuel Morton Peto, assisted in construction of railways in England, Canada and Scandinavia. In 1847-'54, he was a member of Parliament. For his services during the Crimean war in constructing a railway from Balacava to Sebastapol he was made a baronet.


14Andrew Garr to Hallett, July 28, 1857, Hallett Papers, box 2.
As a result, Andrew Garr, a director and secretary of the organization, soon arrived in England provided with sweeping powers of attorney. Hallett claimed that he was wronged, that the directors had acted in bad faith, had passed resolutions and granted unwarrantable powers. He feared that if they were all to look upon the *Nautilus* in Europe as a wreck, the blame lay entirely with Mr. Tuck, Major Sears and the board.\(^1\)\(^5\) He agreed to confer with as many people as they chose to send (at their own expense) and stated his position graphically:

> You may bridge the Atlantic with resolutions and I will disregard them so long as I am in the clear and faithful discharge of my duty as an agent and so long as I am so largely in advance to your Company and so long as the very life of the negotiations depend upon my unremitting exertions and daily expenditure of money—\(^1\)\(^6\)

Increasing the problems of establishing any business venture at this time was the reaction of the English commercial world to news of the Sepoy Rebellion in India. A typical view was expressed by John Elsey, an officer of the Bank of England, who had recently visited the diving

\(^1\)\(^5\)Hallett to John Clarke, Aug. 12, 1857, Hallett Papers, vol. 6.

\(^1\)\(^6\)Hallett to H.S. Parks, Aug. 14, 1857, Hallett Papers, vol. 6.
bell with an interested group. He advised that to attempt to form a company then was a perfect impossibility and unless favorable news came soon from India, "disastrous times of the most frightful character would befall the Nation." 17

Apparently undismayed, Hallett continued to arrange experiments and demonstrations at the Victoria Docks for the next few months. Although he privately noted, "I am sick, sick, sick, of diving," 18 his outward show of energy and optimism appeared undiminished.

Encouraged by interest shown by personnel of the English Admiralty, he worked diligently and cautiously to have the Nautilus endorsed by Mr. Walker, an Admiralty Engineer. Having succeeded in this, he was able to make arrangements for the equipment to be used for blasting and removing dangerous, submerged rocks from Dover harbor. After the agreement was closed on August 18, at the price of two guineas a yard, he believed that the bell could now sail easily in England. 19

Possibilities for launching an enterprise on the continent seemed hopeful after discussions with officers from

17 Ibid.
19 Diary, Aug. 18, 1857, Hallett Papers, vol. 2.
the Russian Imperial Service. At their request a formal proposition was prepared for the sale of patents to their government. An estimate of £40,000 for all patents and proprietary rights for Russia and dependencies was submitted. The cost of a single machine such as that at Victoria Docks was estimated at £1500. However, in the view of the Russian representative, the high price made it doubtful that the Imperial Government would accept.

Commissioners from other European powers who had attended successful demonstrations, or who had examined a model on exhibit in the Crystal Palace, expressed interest on behalf of their governments. Inquiries were also received from Danish, Austrian and Sardinian delegations.

A connection which Hallett had planned to establish and one which he was most eager to pursue was being pressed for France. The Comte de Rottermund, who had examined the Nautilus on July 21, received a visit that

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same evening. A proposition was soon agreed to by which the Count accepted a six months contract to introduce the Nautilus in France and to form a company there. The price of the diving bell and pump patents for France and colonies was set at £40,000. Included in the agreement although not written, was an arrangement with Samuel Whitney, an American, whom Hallett had met on a Channel crossing. De Rottermund and Whitney were to collaborate on the project and would share profits equally.

The agents for France set to work vigorously and the volume of their communications attested to this. Soon letters and telegrams requested that a model be sent to Paris for the Emperor's inspection. This was done promptly and de Rottermund reported that it was on exhibition at the Palais Royal. He also stated that permission was granted to place a complete Nautilus outfit in the Seine, opposite the Tuileries.

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24 Hallett to Comte de Rottermund, Aug. 4, 1857, Hallett Papers, box 2.

25 Undated copy of agreement and report of references, Hallett Papers, box 2.

This success was not achieved without major friction between the negotiants. Whitney wrote that he feared there was a "screw loose somewhere" and he felt compelled to break off all connections with the Count. He did not like his associates, nor his way of doing business, nor his outrageous demands for money. He further complained of being kept in the dark as to what was planned or accomplished and concluded, "My only excuse for him is that he is insane...."\(^{27}\)

A few days later de Rottermund informed Hallett that he had been obliged to cease all dealings with Whitney since he found his conduct quite unaccountable.\(^{28}\)

Nevertheless, associations with the two men continued on an individual basis. Conferences were held, investigations were conducted or correspondence was exchanged with one or the other daily. Finally, Hallett became convinced that despite the Count's promising reports and his alleged high connections, he would not succeed.\(^{29}\)

Meanwhile, Andrew Garr, whom Hallett felt he was "to

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\(^{27}\)Whitney to Hallett, Oct. 5, 1857, Hallett Papers, box 2.

\(^{28}\)De Rottermund to Hallett, Oct. 15, 1857, Hallett Papers, box 2.

use with rose water,”30 was attempting to work with all concerned to resolve conflicts and begin production. With Hallett, he spent many hours in meetings and negotiations attempting to organize companies in England and France and trying to settle the patent altercations. An attractive and elaborate prospectus complete with technical information and a suggested plan of capitalization was prepared jointly.31 Several proposals submitted to John Goddard and his brother Lemuel on which the prospectus was based generated interest, but resulted in no definite action. The early refusal of Robert Stephenson and Sir Morton Peto to become directors was a blow to the prestige of the organizers.32

Also discouraging was Garr's inability to help in unraveling details of the continuing feud with Tuck over patents. Although Hallett claimed in August that he had "floored the whole opposition,"33 this appeared to be hyperbole. Finally on October 18, in reference to Tuck


33 Hallett to Crane, Aug. 25, 1857, Hallett Papers, vol. 7.
he wrote, "today he has disgorged." Possibly a settlement then appeared imminent, but no definite progress was evident during the next few months.

Understandably disheartened, Garr was desirous of returning home. Furthermore he was running out of money and was forced to borrow £20 from his business associate. Nevertheless, he reported to the New York office that he believed Hallett had done everything possible to carry out the views of the company. Evidently the board of directors concurred, because the agreement executed to Hallett which was due to expire on November 28 was extended for eight months.

As agent, Hallett continued the vigorous promotion of his enterprises on both sides of the Channel by correspondence or in person. The attractive letterheads which he had prepared carried the name of the American Nautilus

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38 Copy of agreement, Nov. 28, 1857, Hallett Papers, box 1.
Submarine Company, the address of his previously established London office at 34 Great George Street, Westminster, and the location of his more recently opened Paris headquarters at 10 Rue Lord Byron. He saved time in traveling between these two locations by journeying at night. On a typical trip he left London for Paris at 8:30 p.m., arriving the following day at 9:30 a.m.\(^3\) Eleven days later he departed from Paris on the evening express via Calais and Dover, reaching London at 8:00 a.m. After a full day of business he boarded the evening train, returning to Paris the next morning.\(^4\)

Among other important affairs receiving attention during the interval between these trips was a call made on John Y. Mason, American Minister to France.\(^4\) A friendly reception was insured by a letter of introduction from George M. Dallas who stated:

> Mr. Samuel Hallett, a fellow countryman whose admirable machine the Diving Bell called the Nautilus has attracted great attention here and in the United States, proposes to visit Paris. I beg to commend him warmly to your

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\(^3\)Diary, Oct. 29, 1857, Hallett Papers, vol. 2.

\(^4\)Ibid., Nov. 10, 11, 1857.

\(^4\)Former Member of Congress; U.S. District Judge; Secretary of the Navy; U.S. Attorney General; Minister to France (1853-59).
acquaintance as eminently worthy of regard and reliance.\textsuperscript{42}

After a conversation about the \textit{Nautilus} and the business crisis in the United States, Hallett left with the impression that both Mr. Mason and his reception room presented a most uninviting appearance. He noted that the quarters by no means looked worthy of an American minister in Paris.\textsuperscript{43}

Between the time of their first visit and the end of the year, Hallett saw Mason several times and had further discussions with him. Evidently the diplomat came to trust his fellow American. When Hallett left for London on December 28, he carried an official document as a bearer of diplomatic dispatches.\textsuperscript{44}

In the British capital, he combined business and pleasure by attending a costume party at the Goddards which he described as "brilliant beyond my imagination."\textsuperscript{45}

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\textsuperscript{42} Diary, Nov. 3, 1857, Hallett Papers, vol. 2.
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\begin{flushleft}
\textsuperscript{43} Ibid.
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\textsuperscript{44} "Bearer of Diplomatic Dispatches," Dec. 28, 1857, Hallett Papers, box 2.
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\textsuperscript{45} Diary, Dec. 30, 1857, Hallett Papers, vol. 2.
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Following that, he spent the last day of the year on Nautilus affairs. Possibly reflecting on the lack of any real achievement in organizing a company and the pressures and other disappointments of the year, he recorded: "I will try to turn 1858 to better account than I have 1857."46
CHAPTER V
ATLANTIC AND GREAT WESTERN NEGOTIATIONS

A major project which Hallett hoped "to turn to better account" during 1858 was the still pending financial negotiations for the Atlantic and Great Western Railroad. Having worked himself into a position to cooperate with the contractors early in May, he had made prodigious, but frustrating attempts to raise the necessary funds throughout the remainder of the year. Nevertheless, his enthusiasm for the undertaking increased as he became more involved and anticipation of "millions of money and mountains of glory" spurred him on.¹

Since he had lived most of his life in northwestern New York in and around the Cansiteo-Hornellsville area, he was undoubtedly well-informed concerning the development of the New York and Erie Railroad which passed through those towns and had greatly stimulated growth and prosperity. Although initial planning for the line, the first long railroad in the United States had begun in 1831, it was not

¹Hallett to F. McDowell, April 4, 1857, Hallett Papers, vol. 5.

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completed to its terminus at Dunkirk on Lake Erie until 1851. Unusual, was the use of a uniform six foot gauge in anticipation of heavy traffic and massive equipment. Besides, the charter granted by the State of New York specified that the New York and Erie must never connect with any railroad leading to another state in order to channel traffic to the port of New York. It was believed that the wide gauge would help to control this.\(^2\)

However, other companies did build connecting roads which eventually reached through Ohio and westward. Since they were narrow gauge they proved to be inconvenient, necessitating unloading and reloading of freight and passengers. Furthermore, Dunkirk was out of line with the important growing cities of Cincinnati and St. Louis. Hallett believed earnestly in the plan for a continuous track on a broad gauge from New York to Cincinnati, there making connections westward. He argued that if the New York and Erie would support this undertaking, "its future progress is as inevitable as that the west shall continue to multiply its population and products, and the city of New York continue to grow."\(^3\)


The Atlantic and Great Western, a separate and distinct corporation, would serve as a practical extension of the New York and Erie, furnishing an uninterrupted broad gauge track westward. Homer Ramsdell, president of the latter company, expressed a warm interest in the success of the connecting road, noting that his company would furnish financial aid, contrary to their usual policy. 4

With this backing and the possibility of profits to be made from financing, construction and operation of the Atlantic and Great Western, there appeared to be no obstacles to tempting speculative capital. Surely, investors could be convinced of the potential value of an uninterrupted connection from the Hudson to the Mississippi. In addition, the country tapped offered great possibilities for future growth considering the feasibility of connecting branches.

The main line of the Atlantic and Great Western was to begin about fourteen miles west of Allegany, at or near Great Valley (Salamanca), New York. 5 From there it was to

4H. Ramsdell to A.C. Morton, Feb. 6, 1857, Hallett Papers, box 2.

5Salamanca did not exist in 1851. It was built later on Indian reservation lands as a division point of the Atlantic and Great Western and was named for the Spanish Marquis of Salamanca who was instrumental in financing the railroad.
cross the northwestern corner of Pennsylvania continuing southwest through central Ohio to Dayton. Arrangements were being made to use the already finished (1851) Cincinnati, Hamilton and Dayton line to Cincinnati. The Ohio and Mississippi would complete the great trunk to St. Louis.

Probably this background was known to Hallett when he became actively involved in the affairs of the Atlantic and Great Western during April and May of 1857. He was also able to exploit knowledge gained from previous experience with the financing of Ohio railroads from his dealings in Scioto and Hocking Valley and similar securities. His correspondence reflected his understanding of the possibilities of the grand scheme and revealed his enthusiasm, which seemed to exceed that of others who were interested.  

The banking firm of Samuel Hallett and Company, officially opened March 2, 1857 and located at the corner of Beaver and William Streets in New York City, was in a position to become profitably involved, according to the

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6 George Carlisle (Banker) to A.C. Morton, Jan. 15, 1857; Ralph Plumb (Ohio House of Representatives) to A.C. Morton, Jan. 30, 1857; Homer Ramsdell to A.C. Morton, Feb. 6, 1857; Hallett to F. McDowell, April 24, 1857; Hallett Papers, box 2.
senior partner's plans. Since the Bank of Hornellsville had been closed in January, Hallett's three brothers-in-law were cooperating in this undertaking and were included as junior associates. Their new enterprise would receive an extraordinary boost if the entire sum of $14,000,000 needed to complete the Atlantic and Great Western could be negotiated through their house. If Hallett were successful, the money was to be sent to New York, then taken to Ohio and paid out as construction progressed.

Doolittle and Morton, the contractors, estimated that the road could be completed and equipped if a European loan of £193,000 sterling and 31,000 tons of iron rails could be obtained. They apparently became convinced that Samuel Hallett and Company could play a vital role in this transaction and also help to exploit the paid up shares of stock and first mortgage bonds which they were to receive as partial payment for their services.

Indeed, Hallett's correspondence seemed to inspire such confidence. Late in June he wrote to Morton that he had been operating with John Goddard and that progress was

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7 Circular reproduced in McHenry, "Reply to Certain Pamphlets and Affidavits," p. 3.

8 Diary, Jan. 1, 7, 16, 1857, Hallett Papers, vol. 2.

certain and satisfactory. He stated that nearly all the money necessary to complete the line to Akron was deposited in the Bank of England. Within two weeks he expected that £ 193,000 would be ready. With the backing of a member of the Rothschild family and the assurance that the enterprise could be considered closed, he believed that iron would also be obtained without difficulty.\(^\text{10}\) The groundwork for these claims was laid just the week before, when John Goddard had arranged an introduction to Baron Rothschild.\(^\text{11}\) Through this connection Hallett met Henry Gompertz, another member of the banking family. A tentative, detailed proposition was then worked out between the two.

Gompertz was to provide the entire sum, either personally or through his friends, in installments of £ 15,000. The cash was to be advanced on the drafts of Doolittle and Morton, drawn on and accepted by Samuel Hallett and Company and secured by deposits of first mortgage bonds. The Doolittle and Morton notes were to be payable twenty-four months after date of issue and were to yield interest at

\(^{10}\)Hallett to Morton, June 26, 1857, Hallett Papers, vol. 5.

\(^{11}\)Hallett to F. McDowell, June 19, 1857, Hallett Papers, vol. 5.
seven per cent a year, payable semi-annually. A total of £ 520,000 in bonds was to be pledged as collateral security. As a bonus, Gompertz was promised £ 266,666 in bonds at par value. However, no bonus bonds were to be placed on the market for sixteen months and not before the road was finished to Galion, Ohio. A written undertaking from Lemuel Goddard Finch and Company to endorse the drafts of Doolittle and Morton accepted by Samuel Hallett and Company was to give additional security for the proposed loan.

Hallett claimed that Doolittle and Morton had bound themselves in writing to Goddard and himself to pay a guaranteed bonus of $2,500,000 in stock and bonds of their road, half of what they were to make. John Goddard was to give one third to his brother and partner, he was to keep a third and the remainder was to go to Samuel Hallett and Company.

Early in the negotiations, the head of that company was informing the New York office that he had complete

13 Ibid., July 17, 1857.
control and considered his success certain. He soon advised that after having introduced Doolittle to Gompertz, the banker had told them both, "the thing was done," and that on the next Thursday he would be ready with the first payment and continue monthly.

However, Thursday passed without payment or definite commitment. Despite similar delays and disappointments, Hallett remained optimistic and wrote to Doolittle that Gompertz had assured him and Goddard more strongly than before that it could be carried out. Finally, on July 28, Gompertz wrote that he was prepared to complete the proposed transaction for the loan of £193,000 on the terms previously submitted. Three weeks later Hallett was happy to record:

Mr. Gompertz called and after a long discussion signed the preliminary agreement relating to the Atlantic and Great Western R.R. Co.—This is very important and if carried out will prove the great work of my life. The successful negotiation of a

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15 Ibid., June 26, 1857.

16 Hallett to A.C. Morton, July 3, 1857, Hallett Papers, box 2.

17 Hallett to Doolittle, July 14, 1857, Hallett Papers, vol. 6.

18 Gompertz to Hallett, July 28, 1857, Hallett Papers, box 2.
Rail Road enterprise, in London, in the present money market and war in India and China must be concluded, a great achievement.\footnote{Diary, Aug. 21, 1857, Hallett Papers, vol. 2.}

Indeed, if such an agreement could have been negotiated then, it would have been a tremendous accomplishment. The Bank of England was charging an interest rate of seven percent; on the street, the rate was twelve percent.\footnote{Hallett to F. McDonald, Oct. 12, 1857, Hallett Papers, box 2.} In August of 1857, the Sepoy Rebellion was raging in India and it appeared that the entire northern area was in control of the natives. War in China which had broken out again in 1856 was continuing unabated. In the United States, the failure of the Ohio Life Insurance and Trust Company in the late summer precipitated the Panic of 1857. Railroads failed, banks and insurance companies were unable to continue operating; factories were closing.

Letters to Hallett from America detailed the financial disasters.\footnote{Diary, Sept. 14, 1857, Hallett Papers, vol. 2.} Although greatly concerned that his own business might "go under" and end all his negotiations, he pushed vigorously for final and binding agreements on the railroad.
Weeks passed as numerous conferences were held among all concerned. Gompertz was pressed to make definite commitments backed by cash. At each session the banker assured everyone that the affair was closed and in a few days he would pay over the money. Yet, when the appointed time arrived, there would be more postponements. After a typical meeting when further delays ensued, Hallett described Morton as indignant, Doolittle as calm, Goddard much worried, and himself convinced that Gompertz intended to humbug them all.\textsuperscript{22}

As a result, a letter was sent to the banker on September 20 stating that it was imperative that a "yes" or "no" answer be received on that day. This elicited a positive response, although not on the day specified. On September 30, Hallett was happy to be able to note in his diary:

\begin{quote}
Closed the agreement with H. Gompertz for Messrs. Doolittle and Morton to receive cash \$193,000—This has been the great work of the day and has wholly occupied my mind and attention.\textsuperscript{23}
\end{quote}

Francis McDowell, in charge of Samuel Hallett and Company in New York, was promptly informed that the papers

\textsuperscript{22}Ibid., Sept. 22, 1857.

\textsuperscript{23}Ibid., Sept. 30, 1857.
were signed and the guaranteed commission was to be over half a million dollars.\textsuperscript{24}

The news was also passed on to Benjamin Moran, Assistant Secretary of the United States legation in London, who had become acquainted with Hallett as a result of his calls at the minister's residence. They evidently had developed a mutual admiration and were seeing each other for social as well as business reasons. After dining together, Hallett noted:

Mr. Moran is a gentleman of the highest talent and will if he lives and has his health, make his marks... he is a self made man—has never had aid since he was 7 years old—He is a good type of our American men, who are men from merit and self-sustained.\textsuperscript{25}

Moran's comment on Hallett in his daily journal described him as an active, keen man who has made great progress with the \textit{Nautilus} diving bell, an "invention of merit."\textsuperscript{26}

The complicated arrangements for the loan required the assistance of a trustee in England to be responsible for bonds and stock deposited as security and to account for cash payments. Moran had agreed to act in that capacity

\textsuperscript{24} Hallett to F. McDowell, Oct. 3, 1857, Hallett Papers, vol. 7.

\textsuperscript{25} Diary, Sept. 26, 1857, Hallett Papers, vol. 2.

\textsuperscript{26} Journal of Benjamin Moran, p. 144.
and Hallett had promised him "something handsome," for his services.27

With the loan considered settled, Hallett worked vigorously to secure the 31,000 tons of rails needed. On October 30, he perfected a second agreement with Gompertz to supply the rails.28 Financing was planned to work in the same pattern as for the loan, with Moran acting as trustee in London.

Everything now depended on Gompertz making the payments as scheduled. However, international and national affairs did not ease dramatically. The money market remained stringent. As a result, the banker called with "the same old story--promised for tomorrow or Monday."29 Or, he would pledge a payment for a specified time and in a few days explain that it was impossible to carry it out then."30

Concerned over the possibility of failure and eager to increase his profits, Hallett worked with John Goddard

27Ibid., p. 168.


on a contract which was signed by Doolittle and Morton on
November 13, in Paris. It was agreed that if payments for
money or iron were forfeited, Goddard and Hallett would
carry out the indentures on the same terms as the Septem­
ber 30 contract. As compensation, they were to receive
an additional commission of $600,000 in shares and bonds. 31

As the end of the year approached without progress,
Moran, at Hallett's suggestion, wrote Gompertz a letter
intended to spur action. He stated that he was prepared
with the bills and bonds and all other documents necessary
to carry out the agreement. With this in mind, he proposed
a meeting the next day, December 30 at 3 o'clock, since that
was the day appointed by the contract for the first instal­
lment to be paid. 32

Gompertz evaded again and replied that because of
troubles in the monetary world he could not complete the
agreement until January 15. Moran responded that his di­
rections were explicit and he was instructed to abrogate
the contract if the money were not paid. Consequently on
January 9, he went by cab to the Gompertz residence in

31 Agreement, Nov. 13, 1857, Hallett Papers, box 2.

32 Journal of Benjamin Moran, p. 207, and Diary,
Dec. 30, 1857, Hallett Papers, Vol. 2
Kensington and left a notice from Doolittle and Morton terminating the contract. Next he delivered a copy to Goddard and Hallett with another notice announcing the failure of Gompertz to make good on his contracts and calling upon them to fulfill theirs.\textsuperscript{33}

With this challenge and the responsibility coupled with his other enterprises, Hallett had ample opportunity to work on his resolution to make 1858 a more successful year than the previous one.

\textsuperscript{33}Ibid., p. 213.
CHAPTER VI
SOCIAL AND PERSONAL AFFAIRS

Despite the heavy demands of business on his time, Hallett was able to include a wide variety of diversions and activities during his first year abroad. Plays, concerts and lectures then popular in London offered both entertainment and instruction. He particularly noted attending a presentation of A Midsummer Night's Dream and a performance of La Traviata by the famed singer Piccolomini. Philip Dallas, son of the American minister, and a lady friend were invited to accompany him to the latter. The minister himself, and his two sisters were guests of their fellow American on another occasion at a reading by Charles Dickens. The temperance and anti-slavery lectures of John B. Goff also furnished a stimulating evening.

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1 Diary, Feb. 10, 1857, Hallett Papers, vol. 5.
2 Hallett to P. Dallas, July 30, 1857, Hallett Papers, vol. 6.
3 Diary, Aug. 8, 1857, Hallett Papers, vol. 2.
A visit to the Great Eastern was cancelled because it conflicted with a conversazione at the Society of Arts which was to be Hallett's first appearance in London Society. Hoping to make a good impression among the "noblest and most select scientific men of London," he had himself introduced as president of the Nautilus Company. He observed later that the women appeared coarser and the men more stupid than Americans. He was sure that American ladies and scientific gentlemen of the educated classes would have compared most favorably to that gathering.

Sunny days, "as rare in London as honest politicians in America," encouraged sightseeing. Westminster Abbey and St. Paul's held no attractions for Hallett. He found the burial vaults, moldy cloisters and death-damp crypts forbidding. But, a tour of the Tower of London proved to be intensely interesting. The guide, an old soldier who had fought in the battle of Waterloo, permitted him to cut off a piece of the block on which Anne Boleyn was

5Ibid., Feb. 21, 1857.
6Ibid.
7Ibid., Feb. 11, 1857.
8Hallett to his wife, Feb. 12, 1857, Hallett Papers, vol. 5.
said to have been beheaded. He was impressed too, at Hyde Park where he witnessed the Queen awarding the Victoria Cross to soldiers who had distinguished themselves in the Crimean War.

Chance encounters in London sometimes turned out to be amusing. One day Hallett and a friend met P.T. Barnum while walking down Piccadilly. They learned that the showman was beginning a new career with General Tom Thumb as a drawing card. He gave them his address, a jolly good morning and with "come and see me boys," he left.

Another American whom Hallett enjoyed meeting was Hyman Joseph who had just returned from examining the sunken Russian fleet in the harbor of Sebastopol. Mr. Joseph discussed the possibility of salvaging some of the ships and working out an agreement with the Imperial government to share any possible profits. He gave a glowing account of the country from Moscow to the Crimea and said that the railroad being built there would make Russia a live, progressive power.

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An evening spent with Fred M. Kelly, also from the United States, was just as informative. Mr. Kelly was attempting to promote the building of a canal across the Isthmus of Panama. He described the five expeditions which had been fitted out for surveys during the seven years in which he had been engaged in the work and estimated it would take fifteen years and cost $150,000,000 to complete the project.\(^{13}\)

Many other topics of the day were debated in the town and country homes of the Goddard brothers where Hallett was frequently a guest. He considered the Goddards a model family and enjoyed visiting them. Their stimulating conversations ranged over current political, social and economic problems. Convivial evenings at their parties sometimes were prolonged and caused remorseful remarks the next day such as "I rather guess we had considerable of a time."\(^{14}\)

According to his opinion, Hallett was well-accepted socially, judging by the cordial receptions which he claimed to receive. He was proud of those occasions, such as the time when he was invited to dine and speak at the

\(^{13}\)Ibid., April 7, 1857.

\(^{14}\)Hallett to F. McDowell, March 13, 1857, Hallett Papers, vol. 5.
Oxford and Cambridge, one of the exclusive clubs of London. A month later he was boasting of being inside a great circle.

--Dine and breakfast with the Lord Mayor--
Ride with the Lord Mayor and his Lady Mayoress
in State through the city--ride with the full court and sail in the Royal Yacht in the Thames--

It is probable that those functions were arranged at the American legation where Hallett also seemed to be a welcome visitor. He was well aware that newspaper accounts which mentioned his name along with the staff and other prominent persons would reflect most favorably on his business ventures.

Presumably the American diplomatic representatives were generous too, in supplying tickets for admission to Parliament. Because of his future ambitions and former involvement in politics, Hallett was most interested in the sessions. He told of being present at meetings in which he occupied a place in the royal gallery. There, he was a regular attendant at the debates on the Chinese War which were said to have been more eloquent than any

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15 Hallett to N. Crane, April 12, 1857, Hallett Papers, vol. 5.

16 Hallett to F. McDowell, June 19, 1857, Hallett Papers, vol. 5.

since the days of Pitt and Fox. He described a memorable session:

I have sat nine hours say from 6 p.m. till 3 in the morning and listened with the most intense interest to the Claylike Cobden—the Websterian Gladstone—the Calhoun like Disraeli and the rolling thunder of Lord John Russell—and the sarcasm of Lord Palmerston. 18

In order to prepare himself to answer questions about the American past and to hold his own in discussions of comparative governments, Hallett read avidly. He had requested that the complete works of Clay and Webster be sent to him soon after arriving in England. To this list he added a series on the constitution by Curtis and Hildreth's six volume History of the United States. 19 In addition he had bought the works of Lord Chesterfield and was reading them "for manners". 20

Because of future plans, the need for some competence in French seemed urgent. Therefore, he arranged for weekly lessons and applied himself diligently. Despite his other activities and interests, he claimed that he

18 Hallett to N. Crane, March 5, 1857, Hallett Papers, vol. 5.


20 Hallett to his wife, March 31, 1857, Hallett Papers, vol. 5.
spent two hours a day reading in French. 21

In letters to his family, Hallett often regretted the lack of background which he felt he now needed and which he was working hard to remedy. He deplored his early education and wrote that he was ashamed to have lived so long and to have learned so little. 22 A limited knowledge of history, a subject which he considered essential, was a constant embarrassment. 23 Without a better knowledge of the world and himself, he felt that he could not satisfy his unbounded ambition for public life. 24

Despite this disadvantage, he was careful to continue to correspond with former political associates. They were reminded that he was still a National American and would some day be knocking on their door. 25 He confided to his wife:

21Hallett to G. McDowell, March 27, 1857, Hallett Papers, vol. 5.

22Ibid.

23Hallett to F. McDowell, April 4, 1857, Hallett Papers, vol. 5.

24Hallett to his wife, March 16, 1857, Hallett Papers, vol. 5.

Again, I believe in My Star—I see a great and prosperous future before me. I feel and always have felt I have an important part to play in the political destiny of my native land—I long for the battle. It is a passion of my brain.  

Nevertheless, these political aspirations were to be put aside if projects for the next two years could be carried out. One of these was to bring his family overseas, and he took action on this soon after arriving in England.

Mrs. Hallett was alerted to put home affairs in order so that she could be ready to sail for Europe with their five children. According to her husband's plans, the family would spend about two years abroad devoted to travel, study and self-improvement. He envisioned taking a house in Paris and remaining there until they had mastered French. Next they would go to Germany, then to Italy, living in each country long enough to learn the languages and absorb some of the culture. These plans were to be contingent on business success, but Hallett was sure that he would soon have all the money any man could "usefully" use.

In the long and revealing letters which he mailed regularly to his wife, he frequently mentioned how much

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26 Hallett to his wife, April 13, 1857, Hallett Papers, vol. 5.

27 Ibid., Feb. 28, 1857.
he missed her and the children. Typically he noted, "I am constantly dreaming of home, sweet home--"²⁸ Typical too, was the inclusion of perceptive and detailed advice on the education of each child. Possibly this was dictated by remorse over neglect of a father's and husband's duties in leaving a "lovely wife with a new born babe in her arms."²⁹ However, such shortcomings were candidly admitted when he wrote that he realized he had been blind half his life chasing about the world for money at the expense of his home, wife, children and moral improvement.³⁰

Perhaps twinges of remorse prompted a letter to Mrs. Hallett from her husband early in March when he wrote that he was now ready to say "come".³¹ Consequently the Wayne home was closed and George McDowell and N.M. Crane were left in charge of the house and family enterprises in Hornellsville. Passages were booked and Mrs. Hallett, her mother and five children embarked for England on May 18.

On their arrival, accommodations were obtained near Russell Square in an attractive section of London. Not

²⁸Ibid., Feb. 5, 1857.
²⁹Ibid., March 16, 1857.
³⁰Ibid., Feb. 28, 1857.
³¹Ibid., March 8, 1857.
finding the city and climate especially congenial, they were soon ready for a change and planned to move on to France. On August 6, accompanied by an English nurse and a French governess they departed for Paris.32 There they rented a pleasant house in a convenient location.

Mrs. Hallett was pleased. She liked Paris better than London and felt that they could get along nicely as long as their money lasted. But, she resolved never to start from as good a house as she had left in the United States with such a family again.33

Soon, she found the burden of caring for five children a heavy one. Her health was poor. She missed her husband and complained that he was always away. In a letter to him in London she wondered if there ever had been a time when things were not pending which gave them anxiety and she feared that they would go on living that way always.34 Sometime later she added, "It is well for you, it is well for us all that your organ of hope is largely developed."35


33 Mrs. Hallett to her husband, Aug. 9, 1857, Hallett Papers, vol. 6.


The remark was an apt one. Apparently it was only an abundance of optimism, self-confidence and energy that gave the Halletts an illusion of prosperity as 1857 advanced. Early in March, the head of the family was writing that he had used up $3,000 of the $5,000 he had brought with him and $1,000 was then owing for patents. He estimated that it cost about $1,000 a week to continue with his present staff and activities.

Consequently his supply of cash was soon used up and he was constantly pressing his brothers-in-law in the United States to send money. They, in turn, were compelled to ask him for some returns on the foreign ventures in order to pay obligations of the firm. When urgent letters reminded Hallett of payments falling due April 1 on coal lands on which they were speculating, he replied that he knew the payments were due, but did not know how to meet them. He put his trust in the fortune that had been kind to them before in time of need.

36 Hallett to F. McDowell, March 6, 1857, Hallett Papers, vol. 5.
37 Hallett to H. S. Parks, March 6, 1857, Hallett Papers, vol. 5.
38 Hallett to F. McDowell, March 9, 1857, Hallett Papers, vol. 5.
Francis McDowell, who was responsible for meeting such payments from the New York office, soon received another plea. His senior partner wrote:

now the simple truth is, I am out of money with expenses to pay and an enterprise in charge upon which our future hangs... I want and must have $5,000, I must--39

Similar demands went to George McDowell and N.M. Crane in Hornellsville. They were also urged to collect $5,000 somehow and to send $1,000 a week to England.40

Although some money was forwarded from the United States, it was never enough. From month to month virtually the same message was received, "no money and a sorrowful tale."41 When the Panic of 1857 broke in August, such communications proved futile.

Creditors became insistent on both sides of the Atlantic. In London, tradesmen and suppliers threatened court action if bills were not paid. I.T. Williams, Hallett's legal adviser who was visiting the continent on Nautilus Company business, sent frequent appeals for expense money. After visiting Rome and Florence, he wrote that he was in

39Ibid., April 6, 1857, vol. 5.
40Hallett to N.M. Crane, April 2, 1857, Hallett Papers, vol. 5.
41Hallett to F. McDowell, June 27, 1857, Hallett Papers, vol. 6.
Genoa without a dollar. Having made his way from there to Paris he penned another urgent appeal: "If you have any regard for the future for God's sake send me money." Financial disaster appeared to be imminent in the United States. In particular, John Thompson, a Rhode Island banker to whom Hallett was heavily indebted was facing lawsuits which involved them both. Hallett assured him that his wife held in her name nearly $100,000 in unencumbered property which would go on the auction block before he would suffer any liability as a result of their dealings.

It soon became necessary to forward power of attorney to Francis McDowell. He was directed to protect their small debtors in the country around Hornellsville. In the same letter, Hallett wrote that he would rather have all the banks in New England sue than have one of their tenants speak unfavorably of them. He continued his instructions

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42 I.T. Williams to Hallett, April 22, 1857, Hallett Papers, vol. 5.

43 Ibid., May 18, 1857.

44 Hallett to John Thompson, June 29, 1857, Hallett Papers, vol. 6.
to his brother-in-law:

Do not sleep till every inch of Real Estate is Deeded... deed to John Thompson all I mortgaged to him... Have all the rest deeded to George... The house in Hornellsville must remain Mrs. Hallett's.  

In both London and Paris, Hallett managed by stretching his credit and borrowing. Fearing that a reputation earned as a poor credit risk would endanger his transactions, he attempted to be discreet and not to depend too much on understanding friends such as the Goddards. However, it was finally necessary to grant them some security for negotiating drafts for himself and the Nautilus Company. Therefore, a lien was signed in favor of Lemuel Goddard Finch and Company pledging the diving bell, patents and other company property as surety for repayment.  

A similar lien on the property of the Nautilus Company was signed to A.C. Morton in October for advances which he had made.  

Frequent assurances of success and advice to trust in him usually appeared in the extensive volume of correspondence which Hallett sent to his American associates.

In it he described plans for raising money in addition to the Nautilus, the railroads and the Becker piano. One possibility was to work with Major Sears on a new method of rope making.\textsuperscript{48} Another was to exploit a photograph patent in partnership with John Goddard. Vague references were made to a half dozen enterprises which would bring in a fortune.\textsuperscript{49} Information about "some very rich copper and silver mines which are without doubt the richest in the world,"\textsuperscript{50} may have offered hope, but supplied no cash.

Scores of letters were sent by the regularly scheduled ships sailing for the United States. At times as many as thirty-two were written. There were never less than ten. Detailed eighteen-page instructions on improving and salvaging gains from family enterprises were customary. Also, personal and social information was interspersed with comments on current affairs.

Francis McDowell was advised on the buying and selling of securities. He was told which obligations should be renewed and which could be ignored. Comments concerning

\textsuperscript{48}Hallett to Sears, March 27, 1857, Hallett Papers, vol. 5.

\textsuperscript{49}Hallett to his wife, March 31, 1857, Hallett Papers, vol. 5.

\textsuperscript{50}Jesse Gay to Hallett, Nov. 12, 1857, Hallett Papers, box 2.
smoking, drinking wine and "bad" women supplemented suggestions on running their business.

In Hornellsville, George McDowell was reminded in general to keep up the home there, and specifically to take care of the garden, trim the grass and put lime in the privy. 51 Similar explicit directions on cutting timber lands, running lumber mills, repairing mill dams and filling the ice house were often enclosed. Diagrams delinating cultivation of their farm lands and proper rotation of crops apprised the recipient of profitable methods of agriculture and land management. 52

Despite all the advise and direction, sufficient funds could not be obtained to stave off financial disaster. A debt of $10,000 fell due to the State of New York in connection with the closing of the Bank of Hornellsville. There was no cash with which to pay it and a receiver was appointed. 53

Therefore, Hallett could not look toward his American connections for any further financial help. Nevertheless, his business, personal and social activities continued

51 Hallett to G. McDowell, March 27, 1857, Hallett Papers, vol. 5.


unabated. To pay for them it was necessary to borrow frequently using questionable collateral given several times as security. The Nautilus served this purpose again as it had before. Hope for success in Atlantic and Great Western negotiations was also mortgaged to the limit of Hallett's powers of persuasion.
CHAPTER VII

THE DIVING BELL IN FRANCE

Subject to such heavy financial pressures, Hallett made prodigious attempts to form a company and realize as quickly as possible some of the anticipated fortune to be made on the Nautilus. On New Year's Day 1858, he submitted a proposal to John Goddard offering to sell all rights for the United Kingdom and British possessions except Canada, for £20,000. For an additional £60,000 in cash and shares, rights to all countries of Europe were offered.¹

Apparently no action resulted, and on January 28 a conference was arranged with the Messrs. Kennard,² influential London bankers. It was proposed to give them all the Nautilus patents and £100,000 if they would incorporate a company and give Hallett in return £193,000 cash and 31,000 tons of rails.³

¹Hallett to John Goddard, Jan. 1, 1858, Hallett Papers, box 2.

²The Kennards were owners of mines in Scotland and Wales which were connected with their banking interests. Thomas Kennard later became chief engineer for construction of the Atlantic and Great Western Railroad.

³Diary, Jan. 27, 28, 1858, Hallett Papers, vol. 3.
The next day a different offer was sent to Leon Lillo and Company of Paris. In return for forming a company and transferring all machinery and rights for continental Europe, Hallett wrote that he must have £ 10,000 on the Nautilus. It was provided too, that they accept his bills for £ 10,000 drawn on them at thirty-six months.

In order to make these tenders more tempting, the shrewd promoter began working to persuade the French government to adopt the Nautilus for use on all appropriate public works. To this end John Y. Mason, the American minister, proved helpful by supplying letters of introduction to the right government officials. Major G.T. Poussin, former French minister to the United States who was now acting as Hallett's agent in France, contributed his experienced advice, although he was far from confident of success.

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4 This company was banker for Queen Christina of Spain, later became involved in Atlantic and Great Western financing. In his book, My Life in Many States and in Foreign Lands, George F. Train states on page 227 that he thought Lillo was the son of Queen Christina and her husband the Duke of Rienzares. On page 445 of his Journal, Benjamin Moran described Lillo as "a small, clear-headed, keen business man, with a large nose, a retreat ing forehead, dark complexion, and a shrewd expression."

5 Hallett to Leon Lillo and Co., Jan. 29, 1858, Hallett Papers, box 3.

6 Diary, Jan. 14, 20, Hallett Papers, vol. 3.
Again Hallett's powers of persuasion proved effective. French officials agreed that the Nautilus and equipment could be received in France without duty. Excellent facilities for experiments were provided in the basin of the Eure at Le Havre. A special commission was appointed to observe the demonstrations and examine the bell and equipment.

The agent of the Nautilus Company lost no time in exploiting this opportunity. He traveled to Havre, surveyed the location and engaged the French engineering firm of Draper and Hagenow to service and operate the machinery and manage the public experiments. Next he sent orders for the diving bell to be shipped from England. Soon John Goddard, Jr., who was placed in charge of the undertaking, arrived at the French seaport. In a few days he reported that preparations were going first rate.

After receiving this advice, Hallett had formal invitations prepared for selected governmental officials, engineering and scientific men. As usual, members of the press were not overlooked. All were invited to be present.

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7 Hallett to Draper and Hagenow, March 20, 1858, Hallett Papers, vol. 6.

8 John Goddard Jr., to Hallett, April 3, 1858, Hallett Papers, box 3.
at the experiments which were to take place on April 19, promptly at 1:30.9

When the first demonstrations had been finished by the evening of that day, the American promoter was delighted with the results and described them: "Grand experiments - Govt. Engineers - Commission appointed by Napoleon - 500 people assembled - Splendid affair - successful."10

Articles in both the Journal du Havre and the Courrier du Havre confirmed this. They continued with long, detailed accounts describing the Nautilus and how it operated. The writers considered the new diving bell a magnificent scientific invention and concluded that the day must have been marked by une pierre blanche for the sponsor.11

The April 22 issue of the Courrier de Paris also described the demonstrations enthusiastically for its readers. They were told how the Nautilus descended to the bottom of the Eure basin with at least twelve persons and remained submerged for fifty-five minutes. A second descent was said to have lasted for thirty-five minutes.

9Invitation, April 17, 1858, Hallett Papers, box 3.

10Diary, April 19, 1858, Hallett Papers, vol. 3.

11Courrier du Havre, April 20, 1858, Hallett Papers, box 3.
All in all, the diving bell was considered to be a remarkable improvement.  

Having returned to Paris, Hallett soon received a note from the chief engineer of the admiralty. It stated that the commission appointed to examine the Nautilus was satisfied with the machine and the experiments at Havre. A favorable report would be made to the minister.

A proposal was immediately dispatched by the Nautilus Company agent offering to build six to ten machines of the form and power exactly adopted to the public works. Because of the consideration shown him in France, the only pay he asked was "the simple naked cost of the machines."

There is no evidence of any action to take advantage of this offer. However, in hopes of keeping interest high, receiving continued favorable publicity and building up his bargaining position, Hallett prepared to display the machine in Paris.

John Goddard Jr. made the long and trying journey with the bell and equipment as it was hauled by barge up the

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12 Ibid., April 22, 1858.

13 Diary, April 20, 21, 1858, Hallett Papers, vol. 3.

14 Hallett to French admiralty, April 21, 1858, Hallett Papers, box 3.
Seine to the capital city. Towlines broke, equipment was damaged, altercations developed with the captain of the towing vessel over mounting expenses. A session in the court of Rouen was necessary to settle the dispute.\textsuperscript{15} Nevertheless, the bell and equipment finally arrived at the St. Denis entrance to Paris on May 4.\textsuperscript{16}

After several days, all the machinery was put in working order. The \textit{Nautilus} was moved into Paris and stationed at the Quai des Tuileries near Pont Royal. Again formal invitations were sent to prominent persons including the diplomatic corps. Recipients were invited to be present at the docks on June 3 for a series of demonstrations.

Before the date, generous amounts of favorable publicity appeared in the papers, magazines and scientific journals. Typical, was a detailed account in \textit{Le Monde Illustré}. Sketches and drawings accompanied a long article explaining the operation of the machinery and the principles on which the bell was based.\textsuperscript{17}

\begin{itemize}
\item \textsuperscript{15} John Goddard Jr. to Hallett, May 2, 1858, Hallett Papers, box 3.
\item \textsuperscript{16} \textit{Ibid.}, May 4, 1858.
\item \textsuperscript{17} \textit{Le Monde Illustré}, n.d., Hallett Papers, box 3.
\end{itemize}
The Mining Journal, an English publication, commented on the publicity in the French papers and noted that the sponsor:

must, we think, be satisfied with the high commendations which have, in both countries, been given to the energy and ability which he has evinced in the formation of this important submarine invention.18

An account in Le Courrier de Paris also contained complementary opinions about Hallett after he had taken members of the press on a trip to the bottom of the Seine. He was, the article stated, not only a gifted inventor, but a man of spirit and a perfect gentleman. The clarity, patience and courtesy with which he explained every detail was praised. The view beneath the river and the trip along the bottom was fascinating. The author was pleased to have been able to identify several species of fish, including some pike and carp. He added that he felt like the Hebrews must have, when they crossed the Red Sea with dry feet.19

This and similar publicity in advance of official demonstrations kept interest high. On the appointed day, a large crowd lined the parapet of Pont Royal to witness

18 The Mining Journal, May 22, 1858, Hallett Papers, box 3.

19 Le Courrier de Paris, May 17, 1858, Hallett Papers, box 3.
the diving bell in action. Invited guests were sheltered under an elegant awning which stretched the length of the dock. Nearly three hundred of them, including several ladies, descended to the river bed for a brief exploration. They returned delighted, as did the many others who later took advantage of an opportunity to visit the depths of the Seine.

As French publications continued to print complimentary articles about the machine and its sponsor, the foreign press also took notice. A British correspondent wrote that the *Nautilus* was then the most attractive novelty in Paris. Descriptions and commentaries were also published in Belgium. An article in the *New York Times* recounted details of the experiments at Havre and Paris and declared that they had produced an immense sensation.

On June 19, Hallett's agent, Major Poussin, who with

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20 *Messager de Paris*, June 4, 1858, Hallett Papers, box 10.

21 *L'Univers Illustré*, June 12, 1858, Hallett Papers, box 10.

22 *The Daily News*, June 3, 1858, Hallett Papers, box 10.

23 *New York Times*, June 17, 1858.
John Goddard Jr. had been largely responsible for the excellent reception of the bell, wrote that it was now time to take action. He feared that the excitement and interest awakened in the Parisians would abate. Although crowds still visited the Nautilus daily and came away enchanted, he did not believe that this could last much longer. Also, letters had been received from the police ordering that the bell and equipment be moved in three days. Fortunately Mr. Hagenow had placated the authorities and demonstrations were going on the same as ever. It was therefore essential that a company be formed soon, either by Leon Lillo who could help greatly in France and Spain, or others of Hallett's friends. There was very little to be gained by continuing the exhibitions.24

Trouble threatened from other quarters. Samuel Whitney, Hallett's former agent in France, was obstructing negotiations and demanding payment for his services. So pressing were his claims that Hallett agreed to the appointment of two referees to settle the dispute. One of them, Beverly Tucker, United States Consul at Liverpool, had been helpful before in Nautilus Company and Atlantic and Great Western business and may have been considered sympathetic.

24 Poussin to Hallett, June 19, 1858, Hallett Papers, box 4.
Nevertheless, the arbiters decided that correspondence established that Whitney acted as agent after the date Hallett claimed he had withdrawn. They awarded him $2,250 plus an interest in the Nautilus. Hallett did not conceal his chagrin. He wrote to Major Poussin: "...I moan and weep, for I never did an act of my life, that came so hard upon me."26

Further difficulties and reasons for anxiety soon developed, as disputes over patents were renewed. Joseph Tuck, attorney, and Andrew Garr, secretary of the American Nautilus Company, joined with Whitney in an attempt to prove that Hallett had no legal claim on the bell and pump patents. Tuck then commenced a lawsuit in London which Hallett, the defendant, claimed was intended to embarrass him in all his interests.27 This, it probably did, but the only immediate result was that he abandoned claims to the pump patent.28

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26 Hallett to Poussin, June 7, 1858, Hallett Papers, vol. 8.

27 Hallett to Henry Hyde, June 16, 1858, Hallett Papers, vol. 6.

28 Diary, June 21, 1858, Hallett Papers, vol. 4.
The perennial problem of meeting large and steadily mounting debts required immediate action. For demonstration expenses, Draper and Hagenow had been instructed to draw on Lemuel Goddard Finch and Company.\(^\text{29}\) When this source was cut off, Hallett made arrangements with Leon Lillo to continue borrowing. The banker accepted drafts drawn on him for £6,000 guaranteed by James McHenry,\(^\text{30}\) and agreed to honor £4,000 more of similar credits at six and nine months maturity.

As security, all patents and powers of transfer were turned over to Lillo. In addition, the Nautilus machine and equipment which was then in the Seine was pledged to him, together with models and drawings.\(^\text{31}\)

At this inopportune time, A.C. Morton appeared in Paris. Incensed over a controversy which resulted in breaking his connection with the Atlantic and Great Western, he was now attempting to discredit Hallett's

\(^{29}\)Hallett to Lemuel Goddard Finch and Co., March 20, 1858, Hallett Papers, vol. 9.

\(^{30}\)Founder of James McHenry and Co., American Produce Commission Merchants, in 1853 at Liverpool. With this and other enterprises acquired a fortune. In 1858 became involved in Atlantic and Great Western negotiations and eventually took control of the entire undertaking.

\(^{31}\)Copy of agreement with Leon Lillo and Co., n.d., Hallett Papers, box 4.
projects. Ample opportunity was provided by a document from the American Nautilus Submarine Company. This legal instrument revoked completely any previous agreement and powers given to Hallett. It specified that all connections with the corporation were to cease and any acts of his concerning their affairs were to be in no way recognized. Morton now elected president, was appointed agent in Hallett's place. Confirmation of these changes followed in a very specific letter from Morton's New York solicitors.

Unable to obtain any financial accounting or information about negotiations from Hallett after sometime spent in Paris, Morton concluded that he did not intend to accede to letters requesting this. Therefore, with Garr and Tuck, the new agent called on Lillo, explained his position, attempted to determine the status of the Nautilus and emphasized that he was chiefly interested in promoting a sale.

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32 Legal advisory from A.C. Morton, July 8, 1858, Hallett Papers, box 4.

33 Wilson and Bristows, Solicitors, to Hallett, Aug. 2, 1858, Hallett Papers, box 4.

34 Morton to Hallett, July 19, 1858, Hallett Papers, box 4.

Lillo, having previously assumed that patents and rights mortgaged to him were clear, dispatched a telegram to Hallett in London, telling him to come immediately to avoid difficulties. Hallett replied that he was still the sole representative of the Nautilus Company and promised to make good in every way. In further explanation he added:

Mr. Morton was engineer on our Rail Road and was turned out—He is mad at me and is doing all he can to injure me—the Rail Road, and the Nautilus—Garr is nothing—Tuck is nothing....

However, when Leon Lillo and Company claimed their transfers and properties, Hallett could not make good as he had promised. He was forced to admit that the patents had been pledged previously to Lemuel Goddard Finch and Company and to John Goddard of London. At the insistence of his father and uncle, John Goddard Junior refused to give up possession of the Nautilus machine until a settlement was made with his relatives and he had been paid for his services.

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36 Lillo to Hallett, July 29, 1858, Hallett Papers, box 4.
37 Hallett to Lillo, July 29, 1858, Hallett Papers, box 4.
38 Ibid., July 30, 1858.
39 John Goddard to Hallett, Aug. 20, 1858, Hallett Papers, box 4.
Hallett wrote to the Goddards that they had his patents, his property, his life, his body and his children as security for acceptances. Unmollified, they demanded an adjustment of their claims.

The total amount including John Junior's services came to about £ 2,600. For this sum Hallett appealed to his supporter, James McHenry and wrote, "bear in mind, my dear friend, how I am pursued." Motivated either by friendship or the fact that he had previously endorsed Hallett's drafts on Leon Lillo and Company, McHenry paid off the account and the Goddard's relinquished their claims. The Liverpool merchant presumed then that he had redeemed his pledge to Lillo and that the banker now held undisputed titles.

On several previous occasions, McHenry had responded generously to urgent requests from the Nautilus Company agent. To such typical appeals—"I must raise £ 300—can you manage it for me? Security--all my Nautilus--all my

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40 Hallett to John Goddard, Aug. 20, 1858, Hallett Papers, vol. 8.


patents—all my R.R.—all myself."\textsuperscript{43}—he answered with customary promptness as he had in the last crisis. By relieving Hallett of pressing obligations, it was hoped that he could turn his energies to consummating business transactions in which they were both involved.

Presently this proved to be an idle wish. Hagenow, partner in the engineering firm which was handling the Nautilus, claimed a payment of £400 was due his company. Hallett insisting that the charge was unreasonable, refused to pay it.\textsuperscript{44} Other points in dispute concerned the hiring of a barge, release from a bond to reship the Nautilus and the amount of stock to be received when a company was formed.\textsuperscript{45}

A conference held the evening of August 24 was to continue the next morning when these differences were to be resolved. However, that morning before Hallett was up, two gentlemen called for him, bien pressé. He was conducted to a carriage where four other men waited. They demanded a payment of 19,531 francs, cash, which Hagenow

\textsuperscript{43}Hallett to McHenry, May 13, 1858, Hallett Papers, vol. 8.

\textsuperscript{44}Hallett to Mason, June 7, 1858, Hallett Papers, vol. 8.

\textsuperscript{45}Hallett to McHenry, Aug. 23, 1858, Hallett Papers, vol. 9.
claimed was owed to him. The alternative was confinement at Clichy.

They immediately proceeded to Hallett's lawyer, Jules Levita. He advised either paying the money into court, or going to the place Horace Greeley had described as "of great personal security." They next called on Major Poussin. Not finding him at home, the group went on to see Hagenow. He remained adamant and refused any settlement except cash. Following that, an unannounced visit at Lillo's proved fruitful. Without delay, he made out an order for the entire amount, drawn on James McHenry at three days' sight. With this check and papers supplied by the American minister and his lawyer, Hallett received his freedom, but still had no money.46

On the same evening, the harassed enterpreneur sent a letter to McHenry spelling out the details. He explained that he could not help drawing on him for the £ 780 and assured his benefactor that the amount would be returned as a result of a hearing to recover damages.47 Incidentally he revealed his feelings as a result of that hectic day.


47 Ibid.
"I am sick, God only knows how I feel. Were I a wild beast, I could not have been worse treated." 48

Another letter to McHenry, written by John Y. Mason at Hallett's request, confirmed each item. The American minister added that Hallett's counsel seemed confident the amount deposited would be returned. Lillo's generous favor in supplying the money was especially noted. 49

In the civil suit which followed, Hallett was awarded a judgment against Hagenow and received an order for a return of the money after certain reasonable commissions were deducted. However, the remaining sum would not be forthcoming for several months if Hagenow decided to appeal.

When informed of the outcome, McHenry promptly let Hallett know that he was not to draw on him for any more at present, nor to ask Lillo. Although still willing to help, he asserted he could not do the impossible. He hoped to find his associate out of the clutches of all his foes, but added that he had not been candid with him. The letter concluded: "This Nautilus is a plague." 50

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48 Ibid.


50 McHenry to Hallett, Aug. 26, 1858, Hallett Papers, box 4.
The remark proved to be prophetic. Long after Hallett's departure for the United States in October, controversy and litigation over the Nautilus continued.

McHenry came to Hallett's aid once again before he left, advancing £513 to clear up some personal debts and to pay for his passage home. As security, the deposit in the Hagenow case was promised. Soon Hallett informed him that a decision had been reached and the £480 remaining after deductions would be forwarded.

However, McHenry claimed later that the results of the suit had already been promised twice before, first to Messrs. Goddard and second to Leon Lillo. A letter from Hallett to Lillo in December did confirm such a pledge. He wrote, "make out any papers you wish me to execute that will give you the Hagenow money...." And, in April of the next year he mailed a power of attorney to Lillo again giving him a claim on the money which was still impounded at the French tribunal.

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51 Hallett to McHenry, Sept. 9, 1858, Hallett Papers, box 5.
52 Ibid., Sept. 11, 1858.
53 Hallett to Lillo, Dec. 14, 1858, Hallett Papers, box 5.
54 Ibid.
55 Ibid., April 23, 1859.
Notes for the £6,000 which Hallett had borrowed from Lillo fell due at this time and there were no funds available to pay them. In addition, Hallett had loaned those same credits for further negotiations. Before long, Lillo realized that the patents and machinery granted him as security for the entire transaction were illusory and without legal value.

Previously he had entertained plans for forming a company and producing the diving bells in France, with the help of M. Bourgain whom Hallett had engaged for that purpose. Discussions were initiated with a reliable manufacturer and some progress was made. However, Hallett's statements that the Nautilus Company owed him three times the amount of money in question and that it would soon be paid and sent to France to clear up debts and get production started, appeared meaningless. As more and more complications developed, Lillo declined to go any further.

56 Ibid., Dec. 14, 1858.
57 Lillo to Hallett, Oct. 21, 1858, Hallett Papers, box 5.
58 Ibid.
59 Hallett to Lillo, Jan. 28, 1859, Hallett Papers, box 6.
Months after Hallett had left Europe under dubious circumstances, letters crossed the Atlantic reminding him, "Our Nautilus is completely at rest for want of proper power to move..." and "we are doing nothing ... and should be glad to learn how you intend to settle the question...." It is probable that he never did resolve the issues for his European associates. No such actions are recorded, although he maintained that his connection with the company as agent continued until agreements made with him had been fulfilled. As the largest stockholder, he insisted that his interest lasted despite special difficulties with some of the directors. However, available evidence does not indicate that the Nautilus was ever manufactured commercially in Europe or the United States.

A record of a bill of lading from 1860 shows that some diving bells and machinery, property of the American Nautilus Submarine Company had arrived in San Francisco.

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60 Poussin to Hallett, April 21, 1859, Hallett Papers, box 6.

61 Ibid., June 1, 1859.

62 Cincinnati Daily Commercial, Feb. 4, 1859.

Possibly this was the equipment which had been shipped from Paris. What happened to it is unknown.
CHAPTER VIII

TRIBULATIONS OF RAILROAD FINANCING

Atlantic and Great Western negotiations continued into 1858 as hopefully and as energetically pursued as the Nautilus project. Soon, both undertakings became so involved in borrowing and financing with the same people and the same firms that it became difficult, if not impossible to keep transactions separate and distinct.

When covenants with Gompertz, the Rothschild banker, expired at the beginning of the year, Goddard and Hallett immediately set to work to fulfill their agreements. They had contracted in case of Gompertz' failure, to secure for an additional bonus the £ 193,000 and 31,000 tons of rails necessary to complete the railroad.

In London, Goddard first submitted a plan for raising the money to Sir Morton Peto, who declined it. However, many hours spent with the Kennard family on business and socially proved more rewarding. As a result, Hallett was able to inform Doolittle and Morton on January 30, that he

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1 Diary, Jan. 25, 1858, Hallett Papers, vol. 3.
could arrange with one of the oldest, wealthiest and most respectable firms in London to carry out the whole transaction.  

Although no binding agreements were made, Doolittle in anticipation began sending bonds to the trustee, Benjamin Moran. Of the five packages of $32,500 each which had arrived by January 30, none were sent by Morton who said that he was waiting to see if they were needed.  

This inactivity resulted from disputes over contracts between Morton and directors of the Meadville Railroad, the company designed to become the Pennsylvania section of the Atlantic and Great Western. Morton also insisted that Hallett and associates could do nothing and it would be lost labor to forward Pennsylvania bonds and shares to them. Therefore, Doolittle made arrangements to act independently and declared that there was no longer any partnership known as Doolittle and Morton. He added that he would as soon place his dinner in the possession of a hyena for safety, than to trust Morton.  

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2 Hallett to Doolittle and Morton, Jan. 30, 1858, Hallett Papers, box 3.  
3 Moran to Hallett, Jan. 30, 1858, Hallett Papers, box 3.  
4 Doolittle to Hallett, Feb. 24, 1858, Hallett Papers, box 3.
After the Meadville company terminated Morton's contract, he unsuccessfully submitted others. When they were refused and a new one was awarded to Doolittle and W.S. Streator, Morton tried for months to block ongoing transactions and was to some extent successful.

These dissensions and the lack of vital papers to be obtained from the United States caused delays in England. Consequently, Hallett demanded an extension of the time stipulated in the agreement with him and Goddard. He continued confident and wrote that if he had the necessary documents, he was as certain to succeed as the sun was to rise.

If the Kennards doubted Hallett's integrity or his ability to carry out their tentative agreements, they were reassured. Recommendatory letters from Benjamin Moran and George M. Dallas helped to serve this purpose. The American minister wrote in part: "It would gratify me to express to them the very high estimation in which I hold you as a man

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5 Copy of letter from William Reynolds, president of Meadville Railroad Company to Morton, Feb. 16, 1858, Hallett Papers, box 3.

6 Hallett to Moran, Feb. 12, 1858, Hallett Papers, box 3.

7 Hallett to Doolittle, Feb. 10, 1858, Hallett Papers, box 3.
Almost two weeks later in Paris, a letter obtained from John Y. Mason at the United States legation provided an introduction at the Crédit Mobilier. There, Major Poussin presented the railroad proposition and reported that it was well received. Within three days, the Major called at Hallett's house in great excitement to tell him that the Crédit Mobilier wished to see him at once.  

The ensuing interview at the financial institution indicated a growing interest in taking up part of the loan. An answer was promised as soon as a reply was received to a letter of inquiry written to Messrs. Heywood, Kennard and Company in London.

Hallett immediately left for the British capital to find out what had been written in the letter and to use his influence in determining the answer. After consulting with Howard and T.W. Kennard several times, he revised a number of drafts which were not quite acceptable. Finally, the whole matter was referred to R.W. Kennard and Company who were said to be better qualified to judge foreign railroads.

8 Diary, Feb. 4, 1858, Hallett Papers, vol. 3.

9 Ibid., Feb. 15, 22, 25, 1858.
The next day, Hallett called by appointment at the home of R.W. Kennard which he described as magnificent. While drinking wine there with other members of the distinguished family, he discussed the affairs of England, France and America and entered into the subject of a reply to the Crédit Mobilier. As a result, he left with an answer which he was to consider and revise before the Kennards sent it to Paris.  

Before returning to France, the enterprising American exhibited letters to his banking friends from former President Fillmore, Colonel Frémont and forty other prominent persons. He noted their delighted reaction. However, R.W. Kennard asked to have Fillmore's and several other signatures authenticated by the United States minister. This was arranged and Dallas told the ex-member of Parliament, "If Mr. Hallett says they are right it is as good as though I said it myself."  

Favorable endorsements in England and a strong recommendation for the Atlantic and Great Western as a promising investment did not rush the Crédit Mobilier into an immediate reply. When an answer was forthcoming on March 9, the

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11 Ibid., March 3, 1858.
loan was declined. However, a tender was made to act as brokers, commissioners or bankers. The offer was not followed up, since it proved unacceptable to all concerned.

After this refusal, Major Poussin lost no time in presenting Hallett's case in a favorable light to friends at the Crédit Mobilier of Switzerland. They replied with an offer to place bonds in Paris, Geneva and Germany for a two percent commission. The proposition was accepted promptly. A letter from Hallett stated that the terms were satisfactory and the agreement could be considered binding with the Atlantic and Great Western. However, no action seems to have resulted from dealing with the Swiss bank, although Hallett claimed that a duly executed contract had been signed and was later rescinded by mutual consent.

While Major Poussin was working industriously, but

12 Ibid., March 8, 1858.
13 Poussin to Hallett, March 10, 1858, Hallett Papers, box 3.
14 Ibid., March 19, 1858.
15 Banque Generale Suisse to Hallett, March 30, 1858, Hallett Papers, box 3.
16 Hallett to Banque Generale Suisse, March 31, 1858, Hallett Papers, vol. 8.
17 Samuel Hallett, My Commissions (New York: Latimer Brothers and Seymour, 1866), pp. 16-17.
fruitlessly, to raise part of the loan on the continent, Hallett had acquired another associate who was devoting himself to securing the required amount of iron rails in England. On February 16, he made the acquaintance of James McHenry at the home of the United States minister in Paris. Thus began a close, but short friendship, although entangling financial ties continued for several years.

Characteristically, McHenry wrote promptly after returning to his Liverpool headquarters, thanking Hallett for his kind care of him in Paris. Shortly after, the first of a series of letters dealing with rail negotiations followed. Early communications stated that Bailey Brothers, a well-known iron company, appeared interested. Officers there had said that the whole affair was the most tempting to be presented to them for a long time.

Similar interest apparent at the Ebbw Vale Company led McHenry to believe that he could persuade both organizations

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20. Ibid., Feb. 27, 1858.
to divide the extraordinarily large order. If one manufacturer could be induced to take half, he was sure the other would follow.\textsuperscript{21}

The main obstacle to be overcome was the reluctance of both companies to accept bonds of an unknown railroad in payment, without substantial cash deposits. Securities of American railroads were at that time in disrepute and it was probable that the ironmasters already held quantities of virtually worthless paper. These holdings could very well have included bonds of two Ohio lines, the Scioto and Hocking Valley and the Marietta and Cincinnati.

Feeling certain that Hallett's eloquence could explain away any objections, McHenry urged him to come to London, declaring that he had great faith in his "generalship". He assured him that prospective suppliers could not spend a more pleasant half hour than in his company.\textsuperscript{22} A few days later, after Hallett arrived in London, McHenry wrote from Liverpool: "I must have you here, if only to shew you to my friends---."\textsuperscript{23}

\textsuperscript{21}Ibid., March 1, 1858.

\textsuperscript{22}Ibid.

\textsuperscript{23}Ibid., March 10, 1858.
A second invitation to Hallett and Benjamin Moran to stay for the weekend at Liverpool was accepted promptly. Hallett recalled that he slept in the most splendid bed and room he had ever occupied. It was a memorable visit too, because at dinner the following evening he was introduced to George Francis Train.

McHenry had previously written about Train, "you must know him—he is full of talent—" and Hallett found this to be true. Soon, a voluminous correspondence began between the two as Train also became involved in the Atlantic and Great Western scheme and related social affairs. As he grew familiar with the details and dashed from city to city attending to them, his enthusiasm for the project and admiration for Hallett mounted.

In a typical letter he revealed his feelings:

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24 Diary, March 13-14, 1858, Hallett Papers, vol. 3.

25 Train, American born, was twenty-nine years old at this time. Previously engaged in mercantile and shipping business in Boston. Became European manager for Train and Company with offices in Liverpool in 1850. Established George F. Train and Company in Melbourne, Australia, 1853. Returned to Europe in 1856 where he promoted a variety of projects. One of his many books, My Life in Many States and in Foreign Lands, recounts his amazing and eccentric career with considerable hyperbole.

26 McHenry to Hallett, March 2, 1858, Hallett Papers, box 3.
... I see the loan is as good as closed—It will be a fortune to those who float it for I believe the stock will rise higher than the Illinois Central when in all its glory.... What a delightful time we had at Mr. Goddards—They are pricely people... Kennards too, how pleasant was our evening.... You deserve success. I never saw such industry as you display—all day—all night—you are always at work.  

In turn, Hallett's regard for his versatile and dynamic friend seemed to grow the longer they worked together. Incidental to a business communication he wrote that Train had qualities of which no other man could boast. He continued that they were admired by himself, McHenry and the whole world.  

Hallett was soon convinced that both Train and McHenry's help was indispensable in the railroad negotiation. He informed the latter that he could not do without them both and promised to give them the same commission he would receive himself. A communication from him dated March 30 was to be considered a binding agreement, on his part to pay, and on theirs to receive and help. He closed with the statement that there was no reason why McHenry could not make $100,000. 

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27 Train to Hallett, March 20, 1858, Hallett Papers, box 5.
28 Hallett to Train, July 31, 1858, Hallett Papers, vol. 8.
With three such energetic promoters working together for handsome rewards, some action was virtually guaranteed. On March 28, McHenry wrote that he was very sanguine of success. Following that, he telegraphed Hallett that a letter which the latter had written to J.W. Robinson of Ebbw Vale was magnificent and an angel could not have done better.

At the same time, Train and Hallett were making an impression socially. During an evening party at Howard Kennard's, Hallett gave a speech which was loudly applauded. Train, in turn, sang and told stories. Toasts were drunk and a round of cheers was given for America. Both men danced and talked and made friends until three-thirty in the morning. "It was a triumph!"

Almost two weeks later while at Havre overseeing the Nautilus experiments, Hallett received a telegram from Train summoning him to London to sign contracts. At a meeting there on April 23, McHenry, Train and Benjamin Moran were present when J.W. Robinson of Ebbw Vale, signed a contract with Hallett and Goddard for the Atlantic and

30 McHenry to Hallett, March 28, 1858, Hallett Papers, box 3.

31 Ibid., April 2, 1858.

32 Hallett to McHenry, April 9, 1858, Hallett Papers, box 3.
Great Western for 15,500 tons of rails. Two days later a similar compact was signed with Crawshay Bailey, managing partner of Bailey Brothers.

In the long and complicated agreement, types of rails, rate of production and ports of delivery were specified. The price of 8 $ a ton, F.O.B. in the Bristol Channel, was tied to a penalty clause to insure the use of the rails exclusively for the Atlantic and Great Western. Payment was to be made after deliveries, at the rate of fifty percent in cash and the balance in first mortgage bonds. Each $1,000 bond was estimated at approximately £ 154 and bore interest at seven percent a year, payable semi-annually. The purchasers were required to deposit bonds valued at par to the amount of $100,000 with the sellers, as a guarantee of fulfillment of the contract.

According to records of Benjamin Moran the trustee, the required amount of bonds were deposited with Robinson and Bailey. At a later date when Moran and Goddard tallied accounts, they agreed exactly with Doolittle's statements.

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33 *Journal of Benjamin Moran*, p. 296.

34 *Diary, April 26, 1858, Hallett Papers, vol. 3.*

35 *Memo of agreement, April 23, 1858, Hallett Papers, box 4.*
These indicated that on September 3, $642,000 of Ohio and $950,000 of Pennsylvania bonds had been deposited. Amounts exceeding those required for iron deposits were used as security for loan transactions.36

Once the rails were supposedly taken care of, the formidable task of floating loans in order to raise £193,000 sterling remained. At the time the iron contracts were signed, the Kennards had not definitely bound themselves, despite Hallett's rosy statements to the contrary. Although several promising channels were being explored, there were no formal, signed commitments.

Officers of the two companies in the United States, the Atlantic and Great Western of Pennsylvania and the Atlantic and Great Western of Ohio, were evidently becoming restive. In March, a committee was appointed consisting of C.L. Ward and William Reynolds, presidents of the Ohio and Pennsylvania lines respectively, and Henry Doolittle the contractor. They were authorized to go to Europe, negotiate sales of stocks and bonds and possibly ratify contracts made by their agents.

Doolittle informed Hallett that he and General Ward would leave as soon as possible. Determined not to go over

there again as he and Morton had done, "with our fingers in our mouths and no letters of introduction," he was then collecting numerous endorsements. They included "strong" letters from a former governor, an attorney general, a justice of the state supreme court and Governor Chase of Ohio.

General Ward wrote from Harrisburg where he was pushing a bill through the legislature changing the name of the Meadville Railroad to Atlantic and Great Western of Pennsylvania. He mentioned that he was also securing "strong" letters regarding the railroads and their directors. Included among his endorsers were President Buchanan, the Secretary of the Treasury and the Attorney General of the United States, along with every prominent officer of the state of Pennsylvania. With these recommendations and other necessary documents, he assured Hallett of proper support.

Ward and Doolittle's visit was awaited anxiously by their agent, since he hoped to be able to inform them of his "wonderful success." McHenry too, was optimistic.

37 Doolittle to Hallett, April 27, 1858, Hallett Papers, box 4.

38 Ward to Hallett, April 14, 1858, Hallett Papers, box 4.

39 Reynolds, "My Connection with the Atlantic and Great Western Railway," p. 32.
He declared that with Train, Hallett and himself working together, there was no possibility of failure. Furthermore, he told Hallett when the representatives arrived, he would be entirely at his service, relinquishing all else to push through their great enterprise.

When news of the arrival of Doolittle and Ward in Bremen on May 26, was received, McHenry, Train, Hallett, the Kennards and Beverly Tucker (United States Consul at Liverpool), left for Paris where they all planned to meet. At least some of the group had arrived by May 30, since Hallett entertained the Kennards at dinner on that date. A note to the American minister from the host inviting him to come as a special favor elicited an affirmative answer: "I am not well—but I will come with pleasure."

Two years later, when recalling that Paris meeting, Hallett claimed that Ward and Doolittle had ratified a contract with Leon Lillo and Company and then went on to London.

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40 McHenry to Hallett, May 5, 1858, Hallett Papers, box 4.
41 Ibid., May 15, 1858.
42 Reynolds, "My Connection with the Atlantic and Great Western Railroad," p. 32.
43 Hallett to Mason, May 30, 1858, Hallett Papers, box 4.
There, he said they sanctioned the Bailey Brothers and Ebbw Vale Company agreements. In addition, he declared that they confirmed a contract with R.W. Kennard and Company for the advance of £ 135,000.\(^4\)

However, it is improbable that either the Kennard or Lillo agreements were signed at that time. Many complicated and tedious negotiations followed with both firms before rails and cash began to cross the Atlantic destined for Pennsylvania and Ohio. It is doubtful that Hallett did much toward promoting the railroad with Lillo until after April 1, and unlikely that he could have worked out an arrangement before Ward and Doolittle's visit.

Moreover, McHenry may have suggested introducing the road to Lillo. This could have been his intention when he wrote to Hallett: "I enclose a note from Fallon\(^5\) intro-


\(^5\)Christopher and John Fallon were McHenry's attorneys. From their offices in Philadelphia they managed property and investments of prominent Europeans. Train said they were agents for Queen Mother Christina of Spain. Benjamin Moran wrote in his *Journal* on February 26 that the Cuba business (referring to the contemplated purchase of Cuba by the United States) would be in Fallon's and McHenry's hands. On March 31, Moran dined with McHenry, Hallett, and Mr. and Mrs. Christopher Fallon when he "got much from Mr. F." regarding the purchase of Cuba.
Assuredly, Hallett had already taken advantage of that connection while attempting to exploit the Nautilus. However, he did confer with Lillo, McHenry, Ward, and others concerned and was active with them in promoting the loan.

When Lillo and son visited London in June, they were introduced to leaders of the railroad promotion and explored details with them. In addition, they were well entertained. A highlight was a dinner at T.W. Kennard's after which Hallett was host at a theater party. Guests included the Lillos, Trains, Wards and Kennards. The following day a group of twelve visited Hampton Court Palace. Hallett returned home delighted, declaring that the Court was worthy of the man who built it.47

Doubtless, he also took satisfaction in recording, "Mr. Lillo has decided to take £150,000 of the Atlantic and Great Western loan."48 Nine days later he was off to Paris with McHenry, "cheerful, hopeful, resolute, determined and independent, in order to arrange for Lillo's loan, now

46 McHenry to Hallett, April 1, 1858, Hallett Papers, box 3.
47 Diary, June 12-14, 1858, Hallett Papers, vol. 4.
48 Ibid., June 11, 1858.
increased to £200,000.49

From the Grand Hotel du Louvre, McHenry sent Lillo a carefully prepared account of the railroad's financing which explained negotiations up to that time. Briefly this included:

Total amount of Bailey Brothers and Ebbw Vale contracts, payable half in bonds, half in cash— £248,000

Required for these payments £124,000

Cash required for construction £193,000

Of which Kennard's furnish £135,000

Add for contingencies £58,000

Total required to complete the road £200,000

If Lillo could supply the amount needed, all other funds were to be provided by subscriptions in the United States and by John Elsey (Bank of England), McHenry and others in England. It was proposed that Lillo's bank subscribe for the £200,000 at the rate of £160 for each $1,000 bond, payable in acceptance of Hallett's drafts at six months. Prescott Grote and Company of London and Earned and Company of Liverpool would guarantee payment of the coupons until the road was completed.

Thomas W. Kennard was soon to leave for the United States to protect the bondholders' interests and report to them on the progress of the work and application of their subscriptions. When the first shipment of rails arrived,

49Ibid., June 19, 1858.
Hallett the agent, Ward the president, and Doolittle the contractor, planned to be present to start the permanent way. They would then place the bonds on the New York market at a most favorable time, anticipating their introduction on the London exchange at the earliest opportunity. When work on the road resumed, it was not considered too much to assume that the bonds would become as valuable as those of the New York and Erie which were then selling at $98--$100.50

Following this persuasive presentation of needs and plans, McHenry assured Lillo that he held him in too much esteem to introduce any doubtful undertaking. The respect with which the road was regarded, the high character of the men involved and the guaranteed interest removed any doubts of success, according to him and to Hallett who endorsed these views.51

Lillo was convinced. However, in order to raise such a large amount it was necessary to secure the help of others. Connections in Spain could serve this purpose and Don José de Salamanca, a leader in Spanish politics and finance who

50 McHenry to Lillo, June 22, 1858, Hallett Papers, box 4.

51 Ibid., second letter, June 22, 1858.
made his Paris headquarters at Lillo's, was expected there soon.52

Both Train and McHenry wrote to Hallett of the anticipated visit. On August 9, McHenry informed his friend that the Spaniard had arrived and he thought that Ward and himself should talk with him.53 Evidently Hallett was included in negotiations, or at least met Salamanca on August 23, when he commented: "He is just the man for his friends. Goes in all over. This is my opinion first sight."54

Regardless of who was most responsible for planning the particulars, the Spanish connection resulted in Sala-

52 William Reynolds, who with others were entertained in Spain by Salamanca several years later, stated in his unpublished history that Salamanca was a partner in Lillo's banking house. As financial adviser for Queen Isabella and her exiled mother Queen Christina who lived in Paris, it is probable that he interested the royal family in the railroad investment. Train stated that he used to meet members of the Spanish nobility at Lillo's and it was there he met Salamanca. McHenry, whose Philadelphia agents, the Fallons, handled investments for the Spaniards, probably learned from them of coal lands in Pennsylvania which had come to the Queen or her mother as settlement of an interest she held in the former Bank of the United States. Salamanca was persuaded that a railroad near the Spanish holdings would increase their value and consented to accept part of the contract. Train later claimed that he was responsible for the whole transaction, although this seems improbable.

53 McHenry to Hallett, Aug. 9, 1858, Hallett Papers, box 4.

manca nominally accepting a contract to build part of the railroad. Perhaps his chief contribution was in lending the prestige of his name to the exploitation of negotiable paper in Liverpool, until enough of the road was build to mortgage. 55

Although Hallett continued to be very active in Atlantic and Great Western affairs, the six days had passed which he and Goddard were allotted to fulfill their agreement with Doolittle and Morton when Gompertz failed. Both he and Goddard were notified of this and reminded that the contract was forfeited on June 10. 56

Probably for that reason, plus Doolittle and Ward's growing dissatisfaction and Hallett's financial difficulties, new arrangements were planned. McHenry pressed to buy out Goddard's share and take over all his Atlantic and Great Western commitments. In addition, he urged Hallett to assign his contracts to him, the profits to be shared equally. Typically he wrote: "Place me in power—and all will be well—I shall fight to the stumps for you." 57


56 Doolittle and Morton to Goddard and Hallett, June 10, 1858, Hallett Papers, box 4.

57 McHenry to Hallett, July 12, 1858, Hallett Papers, box 5.
Several days later he wrote that he was most anxious to have Hallett confide his interests to him. He explained that with concentrated power he could work everything to their mutual advantage. His associate was reassured:

Of course you know me too well to suppose I have any interest apart from yours in our affairs, which originated entirely with yourself—but which I have had the good fortune to ripen—58

The outcome was a new contract between McHenry and Doolittle in which McHenry took sole responsibility for furnishing 31,000 tons of rails and £ 193,000 sterling. The bonus for risks and brokerage was set at £ 400,000. Since the former contract with Hallett and Goddard stipulated a £ 500,000 bonus, Hallett considered that he had claims on the £ 100,000 difference, in return for withdrawing.59

Ward and Doolittle were forcefully informed that he was not satisfied, even though he was to share half of McHenry's commissions.60 Nevertheless, at their request he proceeded to transfer the iron contracts with Ebbw Vale and Bailey Brothers to McHenry and agreed to changes sub-

58Ibid., July 17, 1858.

59Copy of contract, McHenry with Doolittle, July 31, 1858, Hallett Papers, box 4.

60Hallett to Ward and Doolittle, July 31, 1858, Hallett Papers, vol. 8.
stituting approved bankers bills for the cash requirement and releasing Goddard from all obligations.\textsuperscript{61}

McHenry was pleased with his co-worker's cooperation. A letter written in September made this clear. He told Hallett he was a "good boy" to be so obedient and continued:

\begin{quote}
Your interest shall always be my interest— you have qualities that I have not—We can serve each other mutually—We will do so— at least I will do so to the extent of my power.\textsuperscript{62}
\end{quote}

The program for the future was also outlined. After iron shipments started, Hallett was to proceed to America with Thomas Kennard who would make an official report on the condition and prospects of the road. Then the bonds and stock would be introduced on Wall Street, the Royal Exchange and the Bourse.

As a prelude to launching securities on the exchanges, New York newspapers published accounts of successful negotiations for $3,000,000 worth of Atlantic and Great Western bonds and shares on September 3.\textsuperscript{63} These articles were noted

\begin{itemize}
\item \textsuperscript{61} Hallett to Crawshay Bailey, Aug. 21, 1858, and J.W. Robinson, July 31, 1858, Hallett Papers, vols. 8 and 9 respectively.
\item \textsuperscript{62} McHenry to Hallett, Sept. 18, 1858, Hallett Papers, box 9.
\item \textsuperscript{63} Paul E. Felton, "The History of the Atlantic and Great Western Railroad" (unpublished Ph. D. dissertation, University of Pittsburgh, 1943), p. 59.
\end{itemize}
in Ohio where the Cleveland Leader commented that it seemed there was a great deal of humbug in the transaction. The Cincinnati Gazette repeated this view, stating that the chief aims of the parties connected with the scheme was to humbug the public. 64

In London, The Times reprinted the New York article and added that the prospects of the ultimate bondholders could be anticipated easily. 65 A long letter from C.L. Ward published in the New York and London papers defended the project and corrected discrepancies in the information. In a separate letter, T.W. Kennard added some comments of his own for the sake of accuracy. 66 Benjamin Moran noted the articles and emendations in the London newspapers and observed: "It seems the whole difficulty comes from Hallett's letter writing." 67

Hallett was indeed writing volumes of letters as he attempted to put his affairs in order so that he could leave for New York. His recurring shortage of money necessitated

64 Annals of Cleveland, Works Progress Administration in Ohio, p. 443.

65 The Times (London) Sept. 27, 1858.

66 Ibid., Sept. 28, 1858.

a note to McHenry telling him it would take £ 5,000 to get him off. 68  Appreciation for his associate's many favors was expressed when he wrote to Train: "He has proved himself the dearest and truest friend I have—you and he are one, this applies to you." 69

Correspondence on September 9 from Hallett to his "truest" friend set a record for quantity. Separate communications assured him that all expenses at the London office had ceased. The lease was to expire September 29 and Edward Goodman, his clerk, was dismissed as of that date. In return for advances, past and future, McHenry received a lien on all furniture, equipment and stationery in the office.

Several letters and documents concerned the disposition of the bonus Hallett assumed he was to be paid, since the negotiation of bonds and all iron contracts were, in his opinion, concluded. He informed McHenry that he understood his share to be:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>First mortgage bonds</td>
<td>£ 65,000</td>
</tr>
<tr>
<td>Second mortgage bonds</td>
<td>10,000</td>
</tr>
<tr>
<td>Shares</td>
<td>25,000</td>
</tr>
<tr>
<td></td>
<td>£100,000</td>
</tr>
</tbody>
</table>

68 Hallett to McHenry, Aug. 8, 1858, Hallett Papers, vol. 8

69 Hallett to Train, Aug. 28, 1858, Hallett Papers, vol. 9.
The £100,000 was to be paid, half in twelve months, half in twenty-four months. The statement, "at the rate you receive my commissions, makes you safe, for if you do not receive them, you do not pay," was added here. Then followed the allocation:

<table>
<thead>
<tr>
<th>Name</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samuel Hallett</td>
<td>£20,000</td>
</tr>
<tr>
<td>John Thompson</td>
<td>£30,000</td>
</tr>
<tr>
<td>Francis McDowell</td>
<td>£20,000</td>
</tr>
<tr>
<td>George McDowell</td>
<td>£20,000</td>
</tr>
<tr>
<td>N.M. Crane</td>
<td>£10,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£100,000</td>
</tr>
</tbody>
</table>

In consideration for having received letters of agreement from McHenry to pay the amounts as indicated, he transferred to him his claim for the $100,000 he asserted he was entitled to from the Atlantic and Great Western Company.70

Thus, he believed he had turned over all his obligations for carrying out contracts to McHenry, who in the future was solely responsible. Furthermore, he understood that as compensation for his past work and the financial services of Samuel Hallett and Company, he was to receive commissions as specified.

Having taken care of that important business, he continued preparations to return to the United States. His

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70 Copies of letters and documents from which the above is compiled are all dated Sept. 9, 1858, and are in Hallett Papers, vol. 9. Additional papers also dated Sept. 9, 1858 are in Hallett Papers, box 4. The allocations of the bonus differ in some cases and were evidently done in haste.
clerk was instructed to box papers, records, maps, and send them on, in care of McHenry to Liverpool. In addition, he was cautioned not to say a word about the packing, because his employer did not wish Morton, Tuck or anyone else to know anything about his movements, plans or business.\textsuperscript{71}

As the sailing date approached, McHenry advised that it would be impolitic to go on the \textit{Persia} as planned. He suggested a later passage on the \textit{Vanderbilt} or \textit{Fulton}, probably to allow time for resolving persistent financial problems.\textsuperscript{72}

However, Hallett's precautions proved to be in vain and the desired early departure was frustrated. An urgent note asking for help revealed the reason:

\begin{quote}
I am in trouble--Come to London--Bring my trunks--everything with you--& at once--
...Morton, Tuck, Garr, Robinson attack--I am now under guard of six desperate gentlemen--\textsuperscript{73}
\end{quote}

The circumstances were described by Benjamin Moran who wrote that Hallett had been arrested for debt and was held in a "sponging house." Finding himself in possession of a

\textsuperscript{71} Hallett to Goodman, Sept. 8, 1858, Hallett Papers, vol. 9.

\textsuperscript{72} McHenry to Hallett, Oct. 14, 1858, Hallett Papers, box 4.

\textsuperscript{73} Hallett Papers, box 4. Addressee is not specified, although this undated note probably went to McHenry.
passport from John Y. Mason as a bearer of diplomatic dispatches, he had used it for protection. The prosecutor became alarmed, set bail, and postponed the case until a judge could hear it. Bail was furnished by McHenry, and Hallett was released. One week later, Moran recorded, "Hallett has run from his bail and it has been determined to catch him."

On a call at Goddard's, the undersecretary of the legation heard further stories of Hallett's "villainies". There, he and McHenry also learned that the escapee and four other persons had dined at the South Eastern Railway Hotel the previous Sunday. Two of the group left for the continent, two went to Southampton. Moran surmised that the latter two were Hallett and an accomplice and that Hallett had sailed on the Fulton.

The guess proved to be accurate. McHenry promptly sent a message to Robert Thallon, his New York attorney, reading: "Samuel Hallett has absconded from his bail. He sailed by Fulton. Advise Train to whom I write that his baggage may be detained."

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75 Ibid., p. 449.

Nevertheless, Hallett arrived home uneventfully. Once in Hornellsville, he commenced making explanations of his hurried departure. For some months before leaving, he had insisted there was a conspiracy against him and had written: "Mr. Morton, Mr. Garr & Mr. Tuck have pursued me with their followers, by a vindictive spirit, hardly equalled by Satan himself."

He now wrote that these formerly friendly associates had got together with L.L. Robinson, a creditor of questionable reputation, and planned his arrest. He also claimed that his counsel advised him he had a full legal and equitable defense against the $6,000 claim for which he had been temporarily incarcerated. The "absconding" was excused by saying his bondsman knew he was leaving and advised him to come home.

Because of subsequent developments, it is doubtful that the explanations satisfied those concerned. Shortly after returning to the United States, Hallett turned over to his creditors a part of the McHenry drafts in order to relieve his pressing financial plight. McHenry refused to pay them or any other sum stipulated.

77 Hallett to E.W. Fernie, Aug. 3, 1858, Hallett Papers, vol. 6.

78 Cincinnati Daily Commercial, Feb. 4, 1858.
In vindication, McHenry claimed that he owed Hallett nothing. In fact, he believed it was quite the opposite, since Hallett was indebted to him for over $47,000 which had been advanced in personal loans. In addition, the settlement of the Hagenow suit first promised to him, had been pledged twice over to others. He noted that Hallett's share of the railroad bonus depended on the receipt of his commissions. Since no commissions had been paid, there was no bonus to share. Also, the claim against the companies and contractors for $100,000 which had been transferred to him proved to be meaningless and was not worth a penny.79

In his turn, Hallett contended the magnitude of the bonus dazzled McHenry's vision. After the contracts were assigned, he stated that his former friend had bent his entire energies on securing all of the profits for himself.80 He further declared their future relationship would be one of open and avowed enmity.81

In order to break the ensuing impasse, William Irvine, attorney and friend of Hallett, agreed to act as agent for

80 Samuel Hallett, My Commissions, p. 22.
81 Hallett to Lillo, Dec. 14, 1858, Hallett Papers, box 5.
him and his creditors. In January 1859, C.L. Ward was informed of this and was requested to negotiate claims against the Atlantic and Great Western with him. The president of the company was assured that unless the affair were settled amicably, it would be taken care of by such means as the law would employ.  

Irvine then was sent to England with the same objective, that of securing payments to which Hallett insisted he was entitled. While pursuing that purpose, he called at the American legation on April 12. Benjamin Moran recorded his impression of the visit:

A man by the name of Irvine, a Member of Congress elect from Ohio, came to bore me this morning on Hallett's account. He is a low, tricky, politician, & has power of attorney from Hallett to get money from McHenry, who really owes Hallett nothing. The truth is that Irvine represents certain persons Hallett has swindled, and they are willing he shall swindle any one else so they get paid.  

It is probable that others agreed with the views of the assistant secretary, since Irvine returned to the United States, having effected nothing.

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82 Hallett to C.L. Ward, Jan. 29, 1859, Hallett Papers, box 6.

Several months passed in which no money or rails arrived from Europe. During this time, either McHenry demanded, or Hallett suggested a plan that would assist the Atlantic and Great Western as well as settle Hallett's claims and enable him to pay off the banks and men to whom he was indebted. It was proposed that Hallett and creditors subscribe for $240,000 of bonds of the Ohio, Pennsylvania and New York companies at seventy-five cents on the dollar and pay cash for them. When this was accomplished, the commissions which Hallett claimed according to the correspondence of September 9, 1858, would be paid.84

Consequently, modifications and additions were made to the original proposition. In some cases, changes were made in the amount of bonds to be subscribed and in others, in terms of payment. A contract resulted on October 28, negotiated by Robert Thallon and Henry Doolittle acting as agents for McHenry, and William Irvine, Hallett's representative and trustee for his creditors. The terms to which both Hallett and McHenry agreed, stipulated that Hallett was to receive:

84 William Reynolds, "My Connection with the Atlantic and Great Western Railway," pp. 57-59.
Ohio first mortgage bonds - $371,091
Pennsylvania first mortgage bonds - 148,437
                   $519,528

Several months following the contract, Hallett stated that he and his associates had made provisions for raising the money to subscribe for their allocated shares of bonds. In return, McHenry deposited a portion of the bonds according to the agreement, with several New York banks for security. However, further delivery was eventually evaded and finally came to a halt. 86

McHenry justified this by claiming that Hallett never carried out the terms of his agreement and he was therefore discharged from all obligations to him to continue payments. 87

A series of prolonged and tedious negotiations followed with no definite results. William Reynolds, who was present at several meetings, wrote that by November 1859, Hallett was unable to secure the $240,000 needed from his creditors. Therefore, more modifications were agreed to at several sessions. Reynolds further noted that by July 1860, the whole

85 Copy of agreement, Oct. 28, 1859, Hallett Papers, box 6.


business threatened to prove abortive. Nevertheless, Hallett continued to press for a settlement, promising cash for bonds, and in some cases, Reynolds said, subscriptions were paid. 88

During June and July of 1860, Robert Thallon and Judge Church, acting for McHenry, demanded the surrender of a large amount of bonds deposited at the American Exchange Bank in New York for safekeeping. The bank informed Hallett that those gentlemen had produced satisfactory evidence that he had no right to the bonds, since the conditions under which he had left them had not been met. 89

Hallett's reply was to institute legal action, and on September 11 a suit was filed to prevent the removal of bonds from the depositories until the courts could adjudicate his claims. 90 Data concerning the trial, outcome, and ensuing disputes are lacking. However, William Reynolds quoted a letter from T.W. Kennard dated May 1, 1862, stating that he had settled with Hallett. The president of the Pennsyl-


90 Copy of complaint, Hallett and others, vs. McHenry and others, Sept. 11, 1860, Hallett Papers, box 6.
vania line added that even that supposedly final settlement proved delusive, as much trouble was experienced in closing the transactions.91

The difficulties can be appreciated, since it was necessary to allocate the number of bonds of the three companies, determine how many each creditor should receive and estimate the amounts of subscriptions. It is probable that the settlement eventually made with Hallett was approximately the same as indicated in the agreement of October 28, 1859.

During the controversies which preceded the final agreement, Hallett published two booklets, My Commissions and Appendix to My Commissions in which he described in detail his connection with the Atlantic and Great Western and cited selected documents in support of his arguments. McHenry answered with an unpublished document, "Reply to Certain Pamphlets and Affidavits". Both accounts agree in part, although neither are entirely guileless or free from factual errors.

Hallett claimed that his financial connection with the railroad began late in 1856, that Doolittle and Morton applied to him for assistance and he reluctantly left his

prosperous business because of their importunities and lavish promises. As previously indicated, his primary purpose in going to Europe was to exploit the Nautilus, and second to dispose favorably of Scioto and Hocking Valley bonds. The railroad proposition was not submitted to him until April 1, 1857, after which he worked assiduously to make his services indispensable. Whether or not the business which he left in the United States was prosperous and successful was problematic.

The disputants agreed on facts concerning the Gompertz contracts for money and iron and the guarantee of Goddard and Hallett to fulfill them if Gompertz failed. Although Hallett declared that he signed covenants with the Crédit Mobilier of France and Switzerland, evidence does not indicate that discussions actually reached that stage. Probably he played an active role in negotiating the Kennard and Lillo-Salamanca agreements as well as the iron contracts with Ebbw Vale and Bailey Brothers, but he did not "perfect" them as he asserted. It is very possible that the initiative for those arrangements came from McHenry. At least, they did not become binding, nor were any consequences obvious until after the Hallett-Goddard option expired in June of 1858.

McHenry was first informed of the Atlantic and Great Western project by Hallett, almost a year after he had been working energetically on it. The Liverpool merchant admitted
this when he wrote in a letter previously quoted that their mutual affairs originated entirely with Hallett and he had had the good fortune to ripen them. Despite Hallett's tendency toward exaggeration, prevarication and apparent lack of gratitude, both T.W. Kennard and Henry Doolittle urged that he receive a fair settlement. The fact that McHenry eventually agreed to one, notwithstanding his personal feelings, shows recognition for services rendered.

McHenry's interest and influence in the Atlantic and Great Western enterprise grew steadily from the time of his first introduction to it by Hallett in Paris. After Doolittle's death in 1861, he also took over the Ohioan's contract, although others were awarded nominally to Salamanca.\(^{92}\) That same year, Sir Morton Peto became associated with the project. However, McHenry eventually took over control of the road and it was said that he virtually built and owned the line without putting a cent of his own capital into it.\(^{93}\)

\(^{92}\) *Railroad Record*, July 25, 1861, Report of annual meeting of Atlantic and Great Western board of directors, held in Ravenna, Ohio.

\(^{93}\) Leland, Jenks, *The Migration of British Capital to 1875*, p. 257.
Some years after through operations began, a long series of negotiations commenced with Jay Gould for consolidation with the Erie. In 1874, the road was leased to that line, but the lease was later repudiated. Meanwhile, the immense burden of debts and interest which was piling up proved to be far beyond the resources of the company and a receivership was declared. In 1880, the line was sold under foreclosure proceedings and reorganized as the Nypano Railroad. A quotation from the New York Herald aptly described McHenry's role: "James McHenry was a contractor, foster father, and finally came near being the funeral undertaker of the Atlantic and Great Western."94

During the phase in which McHenry acted as contractor, construction progressed rapidly despite the Civil War. At one period, six thousand men, many imported laborers, were at work under the supervision of T.W. Kennard.95 Therefore, on August 28, 1864, it was possible for McHenry to place the following notice in the New York Times: "The first through train from New York to St. Louis, by the broad gauge over the Atlantic and Great Western Railroad, reached

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95 Corning Journal, May 22, 1862.
its destination in forty-eight hours."\(^{96}\)

Over a year later, an excursion train made its way westward from Salamanca, New York. Aboard was a distinguished group of "foreign" visitors, each of whom had played a part in building the line. These included James McHenry, Sir Morton Peto, Leon Lillo, John Goddard and T.W. Kennard. Their reception at Warren, Ohio was typical of celebrations at other cities where cheering crowds and the thunder of cannon welcomed them. A specially designed arch erected over the depot entrance was decorated with the flags of England, Spain and the United States "waving amicably side by side". Large letters on the arch spelled out, "welcome to Ohio." After speeches, entertainment and festivities at Warren, the special train continued to Kent where the group breakfasted at the hotel, visited the railroad shops and the residence of "Old John Brown" which was standing on company property. With similar stops along the route, the visitors did not reach Cincinnati until late at night on September 12.\(^{97}\) Thirteen years after work began, the Atlantic and Great Western was thus formally opened.

\(^{96}\)New York Times, Aug. 28, 1864.

\(^{97}\)"On the Excursion Train," Sept. 11, 1865, (Atlantic and Great Western Papers, Western Reserve Historical Society, Cleveland, Ohio).
CHAPTER IX

THE MARIETTA AND CINCINNATI RAILROAD

During the month of April 1858, Hallett was very much occupied negotiating the Atlantic and Great Western contracts which others later brought to fruition. In addition, he was vigorously promoting the Nautilus. To these enterprises he added a third from which he also hoped to make a handsome profit.

On April 12, while bargaining for the purchase of rails with Joseph Robinson of Ebbw Vale, he learned that that iron company held a large number of Marietta and Cincinnati Railroad second mortgage bonds, about which they were justifiably concerned. Subsequently, he proposed assuming the management of the bonds of that nearly bankrupt line for the iron company, as an inducement to negotiate with him for the rails.

Whether or not this influenced the signing of the Atlantic and Great Western iron contracts on April 23, is not

\[1\] Diary, April 12, 1858, Hallett Papers, vol. 4.
known. However, at the time of his meeting with Robinson, Hallett was given a report prepared by Thomas Powell, member of Hesseltine and Powell, a London firm which helped to float the second mortgage bonds of the southern Ohio railroad. Powell's thorough and detailed evaluation was prepared after spending six months in the United States studying the situation carefully. He noted in it that the railroad still required a great deal of work, not only to complete, but to repair what had already been constructed. Some of the bridges needed to be rebuilt; iron work was too light in places; much ballasting was yet to be done and cuts through the hills were too steep and narrow. On one section of thirty-two miles through the rough country east of Athens, forty-five trestles required replacement by embankments because they were unsafe.

Obviously, intelligent planning and application of large amounts of money were needed to save the line. Powell stated that no help could be expected from the creditors and shareholders. Therefore, it was up to the bondholders to take action to protect themselves. This could be done if a receiver were appointed, and possibly the property could then be transferred to the Pennsylvania Central.

Hallett claimed that he knew the road and the men who directed it and therefore recommended a different course. He suggested that the holders of the first and second mort-
gage bonds act together and arrange to have the line sold immediately. That done, a new company could be formed and consolidation could take place with the Baltimore and Ohio. This would then make one continuous line from Baltimore to Cincinnati.²

These views were made known to concerned bondholders and their agents. In that connection, correspondence was exchanged with W.F. Roelofson of Cincinnati and E.W. Fernie of London. Having met the latter, as well as Thomas Powell, author of the report, Hallett was invited by them to attend a meeting of a committee of bondholders at Hesseltine and Powell's on July 13. Although he continued to recommend foreclosure and Powell argued for appointment of a receiver, he left believing he would be named agent to take care of all European bondholders' interests.³

Two weeks later he wrote the details of the negotiation to a friend, John W. Hale, State Senator from New York. Included was the news that the committee resolved to appoint him as principal agent on certain conditions. These specified the securing of distinguished legal advisers to represent sectional concerns and insure confidence abroad.

²Hallett to J. Robinson, June 9, 1858, Hallett Papers, box 4.

³Diary, July 13, 1850, Hallett Papers, vol. 4.
For New York state he selected Millard Fillmore. George M. Dallas was named and accepted to advise on Pennsylvania interests. John Y. Mason, a Virginian of influence, agreed to represent that state. An Ohio solicitor, J.M. Guiteau, relative of the president of the Marietta and Cincinnati who was then in Paris, approved of the plan and also accepted an appointment.

The last condition required for obtaining the agency was that these men would agree to work together under Hallett's direction. Three of them had, and regarding the fourth, he wrote:

...on the advice of all parties I assumed that Mr. Fillmore would accept the appointment. I accordingly took the responsibility of associating his name with Mr. Dallas & Mr. Mason and bound myself to the committee that I would procure his consent to act as my adviser in the conduct of this important business.4

Clearly, the former President had not been consulted previously, since it was the aim of the letter to beg the recipient to proceed immediately to Buffalo with Judge Henry Hyde, another friend, and lay the whole case before him. They were to assure him that he would assume no liability and affirm that he would be acting only as adviser, jointly with Dallas and Mason.5

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4Hallett to Hale, July 26, 1858, Hallett Papers, vol. 8.
5Ibid.
On August 31, Hyde wrote from New York enclosing the anxiously expected letter of acceptance. He noted that the former lawyer and politician was retired from active employment and had delayed answering for a long time. 6 Fillmore, in one extraordinarily long sentence explained his position:

I have not resumed the practice of the law since I left the Presidency, nor do I intend to do so, but my regard for you and confidence in your energy and business capacity and the large amount here involved have induced me to make an exception and to receive a retainer with this understanding that I may whenever I choose withdraw from this engagement and moreover that no act or proceeding shall be deemed to have my consent unless attested by my signature. 7

Although Hallett did not receive this reply until September was half over, his correspondence indicated liberal use of the Ex-President's name well before them. On July 29, he had written Fernie that he was prepared to undertake an agency on behalf of the bondholders under the legal advice of Fillmore. 8 A few days later this was repeated in a detailed, formal proposal to the committee of

6 Hyde to Hallett, Aug. 31, 1858, Hallett Papers, vol. 9.

7 Fillmore to Hallett, Aug. 28, 1858, Hallett Papers, vol. 9.

8 Hallett to Ferguson and Fernie, July 29, 1858, Hallett Papers, vol. 9.
bondholders. They were assured also, that he was ready to take charge of their interests, whether in a foreclosure or in taking other measures necessary to obtain payment of principal and interest. He agreed to pay all costs of proceedings including legal fees, in consideration of a compensation of ten percent on the total amount recovered.  

Circulars dated July 28 from Robert Benson and Company, Hesseltine and Powell, and other investment houses were circulated in both French and English to holders of first and second mortgage bonds. They too, were told that Hallett was willing to look after their investments, with the advice of Messrs. Fillmore, Mason and Dallas. Approval of the plan and the agent was solicited so that a unified action of all European bondholders could be carried forward.  

Sanctions of the American ministers to England and France were forthcoming promptly, although it is probable that they were obtained with some indirection. It is also probable that both diplomats were surprised at the early and widespread exploitation of their names.

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Dallas's acceptance dated July 19 began:

Should I resume the practice of the legal profession at the close of my mission here I will, at your request, reserve myself to be engaged as counsel through your agency....

Mason replied on July 17 in answer to Hallett's inquiry, that he did not expect to remain abroad many months and on his return to Virginia he intended to retire from public life and practice law. He indicated he would be agreeable to act in conjunction with Fillmore and promised to advise Hallett when the time of his return was fixed. A few days after writing the note, when asked to meet with a committee of bondholders for legal consultation regarding the railroad, he expressed surprise at being called on for professional aid before his departure from Europe, although he cooperated fully at the time.

The prestige of the men involved, the persuasive folders, the convincing arguments of agents and the hope of salvaging investments seemed to combine to win the support of continental bondholders. With customary hyperbole, Hallett claimed on August 28 to have secured all of them in

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11 Dallas to Hallett, July 19, 1858, Hallett Papers, box 4.

12 Mason to Hallett, July 17, 1858, Hallett Papers, box 4.

Germany, Holland and France. However, he and others were still traveling in late September and early October, rounding up individuals and companies. During that time he visited Amiens, Brussels, and Giessen in Hesse. Iron mines located near the latter city suggest that bonds held there were accepted earlier by a manufacturer of rails.

The visit to Giessen served another purpose too, since it furnished an opportunity for Mrs. Hallett and family to move to Germany. This accomplished, they remained in that central German city long after the head of the household had returned to the United States.

Beyond Germany, in Prussia and Austria, holdings were gathered by the secretary of Prince Czartoryski, a Polish nobleman and client of Leon Lillo's. Evidently the Prince and his family owned a large amount of bonds, probably acquired through Peter Zaleski, a Polish banker, who in 1855 had purchased over a million dollars worth as an investment for wealthy Polish exiles.

14 Hallett to Train, Aug. 28, 1858, Hallett Papers, vol. 9.

15 John Pixton, The Marietta and Cincinnati Railroad, 1845-1883 (University Park, Pa.: Pennsylvania State University Press, 1966), p. 20. It is stated here that Zaleski was more interested in coal lands on the route of the railroad. A syndicate was organized to take the bonds condition that coal lands would be purchased reasonably. This was arranged and Zaleski took the bonds. The town and state forest in Vinton County are named for him.
In return for control of the Marietta and Cincinnati holdings of the Prince and his family, Hallett promised to secure the amount by depositing with Lillo, Atlantic and Great Western bonds at seventy-five percent, to cover the investment. An agreement was signed to that affect on September 4. Lillo concurred and stated that he would advise his friends to adhere to Hallett's recommendations and appointment.

When Hesseltine and Powell wrote in the same month that they also, would agree for themselves, and were willing to influence their friends to accept his offer, all seemed to be going smoothly.

Likewise, related affairs in the United States were making progress. Roelofson, Cincinnati agent for the enterprise, had recommended securing counsel in Ohio. As a result, three distinguished legal advisers were involved, although the role of each and the extent of his commitment is not clear. The Messrs. Thomas Ewing, Henry Stanbery

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16 Agreement, Sept. 4, 1858, Czartoryski, Hallett, McHenry, Hallett Papers, box 5.


18 Hesseltine and Powell to Hallett, Sept. 17, 1858, Hallett Papers, box 5.
and N.M. McLean, \(^19\) were soon informed that it was time to start preliminary preparations of the case, so that a bill of foreclosure could be introduced in Judge McLean's court that fall. \(^20\)

Legal proceedings were then planned, and documents were prepared in anticipation of the suit being presented in the United States Circuit Court, in Cincinnati late in November. Roelofson reported in the middle of the month that everything requiring the foreclosure of the railroad would be attended to efficiently and promptly. \(^21\)

However, on November 27, proceedings were instituted in the Ross County Common Pleas Court by the third mortgage bondholders who feared that their interests were disregarded by the other groups. \(^22\) The suit brought by the first and second bondholders, scheduled to have begun a few days

\(^{19}\) Ewing was former U.S. Senator, U.S. Secretary of the Treasury and U.S. Secretary of the Interior. Stanbery became U.S. Attorney General in 1866, later resigned to become counsel for Andrew Johnson during impeachment proceedings. N.M. McClean was the son of John McClean, Associate Justice of the U.S. Supreme Court.

\(^{20}\) Roelofson to Ewing, Stanbery and N.C. McClean, Sept. 2, 1858, Hallett Papers, box 5.

\(^{21}\) Roelofson to Hallett, Nov. 16, 1858, Hallett Papers, box 5.

\(^{22}\) Copy of petition, Nov. 27, 1858, Hallett Papers, box 5.
later, was dismissed by the federal court, because the county court was vested with jurisdiction and had already appointed a receiver.23

Hallett's three legal advisers were not perturbed because others had got ahead of them. They noted that the important step of taking the management and revenues of the road out of the hands of the company had been done for them. It was their opinion that the case could be brought to an early termination with less delay than if they had been the plaintiffs in a federal court.24

A great deal of preliminary planning, many conferences, frequent trips and volumes of correspondence had been necessary to bring Marietta and Cincinnati affairs to the stage of launching a suit. In this, Hallett had been most active, not only in arranging necessary business, but in smoothing over obstacles which threatened his agency and the $450,000 commission. The first of these was supplied by A.C. Morton, whose telegrams, letters, and personal visits to representatives of bond owners gave Hallett what the latter called a "character". Added to that, a letter from McHenry and a

23Cincinnati Daily Commercial, Dec. 12, 1858.

24Stanbery, Ewing and McLean to Roelofson, Dec. 8, 1858, Hallett Papers, box 5.
visit from Train to E.W. Fernie "raised the devil." Furthermore, stories of past business deals in the United States as well as recent Nautilus and Atlantic and Great Western affairs did not indicate a reputation sans tache.

Although well aware of these attacks, Hallett claimed to be astonished on receiving a telegram from Fernie summoning him to be present at a meeting the next day if he wished to have any further connection with the Marietta and Cincinnati. To his long reply in defense, he added the statement, "Tell me pray, what new light has appeared in the east, or west--?"25

Nevertheless, between September 15 and September 20, he wrote at least nine detailed letters to Fernie explaining his version of transactions on which he was queried. The gist of the information implied that there was a conspiracy against him and he was maligned, traduced and abused, almost beyond endurance. Clarifications covered events in his life from "calumnies" of the election of 1856 through intricacies of banking and personal finance to contemporary difficulties with the Goddards.26


26Ibid., Sept. 15-20, 1858.
In addition to attacks in England and France, the New York Times on October 30 added a sharply critical article. Although Hallett was not mentioned by name, there was no mistaking the person for whom the barbs were intended. The author of a follow-up letter to the editor, wondered too, at the singular endorsements by the American ministers in Paris and London and suggested that more "ventilation" there could do no harm.27

Hesseltine and Powell soon became uneasy and reported "no solid confidence in Mr. Hallett."28 To protect themselves and clients, they made certain he did not stand alone in his agency and that Fernie, in London, and Roelofson, in Cincinnati, were associated with him. Furthermore, powers of attorney were granted jointly to him, Stanbery and Fillmore, or any two of them, so that he could not take action without one of his co-attorney's approval.

About a month later, Hesseltine and Powell again wrote to Stanbery in Cincinnati referring to their previous letter and opinions. They noted that what had transpired since then tended to increase their doubts and they feared that

28 Hesseltine and Powell to Stanbery, Oct. 19, 1858, Hallett Papers, box 5.
those who had pressed Hallett on the other bondholders had made an unfortunate mistake. Regarding his high sounding endorsements from Dallas and Mason, they stated it was broadly asserted they were procured in such a way so as to be of no value. After mentioning rumors of his debts and questionable transactions, they continued: "If indeed he is a man of average principle, the Fates must owe him an awful grudge or he must have been very indiscreet & kept queer company."29

Pursuing the question of whether Hallett was an injured innocent or a scheming adventurer further, members of the investment firm corresponded with James Winslow, legal representative of the mortgagees in Ohio. They pointed out that they had previously written to Stanbery and Fillmore of their misgivings and had clearly stated that both men's position was one, not only of counsel to Hallett, but as agents and fiduciaries, charged with protecting their constituents, if necessary against Hallett himself.

However, the London investors intended to postpone any conclusive judgment until replies were received from Stanbery, Fillmore and the addressee. Until that time,

29Hesseltine and Powell to Stanbery, Nov. 23, 1858, Hallett Papers, box 5.
they had concluded Hallett's greatest skill was in decorating himself with letters of recommendation, thus inducing confidence which his own merits or antecedents could not have earned. 30

Stanbery's answer, written on December 30, stated he had decided after much deliberation, not to accept the agency in connection with Fillmore and Hallett. He explained that his knowledge of the railroad business was insufficient. Although he had no personal information regarding the charges against Hallett, he felt the latter did not occupy a position which would insure him from suspicion and distrust. 31

Many others appeared to be of the same opinion. Early in December, Fernie advised Roelofson to prepare Hallett's mind for the change which must take place. The representatives of the bondholders had resolved that under no circumstances could Hallett continue to act for them. If necessary they threatened to cancel all existing agreements and draw

30 Hesseltine and Powell to J. Winslow, Nov. 26, 1858, Hallett Papers, box 5.

31 Stanbery to Hesseltine and Powell, Dec. 30, 1858, Hallett Papers, box 5.
up new ones in favor of Fernie and Roelofson. Until this was done, they refused to assign any more bonds.\textsuperscript{32}

Fernie, who had recently returned to London after visiting Germany, wrote to Hallett that Mrs. Hallett and the children were quite well when he had left Geissen. However, news of their common enterprise was not so favorable. Reports concerning Hallett had so alarmed European bondholders that they had charged Fernie with the unpleasant duty of informing Hallett that his legal powers must be assigned to Roelofson. Fernie continued that he hoped to receive proof, which had been promised, that the accusations were false. Unless public refutation were made soon, Hallett's reputation in England would be gone forever.\textsuperscript{33}

In Hornellsville, while intermittently recording notes in his diary and concurrently practicing French composition Hallett wrote, "Ma position bien désagréable."\textsuperscript{34} And indeed it was, but he refused indignantly to accede to Fernie's or

\textsuperscript{32}Fernie to Hallett, Dec. 10, 1858, Hallett Papers, box 5.

\textsuperscript{33}\textit{Ibid.}

\textsuperscript{34}Diary, Jan. 4, 1859, Hallett Papers, vol. 4.
Roelofson’s requests, since he still hoped to work out a resolution to his problems.

This appeared to be formidable, since advices concerning him had reached as far as Vienna, where Prince Czartoryski heard comments which made him uneasy. And at home, Hallett claimed George F. Train and party abused him in the public press, and in social and private life whenever they had the opportunity. He asked rhetorically: "Why is it that these men come to America & go 900 miles from my home in the far west & assail me there publicly & privately, in the press & in stump speeches & bar room slang?"^35

However, articles in the New York Times and the Cincinnati Daily Commercial, were inspired by other motives and were written by those concerned about the Marietta and Cincinnati negotiations. The Commercial of December 8 carried a long, scathing, and satirical article entitled, "Something About Mr. Samuel Hallett and the Nature and Modes of his Business Life...." Terming the subject a "scheming adventurer," the author thoroughly fulfilled the promise of his title.^36 A subsequent column filled in what may have been

^35Hallett to Lillo, Dec. 14, 1858, Hallett Papers, box 5.

^36Cincinnati Daily Commercial, Dec. 9, 1858.
omitted and warned stockholders of embarrassed railroads to beware of adventurers whose necessities made them desperate. 37

Hallett accused the authors of cruel and indecent attacks and vowed that the wicked slanders of Ohio papers would recoil upon the men whose jealousy and malice provoked the cruelties. 38 He attributed these "villainies" to those who stood to lose around $8,000,000 of stock and liabilities if his plan to foreclose the railroad were successful. 39

In order to repel the "calumnies" and clear his reputation both at home and abroad, he prepared with legal advice, a pamphlet, My Defense. In it he gave his version of the closing of the bank in Hornellsville, various law­suits, and alleged arrests for debt and other events from his past which had been presented in a most uncomplementary manner. He particularly complained of anonymous innuendoes and stated that he had disposed of all specific charges, thus vindicating himself in answer to malicious stories invented especially for the bondholders. 40

37Ibid., Dec. 13, 1858.

38Hallett to C.L. Ward, Dec. 14, 1858, Hallett Papers, box 5.

39Hallett to Dallas, Jan. 18, 1859, Hallett Papers, box 6.

40Cincinnati Daily Commercial, Feb. 4, 1859.
In connection with his "defense," he arranged meetings with the editors of the *New York Times* and with William Cullen Bryant at the *New York Post*, presumably leaving pamphlets at both places. When Judge Hyde left for London, he took two hundred copies. Special letters of explanation were mailed to Mason, Dallas and Fillmore. In particular, the editor of the *Cincinnati Daily Commercial* who had been most severe, received a letter and pamphlet.

Generally, the reaction was favorable. The *New York Post* acknowledged the document and noted that Mr. Hallett satisfactorily cleared himself of accusations concerning his private character. However, the United States ministers abroad who had become involved and who permitted their names to be used in a stock jobbing operation were strongly reproved, as they had been previously in other papers.

Hallett considered *My Defense* a great success. On January 30, 1859, he wrote that his reputation with the public had improved considerably as a result. He also noted in his journal: "Je suis bien content avec mes affaires maitenant."

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42 Diary, Jan. 30, 1859, Hallett Papers, vol. 4.
He and Judge Hyde had enjoyed a visit with Millard Fillmore in Buffalo earlier in the month. The former President told them he was satisfied with all that had been accomplished concerning the railroad. Despite Stanbery's former withdrawal, he, Fillmore and McClean corresponded and conferred in person, working together harmoniously. At an all day meeting held in the Burnet House in Cincinnati, the three were present with Hallett and Thomas Ewing. It was observed that Mr. Fillmore took a lively interest in the general business and all the details. He concurred in what had been done and in the course of action planned for the future.  

This consisted of urging their pending suit to an early decision. It was considered premature to enter into negotiations with the Baltimore and Ohio or Penn Central at that time. The group further agreed that it would be desirable for Hallett to go to London and Paris and win over bondholders who had not yet assented.

It is not recorded that Hallett ever made the trip,

43 J.P. Jackson to Fernie, March 5, 1859, Hallett Papers, box 6.

44 Stanbery to Hallett, March 5, 1859, Hallett Papers, box 6.
since journals, letters and papers are not known to be extant beyond that time. However, it is improbable that he did. The New York Times in an article "Mr. Samuel Hallett Reappears," supplied the answer. The author first referred to the negotiant who had appeared the year before in London and Paris and then had come home to consummate foreclosure of the Marietta and Cincinnati for the modest commission of ten percent of $4,500,000. He then noted: "...we learn, today, that he has been relieved of this enterprise by a revolution of the foreign bondholders...."45

Fifteen days later, interested residents of the Queen City were enlightened further by one of their leading newspapers. Under "Railway Matters," the Daily Commercial stated that they had learned, on reliable authority, that Mr. Samuel P. Hallett and Ex-President Fillmore had been left out of a new arrangement perfected in Europe for the foreclosure of first and second mortgages of the Marietta and Cincinnati. However, it was noted that the new arrangement bore such a strong resemblance to the original undertaking that it had to be admitted Hallett was entitled to the credit for originating the scheme.46

46 Cincinnati Daily Commercial, June 30, 1859.
Months of litigation followed with E.W. Fernie taking the lead in place of Hallett. A sale foreclosing the line, which was found to be completely insolvent, took place February 27, 1860 in Chillicothe. The receiver paid the minimum price fixed by the court of $200,000, purchasing the road for five trustees. In 1868, after continuing financial and physical tribulations, some caused by the Civil War, the Baltimore and Ohio took control.

47 *Railroad Record*, March 1, 1860.
CHAPTER X

INDIANA BONDS AND THE UNION PACIFIC

Unfavorable publicity resulting from Hallett's past experience in business and public life was a major cause of his removal from the Marietta and Cincinnati negotiations. His alleged abuse of American credit abroad, also received a share of notoriety. Undoubtedly some of this reflected on Millard Fillmore, who although retired from public life, seemed to lend the prestige of the office he formerly occupied to a controversial, if not questionable business transaction. However, the most telling censures were directed against George H. Dallas in London, and John Y. Mason in Paris, for their apparent involvement and support.

This began soon after Hallett's arrival in England in 1857, when he began calling at the American minister's residence, where he quickly succeeded in ingratiating himself. Possibly courtesy gifts of tickets to operas, plays, lectures, and an occasional current novel helped. And, he was lavish, if not indiscreet, in his talk of probable financial rewards. Benjamin Moran wrote from the legation
that he had been promised something handsome for his help in Atlantic and Great Western affairs. A few months later he was told he would make a fortune. Still later, when details of the Kennard loan were being discussed, Hallett confided to the assistant secretary that if the loan went through, Mr. Dallas would receive a check for $25,000.¹

By the Spring of 1858, Moran recorded that he had begun to suspect Hallett of being something of a humbug. It appeared that his compatriot promised too much, and too liberally, to be able to keep his word. The occasion prompting that conclusion was a promise of $50,000 to Dallas and $500,000 to McHenry.² Whether or not any cash was paid by Hallett to the diplomat is not known. It may have been that Dallas expected nothing and agreed with Moran, who in reference to Hallett, wrote: "that individual lies like a chambermaid."³

Nevertheless, his Excellency was generous with his time in conferring with individuals who called in reference to Hallett's enterprises, particularly the Marietta and Cincinnati. He further obliged by accepting special invitations and providing others, after which Hallett made

¹Journal of Benjamin Moran, pp. 147-236.

²Ibid., p. 273.

³Ibid., p. 380.
certain that ensuing newspaper articles carried both their names by way of "puffing" his reputation.

The most noteworthy such event was the New Yorker's presentation to the Queen during a reception at St. James's Palace on March 24. Previous to that Wednesday he had written to the minister asking—as a personal favor—to be placed in the diplomatic circle, since it would be of the greatest advantage in the present condition of his negotiations. Although Dallas was concerned about it, all went well. Court dress and etiquette were observed carefully. The next day London papers describing "Her Majesty's Levee," noted among a list of persons presented, "Mr. Samuel Hallett...by the United States Minister."

During the previous month, Hallett had a similar experience across the Channel, when he was introduced to French royalty at the Emperor's Ball held in the Tuileries Palace. According to his impression of that occasion, he occupied a place of honor next to the American minister. He described it as follows: "Walked into the Palace arm & arm with Mr. Minister Mason—Presented to the Emperor and

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4 Hallett to Dallas, March 22, 1858, Hallett Papers, box 3.

5 Diary, March 25, 1858, Hallett Papers, vol. 3.
Empress— Saw them face to face three times very near & received a low bow—."

A short time later he was a guest at the legation for a Washington's Birthday Ball. This he considered a brilliant affair, worthy of the birthday celebration of Washington in the home of Lafayette. Among the guests were Napoleon III, Empress Eugénie, Baron and Baroness Rothschild and many foreign ministers. However, Hallett noted that Mr. Mason's rooms were too small and regreted that the dignity of the United States thus suffered, because ministers' salaries were not equivalent to necessary expenses. This he blamed on false notions of narrow-minded politicians at home.  

Perhaps financial pressure was the cause, or Benjamin Moran may have recorded a rumor when he wrote in January 1858, that Mason was deeply committed to Hallett in the Nautilus business and had already had "backsheesh" of $1,000.  Nevertheless, the next month Hallett made an entry in his journal that he had engaged Mason to act as

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6 Ibid., Feb. 14, 1858.
7 Ibid., Feb. 22, 1858.
his legal adviser. Later correspondence indicated that the minister was promised £ 5,000 for his services and McHenry agreed to it. On Hallett's letter of request to pay the sum, he added his endorsement: "I have much pleasure in accepting this order of Mr. Hallett and undertake to fulfill his obligation to Judge Mason...."11

At least one other member of the diplomatic corps was promised liberal compensation for his services. This was Beverly Tucker, United States Consul at Liverpool, who also was active in Hallett's enterprises. Tucker freely admitted that the entrepreneur's estimate of his services exceeded his own and proposed reducing the payment to £ 1,000, which was one third of what had been discussed earlier.12

Major Poussin, who acted as Hallett's faithful agent during the Parisian vicissitudes, was assured that he must,

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9 Diary, Feb. 24, 1858, Hallett Papers, vol. 3.
10 Hallett to Mason, July 29, 1858, Hallett Papers, vol. 6.
11 Hallett to McHenry, Aug. 16, 1858, Hallett Papers, box 4.
12 Tucker to Hallett, Sept. 11, 1858, Hallett Papers, box 5.
and would be well paid. For his services, he received $10,000 in bonds and shares of the Atlantic and Great Western.\(^{13}\)

In addition to the major projects in 1858, for which he seemed to require expensive assistance, Hallett still hoped to profit from the Becker piano. Through the patronage of the Kennards, he had it placed on display at the new St. James's Hall, Piccadilly, on the opening night. However, he claimed it was not a success and needed improved "strength of tone and harmony of sound."\(^{14}\) Several months later he decided to abandon the patent altogether.

Another interest for which hopes of gain were crushed was an automatic oven which was supposed to provide bread for the millions of Europe. Hallett generously offered McHenry a share of the profits, but McHenry later declared the scheme proved to be absolutely worthless.\(^{15}\)

\(^{13}\)Hallett to Poussin, April 19, 1858, Hallett Papers, box 3.

\(^{14}\)Hallett to C.E. Lester, June 11, 1858, Hallett Papers, vol. 6.

\(^{15}\)Hallett to McHenry, Sept. 9, 1858, Hallett Papers, vol. 9.
Despite demands on time and energy required to attend to the details of business enterprises in England, France and the United States, Hallett was still able to continue his program of self-improvement. To lessons in French which he continued conscientiously, he added instructions in dancing and fencing. Lectures such as one he attended with Train on "India", proved to be interesting and informative. *Le Fils Naturel*, by Dumas fils, first produced during the year he was in Paris, afforded an enjoyable evening at the theater.

One of the most remarkable people whom he met, while making the rounds of teas, dinners and evening parties, was Louis Blanc who had been forced to leave France, and was then living in England. Hallett described the encounter:

Met Louis Blanc—small man—short only up to my chin—dark hair—sharp black eyes—Grecian nose—quick spoken—clever—great man—must cultivate him—bought his book—.

Perhaps Hallett recalled some of those events as well as memorable experiences from his negotiations when he wrote that the time spent in Europe had been a great school for him. He believed he had become more quiet, less

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16 *Diary, Jan. 1, 1858, June 21, 1858, passim, Hallett Papers, vols. 3-4.*

17 *Ibid., May 2, 1858.*
impulsive and more mature in judgment. 18

Whether or not those qualities were evident in his business and personal life after his release from the Marietta and Cincinnati transactions is not known. Source materials after that time are sparse, or are not extant. It may be, as rumored, that they are still concealed somewhere in "Lake Home," the former Hallett mansion in Wayne, New York.

Secondary accounts and newspaper articles indicate that Messrs. Samuel Hallett and Company, stock and money negotiators, continued at 58 Beaver Street, New York City and evidently prospered. During the early years of the Civil War, the house actively supported the federal government, subscribed generously to the first loans and encouraged other institutions to do so. It was the firm's opinion that banks would be well rewarded for their patriotism and pluck in aiding the government during one of the darkest periods of the rebellion. Also, if the loans taken were held to maturity, at least a twenty percent premium would be realized on them. 19

18 Hallett to Fitch, July 23, 1858, Hallett Papers, vol. 8.

19 New York Times, Nov. 21, 1861.
Similar opinions and information on American financial and railway affairs were disseminated weekly by a well-written and frequently quoted circular issued by Samuel Hallett and Company beginning in August 1861. Although intended for correspondents in Europe and written in time to go by each weekly Cunarder, copies were furnished free to American friends for their own use or transmission abroad.

The first edition contained comprehensive statistical information and analyses of new loan and tariff acts. In addition, census data of 1860 were compared in convenient tabular form with those of 1850. Subsequent issues proved to be just as thorough and informative. The Cincinnati Commercial, no friendly paper to Hallett, noted after abstracting an article, that it would repay persual, though long. The aim of that carefully reasoned, well-documented account, was to show that the war had weakened in no appreciable degree the financial strength of the country, and cotton was no longer a despot which could inspire terror in the North or South.

However, that same month, May of 1862, the Hallett

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20 Ibid., Aug. 15, 1861.
21 Cincinnati Daily Commercial, May 9, 1862.
circulars did not feature a lucid analysis of a particular financial topic of great current interest, although Samuel Hallett and Company as in a position to do so. On May 24, prominent newspapers began reporting that the stock market was agitated and "feverish" because of news of a fraud of a considerable amount in bonds of the State of Indiana. An undetermined amount of invalid certificates had been issued, and extensively traded on Wall Street. Most of these bonds were placed first with Samuel Hallett and Company and distributed by them in their ordinary fiscal transactions. Because the information was not completely unknown to a number of operators, a decline in the value of railway shares had resulted. 22

Additional information, or gossip, was featured daily in the financial news. Since the size of the overissue was not definitely ascertained, reports of the sum tended to increase as the value of shares declined, increasing the effect of bad news from the battlefields. By May 29, the amount of overissue was supposed to have reached a million and a quarter. 23

Since further concealment tended to exaggerate rumors and damage credit of the state, the *Indianapolis Journal* published a full statement, later reprinted by eastern newspapers. The explanation stated that some months before, the fraudulent issue of Indiana bonds in New York had been discovered. Since two or three wealthy Wall Street brokers were implicated, the prospect of repayment seemed preferable to exposure. Furthermore, it was thought that prosecution would cause additional depreciation of bonds and stocks. The work of recovering the bonds had been going on since, and until the story broke, $700,000 had been returned.

The fraud was made possible by the lax manner in which business of the Indiana transfer agency in New York had been conducted. Certificates designed for issue there had been signed in blank by state authorities in Indianapolis, sent to New York and filled out as required. When the system was tightened up in 1859, an unknown number of certificates, which should have been recalled, were overlooked.

D.C. Stover, the agent in charge in 1862, confessed in full to having issued them, when some fifty thousand dollars worth of bonds in question were presented for verification to his superior by a banker with whom they had been pledged as security. Stover's unnamed accomplice who had hypothecated the bonds was informed, and replaced them. As others
of the fraudulent issue came in, they were traced to another nameless banker and broker. When notified of the deceit, he made good on the bonds, and by implication, thus confessed his guilty participation.  

Perhaps intimations of complicity and the threat of an indictment by the grand jury, caused Hallett to issue a statement within a few weeks. In it, he declared that from the beginning he had desired to have a public investigation. This, he insisted, would show that no Indiana bonds had ever reached him except in the regular course of his business, as collateral for loans, or later as security for his borrowing. These certificates were always in the usual form of valid obligations and no necessary signature or attestation was lacking. He claimed that they were legal and binding on their face and were therefore still valid obligations of the State of Indiana, despite being declared an overissue. When it was deemed necessary that a number of them should be retired, he continued, he cooperated in effecting that result with the authorized agents of the state.  


An editorial commenting on Hallett's explanation said that he had either been mistaken, or had misstated the grounds on which the grand jury was alleged to be on his track. The author was amazed that one who knew so much about the subject could continue to write on it and tell so little. Too many important questions had been left unanswered. The public was entitled to know how many spurious bonds had been issued and negotiated, as well as the number redeemed and destroyed. It would have been helpful too, if such matters as the number of superfluous certificates remaining in circulation had been dealt with.26

Possibly the grand jury investigating the case agreed. An indictment against Hallett was issued for "forgery and false pretence in issuing forged and fraudulent certificates...."27 On October 7, the state Supreme Court was asked to consider a motion to annul that indictment. After an extended argument, the judge took the papers and reserved a decision.

Justice Barnard announced his judgment several days later. It was his opinion that the indentures failed to

26 New York Daily Tribune, June 20, 1862.

show that the defendant was guilty of the crime with which he had been charged. The indictment was therefore quashed.  

Although legally cleared of complicity in the proceedings, Hallett emerged again with his business and personal reputation somewhat clouded. His explanations must have appeared to be evasive, innocuous and minimal to those who knew of his active involvement and who wished to learn the facts of the case. As in the past when other questionable events in his career were reviewed, the Indiana bond frauds were recalled to his detriment at a later date.

However, during all the publicity and the course of the investigation, business went on as usual at the office on the corner of Beaver and William Streets in New York City. The European circular continued to be published and often proved to be of sufficient interest to be quoted in leading newspapers. An issue released early in July was one of these; it not only predicted future development of the United States, but also foreshadowed the next venture and focus of attention of Samuel Hallett and Company.

The account noted that the present rebellion would result in a sweeping change of foreign relations. It

further forecasted that inevitable high rates of duty would erect barriers to commerce with the Old World. Therefore, Americans would turn their energies toward developing the continent and its resources. With Northern policy in the ascendancy, the first steps had been taken in exercising this new freedom of action. Evidence of this was in the incorporation of a company with ample grants of money and land for the construction of a railroad from the Mississippi Valley to the Pacific Ocean. When completed, it would constitute the great epic in the national development of the United States.29

Almost a year later, it was reported in the newspapers that not a mile had been completed, yet the project possessed all the conditions necessary for success. The question was no longer whether or not the road could be built, but rather, how long it would take. Credit for progress was divided between the federal government, the two new states of California and Kansas, and the city of New York. The government had aided by the generous provisions of the Pacific Railroad Act in 1862. Efforts of companies in Kansas and California served as the first practical bases for investment. The courage and enterprise of two New

29Ibid., July 2, 1862.
York citizens was responsible for finding capitalists bold enough and strong enough to accept the liberal endowments offered and to resolve on the capital and credit necessary for the work.

One of the New Yorkers, John C. Fremont, was widely known as an explorer of the region to be crossed by the line. His fame as a pathfinder was even greater than the wealth he was believed to have accumulated in the gold fields of California. The other, Samuel Hallett, was widely known in financial circles as a man of extensive experience combined with an energy and will to succeed which would overcome all obstacles. It was therefore no surprise to learn that the two men had already secured the money necessary for the work and were making arrangements for its rapid prosecution.30

It was stated that in May of 1863, Fremont and Hallett had begun making payments to secure the franchise and obtain the lands of the Leavenworth, Pawnee and Western Railroad. By October, the sum of $203,000 which they had deposited gave them possession of the unused charter of that Kansas line. This was supposed to include a handsome endowment of

30*New York Tribune, June 4, 1863.*
over two million acres, previously acquired by franchise
owners from the Delaware and Potawatami Indians.31

With the organization of a new corporation, the name
of the road was changed to Union Pacific Railway Company,
Eastern Division. General Frémont was elected president;
Samuel Hallett and Company were the bankers. Notices were
published that the "Pathfinder" had deposited $2,000,000
with the banking firm for the benefit of the road. Capitalists were then invited to purchase construction bonds.32

Such investments could have appeared to be very
tempting at that time. The Pacific Railroad Act had des­
ignated the one hundredth meridian as the official starting
point for a transcontinental railroad. The first branch
line to reach there from the East could win the privilege
of building toward the California border to meet the main
line from the West, and thus dominate or take over the Union

31 Henry K. White, History of the Union Pacific Railway

Pacific which had not as yet begun construction from Omaha. 33 Hallett had promised to have rails laid from Leavenworth to Lawrence before the first of the year, then continue up to the valley of the Kansas River during 1865 and reach the hundredth meridian before 1866. Thus, having outdistanced competitors and having won the franchise and subsidies for the westward construction, capitalists could be promised substantial returns. Circulars to prospective stockholders promised financial support from Colorado, an area which would benefit by the route. They also indicated the right of way was to follow the Smoky Hill Stage route via Fort Riley to Denver, then to cross the Rockies through the Berthoud Pass and continue along the Great Valley into Salt Lake City. 34

33 George P. Train was involved in the Union Pacific enterprise and characteristically claimed that he built the first railway that crossed the great American desert. However, he was associated for a time with Thomas C. Durant, the chief promoter, and was involved in organizing the railroad corporation, the Crédit Mobilier and the Crédit Foncier. When Durant was forced by Hallett's earlier start to announce groundbreaking for the Union Pacific near Omaha on Dec. 2, Train was the principal orator at the ceremony. C.E. Galloway elaborates on these events in The First Transcontinental Railroad (New York: Simons-Boardman, 1950).

Arrangements were sufficiently advanced by June of 1863 for the president of the Union Pacific, Eastern Division, to place an advertisement in the New York Tribune for four thousand tons of railway iron for the first part of that road. It was planned to build the initial section of forty miles as rapidly as possible, since government bounties would become available when the distance was completed.

Newspapers in the financial capital of the country were diligent in informing their readers of the history and progress of the former Leavenworth, Pawnee and Western Railroad. Accounts began with the charter of 1855 granted by the territorial legislature, continued through the time of the reactivation and name change of 1863 to declare that the line could be built as easily to California as it could be to Fort Riley.

However, not all articles were laudatory. The Times editorialized that the writers were disappointed in the organization of a company. General Frémont as president was approved, but the expediency of throwing the financial management of the gigantic enterprise into the hands of

35 Corning Journal, June 25, 1863.
36 New York Tribune, July 1, 1863.
Samuel Hallett was not understood. The short memories of Wall Street operators were deplored, since it was only the previous year that the market had been rocked by the fraudulent issue of Indiana bonds. Possibly Hallett's boldness was a recommendation, but if public confidence was important, his selection was unaccountable. It was hoped that the Pacific Railroad enterprise had sufficient merit and vitality to survive the mistakes which had marked its beginning.37

Despite attacks, both the railroad and its major promoter demonstrated the unusual vitality necessary to continue. Since no financial aid was forthcoming from citizens of Leavenworth, Hallett changed the terminal to a point at the mouth of the Kansas River, twenty-two miles south. Furthermore, he considered the location at Wyandotte to be more strategic. An agent was sent there in September, 1863 and one hundred men were engaged promptly for construction work. It was stated that in the forenoon of the first day, a roadway was cut through the forest, a hundred feet wide and eighty rods long.

Soon, Hallett arrived from Chicago and brought with him Oliver Talcott, a railroad engineer. More men were

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hired and arrangements made to complete the grading to Lawrence. Sometime later, when Hallett went to St. Louis to organize a construction company, his brothers John and Thomas were left to supervise the work.\(^{38}\)

About this time the two chief promoters, Frémont and Hallett, became estranged, or difficulties arose, according to the particular author's euphemism in mentioning their breakup. Although details are not known, the General withdrew from the enterprise and Hallett took over its promotion alone.

With others, he claimed that federal aid was insufficient to attract enough risk capital, making negotiation of railroad securities too difficult. Consequently he traveled to Washington to assist in persuading Congress and President Lincoln to amend the Pacific Railroad Act of 1862 and also insert specific changes effecting his road.

The President favored liberalization, since it was his opinion that the government had its hands full and could not undertake any other measure than to support interested companies to the fullest legal extent.\(^{39}\) Therefore, on

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July 2, 1864, the amendatory act was passed offering each company ten alternate sections on each side of the track and continuing the loan of government bonds for $16,000 to $48,000 depending on the type of terrain, for each mile built. Companies were then permitted to borrow money privately and the government agreed to take a second mortgage as security, in place of the former first mortgage.

During a visit with the President on the successful lobbying mission, it was said that Hallett was handed a letter written by Talcott stating that work being done on the railroad was a sham. The engineer claimed the flimsy construction was only intended to last until the contractor could collect the subsidy from the United States government. Hallett explained that Talcott had been left in charge with orders to build a good roadbed throughout. Mr. Lincoln is then supposed to have jokingly commented that Talcott "ought to be spanked." He gave the letter to Hallett who mailed it to his brothers, including the President's remark.

Tom Hallett was said to have carried out the admonition with enthusiasm and vigor, since Talcott was also alleged to have drawn his salary twice, once from Samuel in St. Louis, and the second time from John and Tom in Wyandotte. 40

40 Hadley, Out West, pp. 586-587.
It was further reported that the engineer was disloyal to the Halletts, acting as their secret enemy while working for the interests of General Frémont.\footnote{New York Times, Aug. 7, 1864.}

Sometime later, Hallett returned from Washington and pushed the work in Kansas vigorously. Progress was so satisfactory that preparations were made for a celebration of the opening of the first section of forty miles. Engraved invitations carrying the heading, "Union Pacific Railway, Eastern Division, San Francisco, New York", invited recipients to be present as per letter of Mr. Samuel Hallett for the opening of their "Road West from the Missouri River."\footnote{Invitation, n.d., Hallett Papers, box 7.}

A few days before the planned celebration could take place, Hallett was assassinated on July 27, 1864, by Talcott in the streets of Wyandotte. On this all accounts agree, although stories of the motivation and circumstances differ.

The name of the railroad which he was instrumental in organizing was changed to Kansas Pacific in 1869. The next year it was completed and opened for traffic from Kansas City, Missouri to Denver.
CHAPTER XI

SUMMARY

By following the preceding account, both students and teachers can note a small segment of the past reconstructed and focused around the life of a comparatively unknown individual. With the content presented from the point of view of the protagonist, it could help to make a period in American history more vital and interesting and create to some extent, the illusion of being directly involved. As a contrast to the frequently featured history of statesmen, military leaders and politicians, this biography concerns the career of a moderately successful businessman and his ordinary pursuits and could be used to furnish a different point of view to young people studying the period.

The factual story, of an American entrepreneur who died in 1864, fits into the larger topic of economic development and technological progress of the United States through the time of the Civil War. With emphasis on the years 1856-1864, the major themes with which it deals within that overall framework are: the role of promoters and financiers in advancing railroad construction; the ties with
European countries, especially England, in international finance; the exploitation of inventions; contemporary events as they affected those undertakings and the people involved with them.

By using the foregoing topics, either as a focus of study or as collateral material, teachers and students could replace the conventional summary and digest of subject matter and approach it with a fresh point of view. And, in doing this they could develop an understanding of the nature of history and the meaning of historical method.

Therefore, a necessary first step is to show how the material can be used to help students to answer the question, "what is history?" Considering the account of Samuel Hallett's career, the setting, and all the events and people connected with it, a broad definition of his history as past events and everything concerning them could be formulated. Since the past cannot be examined directly and purposefully, and everything that happened relevant to his activities is not and could not possibly be recorded, the definition must be narrowed to state that his history is the record of the past which still exists, the traces which remain, from which an investigator can build the story of what happened.

For example, the traces which Hallett left, from which his biography was chiefly constructed consist of: a ledger
containing scattered entries; a scrapbook including clippings; three diaries for the years of 1857 through the first month of 1859; five volumes of letterpress copies for 1857 and most of 1858; collections of letters and notes received, copies of agreements, contracts, legal documents and other correspondence dating from 1855 through 1862.

However, those remnants of the past, could easily remain an amorphous mass of data, a collection of miscellaneous material. Some kind of organization and order then, was necessary to make the data useful and manageable. Since the collection was collated, it already had a chronological order encompassing the years 1855-1862. As major topics became apparent on examination, it was possible to structure the data further and arrange information around those topics.

The framework which emerged which furnished a structure for building the account and organizing the mass of data eventually consisted of the following major topics: Hallett's early career, the Nautilus, the Atlantic and Great Western Railroad, the Marietta and Cincinnati Railroad, social and personal affairs, the Indiana bond frauds, the Union Pacific Railroad.

Thus, it could be illustrated for students that history includes everything that is past, but it is necessarily
composed of the traces which remain. Those traces are organized, ordered and given form. Therefore, an answer to the question of "what is history?" which emerges from the preceding examples is that it is an organized record of the past.

Next, students could be challenged to develop an understanding of historical method. Answers to the following questions drawn from the Hallett study could help to clarify the meaning of that method and demonstrate its relevance. Questions such as the following could be posed: How is the record obtained? How does a historian search out and find all pertinent information? Since it all cannot be included in the narrative, what criteria are employed for selection? What about gaps when sources are fragmentary and incomplete? How are the data evaluated for accuracy and woven into an acceptable historical study?

The historian's search could then be compared to a detective's hunt for clues which would enable him to gain further leads and eventually arrive at a solution to the problem under investigation. It can be pointed out that a major source of information for writers of history and the place to begin an inquiry is often with the manuscript collections located in museums, libraries and historical societies. Or, any collections of original letters, papers,
diaries—often packed away in attics and later discovered—could furnish a fruitful beginning.

To cite an illustration for students: the Hallett papers, which had been gathered and sold to the Ohio State Historical Society by a professional collector, are located in the society's museum. A preliminary examination, as previously noted, suggested a structure which could give direction to a minute and careful search. Leading questions suggested by the major topics which composed the structure were then formulated to direct the gathering of evidence. As the examination proceeded, systematic notes were taken of all data which could help to answer those questions.

The following examples can be used to show students the kind of inquiry which directed the gathering of data for the present study. They can further illustrate this essential part of historical method. Questions posed were: What were Hallett's origins, his family background, his education? What was the nature of his early business enterprises and political ambitions? What role did he play in the development and exploitation of the Nautilus? How did he become involved in the Atlantic and Great Western negotiations; what contributions, if any, did he make to that enterprise? What was his part in the Marietta and Cincinnati Railroad transactions? Why was he mentioned
prominently in the Indiana bond frauds? What was his involvement in the financing and construction of the Union Pacific?

In addition to these questions which determined the data selected, any references to current affairs, living conditions, contemporary politics, current literature, the fine arts and eminent people were noted with the intent of adding interest when the narrative was written.

Students could next be reminded that the record compiled up to this point and after a thorough examination of the entire Hallett collection would be an incomplete one. Obviously, the search for more information had to be extended in order to obtain as complete a picture as possible.

Hints as to where further research might be carried forward were obtained from the papers. These are further illustrative of the kinds of leads useful to historians in hunting information. Such clues included several references to Hallett's residences in Hornellsville (now Hornell) and Wayne, New York. This suggested an exploration of his home territory and also a visit to libraries and historical societies in Corning and Bath.

As a result, the Hallett home and private cemetery were located. It was possible to visit them and to interview several Wayne residents who had known the family and were well-versed in its history. Local newspapers of the period
were found and were examined with the guiding questions in mind. County histories were also located, examined, and yielded some useful information.

Thus, clues obtained from the Hallett papers proved profitable. During the examination and while collecting further evidence, a list of topics and names in addition to the major ones was compiled. A representative selection from that list included: George M. Dallas, John C. Frémont, Millard Fillmore, inventions, Leon Lillo, James McHenry John Y. Mason, Benjamin Moran, railroads, Salamanca, Scioto and Hocking Valley, submarines, transportation, George F. Train.

With this list and major topics to give direction, the use of research tools essential to a historian in his continuing search can be demonstrated. These consist of such guides to manuscript and topical collections as the following: Ray A. Billington's, "Guides to American History Manuscript Collections in Libraries of the United States," in the Mississippi Valley Historical Review of December, 1951; the Harvard Guide to American History, compiled by Oscar Handlin et al.; Henry P. Beers, Bibliographies in American History; Guide to Materials for Research.

By using these guides, the collection of regional history at Cornell University and the Fillmore papers at
the Buffalo and Erie Historical Society were located and checked. The John E. Reynolds and Atlantic and Great Western collection were found in the Reis Library at Allegheny College. Railroad collections at the Western Reserve Historical Society and the Ohio Historical Society also proved to be profitable.

The use of historical tools can be further illustrated with reference to periodical and newspaper indexes. Thus, Poole's *Index to Periodical Literature, 1802-1881*, aided in finding the *Bankers Magazine* and *Statistical Register* and the *Railroad Record and Journal of Commerce*, magazines, long out of print. Winifred Gregory's, *American Newspapers, 1821-1936*, gave the location of newspaper files for *The Times* (London), *Cincinnati Daily Commercial*, *New York Daily Tribune* and the many repositories of the *New York Times*.

To collect more information and fill in gaps left by sources, a directed search of the card catalogs of the best libraries available was carried forward. In this way, books pertaining to persons, topics and events important to the account were found. As examples, the following references are selected from the many: John Davis, *The Union Pacific Railway, A Study in Railway Politics, History and Economics*; Edward Hungerford, *Men of Erie*; Leland Jenks, *The Migration of British Capital to 1875*; Allan Nevins, *Frémont, Pathfinder of the West*; Sarah Wallace and Agnes
After relevant information was noted, the bibliographies, footnotes and textual references in those books were used for further leads. Thus clues were proliferated and lead to other references. These were supplemented by checking information in appropriate standard reference works of which the Encyclopedia Britannica, the Dictionary of National Biography, the Dictionary of American Biography and the Dictionary of American History are representative.

Teachers and students, following the explanation and illustration of the pursuit of all available evidence, could note at this point that sources from which it is drawn could be divided into two main types. The first type—primary sources—composed by contemporaries who were actual observers or participants in the events described; the second type—secondary sources—made up of descriptions, observations and commentaries by those who were not present. Hallett's letters, diaries and legal documents represent the former. So does original correspondence from James McHenry Benjamin Moran, William Reynolds; all cited in the study. All these men were at one time or another associated with Hallett or were directly involved in his business and social life and wrote from their own experience as eyewitnesses.
Illustrations of secondary sources can be pointed out in the newspaper articles concerning Hallett's assassination, the reasons for it, and the assessment of his career. Obviously they are in conflict and some must be inaccurate. Accounts written years later concerning Lake Home, the Hallett estate, compound rumor and myths. However, the Allen Nevins biography, Frémont, Pathfinder of the West, based on the extensive collection of Frémont papers and published in 1955 is undoubtedly a far more accurate portrayal than one could glean from contemporary primary sources. The John Pixton history, The Marietta and Cincinnati Railroad, 1845-1883, published in 1966 contains a much more objective description of that railroad's financial difficulties than could be gleaned by reading Hallett's letters, since the latter had a large vested interest at stake.

Students could be shown at this point, that all sources have their uses, but must be examined critically and with doubt as to their authenticity and reliability. It could be further noted here that this critical attitude is indispensable to historical method. Such criticism and skepticism applied to the examination of primary sources—called external criticism—concerns the testing of a source for authenticity. For example, there is little reason to doubt that Hallett's letters and journals are genuine. The paper
and bindings are obviously over a hundred years old. The faded script then popular, is consistently the same throughout and also matches samples noted at Wayne. There are no examples of emendations by others who may have been interested in altering the record at a later time.

Applying the test of reliability to the facts contained within the documents—the process of internal criticism—concerns the accuracy of those facts, the reliability of the author and the extent of his impartiality and prejudice. For example, during Hallett's prolonged controversy with McHenry over the Atlantic and Great Western commissions he wrote a pamphlet, My Commissions. In it he stated that previous to going to England, he had been solicited to act as agent for the negotiations. This is at variance with information in his letter to his wife and brothers-in-law in which he described his efforts and success in becoming involved, at least a month after his arrival in London. Statements by the Goddard brothers, then his friends, verify this. Furthermore, there are no papers in his business correspondence concerning the Atlantic and Great Western until after March 28, 1856. He did not establish himself in the British capital until February 3, of that year.

Frequent assertions made by Hallett that the £193,000 loan was all arranged and the iron contracts signed for the
Atlantic and Great Western are contradicted by the contracts themselves which were actually not put into effect until McHenry took over.

Another example of the necessity to question internal evidence, although the document itself is authentic, is furnished in the Marietta and Cincinnati brochure which Hallett sent to European bondholders. Under the date of July 28, 1858, he stated that Millard Fillmore had agreed to cooperate with him in the undertaking. Fillmore's letter of assent did not reach Hallett in France until September of that year.

Following the collection of materials, the authentication of sources and the testing of data extracted from them, one last step remains in historical method. This consists of the utilization of the tested materials in the writing of a logical historical narrative, one with meaning and purpose. In doing this, selected facts are woven together in an organized record with necessary interpretation, and at times, some reconstruction. The author attempts to the best of his ability to make the end product informative and interesting in an acceptable literary style.

The record of Hallett's career required at times, some emandation since the sources were incomplete and fragmentary as they are inevitably for all histories. The writer's frame of reference influenced the selection of facts and
their interpretation. Also, the chief sources used, Hallett's papers, could have resulted in a biased presentation, although a constant effort was made to avoid this by checking the documents of others who were in opposition to him or confirmed his statements.

Therefore, students following the steps of historiography illustrated by Hallett's narrative could conclude that a truly accurate picture is virtually impossible to present in his history or any history. A quotation from Mark Krug's book History and the Social Sciences explains this further:

The use of historiography would also prove to students that history as such does not exist. What we have is the scientific reconstruction of the past based on the "relics" left by past generations.¹

Teachers who would lead their students step by step through the historical method, using the Hallett biography to demonstrate and illustrate, could accomplish a major goal if they could help the young people to realize the fallibility inherent in historical writing. In addition, this could reinforce the development of a critical, doubting attitude toward documents, books, magazines, newspapers,

video and oral sources of information.

Intentionally included in Hallett's narrative are topics, events and names which could serve as springboards for research and include the selective use of appropriate historical tools. Besides providing experience in the use of historical method, students could benefit from an enriched knowledge of the subject under investigation.

Hallett's description of a trip to Albany by railroad --"sorrowful night, cold--snow--cars off tracks..." and the report of the accidents, collapsed bridges and slides on the tracks of the Marietta and Cincinnati could spark an investigation of the dangers and difficulties of railroad travel and construction.

The mechanisms of international finance could be investigated beginning with the following roads mentioned in the text: Scioto and Hocking Valley, Atlantic and Great Western, Marietta and Cincinnati, Illinois Central and Union Pacific. It could be noted that investors from Great Britain, France, Spain, Germany, Austria, and Poland were involved in the financing of each of those companies. Insightful generalization could be formulated by students noting this and then finding information such as the following: Before 1836 over $90,000,000 had been invested in canals and railways in the North of which the majority of the capital had been procured
in England; and by 1857 it was believed that £ 80,000,000 of American railroad stock alone was held there.

The competition of such major cities in the West as Cincinnati, Chicago and St. Louis all mentioned in the text, could be used as a starting point for research. It could be stimulated further by learning that in the 1850's Cincinnati was a leading railroad center and served as a focal point for the lines stretching across Ohio. In 1850, 386 miles had been built; by 1861, 2,986 miles were in operation.

Hallett's mention of the liners which regularly crossed the Atlantic including the Persia, the Vanderbilt, the Fulton and the Asia, offers possibilities for exploring the development of transatlantic transportation. The Great Eastern and the Great Western, two extraordinary ships of the time have fascinating histories in themselves. Time spent in the voyages (Hallett crossed the Atlantic in twelve and a half days and usually took overnight from London to Paris) could spur investigation for students interested in

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4Railroad Record, Dec. 24, 1861.
travel and transportation and making comparisons with the present.

Inventors and entrepreneurs who swarmed abroad in order to interest financiers and government officials opens a field of investigation. Hallett's interest in the Nautilus, the Becker piano and an automatic oven are but one example. Projects which he described such as the canal across Panama and the raising of the sunken Russian fleet at Sebastopol could with profit be investigated as topics in themselves.

Hallett's part in the campaign of 1856 suggests a beginning for investigation of the politics of the period beginning with the Know Nothing party of which he was an enthusiastic supporter. His interest in British politics evidenced by visits to Parliament and comments on Gladstone, Disraeli, Palmerston and Russell opens other avenues for investigation.

For those students curious about military history and the effects of wars on the economy, the account contains as starting points references to: the Crimean War, the Sepoy Mutiny, the Chinese Wars and the American Civil War. With the exception of the Crimean War, all of those crises affected to some extent, Hallett's enterprises.
References to interesting and eminent people, many of whose lives are recorded in the pages of history, could also pique curiosity and motivate further research. Some of these Hallett met; he was closely associated with others. To cite some selected examples: George H. Dallas and John Y. Mason, both had long and prominent political and diplomatic careers. Sir Charles Fox, Robert Stephenson, Isambard K. Brunnel, Sir Morton Peto, and Alvin C. Morton were all well-known in their time as architects, engineers, inventors or railroad builders. The Duke of Salamanca was formerly prime minister of Spain and his Paris associate, Leon Lillo, was a noted financeer. Louis Blanc, French socialist leader was in exile in England when Hallett met him. Henry Stanley, Thomas Ewing and John McLean were prominent in Ohio and national politics. Francis McDowell, Hallett's brother-in-law, was one of the founders of the National Grange.

Students interested in exploring further the cultural and social life of the times, could use Hallett's remarks on his social activities in London and Paris as a starting point. He noted attending readings given by Charles Dickens, temperance and anti-slavery lectures of John Goff, meetings of the Society of Arts, a Verdi opera and plays by Shakespeare and Dumas. His appearance at both the English and French courts and other diplomatic functions attest to his success in ingratiating himself with the American
ministers, who to some extent, aided his business affairs by introducing him socially. However, it also suggests further subjects for inquiry such as an examination of the role of ministers abroad and what could be considered ethical conduct.

Teachers using such springboards to motivate further research can provide a starting point for students to gain experience in the use of historical method; they can in addition, make some provisions for individual interests in the choice of a topic. The use of biographies in the teaching of history can also be a means for accomplishing the same purpose. With the wide range of people and areas of accomplishment at hand, a student could easily select a book of particular interest to him.

The use of a specific biography in the classroom can be illustrated with reference to that of Samuel Hallett and suggest uses for biographies in general. This account of a comparatively ordinary and presently unknown American is placed in the historical setting just prior to the Civil War. His life in that context is related to the events, ideas, ambitions and people of his time and thus his story can help to illuminate that period.

By supplying living details to supplement other factual narratives, his biography can make history more personal and
interesting. In this case, students can understand better the driving motives of the entrepreneurs of those times, the craze to exploit inventions, the vast and virtually unregulated opportunities for profit, the immense promise and opportunities of a rapidly growing nation, the role of railroads in economic development and the extent of dependence on financial ties abroad.

Readers can see places through the eyes of a contemporary. They can feel the impact of events and crises as someone living at that time would experience them. They can encounter with the subject, his difficulties and disappointments, as well as enjoy his successes and divertissements. With Hallett, they could cross the Atlantic and travel in England and on the continent. They could observe the effect of wars and a financial panic on the affairs of one individual. They could experience vicariously his optimism and hope for the success of his projects as well as understand his disappointment when they failed.

Students and teachers noting the application and illustration of the historical method applied to biography and elucidated for teaching purposes could observe further the interpretation and summary of the narrative.

By using the historian's method of systematic inquiry, the collection and testing of all available data and presenting it as an organized record, an account and appraisal
of the brief career of Samuel Hallett has been written. The selection and evaluation of that data is, in itself an appraisal, since it largely determined the kind of picture presented. Hallett could have been represented as a complete scoundrel or as a benefactor to his country.

In an attempt to present a balanced view, Hallett has not emerged as the unprincipled adventurer which his detractors made him out to be. Nor, does he appear as an unselfish public benefactor, as his supporters claimed. That he was an opportunist, and an extremely ambitious one, cannot be denied. Examples of misrepresentation, exaggeration and prevarication abound. In order to achieve his goals he was sometimes ruthless, often imprudent. When obtaining money by indiscriminate and unsecured borrowing, he appeared to believe that he would always be able to compensate and liberally reward his creditors when a project was completed. As his wife once wrote, his organ of hope was largely developed. He was undeniably energetic and persevering. Doubtless, he was personable, vivacious and entertaining company, and in some cases a loyal friend. He did possess the imagination and vision to foresee the tremendous development of American commerce and industry.

As the preceding study indicates, his financial acumen and organizing ability enabled him to play some part as an
expenditer in the construction of two major railroads. In that role, he represented a type of American promoter, who during that period, was instrumental in expanding industry and exploiting the resources of a rapidly growing nation.
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