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Business Journalism Pioneer, 1845–1893

John J. Kiernan



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By Rob Wells

JOHN J. KIERNAN was a little-known but key transitional figure in business journalism in the 19th century, a journalist and business owner who operated at the dawn of electric news dissemination. Kiernan and his Wall Street Financial News Bureau are best known for training three younger reporters—Charles Dow, Edward Jones and Edward Bergstresser—right before they launched the Dow Jones News Service and then *The Wall Street Journal*. Kiernan, however, deserves more than a footnote in the Dow Jones company histories. Several accounts identified Kiernan’s operation as the leading financial news agency on Wall Street in the two decades following the end of the Civil War.

A focus on Kiernan’s business dealings shows the entrepreneurial energy and evolution of early business journalism, a dynamic post-Civil War era where significant changes in technology, the economy and markets were creating a new demand for business news. In this period of disruptive technology—the expansion of the telegraph—Kiernan adapted by using a combination of messenger boys and ticker

tape machines to serve Gilded Age clients such as JP Morgan and Jay Gould. Kiernan thrived through this blend of physical news gathering and electric-powered news distribution to serve stockbrokers and the market, his core audience. Kiernan’s office was also a social gathering spot for a growing corps of financial journalists who were beginning to form an identity and separate genre in this era.

Kiernan was a popular Wall Street figure who transitioned from finance to politics, a move that led to his downfall as he lost focus and later control of his news agency. Kiernan was elected to the New York State Senate in 1881 and was mentioned as a possible mayor of Brooklyn. Yet during his time in Albany, Kiernan’s business began to unravel, and he was surpassed by Dow Jones and the reporters he once trained.

Business Journalism History

Kiernan’s Wall Street Financial News Bureau¹ fit comfortably within the notion that business journalism enjoyed a

symbiotic relationship with the markets and was partly a servant to business. His news agency began in 1869, about 30 years into the growth of modern business journalism, a genre that evolved with the new industrial society and a related demand for advertising. Specialized commercial publications expanded significantly after the Civil War to meet a demand from industrial firms and brokers.

Historian Frank Luther Mott described the late 19th century as the rise of the independent press, a period when more than 9,000 periodicals launched. Prior to Kiernan, significant business journalism included *The Economist* in 1843 and William Buck Dana’s *Commercial and Financial Chronicle* in 1861, as well as trade publications such as the *American Railroad Journal*, founded in 1826, which historian Alfred Chandler called “one of the most influential business journals of the day.”

John J. Kiernan, a fixture on Wall Street and the financial news business in the late 19th century.

Kiernan and His Wall Street Financial News Bureau

Kiernan's Wall Street Financial News Bureau distributed breaking news on shipping, railroad and construction, as well as information from the New York Stock Exchange, to clients around the country. Kiernan launched the business using his own savings and borrowing from family and friends. The news agency's office was in the heart of the Financial District at 12 Broad Street and known as "Kiernan's Corner," a hub of socializing and gossiping for journalists and brokers.

"John J. Kiernan was one of the best known men in Wall Street, and one of the most popular. He knew every bank president, every trust company official and every member of the Stock Exchange," noted *The (New York) World*, which also provided this description of Kiernan:

He was about five feet in stature, with a ponderous girth, making him look as broad as he was long. His face was florid and overspread with a genial

sunny smile. He was dressed in the height of fashion and was known as a bon vivant and clever raconteur.

Kiernan was born on February 1, 1845, and was the eldest of six children. Prior to starting his news bureau, he worked in all aspects of the business. As a teenager, he was a messenger boy for the Magnetic Telegraph Company and then worked in the foreign news division of *The Associated Press*, where he rowed out in the harbor to greet ships arriving from Europe. Once on board, Kiernan reviewed European newspapers, interviewed passengers and crew and was able to deliver news to the AP's subscribers a day before the competition. He also worked in financial advertising with the Albery Frank & Co.

Kiernan's news business at first distributed handwritten financial news bulletins, known as "flimsies;" they were produced with a stylus written on books of tissue paper sheets and carbon paper that would produce about 24 copies simultaneously. These bulletins, generally 200

words or less, were rushed to brokerage offices by a small army of messenger boys. News developments drove the production schedule, and the Kiernan bulletins were sent out "hourly, half-hourly or oftener, as the development of financial news might dictate."

The Kiernan bulletins included items such as London stock quotations an hour ahead of the New York Stock Exchange opening, a weekly statement of banking financial conditions, railway company earnings and changes in freight rates. With this method in hand, the Kiernan News Agency was known as the leading financial news provider. "For years, his Wall street news agency was the standard of its kind," *The World* newspaper reported in 1893.

Kiernan was popular and well-known among the leading financial capitalists of the era. J.P. Morgan read Kiernan's reports closely and had a set delivered to his desk. Former *Wall Street Journal* reporter Henry J. Alloway, in a 1932 history of Dow Jones, described such an encounter. Alloway



Stock certificate for the Kiernan News Company, 1888.

NO MORE TICK.

Some Facts Relating to Ex-Senator Kiernan.

He Denies That He Has Had a Quarrel With His Son and Charges Mismanagement on the Part of the Officers of the Company Which He Organized.

The subscribers to the Kiernan's financial news ticker service were surprised yesterday to receive a printed notice reading as follows:

Please take notice that at the close of business to-day, May 24, we shall discontinue the service of our special financial news on the "ticker" which now conveys the service to you.

We shall, however, continue the publication and service to subscribers of such news by printed bulletins or "slips," just as we have done for many years past, at the rate of \$15 per month instead of at \$20 per month charged for the same news served by the ticker.

Kiernan's news ticker service has been for years one of the institutions of Wall street. It was organized by ex-Senator John J. Kiernan of this city, principal stockholder of the company, and who was the originator of this peculiar system of supplying telegraph and local news to brokers and Wall street operators. His son, Frank Kiernan, was employed as a reporter in the service. Both father and son are as well known in this city as in New York, and the announcement of the disruption of this service was a surprise to all who read it. There was talk to the effect that father and son had quarreled and that young Frank had made disclosures to the Western union telegraph company which resulted in shutting out his father from further use of the tickers. When an *EXCHANGE* reporter saw the ex-senator this morning he laughed at the report and said there was no more truth in the statement than there would be in a statement that he had quarreled with his wife.

According to ex-Senator Kiernan it appears that the company owes \$23,000 to the Western union telegraph company for maintaining the tickers and the company has refused to run the tickers any longer. The telegraph company will begin suit for the recovery of its claim.

Following close upon the above card comes the announcement that the Western union has made an arrangement to continue the ticker service through the Foreign and domestic news company, a new concern just organized by Frank Kiernan, with offices at 16 Broadway, New York, where the Western union company has its home. The organization of the new company is the result of dissensions in the Kiernan news company. Ex-Senator Kiernan got into financial difficulties about four years ago and three trustees were appointed by the creditors to manage the business. Since that time the ex-senator has had no voice in the Kiernan company's affairs. He claims that as a consequence there has been mismanagement, resulting in the inability of the company to pay the Western Union its claim.

Ashley W. Cole has been the manager of the Kiernan news company for four years. He stated that the ticker service has proved unprofitable because of the severe exactions of the Western union.

At the office of the Foreign and domestic news company Mr. Frank Kiernan's representative stated that there was no quarrel between father and son, and that the statement of the ex-senator was in accord with that which would have been made by the son had he been present.

wrote of an episode when Morgan sent a message to Kiernan asking how he was able to get earnings for a railroad company ahead of public distribution.

Kiernan went to Morgan's office, prepared to apologize if the report was wrong. Morgan replied, "The figures are right—but ahead of time. What's happened to you?" Kiernan responded he hired a new reporter. Morgan replied, "Well, John, maybe he's got a brother. If I were you, I'd hire him too. Anyhow, send an extra set of the bulletins along hereafter for my personal desk."

Lloyd Wendt, author of a well-regarded history of Dow Jones and *The Wall Street Journal*, described Kiernan's eye for talent. He would hire reporters "to cover the stock exchanges who could obtain the earnings statements early, who knew traders, callers, brokers and customers, and who could provide relatively accurate reports on the condition of the markets and transactions at any time."

Railroad mogul Jay Gould and Kiernan tangled on at least one occasion. *The Brooklyn Daily Eagle* describes a market "pandemonium" in June 1887 when one of Gould's companies, Manhattan Elevated Railroad, fell 36.5 points amid rumors that Gould had a falling out with his business partners and was seeking loans. Gould issued a statement to Kiernan:

The bulletin you are putting out that my Manhattan stock is in loans is a malicious falsehood. Not a share of my Manhattan is in loans or has had my name on the back, nor do I owe a dollar in the world. You should promptly contradict.

The Ticker

Development of new printing and engraving technology, as well as the telegraph, advanced business journalism in this era. News agencies moved to adopt the telegraph shortly after its commercial development in the 1830s, and it fit well in the growing market for financial news in Europe and the United States. By the end of the 1860s, there was general demand by brokers and others in the investment community for a stock ticker service. This marked a critical time in the history of global communications: in 1866, a transatlantic telegraph cable first became operational, ushering in an era of transnational

information transmission. Kiernan struck an arrangement with an early pioneer in transmission of financial news, Gold and Stock Telegraph, to supply Wall Street with news about foreign markets. Kiernan had a redistribution agreement where he would transmit foreign financial news gathered by the Associated Press exclusively to his customers over telegraph lines a half hour before its general transmission.

Kiernan operated during a period of intense competition between rival telegraph services. Even in this horse-and-buggy era, minutes mattered in news distribution. Kiernan successfully sued rivals for breaking a 15-minute exclusive embargo on his telegraphed news bulletins. Another Kiernan legal victory against Manhattan Quotation Company established a notable legal precedent of a property right and the time value of wire service reporting. The 1876 decision in New York State Supreme Court said that despite the information being generally in the public domain, "There is a right of property in telegraphic news collected in Europe and forwarded here by wire, because of the labor and expense thereon bestowed."

Dow, Jones and Bergstresser

Kiernan's office was a gathering point for roving financial reporters of the daily newspapers, and it is likely that Charles Dow joined these gatherings at "Kiernan's Corner" when he moved to New York from Providence, RI, in 1879. Wendt describes some details of the relationship between Kiernan, Dow, Jones and Bergstresser. Kiernan hired Dow, then an expert in mining companies, as an editor. "Whether his mining knowledge was of much benefit in his new job is doubtful, for Kiernan's bulletins generally were entirely confined to crisp news developments and factual statements. Few clients at the time were looking for financial guidance from a messenger service," wrote Wendt. Edward Jones joined Kiernan around this same period of time. Jones covered the New York Stock Exchange, "quickly becoming a favorite with traders, bankers and customers." Jones was also popular at the bar at the Windsor Hotel on 5th Ave and 46th Street, a watering hole known as the "All Night Wall Street."

Wendt described Jones as having a drinking problem. "There were hints from

A headline from *The Brooklyn Daily Eagle*, May 25, 1892.

Politics & Downfall

time to time that he continued to be too friendly with the bottle, but he always appeared sober on the job.”

Meanwhile, another founder of Dow Jones, Charles Bergstresser, joined Kiernan in 1881. The young reporters began to chafe at the confines of Kiernan’s limited news reports. Dow proposed a daily news report on business, “but Kiernan, an extroverted man who was busy with his politics and advertising interests, wasn’t really interested. Kiernan simply wanted Dow to provide good, readable news copy in a hurry, and if he possessed extra energy, he could go out to solicit new clients.”

By several accounts, Kiernan grew wealthy during this period. Aliah O’Neill, writing for the website Irish Central, observes, “At only 35 years old, Kiernan had amassed a fortune of about \$250,000,” an amount that would be worth about \$5.5 million in 2016 dollars.

Kiernan’s growing involvement with politics came at the time that Dow, Jones and Bergstresser worked at the news agency. Kiernan, an alderman in Brooklyn, was elected as a delegate to the Democratic National Convention in 1880 and then as a New York State Senator representing Brooklyn for two terms until 1883. Kiernan moved to Albany to serve in the state senate, a time that marked his departure from close engagement with the news service. “He soon found that politics would require most of his time and gradually withdrew from the active management of the news department.”

Kiernan was noted for his expensive lifestyle in Albany, as *The World* reported, “for he entertained on a royal scale and was fully \$100,000 poorer at the end of his second term. He always was a contributor to every deserving charity.” In 2017 dollars, that would amount to about \$2.4 million. Based on this figure, Kiernan may have lost as much as 40% of his fortune during his time in Albany.

Dow, Jones and Bergstresser would leave Kiernan in November 1882 to start Dow, Jones & Co. Later, the relationship between the new Dow Jones and Kiernan news agencies turned testy. In 1887, Dow Jones accused the Kiernan agency of stealing its dispatches concerning a coal handlers’ strike in Hoboken, NJ. Kiernan’s company president at the time, William P. Sullivan, said he was considering a libel suit against Dow Jones for falsely accusing his company of stealing news.

During this period of political activity, Kiernan brought Sullivan on board to run the daily operations of his news bureau. The two soon clashed over control of the firm, a dispute that wound up in court. Kiernan’s business began to collapse and legal troubles mounted. In 1887, he was arrested in a securities fraud case involving the Columbia Rolling Mill Company of New Jersey, which accused him of deceit concerning ownership of real estate and bonds. *The World* reported, “Mr. Kiernan was arrested, but the whole matter ended in his favor.”

The late 1880s were a period of financial trouble, and Kiernan lost control of his business. Another fraud case arose in 1888. The Bank of Montreal sued him for a fraudulent transfer of ownership interest in his company, John Kiernan & Co., to outside parties, a move designed to prevent the bank from collecting on a debt.

By 1892, Kiernan discontinued his ticker news service, although delivery of the printed bulletins still remained. Effectively exiled from his news agency and facing a backdrop of persistent legal troubles, Kiernan died at his home, 56 First Place, Brooklyn, on November 29, 1893.

Although he had lost his business and was out of office, his funeral was a major event and at least five newspapers carried his obituary. As *The Brooklyn Daily Eagle* reported, St. Stephen’s Roman Catholic Church “was packed to the doors and hundreds of people were unable to gain admission.”

To this point, Kiernan has been relegated to footnote status in the Dow Jones corporate histories, or overlooked altogether, due to two developments. First, Kiernan became infatuated with politics and drifted away from journalism in the early 1880s. Second, his news of the market was ephemeral—bulletins on tissue paper and ticker tape—so there is little surviving record of his work. By contrast, his proteges—Dow, Jones and Bergstresser—established a newsletter and then a newspaper, which lend themselves to historical examination.

One enduring lesson of Kiernan’s life, however, was his ability to evolve with the changes in news gathering and production, from messenger boys with flimsies to ticker tape machines. He did this by keeping the market’s needs close to his sights, consistent with the normative practices of

business journalism then and now. “He knew, by constant interaction with the Street, what news was most likely to be relished—a failure, a race, a death, a good lively rumor—and it rushed all over his ticker tape.” \$

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Note

1. The literature has several different names for Kiernan’s news business: The Wall Street Financial News Bureau, The Kiernan News Company, John J. Kiernan & Co. and J.J. Kiernan & Co. Towards the end of the 1880s, press accounts more consistently called it The Kiernan News Company. During its first ventures with the Western Union Telegraph Company in the 1870s, press accounts and histories referred to it as The Wall Street Financial News Bureau.

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