

Historic Salem incorporated

OFFICE AT OLD TOWN HALL

POST OFFICE BOX 865 SALEM, MASSACHUSETTS 01970 / PHONE (617) 745-0799

177-179 Federal Street

Built for

WM SHEPARD GRAY, cashier of the Essex Bank

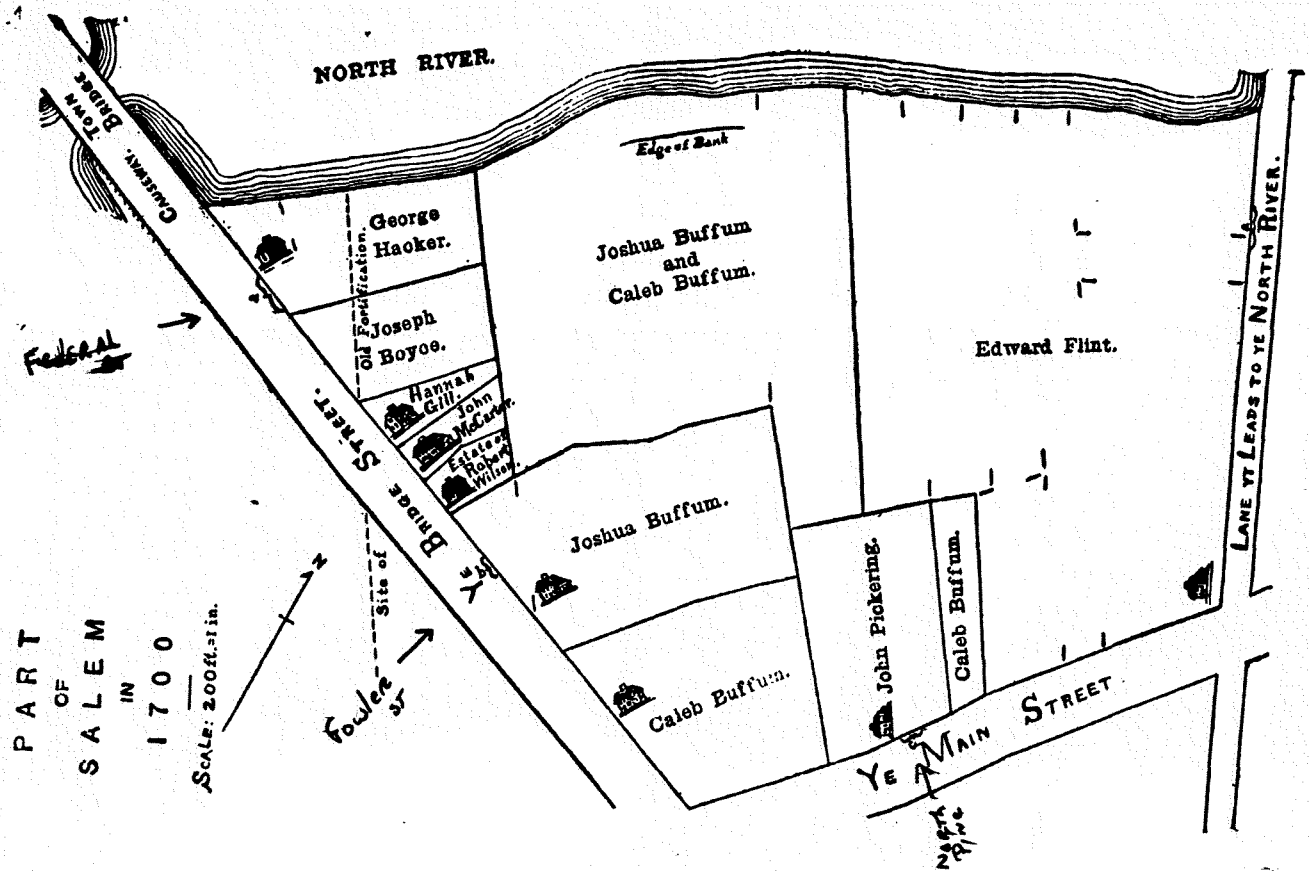
by the year 1809

Research by,
Joyce King
Sept. 1982

*"to preserve Historic Sites, Buildings and objects,
and to work for the education of the community
in the true value of the same."*

177-179 Federal Street

This lot was part of a large parcel owned by Joshua and Caleb Buffum in the early 1700's:

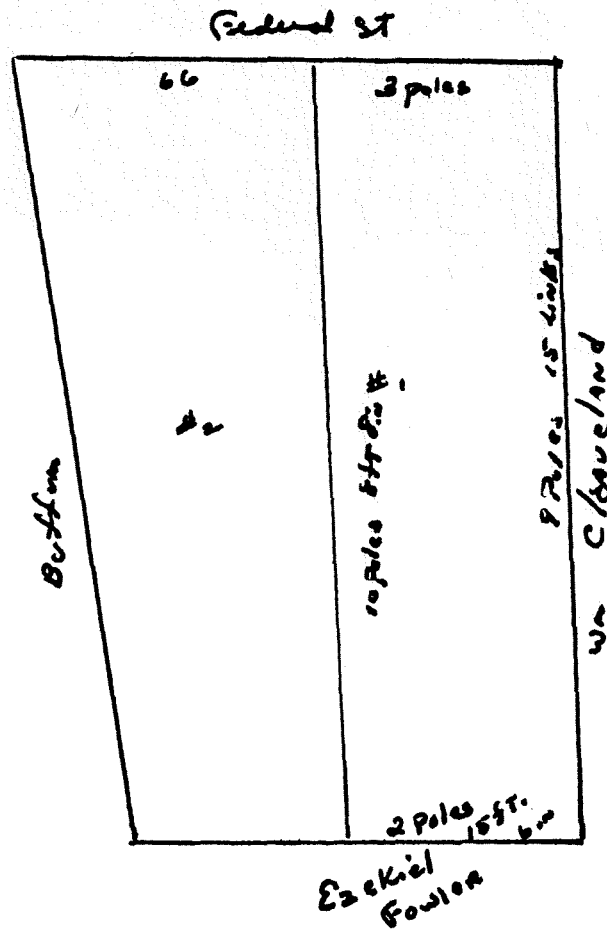


Joshua Buffum and Caleb Buffum Lot.
 Robert Moulton was the owner of this lot, west of the dashes. It afterward came into the hands of Robert Buffum. He died in 1669, having bequeathed it to his wife Tamosin. She died in 1688, and it came into the hands of her sons Joshua Buffum and Caleb Buffum, who owned it together until after 1700.

The strip east of the dashes was conveyed to the two Buffum brothers by Edward Flint of Salem, yeoman, April 18, 1679.† It was a half of two acres that Mr. Flint bought of Anthony Needham of Salem, yeoman, March 10, 1678-9.§

Federal Street was laid out across this and other private land about 1769. It was called the new street in 1770; new street laid out near the North River, 1779; a town way, 1782; and Federal street, 1794. (Essex Antiquarian, Vol. 7, Pg. 67)

Aug. 26, 1800 - Nathaniel Fisher, clerk, sold for the sum of 750 pounds to William Shepard Gray two lots of land. The first contained a dwelling house, out houses and offices. "The same conveyed to Nathan Fisher and to James Barr and Mascoll Williams for the improvement, use and behoof of the ministers, wardens, etc. of St. Peter's Church." The second parcel was the "same assigned and set off to Samuel Buffum in a partition with Ezekiel Fowler May 17, 1779." (book 167 page 73)



1807 - Small parcels of adjoining land were purchased by William S. Gray.

- May 2 from Samuel Fowler (book 180 page 146)
- May 9 from Martha Procter (book 181 page 182)
- Oct. 17 from Samuel Peters (book 183 page 5)
- Dec. 21 from Samuel Fowler (book 183 page 165)

1808-1809- A plan for William S. Gray was endorsed by Samuel McIntire Salem's famous architect and carver:

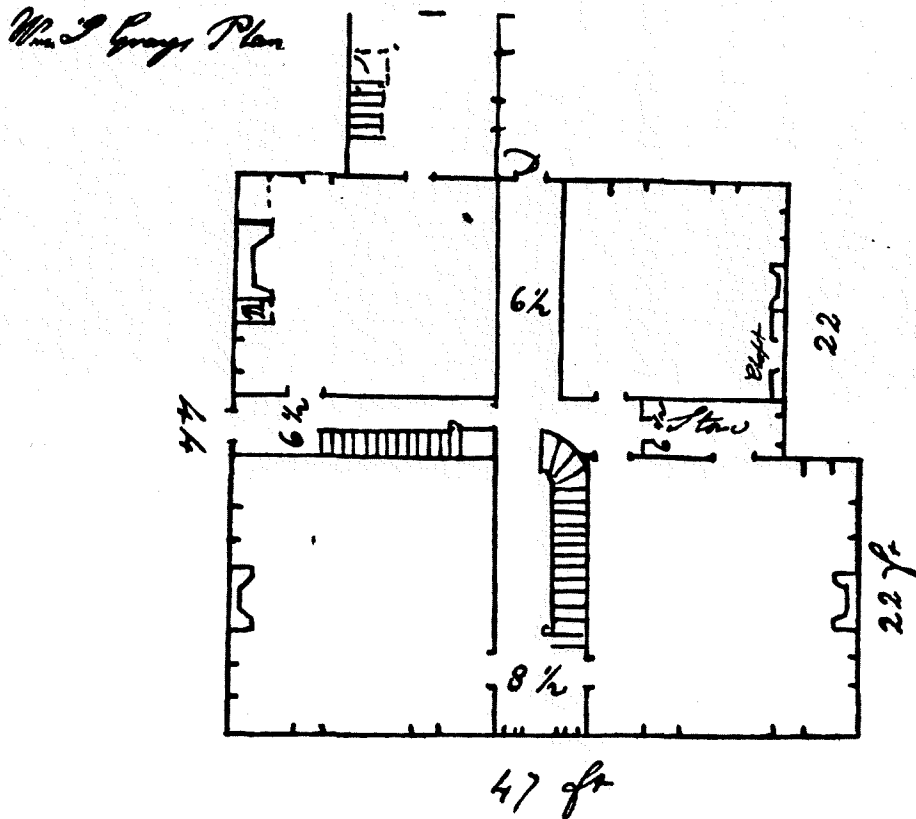


Figure 325. House for William Gray, after 1808.

4.

(In comparing 177-179 Federal St. to this plan, changes in door and window placement were made in the east wall. Other than those changes the house seems to conform to the plan. The interior architectural details, such as delicate moldings, decorative stairways and wood paneling, are in the style attributed to McIntire.)

Tax records - William S. Gray, Ward 4

1806	homestead	\$1,500
1808	homestead	1,500
	house lot south fields	\$150
	two house lots Warren St.	\$300
1809	homestead	\$1,200
	house lot south fields	\$150
	two house lots Warren St.	\$300
	<u>NEW brick house</u>	\$1,500
1810	homestead	\$3,500
	house lot south fields	\$150
	two house lots Warren St.	\$300
1811	house	\$3,500
	lot land south fields	\$150
	two lots in north fields	\$300
	the same for Essex Bank Chamber and new building	\$2,000
1813	house in Federal St.	\$3,000
	two lots south fields	000
	part central building	\$500
	two lots north fields	000
	same for Essex Bank	\$3,000

William Shepard Gray was the son of William 3rd and Susannah (Shepard) Gray. He was born in Salem on July 30, 1773 and changed his name by an act of Legislature in 1798 from William Gray 5th to William Shepard Gray. He was married at Newburyport on Nov. 8, 1798 to Ann K. Morland.

The couple had children:

Wm Morland Gray bapt. Jan. 1, 1800; d. young.

Haraden Gray bapt. Aug. 2, 1801.

Frederick Wallace Gray bapt. June 5, 1803.

John Morland Gray bapt. Apr. 15, 1805.

George Alexander Gray bapt. Apr. 5, 1807.

Wm Morland Gray 2d bapt. July 9, 1809; d. 1810.

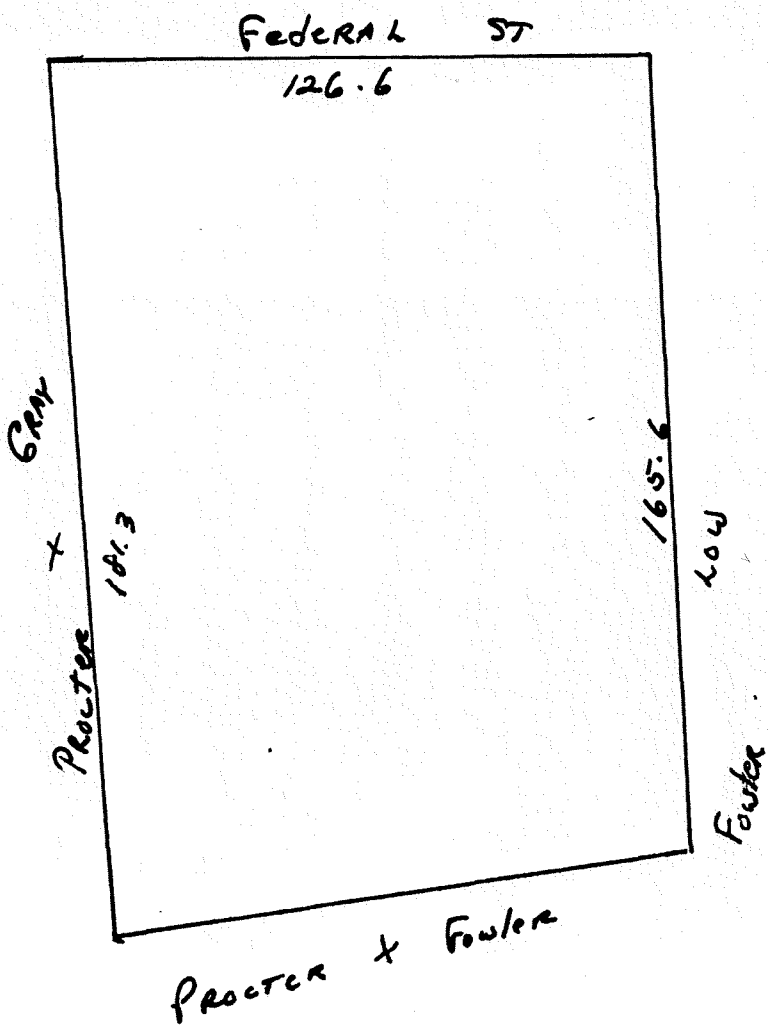
Ann Augusta Gray bapt. Aug. 30, 1812.

William Shepard Gray was cashier of the Essex Bank during the time he owned this house. Mr. Gray and a fellow cashier, James King, were in deep financial difficulty due to a bad investment. The two men embezzled a small fortune from the Essex Bank and fled town in 1818. The Rev. William Bentley recorded the incident in his diary August 24, 1818:

"Rather a wounding day to the Pride of Salem. The Bank called Essex, & most proudly located in Market Street has suffered in its reputation by the absence of the Cashier, Sheppard Gray, & his endorser, James King, the second, both married in the Town, Gray was a g.g. son of Mr. Gray who held the lot below us on the Common range & has passed with many as rich. He bought Revd. Fisher's house in Federal street & built a superb house on the Lot. James King has become a favorite for his bounty at military parades, & aid of parties of pleasure. It is known that they have withdrawn. The bank directors are upon search into the state of the bank which these men had in trust. This was the first incorporated Bank in Salem. The first derangement of the affairs of the absconding persons is attributed to their connection with one Thomas in the plan of keeping Merino sheep in Windsor, Vt. which proved a total loss to the Company as Thomas managed it."

(Wm Shepard Gray died in Cambridge on May 17, 1824.)

1818 Dec. 26 William Shepard Gray transferred the title of "All that brick dwelling house and buildings, garden and land being the messuage in Salem on Federal St. where I lately dwelled and which I purchased of Rev. Nathaniel Fisher in part"; to John Morland of Roxbury. (book 183 page 243)



1818 Dec. 30 John and Ruth Morland of Roxbury sold "the late residence and homestead of Wm Shepard Gray", for the sum of \$6,000 to Benjamin W. Crowninshield. (book 219 page 141)

7.

Benjamin William Crowninshield was the son of George and Mary (Derby) Crowninshield. He was born in Salem on Dec. 27, 1772 and married Mary Boardman on Jan. 1, 1804. Mr. Crowninshield was largely engaged in commercial enterprises in connection with his father and brothers under the name of George Crowninshield & Sons. He built the large brick house on Derby street, between Curtis and Orange streets, now occupied as the Old Women's Home. He was a member of the Mass. State Senate for several years; U.S. Sec. of Navy from Dec. 1814 to Nov. 1818; Rep. U.S. Congress 1823 to 1831; one of the first directors of the Merchants Bank, Salem, incorporated June 26, 1811. The records do not indicate whether or not Benjamin Crowninshield ever occupied this house. He moved to Boston in 1832 and died there on Feb. 8, 1851.

A letter preserved at the Essex Institute gives reference to one tenant:

"The brick mansion of Shepard Gray was once occupied by Mrs. Lurena Pickering, mother of Dr. Charles and Mr. Edward Pickering, grandson of Hon. Tim Pickering. Dr. Charles was a prominent person in the Antarctic explorations and Edward was treasurer (if I mistake not) of the Boston and Maine R.R. and his son was a professor in the school of technology in Boston, and now at the head of the Cambridge Observatory."

The Pickering Genealogy gives an account of Lurena Cole Pickering:

58. VI. 110. *Lurena Cole*, the wife of Timothy Pickering, born in Farmington, Conn., died in Boston.

On the death of her husband, Mrs. Pickering and her children became inmates of Colonel Timothy Pickering's family, — an event which added great happiness to his life. At this time he writes of her: "I am more and

more pleased with the good sense and discretion of Lurena."¹ In a letter to his wife, dated at Washington, Feb. 21, 1808, he thus alludes to her: "Her good sense and amiable qualities entitle her to our love. For these and for her husband's sake she will be ever dear to us." Her sweet and beautiful temperament, her cheerful spirit and manners, and her practical wisdom were of great value to all the inmates of the family. She was the companion of Colonel Pickering and his wife to the end of their days, and proved a constant blessing to them. She gradually assumed the management of the household, and relieved them, as they grew older, of burdens they were becoming less able to bear.²

Mrs. Pickering was a woman of decidedly scholarly tastes, and read Rees' Cyclopædia from beginning to end. During the latter part of her life she was much interested in the treatment of the Indians, in travels in the East, and in various matters, such as the treatment of Mary Queen of Scots and the mystery of the Man in the Iron Mask. She devoted a great deal of labor and time to tapestry work, and executed about thirty large pictures of landscapes, figures, flowers, etc. She continued this tapestry work even to the last year of her life.

She was a daughter of Zebulon and Sarah (Hart) Cole, of Wells, Vt.
 See ANCESTRY TABLES $\frac{VI}{82}$.

1831 (the first directory listing occupants)

Benjamin Crowninshield owner house value \$4,000
 occupants - Lemuel Willis, Thomas C. Whittredge, John Willis

1837 (then numbered 99-101 Federal St.)

Benjamin Crowninshield of Boston owner
 occupants - Thomas Whittredge, John Grant Jr.

1842

Benjamin Crowninshield owner
 occupants - #99 Eben Putnam
 #101 Thomas Whittredge

Eben Putnam was born in 1796, graduated at Harvard College in the class of 1815, with other members from Salem, studied law in the office of Benjamin Merrill, Esq., though he never entered into practice. He identified himself with the democratic party in which he became a zealous worker, and in 1829 he was appointed as postmaster of Salem by President Andrew Jackson, which responsible position he faithfully filled during the eight years of Jackson's administration. In 1844, he was chosen on the Board of Aldermen of the city of Salem. During portions of his life Mr. Putnam was engaged in private teaching, also in some commercial pursuits, and at all times deeply engaged in horticulture, in some departments of which he was considered among the highest of authorities. In all his walks he was in the highest degree respected, his geniality, sound judgement and honest sociability winning him friends at every turn. (Salem Post, April 5, 1876)

1850 census:

Thomas C. Whittredge	age 50	merchant	born Mass.
Susan L.	"	46	" N.H.
Susan L.	"	17	" Mass.
Mary C.	"	15	" "
Charles	"	8	" "

1851 May 10 - Valuable Mansion of Federal St. for Sale.

"The large, commodious, and genteel three story brick Dwelling house nos. 99 and 101 Federal street, with a two story out building in rear, and the land under and adjoining, measuring about 125 feet front, and about 160 feet in depth, and contains about 20,000 sq. ft.

The house was built by the late Mr. Gray, in the most thorough manner,

and of the best material, regardless of expense.

The lot westerly of the house is of sufficient dimensions for a block of two or three tenements, or it may be otherwise advantageously occupied.

For conditions, etc. application may be made to the Auctioneer."

1851 June 1 - The heirs of Benjamin Crowninshield sold the property for the sum of \$5,000 to Thomas C. Whittredge of Salem. "Meaning to convey all the messuage consisting of buildings and land now occupied partly by Thomas Whittredge and partly by Eben^r Putnam." "The same estate John Morland conveyed to our father Benjamin W. Crowninshield on Dec. 30, 1818." (book 507 page 252)

1853 taxes

99 ---

101 Thomas Whittredge - real est. \$4,000 ; personal est. \$10,000

1853-1854 Federal street was renumbered. This house was given the numbers 177-179.

1858 Jan. 20 - Thomas Whittredge died. Probate #57106 lists

Real estate - Federal St. \$4,000

Shares and stock \$13,802.37

Will - Son Charles E., \$1,000 in trust for his education

Daughters Elizabeth B., Susan L. and Mary C. \$500 each if unmarried. If married \$100.

To Mary C. \$100 in consideration of her not taking music lessons.

To wife Susan furniture, wearing apparel and rest of estate both real and personal as long as she remains unmarried. At her decease or marriage then to children equally.

April 16, 1853 Codicil - On account of my daughter Mary C. having

11.
taken music lessons the same as others, that part of will where I give her \$100 for not taking music lessons is revoked.

1859 Aug. 27 - The heirs of Thomas C. Whittredge sold the estate to Charles Harrington. "The same conveyed to Thomas C. Whittredge by the heirs of Benjamin Crowninshield." (book 593 page 46)

Charles Harrington was in partnership with his brother Leonard B. Harrington. They first operated their business in an old meeting house that once stood on Topsfield Common. From there it was removed to "Blubber Hollow" in Salem. Tradition has it that it took twenty yoke of oxen to haul the meeting house the 10 miles more or less over the road on trucks. These trucks were little low broad rimmed wheels on which the timbers supporting the huge building rested. Mr. Harrington severed his connection with his brother some years after and built a large currying shop on Boston street nearly opposite Fowler street. (Salem Evening News, July 8, 1923)

1860 taxes:

177 Daniel Winn

179 Charles Harrington owner \$6,400 including land on Fowler St.

181 Garden lot.

1860 census:

Charles Harrington	age 42	currier	born Mass.
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Mary J.	"	" 38	" "
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2nd family

Daniel D. Winn	"	34 Baptist Clergyman	" "
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Laura	"	" 30	" "
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William B.	"	" 4	" "
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Mary L. Winn	age 3 months	born Mass.
Mary "	" 59	" "
Lydia Shaw	" 23 servant	" "

1865 tax

177 William H. Kehew age 33
 179 Charles Harrington owner house \$4,000; land 123' X 175' \$2,000

1870 census

Charles Harrington	age 55 manufacturer of leather	born Mass.
Mary "	" 50 keeps house	" "

2nd family

Nathaniel C. Patterson	" 34 currier wholesale	" "
Mary "	" 34 keeps house	" "
Mary E.	" 11 at school	" "
Caroline E.	" 7 at school	" "
Alice M.	" 7 months	" "
Augusta H.	" 7 months	" "
Hannah Boham	" 18 servant	" Ire.
Margaret Norton	" 15 servant	" N.H.
Margaret Austin	" 36 house keeper	" Mass.

1875 tax

177 Nathaniel C. Patterson age 40
 179 Charles Harrington " 61 house \$8,000; land \$4,000; barn \$60

1878 tax

177 Charles Weston age 48
 179 Charles Harrington house \$7,200; land \$3,600; barn \$600

1880 tax

177 Charles H. Weston age 52
 179 Charles Harrington age 66 house \$6,800; land \$3,000; barn \$600

1887 tax

177 Charles Weston age 59

179 Charles Harrington age 73 house \$6,800; land \$3,600; barn \$600

1889 Nov. 19 - Mr. Charles H. Weston, for many years a well known tanner of the firm of Charles Weston and Sons doing business in May street, died on Sunday morning after a protracted illness. Mr. Weston was a son of the late Charles and Mary (Ward) Weston, and was born in Salem July 27, 1830, having been, therefore, 59 years old last July. He was a graduate of the old English High School, which he entered in 1845, having been put back in his studies by a serious accident by which he lost a part of one hand. He had always been associated in the tanning and currying business with his father Charles Weston and his brothers, but he retired from active business some time ago. Mr. Weston was not one who aspired to public positions of any sort; but was always warmly interested in such organized work as enlisted his interest. He was a member of the Veteran Cadets, a director in the Salem and South Danvers Oil Co., and a very interested member of the Universalist Church. Mr. Weston was a man of the strictest integrity of character, a warm and genial friend, a man of kindly sympathies and one who will leave pleasant memories for all who knew him. He leaves a widow, a son and one brother."

1895 tax

177 - no listing

179 Charles Harrington age 80 house \$6,900; land \$4,000; stable \$600

1900 tax

177 Robert D. Kiley gardener age 20

179 Edmund Knight grocer age 49 owner house \$7,000; land \$4,500
barn \$400

1900 census

179 Edmund Knight	age 49	grocer	married 20 years	born Mass.
Annie "	" 51			" "
Mary C. "	" 20	at school		" "
Frederick "	" 16	at school		" "
177 Ellen Kiley	" 50	widow		" "
Robert "	" 20	at school		" "
David "	" 16	" "		" "
Adaline H. Foster	" 92	boarder		" "

1902 Oct. 8 - Straw deed: Edmund F. Knight to Robert M. Mahoney. "Estate formerly owned by Charles Harrington and devised to me by will of Mary Harrington." Robert M. Mahoney to Annie L. Knight wife of Edmund F. Knight. (book 1686 pages 449 & 450)

1905 tax

177 Robert Kiely	age 25	dentist	
David Kiely	" 20		
179 Edmund F. Knight	age 54	owner Annie L. Knight	house \$6,000
			land 4,500
			barn 400

1937 July 26 - E. Foster Knight sold his share of the estate to Mary C. Ebsen and Frederick L. Knight. "For title see deed of Robert M. Mahoney to Annie L. Knight. Also estate of Annie L. Knight." (book 3116 page 102)

1953 July 21 - Fred L. Knight sold his half share to Anna Ebsen the land and building at 177-179 Federal St. "Except land conveyed by Annie Knight to Timothy J. Maroney book 2284 page 547." Also Probate #216764 Mary C. Ebsen and #234264 Anton Ebsen." (book 3994 page 190)

1955 Sept. 9 - Anna Ebsen sold to John T. Laskaris and Therese A. Deschamps the land and building, lot A, on plan. "For title see deed book 3994 page 190." (book 4203 page 2)

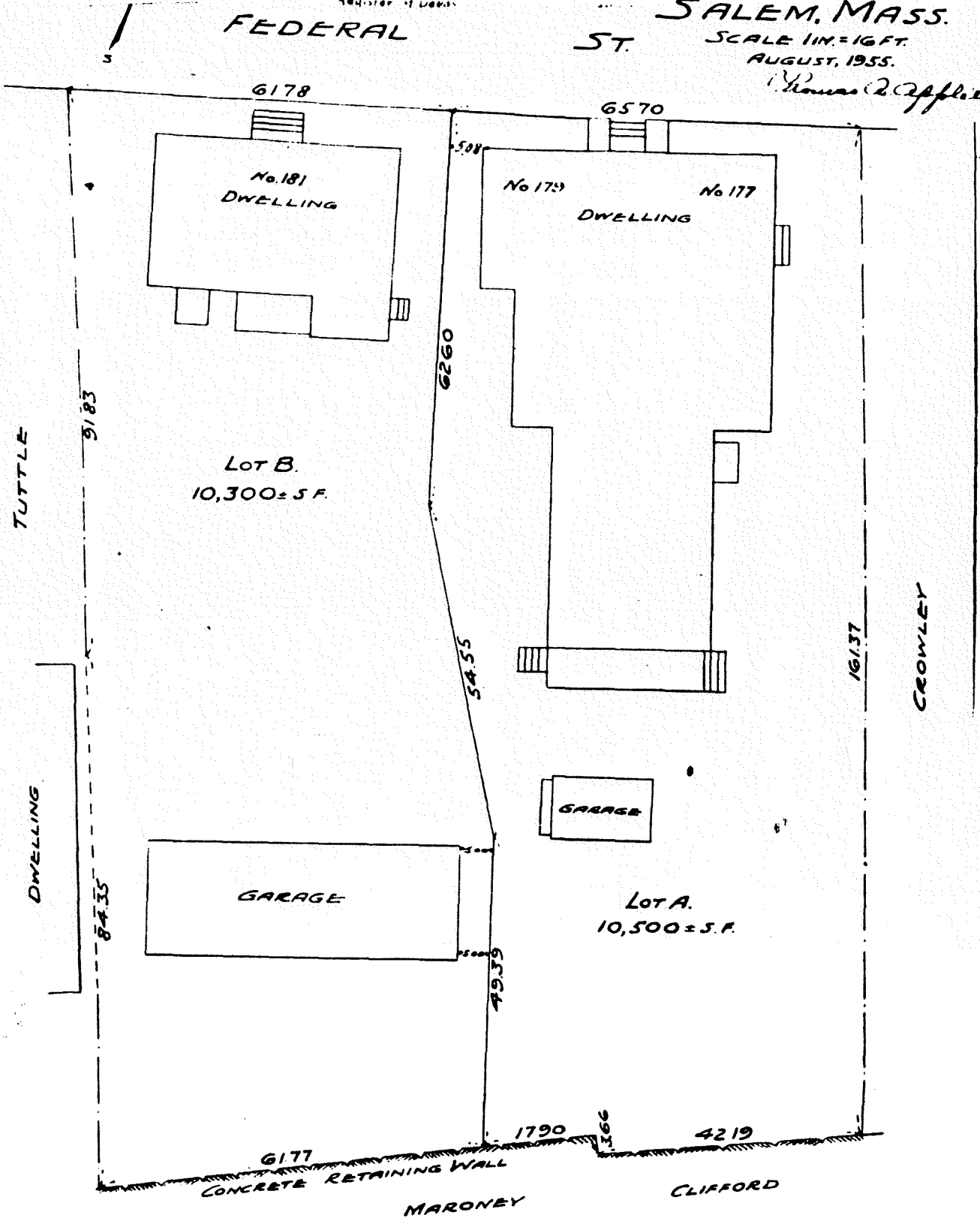
LAND OF ANNA EBSEN
SALEM, MASS.

SCALE 1/4" = 16 FT.
AUGUST, 1955.

Thomas R. Appleton

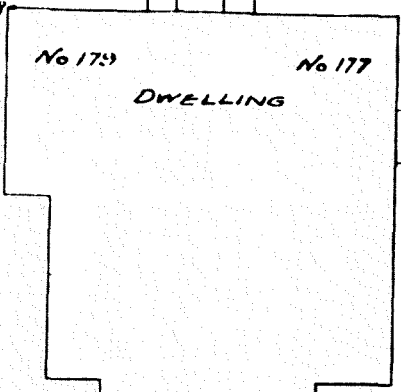
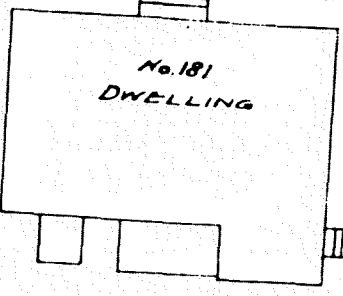
FEDERAL ST.

ST.

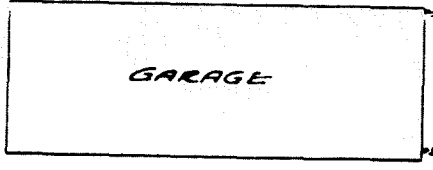


6178

6570



Lot B.
10,300 ± S.F.



Lot A.
10,500 ± S.F.

TUTTLE

91.83

62.60

161.37

CROWLEY

DWELLING

84.35

54.55

49.35

6177

1790

4219

CONCRETE RETAINING WALL

MARONEY

CLIFFORD



ESSEX INSTITUTE
JAMES DUGGAN PHILLIPS LIBRARY

135

17 

The Captain's Gold

MOST OF WHAT we know about Captain Israel Foster we find in a law book, an old musty volume designated as *17 Massachusetts*. On page 479 et sequitur, in the opinion of the Justices of the Supreme Judicial Court, the story unfolds.

In June 1812 old Captain Foster had been ashore quite a while, living in a small house in Marblehead, near enough to the sea so he could watch the ships, the whitecaps when it was a bit rough and the long rollers when a real northeaster came howling across Salem Bay. In some ways life may have been harsh to him, for we know that in his old age he was living alone in the little house.

Yet we have the further knowledge that in material things life had been kind to him. Tucked away somewhere in his house the old mariner had a keg of gold pieces, Spanish doubloons, Portuguese moidores, English sovereigns, and the value of these coins in terms of American money was \$53,174.63. Whenever he needed something he reached a gold piece or two out of his keg and headed for the store. A doubloon was worth sixteen dollars, a moidore more than three dollars; at 1812 prices he never needed many coins to satisfy

his needs.

Where did Captain Foster acquire this fortune? We come in near the end of his story and therefore we do not know exactly how he came by the money. Cynical people, whenever they hear of a Yankee fortune, are likely to say "black gold," which means the slave trade. This is an unfair assumption.

Few vessels on this coast ever carried slaves. In fact few Yankee mariners ever traded on the West African or "slave" coast for any purpose. Later, after the slave trade had long since ended, the Salem vessels carried on a brisk trade with Zanzibar on the East African coast. Americans also called at Capetown, usually for supplies and to swap merchandise, and they picked up many shipments of Ethiopian goatskins, with sometimes a leopard's hide somewhere in the bale. These skins were usually purchased at Aden from Arab traders.

A Yankee skipper who had made his pile, and many of them made much more than did Captain Israel Foster, usually had a long history of trading in the West Indies, the Mediterranean, Calcutta and Bombay or along the Sumatran coast. The ports of Europe, including Russia, saw American merchantmen with great frequency. The money was made in sugar, molasses, coffee and mahogany from the Caribbean, the pepper of Sumatra, the textiles of India, the wines, salt, fruits and luxuries of the Mediterranean and the manufactured products of Europe.

There Foster doubtless made his money, carefully laying it away in the form of gold pieces issued by nations whose coinage could be trusted. There is nothing in this world which has as interesting and at the same time as mysterious a career as a gold piece.

The coin is valuable, as everyone from a king to a cannibal

savage knows immediately. Thus the transactions in which it figures are important, sometimes so much so that murder is done. A gold coin has far journeys, for it is acceptable everywhere. And it has long rests, for it is of imperishable value, small in bulk, easy to store, ideal for the savings of a man like Captain Foster. The coins in his keg had led a quiet life for a long, long time, with only one of them, now and then, taken out for a trip to the store to pay for some provisions.

Yet a day came when Israel Foster's gold, all of it, fared forth on a journey. The reason was war. To the dismay of most New Englanders, the United States had declared war on England in June of 1812. The impetuous Westerners and Southerners, the "War Hawks," carried the nation into war; the merchant traders along the Yankee coast laid up their ships, and the fight was on.

It did not take Captain Foster long to figure out what would happen. An immediate British blockade stopped commerce and put all exposed parts of the coast at the mercy of landing parties from the King's ships. This meant that wherever the British landed there would be looting, burning and all the outrages which invading forces of that day felt was their just due whenever they were in enemy territory.

He had no intention of letting the fortune he had carefully accumulated throughout a lifetime at sea fetch up in the pockets of the thieving scum of the English water fronts, which was the element most likely to be found in any party set ashore by the Royal Navy to gather up supplies and teach the Yankees a lesson. So he lost no time in getting a horse and buggy to transport his keg of gold to the vaults of the Essex Bank of Salem, five miles away. There it would be safe from marauding landing parties of the British navy. Immediately

the question arises: why should this property, which was in imminent danger in Marblehead, be safe in Salem? The answer lies partly in geography.

Marblehead is on a rocky cape on the outermost southern reaches of Salem Bay. Beyond is the broad Atlantic. Therefore a British man-of-war landing a raiding party could anchor a short distance offshore, send in the boats and be in no danger while awaiting their return. The British ship in this position was obliged to risk no navigational hazards and face no enemy action, for the fort guarding Marblehead faced Salem Bay and not the Atlantic Ocean.

But Salem, although only five miles from Marblehead, is not exposed to the open ocean. Lying at the western end of a bay which has numerous shoals, ledges and islands, it can be reached only by one or the other of two channels that require an expert local pilot at the helm. A vessel entering the South Channel would be obliged to pass within range of Fort Sewall, which stood at the mouth of Marblehead harbor, and then follow a difficult course within musket shot of the shore.

The local battery of field artillery would have excellent practice on a ship so near shore—a target difficult to miss. Marksmen with rifles would have at their mercy any sailor who went into the rigging to work ship in these narrow waters.

If the enemy attempted to enter by the Main Ship Channel on the other side of the bay, he would be under fire from the moment he passed between Baker's Island and Gale's Point in Manchester. This channel, near the wooded Beverly shore, would bring any British man-of-war under the steady fire of riflemen and field artillery.

By either route the enemy would finally reach Fort Pickering at the mouth of Salem harbor, there to come under the fire

of its heavy guns. Should a British ship run aground anywhere in this bay, she would be helpless when the tide ebbed, leaving her canted to port or starboard on some ledge or sand bar.

Salem was safe, so there the keg stayed in the vault of the Essex Bank for the next two years.

The bank officers had counted the gold when the captain brought it in and had given him a receipt for \$53,174.63. From time to time, as he needed money, he went over to get a few pieces, giving the bank a receipt each time.

As the war went on, the valiant American fleet with its two dozen ships put up some surprising battles against England's mighty navy. Yet in spite of proud victories, it was chased and harried by the superior numbers of the enemy. The Yankee coast was unprotected. So were the coasts of the other states. The British landed an army and burned the city of Washington. Two of their frigates pursued the *Constitution* into Marblehead harbor. Their *Shannon*, in a running battle from the outer reaches of Boston harbor to Thatcher's Island, pounded our frigate *Chesapeake* into a wreck.

If the British had an army to take Washington, might they not have a force to be landed anywhere along the shore that could march overland to capture Salem. Such a move was quite within the enemy's capability. The directors of the Essex Bank felt that even Salem, with its fort and its militia, was not a safe place for valuables. Therefore they decided to move the contents of their vault to Haverhill, which lies well up the Merrimac River.

No British ship could navigate this stream without a skilled local pilot. Even had the Royal Navy found some Yankee pilot whose palm could be crossed with gold, the banks of the Merrimac would have been lined with American sharpshooters

who would have knocked the English sailors out of the rigging every time they attempted to make or take in sail.

Had the enemy tried to send an expedition upriver in ships' boats, cutters and pinnaces, the gunfire from the wooded banks would have decimated them. So the Salem people concluded their property was safe in Haverhill until such time as the enemy landed a military force to march up the valley of the Merrimac, very unlikely when many more profitable objectives lay along the coast.

A caravan of wagons went over the road from Salem to Haverhill bearing all the coin and specie of the Essex Bank and all the money, jewelry and silverware placed in its vaults by customers for safekeeping. Armed men rode the wagons, armed outriders went ahead and to the rear, armed men rode their horses through the dust at the sides of the creaking vehicles. Not only was the bank's property loaded in the wagons, but fine furniture, dishes, choice wines, and silverware from the mansions of Salem and bolts of silk from fashionable stores.

In 1815, when the war was ended, the valuables were transported back to Salem, again with a heavy armed guard, and life went on as usual. Captain Israel Foster, now really an old man, decided to leave his keg of gold pieces in the Essex Bank, from time to time making such withdrawals as his needs required.

Then, in 1818, three years later, the old mariner went to his last anchorage, and the executors of his will took over his affairs. With the receipt for \$53,174.63 they headed for the Essex Bank, where they were shown the receipts Captain Foster had signed for the various amounts he had drawn since first he placed his money there for safekeeping. These totaled

\$7625, so it was agreed that the executors were entitled to \$45,549.63.

The bank officials produced the keg, and everyone sat down at a big mahogany table, lighted Manila cigars and in a genial and relaxed atmosphere commenced the counting. The atmosphere did not continue to be relaxed for long. When all the gold coins in the keg were counted and stacked on the table, the total was only \$13,000. In the bottom part of the keg there lay not gold but pieces of iron ship ballast. When they were removed, the method of an extremely clever larceny stood revealed.

A piece of wood had been cut from the bottom of the keg, gold pieces had been abstracted, and ballast iron chunks had been thrust in to take the place of the stolen coins. All this was done so cleverly that the layer of doubloons, sovereigns and moidores on top was undisturbed. So with nimble fingers someone had managed to make himself \$32,549 richer without anyone knowing what was going on.

It takes little effort to imagine the uproar this discovery caused in the Essex Bank. The investigation had not proceeded very far before it appeared that the cashier and the chief clerk of the bank had vanished. Then an audit was immediately ordered, which revealed that these two had falsified the books and purloined a sum of money so large that the solvency of the bank was impaired.

The story of these two men who betrayed their trust and made poorer so many people in their own home town is a sad one. Yet it is a story we have heard many times, before and since. Sheppard Gray and James King, the two bank employees who committed this crime, were men who loved luxurious living. Not only that, but they thought they had discovered an

investment which would yield them very large profits.

They lived in fine houses and passed as rich men. Whenever there was a parade of the Salem Light Infantry, King entertained lavishly. In our more sophisticated day bank employees who lived in such princely style on modest salaries would soon be the subjects of a careful investigation. However, one hundred and fifty years ago American banking and business men did not have the careful methods which now are almost universal. So the directors and depositors of the Essex Bank drank James King's wine and visited in Sheppard Gray's beautiful house without ever pausing to wonder.

Investigation uncovered something else which has often resulted in the destruction of a man's honesty. They found these two had been putting money into an investment from which they expected to make a mint of money—the raising of merino sheep in Windsor, Vermont.

There were many who made a good thing in that day from sheep in Vermont. A glance into the state's history reveals enormous activity in sheep raising everywhere on those rugged hills, an activity that continued until better land and an easier climate farther west resulted in the migration of so many farmers.

Even though merino sheep raising was profitable, Sheppard Gray and James King lost the money they stole from Captain Foster and from the Essex Bank and invested in the enterprise. Two reasons for this loss immediately are suggested. They may have invested with someone as dishonest as themselves. Furthermore, no man's investment is safe if it is too far from its owner's supervision, unless it is in the hands of a very capable man, such as a sea captain who knows the trade route on which he sails.

So these two men fetched up in the hands of either a scoundrel or an incompetent, with the result that this money they had so ingeniously stolen completely vanished, along with their bright visions of making fortunes. However, not all the stolen money went into sheep. They had enough left so they were able to decamp to what in those days was called "Upper Canada."

This term meant anywhere beyond the settled regions along the St. Lawrence River and the shore of the Lakes. So they might have been in the rural parts of Ontario or they might have gone into the tundra of the frozen North among the Eskimos, there to look for gold the hard way. Of their life after leaving Salem we know little except that in Upper Canada they were safe, for the arm of Massachusetts law could not reach into this wilderness.

We do know that what gold they did not lose in the Vermont merino sheep transaction they managed to hold on to. And we know they did not like living in Upper Canada, for the Reverend William Bentley's diary on January 8, 1819, records that they offered \$20,000 to settle the claim against them. This was one tenth of the loss, observed Bentley. It was not accepted.

The thievery of these two was so serious that it resulted in the insolvency of the Essex Bank. Not only did they wreck the bank, cause the stockholders to lose the value of stock which had been selling at \$230 per share, and humiliate the directors and officials, but they brought shame to all of Salem, then one of the important cities of America. In his diary under the date of August 24, 1818, Bentley wrote: "Rather a wounding day to the pride of Salem."

The most direct and severe loss of all was suffered by the

legatees of the will of Israel Foster. Because of the drop in the quotation on Essex Bank stock the executors lost \$2625.92 on the sale of Captain Foster's eighteen shares, according to the account they filed in the Probate Court. And according to their account, the value of the gold pieces stolen from the keg was \$30,287.41.

The legatees, mostly nephews and nieces, were very much exasperated by this outrage. The real culprits were far beyond their reach, but they were determined to do something to someone, so they turned their wrath upon the Essex Bank, even though it was tottering on its foundations from the blow the thieves had struck it.

The executors, when they commenced court action, certainly sought excellent legal counsel, for there appears in their second account in the Registry of Probate at Salem this entry: "Paid Daniel Webster, Esqr, Fees on Bank suit \$75." This suit was on the theory that the Essex Bank was negligent in its care of the keg of gold entrusted to it by Captain Foster and therefore liable for the damage that resulted; to wit, \$30,287.41.

This case went all the way to the full bench of the Supreme Judicial Court, and a lengthy opinion was written, which appears in Volume 17 of the *Massachusetts Reports* at page 479. The Court decided the bank was not liable.

What these two employees did was not done in any way in the course of their duties. A bank is answerable for the correct conduct of all its servants in their proper sphere of duty. If an employee's character is such that he commits a crime like this, the bank is not liable. It is something unforeseeable. So the Essex Bank was not responsible for the loss occasioned by the felonies of these two rascals, and all the eloquent argu-

ments of Daniel Webster, representing the executors of Captain Foster's will, failed to sway the Court.

The legatees, without any legal redress, were obliged to content themselves with legacies much smaller than they had expected to receive. Examining this whole situation, and those who suffered because of it, we reach the rather strange conclusion that there was only one party to it who actually did not suffer at all.

And that person was Captain Israel Foster himself. As long as he lived there was plenty of money in the keg to meet his needs. There remained \$13,000 at his death. As for the feeling of security which comes to any of us with the knowledge of a large sum of money in reserve, he enjoyed it as long as he lived, for he was quite unaware that the two culprits had made a hole in the bottom of the keg, abstracted the coins and filled the space with ballast iron.

So concludes the story of an event which hurt so many, excepting only Captain Foster; an episode which brings us today in close touch with life on this part of the Yankee coast in that early time and some of the significant events of its history.