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September/October 2012

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WEAPON.**

By Randal Hall

Celebrating The Rice Centennial.



The Life and Times of William Marsh Rice

The city, Houston of course, had been founded more than seven decades earlier in 1836 by The Allen Brothers of New York, and the city itself was chartered in 1937(sic—should be 1837). It was described in 1838 as “a vast tavern reared hastily in the prairie to accommodate the crowds of emigrants that are constantly arriving.” But who, in 1838, could possibly imagine what the city would become by the end of the century? It will come as no surprise to you that I will not mark William Marsh Rice as a man who did, in fact, foresee that Houston was going to have a dynamic and profitable future.

He arrived in Houston in 1838, and he died in 1900, and for more than six decades, I think he really embodied what Houston was about. William Marsh Rice came to Texas already with a well embodied sense of economic potential of the US. He had left school as a teenager to start working in a grocery store, and after a few years of doing that, he started his own grocery business but apparently had some trouble around 1837 with the so-called Panic of 1837 when the national banking system went

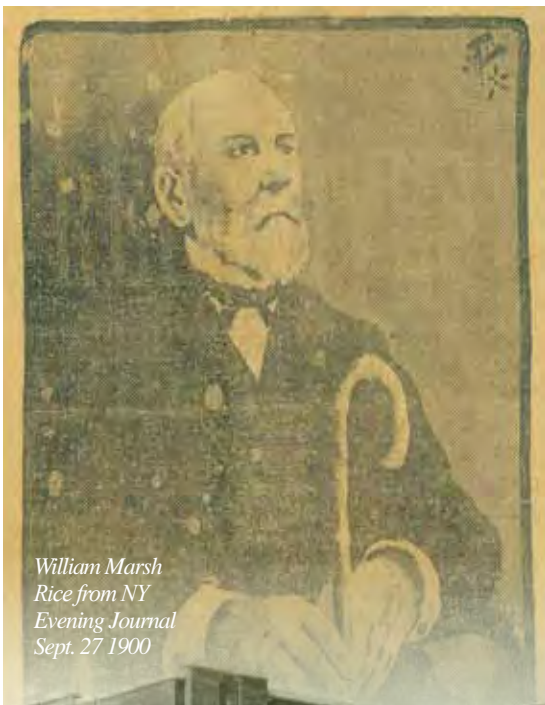
into a crisis. We might be familiar with the effects that a banking crisis can have on a national economy.

Houston was being created and advertised, and it enticed the young William Marsh Rice to Galveston from Massachusetts. There are stories that he sent a stock of merchant goods by ship ahead of him and then came on down by steamboat and trains and so on, and the story is that the stock of goods was lost at sea. Some people say it was lost at the site of Galveston in a shipwreck. I cannot find any confirmation of that, but I am suspicious because that same story was also told about 2 other men who arrived in Houston about 1838, a man named Paul Bremond and a man named S. M. Swenson.

The man who became most important to William Marsh Rice in his early years in Houston though was Ebenezer Nichols, and by 1844, he was a longtime business partner with William Marsh Rice. Like Rice and the Allens and most other prominent early Houston business leaders, Nichols was a northerner. He emigrated here from New York, and they formed a really dynamic and profitable business on Main Street.

Merchants would bring goods via Galveston from Boston and New York or wherever there were wholesale needs to be filled and bring those up to the plantations on credit, and in return the various plantations would market their cotton crops or other crops through the merchant in town. So the merchants like William Marsh Rice were handling both ends of the business.

Rice worked with a number of partners, in addition to Nichols, and one of them was a man named Charles W. Adams of Galveston. In 1849, Adams and Rice helped enter what was a new pioneering industry in Texas, which was growing sugarcane and processing it in sugar mills. Rice and his partners were pretty farsighted. In 1849, Adams and Rice entered into an agreement with a man named James Love who, along with a partner, operated a plantation on Oyster Creek in Brazoria County. The contract says, and I'll quote it here, that “Rice and Adams will accept such drafts as said Love may draw on them for the necessary amount to purchase the machinery and apparatus to be propelled by horsepower necessary for making sugar along with



William Marsh Rice from NY Evening Journal Sept. 27 1900



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Lovett Hall with cars 1912

the materials necessary to be purchased for the construction of a sugar house.”

If the crop failed and the plantation owners could not pay Rice back his money, he also had a mortgage on the land itself and along Oyster Creek. Brazoria County at this point in time has some of the last slaves imported directly from Africa. As many of you may know, the slave trade importing business had been outlawed in 1808, and it was also illegal under the Republic of Texas, but there were smugglers in the 1830s, bringing in hundreds of African-born slaves that they purchased in Havana, and many of them ended up on this particular plantation that Monroe Edwards had owned previously. So, you can see the sort of tentacles of how this business worked extending even into Cuba and across the Atlantic to Africa at this time. On this plantation-based agricultural natural land producing a lot of profit, William Marsh Rice himself ended up owning some slaves.

This was all very profitable for William Marsh Rice. As a very eager young businessman, he was preoccupied with business to the 1840s, but in 1850 he married the daughter of Paul Bremond, the merchant who had also arrived around 1838 in Galveston. Domestic bliss did not slow down William Marsh Rice’s business work though. In 1850, he joins a man named Harvey Baldwin. The Baldwin family was one of the early roots in the greater area of Houston from New York and were married with the Allan family in Houston in the upper echelon of Houston society. He joined in with a business plan that created the Houston and Brazos Plank Road Company to improve transportation up into the plantation areas.

”By July 1859 though there was no longer any question at all that Rice was a success. It says, “He is one of the best men in the state, has ample means to pay all his debts, very rich, and good for all purchases.” And the 1860 Census kind of sums that up; the combination of his real and personal property was \$750,000. In 1860 that made him one of the richest people in Texas.

William Marsh Rice recalls what happened during the Civil War in his life. He says, “The war broke up my business. In August 1863, my first wife died, and in the December following, I went to Mexico, Monterrey, and then down to Matamoros. And after a little delay on to Havana, I remained there in a month or two then returned to Matamoros where I was on business until August 1865.”

At the outbreak of the Civil War, the Union Navy blockaded the southern coastline stopping nearly all traffic commerce in and out of the southern ports. It was not entirely effective so you had blockade runners trying to enter ports like Galveston and get cotton out through these ports, but it was very difficult and the blockade became more and more effective over time.

So what people did, people like Rice, was headed toward Matamoros, Mexico, which is just across the Rio Grande from Brownsville. Mexico was a neutral nation. Britain’s navy enforced neutrality of the seas. If you could get your cotton into Mexico and put it on a British ship out of Matamoros, then you could legally export and import goods.

Coming out of the war, William Marsh Rice actually does pretty well. He loses some of his money but by July 1866 the credit reports are saying that he is still worth about \$200,000 and that he is still a rich man. His wife died in 1863, but in 1867, he remarries to a widow named Libby Baldwin Brown. She is a part of the Baldwin family with whom he already had business connections. Seeing that his merchant business with plantations was no longer going to be profitable because some of the agriculture was devastated by the war, William Marsh Rice moved to New York. By the end of the century, he is in this beautiful apartment in this beautiful building on Madison Avenue at 52nd Street, and he does very well. He keeps up his business life though in Houston and comes down here for a part of the year, most years. He does not have children from either of his marriages, and he begins to see what other rich men have done.

People in Houston, of course, knew about Rice’s deep connections to

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the city, and they began in the 1880s to ask that he do something for the city. Cesar Lombardi was a successful merchant and publishing executive and head of the school board, and he approached Rice about endowing a high school. Emmanuel Rafael, who was a banker and power company executive, approached him about maybe creating a city library. But what they got instead in 1891 was an institution that drew from these two models, and it was The William M. Rice Institute for the Advancement of Literature, Science, and Art. It was chartered in 1891. Rice was still living. He created the board of trustees, registered the charter with the state, and stipulated that nothing was to be done until his death, at which point he made an initial donation, and his plan was to give his entire fortune then to the institute, and it would be created after his death.

However, in 1896 was the real curveball, when Libby Rice dies. Just before her death she creates a will with the help of a Houston attorney named Orren Holt, and this will claims that under the laws of the state of Texas she is entitled to half of the Rice estate, and that they were residents of Texas. She is claiming this right and she is going to give a lot of the money to her family and to an institution for aged women in New York that she wants to create.

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The problem is though that under the laws of New York, she is entitled to nothing because it is not the way the inheritance laws work there. It would all go to the surviving husband when she dies. So the question then becomes: Were she and William Marsh Rice residents of Houston or were they residents of New York? And the evidence is overwhelmingly that they thought of New York as their home. They were there the vast majority of the time and that's really where most of the property was. When they were here, they stayed in the hotel. Because of the long, drawn-out court case, one aspect of the case is that Orren Holt needs to collect testimony from people who knew the Rices in New York and New Jersey. To do so, he hires an attorney, a former Texan but now a New York attorney named Albert Patrick. Albert Patrick is there on the right. In the course of working for Holt, Patrick comes to know to valet whom William Marsh Rice hired after Elizabeth Baldwin's death. Charles Jones was living with Rice in the apartment. He was sort of being his manservant and general helper. Patrick initiates a relationship with Jones. They become friends and co-conspirators and planned to steal William Marsh Rice's fortune. In June 1900, Patrick creates a will that gives small sums of money to the Rice Institute to various family members, to James Baker, to other people but then leaves the vast majority of the estate to himself, to Albert Patrick.

It says, "I give, devise and bequeath to Albert T. Patrick, formerly of Texas, now of New York, all the rest of my estate." It is witnessed by two cronies of Patrick's. Patrick has worked closely with Jones to learn how to forge William Marsh Rice's signature, so that signature is a forged version. So they created this in the summer of 1900, and they are just kind of sitting on it and waiting for this 84-year-old man to die. They are getting a little impatient.

In September 1900, one of the crucial things for our part of the world here happened. There was the great Galveston Hurricane which almost destroyed the city of Galveston, and one of the things it did was do extensive damage to the Merchant's & Planters cottonseed mill that Rice owned. His business contacts here are telegraphing

and working with him in the immediate aftermath of the hurricane, and he authorizes them to spend, I think it is about \$250,000 of the fortune to rebuild this cottonseed oil mill. Most of William Marsh Rice's estate is tied up in investments, like most people. Most people have a lot of money but do not have a lot of cash sitting around, but he had about \$250,000 in cash and a bank account in New York. Patrick and Jones know this. They see suddenly that all this cash is about to disappear. This was going to be the easiest part of the fortune to get their hands on with his forged will, so they panicked and they create a plan to kill William Marsh Rice which they do in September 23, 1900.

The killing was carried out by Jones after being planned by Patrick. At the time of the murder, Patrick is at his boarding house singing hymns in the parlor while Jones is doing the dirty work, so he has an airtight alibi initially, but what trips them up is that the day after the murder one of the men who had fraudulently witnessed the will shows up at SM Swenson and Son's Bank. Actually, when Rice moves up there he is going to deal with somebody he knows, so his banking was done through SM Swenson & Sons. SM Swenson had died but Rice was also close with the son, Eric Swenson. So, on the day after the death no one knows about it at the bank yet, and this man shows up with a \$25,000 check written out to "Albert" Patrick, and it was misspelled. Swenson, being a careful banker, calls the apartment and asks. He wants to confirm with William Marshall Rice that this is, in fact, a real check. What he learns instead is that Rice died the night before. They refused to cash the check. Swenson alerts folks back in Houston that the circumstances of the death were maybe mysterious. They alerted the district attorney very quickly. People figured out that this was a murder and that is how we end up with Jones and Patrick in jail and Jones confessing to the murder and implicating Patrick. He is convicted in large part on the testimony of Jones. Jones was then released—which seems astonishing even at this late date that a conspirator in a murder trial would be able to be completely released in return for his testimony, but he was. Jones returned to Texas, and he shoots himself in Baytown in 1954. So he lives long but not that happily.

Patrick's death sentence is commuted in 1906, and in 1912 he is pardoned by the governor of New York despite being obviously guilty, it seems to me. By 1912 though, other good things were happening. On September 23, 1912, exactly 12 years from the day after the death of William Marsh Rice, the first students enrolled at the new Rice Institute

This story was taken from a transcript of a speech by Randal Hall at The Heritage Society at Sam Houston Park. Randal Hall is an adjunct associate professor at Rice and the managing editor of the Journal of Southern History. He also recently edited the book William Marsh Rice and His Institute.

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