

Black Friday

by [Michael E. Marotta](#)

The price of gold soared and then plummeted, and September 24, 1869, became known as "Black Friday."

To pay for the Civil War, Lincoln issued millions of dollars in so-called "Greenbacks" which were secured only by the credit of the United States. The North won the war and people expected that, eventually, the government would exchange Greenbacks for gold. In the meantime, Greenbacks continued to circulate as legal tender.

In September of 1869, two Wall Street hustlers, Jay Gould and James "Jubilee Jim" Fisk decided to corner the gold market. In order to pull this off, they had to ensure that the government would not upset their plans by selling gold. They probably bribed some officials in the US Treasury. President Grant's brother-in-law is known to have accepted a check for \$25,000 as an advance on his profits from this venture.

The price of gold began to climb. The rising price induced hoarding. Gold climbed even higher. In a society where an ounce of gold was found in \$20 double eagle, the premium on gold hit 162. In other words, it took \$32 in silver or paper to buy \$20 in gold. In three weeks Fisk and Gould raked in millions and destroyed several competitors.

Historians accept that President Grant was ignorant of this set-up and when he found out, he put an instant stop to it. The Treasury dumped \$4 million dollars worth of gold on the market and the price collapsed. But September 24 would always be remembered as "Black Friday."

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