

UTAH'S COAL ROAD IN THE AGE OF UNREGULATED COMPETITION

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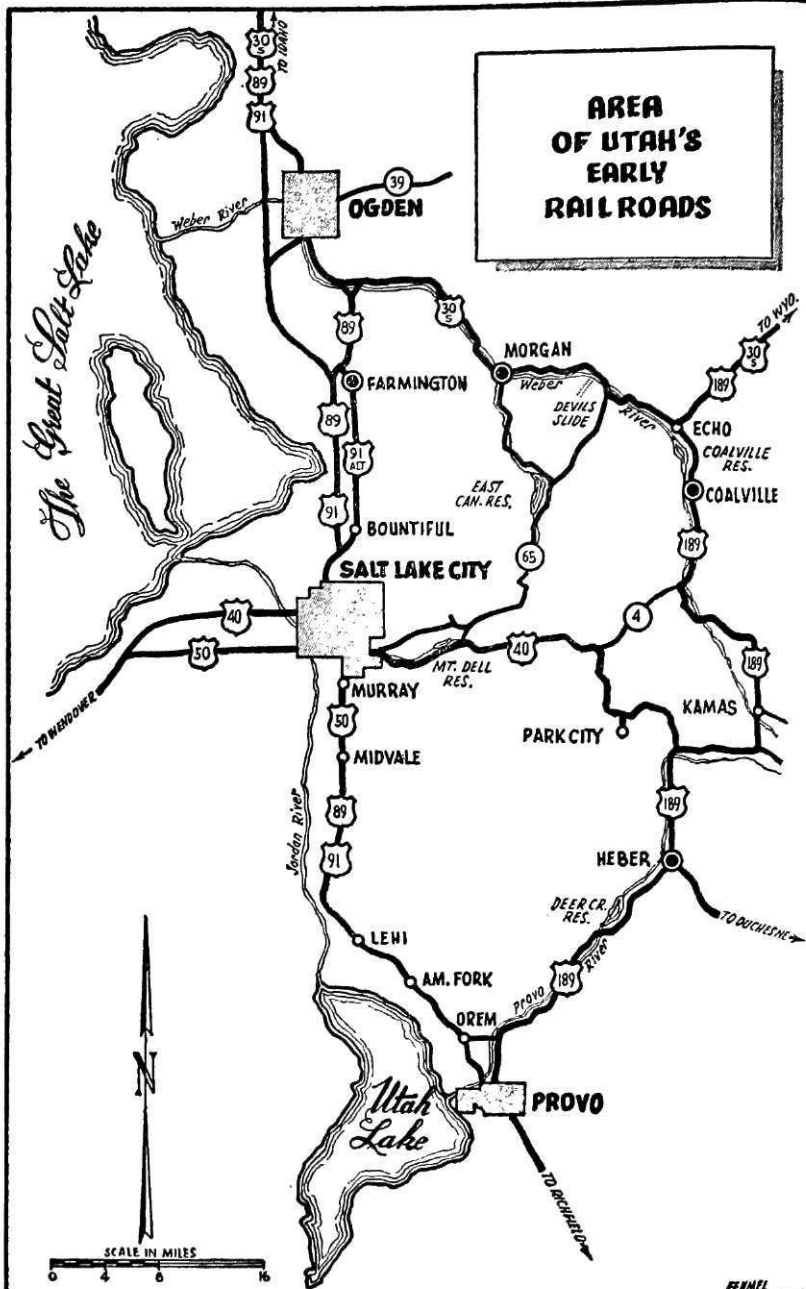
ONE OF THE important problems in the development of the Mountain West was the shortage of fuel. Colonists were compelled to build elaborate wagon roads, at great cost of human effort, to tap sources of timber in the mountain valleys and canyons. The lack of timber also stimulated a desperate search for coal deposits, the development and marketing of which usually depended on adequate transportation facilities.

Four minor railroads figured in the history of the transportation of coal from a number of important deposits near Coalville, Utah, to Salt Lake City: The Coalville and Echo, the Summit County, the Utah Eastern, and the Echo and Park City railroads. Officials of the Church of Jesus Christ of Latter-day Saints were instrumental in promoting the first three. The history of these roads, largely untold, is a despairing chronicle of financial loss and failure; nevertheless, it sheds light on the attitudes and objectives of Mormon leaders, and illustrates the callous disregard of powerless public interest which often typified big business in the Gilded Age of American capitalism.

While the state of Utah is underlain with extensive supplies of low-grade bituminous coal, this fact was not known by the Mormon pioneers for many years. The church-commissioned Southern Exploring Expedition discovered outcroppings of coal near Cedar City late in 1849, but Brigham Young and his associates decided to dedicate this coal to the working of the iron deposits located nearby. A vein of coal much closer to Salt Lake City was discovered shortly thereafter in what is now Sanpete

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**AREA
OF UTAH'S
EARLY
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County, Utah. Worked for a number of years, this mine was too distant from consuming centers to warrant large-scale production.

During the period 1858-61 a number of important deposits were found in Summit County, near what came to be called Coalville, approximately fifty wagon-road miles from Salt Lake City. These were in Chalk Creek, Grass Creek, and Spring Hollow canyons. While this coal disintegrated or "slacked" upon exposure to the atmosphere, it was relatively clean, and was the object of immediate development. The completion of the transcontinental railroad in 1869, accompanied as it was by a rapid increase in smelter operation and exhaustion of timber supplies, caused Mormon authorities in Salt Lake City to study the possibility of establishing railway connections with Coalville. The thirty-six mile Utah Central Railroad, connecting Salt Lake City with the Union Pacific terminal at Ogden, represented the first step in the church's plan to get coal to Salt Lake City. In conjunction with the Utah Central, which was commenced in May, 1869, church officials planned to construct a three-foot narrow-gauge railroad from Coalville north to the Union Pacific line at Echo, five miles distant. From Echo the coal would be carried on the U. P. lines some thirty-two miles northwest to Ogden. Later, branch lines would be built to the principal mines in the Coalville area. As with most pioneer Mormon enterprises, the road was to be constructed on the cooperative plan. Coalville residents would be expected to contribute labor, supplies, and equipment in return for stock in the road; the rails and rolling stock would be furnished by the church-owned Utah Central Railroad Company.¹

Under the direction of Brigham Young the Coalville and Echo Railroad Company was organized in September, 1869, with a capital stock of \$250,000.00, divided into 5,000 shares of \$50.00

¹In 1868-69 the church contracted with Union Pacific officials to grade ninety miles of its road in Utah. The U. P. defaulted on most of this obligation, but agreed to furnish the church \$600,000.00 worth of rails and rolling stock. At prevailing prices Brigham Young calculated that this would represent enough iron to construct both the Utah Central and the Coalville and Echo railroads. See Edward W. Tullidge, *History of Northern Utah and Southern Idaho* (Salt Lake City, 1889), 131.

each. The board of directors was composed of church leaders in Summit County, with Bishop W. W. Cluff of Coalville as president.² The road from Coalville to Echo was surveyed, and on October 21, 1869, ceremonies were held in Coalville to mark the commencement of construction. By the end of 1869, nearly all the grading had been completed, most of the ties had been procured, and plans were made for laying the track as soon as weather permitted in the spring.³

Nevertheless, the track was not laid. The Union Pacific, which had been depended upon to furnish the iron and rolling stock for the Utah Central and Coalville and Echo railroads, sent only enough to complete the former. When superior coal from the Rock Springs, Wyoming, mines was carried by the Union Pacific to Ogden, ready for transportation to Salt Lake by the Utah Central, Mormon authorities decided it would be unnecessary to purchase elsewhere the rails and rolling stock needed to complete the Coalville and Echo. Work on the little road was thus abandoned, with no compensation to the Coalville citizens who had devoted months of labor to the task of grading the road and securing ties. The president and superintendent of the Coalville and Echo, Bishop Cluff, was sent on a gospel mission to Scandinavia, to remain a year and a half. What coal was shipped out of Coalville during the next two seasons went by wagon north to the U. P. line at Echo, or, alternatively, southwest by team to Salt Lake City.

The Union Pacific Railroad Company, however, seemed to play the part of the "grasping monopolist," at least in the eyes of the Utah citizenry.⁴ Coal prices were high and supplies precarious.

²*Deseret News*, June 4, November 1, 1869.

³*Ibid.*, November 17, 1869; *Latter-day Saints' Millennial Star*, XXXII (1870), 121.

⁴In reproducing the allegations of the 1870's and 1880's, the writer is not implying any criticism of the policies of the Union Pacific Railroad Company, either then or now. The Union Pacific has undergone many reorganizations since the events described herein transpired, and the unfriendly practices alleged by its nineteenth-century competitors have long since been discontinued. The writer's motive in resurrecting this bit of history is not to indict the U. P. Company, but to unearth an interesting page of social history long buried, and to provide a partial rationale for some of the legislation which followed the competitive era of the 1870's and 1880's. If any animosity toward today's progressive Union Pacific should result from the publication of this article, the writer would be the first to regret it.

At the same time, some rich silver mines were opened at Park City, approximately twenty-eight miles south of Echo, and thirty-five miles east of Salt Lake City. A railroad connecting Park City and Coalville with Echo, and possibly with Salt Lake City, seemed to be justified.

Shortly after his return from Scandinavia in 1871, Bishop Cluff was asked once more to superintend the completion of the Echo and Coalville road. "Such temporal labor," he afterwards said, "was as much a part of the duties of the Elders as preaching, or anything in that line."⁵ A new association was formed, on November 27, 1871, called the Summit County Railroad Company, with a capital stock of \$660,000.00, divided into 6,600 shares of \$100.00 each.⁶ The principal stockholder and president was Brigham Young's son, Joseph A. Young. Other stockholders included Bishop Cluff, F. A. Mitchell, Charles Crismon, George Crismon, and other Mormon mine-owners in the Coalville locality.⁷ The narrow-gauge road was to connect Coalville with Echo Station and with the Chalk Creek and Grass Creek mines, and would push south of Coalville to Unionville and Wanship, and ultimately, it was hoped, to Salt Lake City. Plans called for the immediate construction of twenty-six miles of road.

According to the agreement made at the time of the organization of the company, the Summit County partners were to furnish the labor and ties, while Joseph A. Young was to arrange for the iron and rolling stock. As it turned out, the rails, cars, and engines were financed by the sale, on January 1, 1873, of two hundred and seventy \$500.00 mortgage bonds (twenty-year, seven per cent). This sale, which presumably netted \$135,000.00, was made to the Union Trust Company of New York, a firm in which officials of the Union Pacific Railroad Company were interested.⁸ The Summit County Railroad Company also purchased the ties, grade, and rights-of-way of the Coalville and Echo Railroad by exchanging its own stock for paid-up stock in the defunct corporation.⁹

⁵*Deseret News*, October 7, 1873.

⁶The company seems to have been legally incorporated on January 1, 1873.

⁷Summit County Railroad Company, incorporation papers, National Archives; *The Herald* (Salt Lake City), August 17, 1873.

⁸Summit County Railroad Company, incorporation papers.

⁹Tullidge, *loc. cit.*

Construction began in 1872, and the grading was completed from Coalville to Echo in the fall of the same year. The road was finally completed from the leading mines in the Coalville area to Coalville, and from Coalville to Echo Station, on May 14, 1873,¹⁰ which was not in time to prevent what Salt Lake City newspapers described as a "coal famine" during the winter of 1872-73.¹¹ At the same time, Mormon officials were improving the organization at the mines.¹² At the time of a visit of the church First Presidency to Coalville in July, 1873, the working of the mines was already well advanced, and the road was pronounced to be "already a success."¹³ A "well-built and commodious engine house" was located at the Coalville switch, and a "home-made caboose" was in operation. The track, including the branches to the mines, was twenty-two miles in length. Additional rolling stock arrived in October, 1873, making it possible for the company to transport all the coal taken from the Summit County mines. The *Deseret News* was happy to state that "the people of this city may consider themselves safe from the probabilities of a coal famine during the approaching Winter."¹⁴ It

¹⁰*Deseret News*, April 9, May 14, 1873. The road went as far as the Wasatch Mine, seven miles northeast of Coalville.

¹¹" . . . the people were put to great inconvenience and some even suffered considerable distress . . . the depot was absolutely besieged with teams and people would get up early on cold mornings in the hopes of being able to purchase a few hundred pounds of fuel." *Ibid.*, October 29, 1873.

¹²That coal existed in ample supply, if of dubious quality, in the Coalville region, has been confirmed by modern explorations. The district of which the Chalk Creek and Grass Creek mines formed a part is now known to have contained some twenty square miles of coal land, with seams ranging from four to twelve feet in thickness. Approximately half of the 200,000,000 tons are thought to have been commercially profitable to work. The two most profitable mines, the Wasatch and the Cullen, both of which were operated for a time under Mormon Church auspices, proved to be competitive under private operation and were worked until well into the twentieth century. See Marie Rose Peterson and Mary M. Pearson, comp., *Echoes of Yesterday; Summit County Centennial History* (Salt Lake City, Daughters of Utah Pioneers, 1947), 95-101.

¹³*The Herald*, August 17, 1873. The spiritual and business affairs of the Church of Jesus Christ of Latter-day Saints are under the general direction of a First Presidency, consisting of a president and two "counselors," and the Council or Quorum of Twelve Apostles. The president of the church also serves as legal "trustee-in-trust" of all church property. The collection of tithing, the construction of buildings, and the dissemination of welfare assistance are handled by bishops in charge of "wards" or parishes, under the general supervision of a presiding bishop and two counselors.

¹⁴*Deseret News*, October 29, 1873; *The Herald*, October 23, 1873.

was estimated that the eight mines in Summit County shipped approximately two hundred tons per day during the winter of 1873-74.¹⁵

Nevertheless, the completion of the road did not "free the citizens from the clutches of the Union Pacific," as some of them expressed it. The coal had to be transferred at Echo Station to the Union Pacific track for transmittal to the Utah Central at Ogden. The U. P., which was not particularly anxious to relinquish its hold on the lucrative Salt Lake coal market, did not regard the Summit County venture as a "feeder." Instead, U. P. officials retaliated by hiking coal rates from Echo to Ogden to prohibitive levels. Specifically, rates on coal from Echo to Ogden were raised from \$1.50 to \$3.76 per ton.¹⁶ The indignant little church road, the Utah Central, refused to receive U. P. coal at Ogden under these conditions; Salt Lake City was again in danger of a "coal famine." The Salt Lake *Herald* complained that in this action the U. P. was "robbing" Coalville of five hundred dollars per day.¹⁷ George A. Smith, a member of the First Presidency of the church, also deplored the ill-considered action of the U. P.: "The action of the U. P. R. R. Company is, with other things, designed to aim a deathly blow at the Coalville Railroad Company As soon as they have broken up the other companies we may expect them to increase the price of their coal as much as their avarice may dictate. Our remedy appears to be in building a railroad to the south until coal mines are struck, and by that means equalize the market."¹⁸ Another prominent church official wrote of the "helpless condition of the entire city" and "the rapacity of the railroad monopolists."¹⁹ The *Deseret News*

¹⁵*Ibid.*, July 3, 1874. The amount of coal carried by the Utah Central into Salt Lake City was placed at upwards of 45,000 tons for the year 1873. Edward L. Sloan, comp. and ed., *Gazetteer of Utah, and Salt Lake City Directory* (Salt Lake City, 1874), 43. A similar figure for the 1873-74 season is given in the *Deseret News*, July 1, 1874. Certainly most of the coal was mined at Rock Springs, Wyoming, and transferred from the U. P. to the Utah Central at Ogden.

¹⁶*Deseret News*, July 1, 1874. The *News* estimated that 60,000 tons of coal would have moved into the Salt Lake Valley in 1874-75 if the Union Pacific had not raised its rates.

¹⁷*The Herald*, July 3, 1874.

¹⁸George A. Smith to Joseph F. Smith, July 2, 1874, *Millennial Star*, XXXVI (1874), 492.

¹⁹John Morgan, *The Herald*, July 22, 1874.

editorialized: "It is a matter the importance of which can scarcely be over-estimated for the people to be at the mercy of a whimsical and apparently unscrupulous railroad company for one of the necessities of life, which, to a great extent, would be the case here in the winter season, when hauling by team would be occasionally, at least simply impossible." If the road linking Salt Lake City with Coalville was not built soon, the editor added, the people would be paying out more for coal than the cost of the road: "In the meantime, there are now hundreds of teams for which there is no other work in and around this City, . . . [which] might be and should be hauling coal from the Weber [i.e., Summit County] coal-beds, and thus keeping money in the Territory that would otherwise be paid out to a railroad company which has no sympathy with nor interest in the community" ²⁰

The unity and spirit of the Salt Lake citizens, both Mormon and non-Mormon, in opposing the rate-raising action of U. P. officials apparently forced a second look. On August 7, 1874, the rates were lowered to \$1.75 per ton from Echo to Ogden, and Summit County coal was shortly put on the market in Salt Lake City at its old prices.²¹ Editors warned, however, that a permanent solution would not exist until "the community will be in such a position that they will not be at the mercy of a railroad company who have the power and who to some extent have manifested the will to create a monopoly for the furtherance of their own ends independent of the distress and inconvenience they may entail upon others."²²

The operation of the Summit County Railroad after May, 1873, proved to be of little aid in the solution of the worsening fuel problem of Salt Lake City, Ogden, and other cities in northern Utah. The Union Pacific Railroad Company was in a strategic economic position. It owned low-cost, high quality coal mines at Rock Springs, Wyoming, and the connecting railroad; it purchased coal mines in the Sanpete and the connecting Sevier Valley railway; later, temporarily at least, it acquired control over the coal mines opened up in 1876 in Carbon County, Utah, and

²⁰*Deseret News*, July 15, 1874.

²¹*The Herald*, August 8, 1874.

²²*Deseret News*, August 12, 1874.

the connecting railroad. It owned the road from Echo to Ogden, without the use of which Summit County coal could not be economically delivered to Salt Lake City. The producers of coal in Coalville, coal dealers in Ogden and Salt Lake City, and the Church-sponsored Utah Central and Summit County railroads—all were in a very weak bargaining position. By the exercise of its rate-setting powers, and by the allocation of coal cars, the Union Pacific could control the quantity of Summit County coal which moved to Salt Lake and Ogden as well as the price at which it would sell.

By 1875, Brigham Young had given up the unequal struggle and sold the Utah Central Railroad to the Union Pacific for the reputed sum of \$250,000.00.²³ Also in grave financial difficulty, the Summit County Railroad defaulted on its bonds on January 1, 1875. Brigham Young absorbed the controlling stock interest of his son, and sold it to the U. P. Shortly after this purchase, the U. P. took up some of the track of the railroad in order, according to Tullidge, "to embarrass and prevent the Coal Company from being able to market its products . . ."²⁴ As the result of proceedings initiated August 23, 1880, the Summit County Railroad was finally sold at public auction to Sidney Dillon, representing the Union Pacific Railroad, for the sum of \$75,000.00.²⁵

Both before and after these transactions, the Salt Lake City newspapers vigorously complained of the "outrageous" impositions of the Union Pacific people, and campaigned for the construction of a locally-controlled rival line from Echo to Salt Lake City via the new mining center of Park City. The increase in population in Salt Lake City, coupled with the almost complete exhaustion of economic timber supplies, rendered the provision of an adequate, cheap, and secure coal supply even more important

²³Testimony of John Sharp, *Senate Executive Document* No. 51, 50 Congress, 1 session, 2154-55. Sharp stated that the transaction took place in 1872, which seems too early.

²⁴*Op. cit.*, 522-23. The coal company to which he had reference was the Mormon-owned Wasatch Coal Company, the largest producer of coal in Summit County.

²⁵Summit County Railroad Company, incorporation papers. Brigham Young is reported to have sold at the same time the church's interest in the Grass Creek coal mines. Tullidge, *loc. cit.*

than it had been in 1869. Mormon officials and Salt Lake citizens generally began to be concerned, particularly when Jay Gould secured a working monopoly on the northern Utah coal market in 1877, by acquiring controlling interest in the Pleasant Valley Coal Company of Carbon County as well as of the Union Pacific. In October and November of that year, Union Pacific "negotiated" with the Summit County mine owners to take all of their output—from ten to forty car loads daily—"with the proviso that none be sold to any other purchasers."²⁶ Having little choice, the dealers complied, further consolidating U. P. control of the northern Utah coal market.

This agreement forced mine owners to cease the practice of selling to men with teams who had been obtaining merchandise in Salt Lake City by exchanging coal. Such a barter arrangement was of considerable advantage in a territory where cash was "hard to come by." The bishops of the various Mormon wards in Salt Lake County were particularly interested in this matter because Salt Lake tithing produce had been carried by team to Coalville for years. There it was exchanged for coal which was brought to Salt Lake and used for welfare purposes, and for heating church office buildings, chapels, and business enterprises.²⁷ The U. P. management, for some reason, was averse to permitting mine owners the privilege of these barter deals, even when it was directly connected with welfare assistance to the poor.²⁸

During the winter of 1877-78 firewood sold for ten dollars a cord in Salt Lake City and a ton of coal brought the same price.²⁹ This was from two to four dollars in advance of "traditional" prices. As the winter progressed, the U. P. allocated fewer and fewer cars for the use of Coalville mines, and by April, 1878, only two car loads of coal were being taken a week

²⁶*Deseret News*, October 25, December 5, 1877.

²⁷*Ibid.*, December 13, 1877.

²⁸A parallel move was the appointment of Abram Gould, brother of Jay Gould, as sole agent of Union Pacific coal mines in Salt Lake City. Retail coal dealers were thus dependent for their supplies upon Gould, who appears to have been anxious to "freeze out" small independent retailers. On the grounds that his supply of coal was running out, he allegedly refused to furnish coal to any but large retailers. *Ibid.*, March 11, 1880.

²⁹*Journal History of the Church* (hereafter referred to as JH), December 27, 1877, Church Historian's Office, Salt Lake City.

from Coalville, compared with "normal" shipments of four to ten cars daily. Coalville was almost "starved out" of the coal business. Nor could the owners, under their contract, sell to anybody but the U. P. Company.³⁰ The U. P. "took up the slack" in the Salt Lake market by selling its own more expensive coal from Rock Springs.

The president of the church, John Taylor, who had succeeded to the position after Brigham Young's death in August, 1877, reacted to the situation by negotiating for the purchase of a coal mine in Summit County. The mine was to be worked by unemployed Mormon miners in the Coalville area. The president hoped to induce the U. P. Railroad Company to freight the coal from the mine to church offices at a reasonable rate, and thus permit church employees and welfare cases in Salt Lake to obtain fuel by paying cash for the freight only. These negotiations failed, but President Taylor did arrange with church leaders in Coalville to have coal mined by non-contracting parties, and hauled to Salt Lake by teams for delivery to the residences of church employees at \$10.00 per ton.³¹

These developments only served to reinforce the demands for construction of a railroad from Salt Lake to Coalville. The presiding bishop of the church, Edward Hunter, frequently spoke of the matter in the weekly meetings of the Salt Lake County bishops. The deteriorating prospects of Coalville also occasioned a number of meetings of the Summit County priesthood; they proposed to run a railroad from the mines to Kimball's Ranch, at the summit of the Wasatch Range, if the Salt Lake County priesthood would run a road from that point to the city. It was thought that coal could be delivered to Salt Lake City for three to four dollars per ton. These efforts bore fruit on December 27, 1879, with the incorporation of the Utah Eastern Railroad Company.³²

³⁰*Deseret News*, April 10, 1878.

³¹*Ibid.*, March 29, July 22, 1878. The trustee-in-trust finally acquired the productive Cullen Springs mine, in Grass Creek Canyon, in 1880.

³²*Ibid.*, December 12, 1878; February 28, March 6, November 27, 1879; *The Herald*, November 18, 1879.

According to the articles of incorporation, the track of the Utah Eastern Railroad was to run from Salt Lake City through either Emigration or Parley's Canyon, to the summit of Wasatch Range, thence across Parley's Park to the head of East Canyon Creek, thence across the divide to the head of Silver Creek and to Park City, thence down Silver Creek to Wanship, thence down the Weber River to Coalville, a distance of about fifty miles. The company was capitalized for \$700,000.00, divided into 7,000 shares with a par value of \$100.00 each. The estimated cost of building, furnishing, and equipping the road was given as \$600,000.00. Five hundred and ten shares, representing \$51,000.00, were subscribed and paid for at the time of the incorporation. The nine directors (and principal stockholders) of the company were: Robert C. Chambers, George M. Scott, Henry Dinwoodey, Francis Armstrong, Edmund Wilkes, John A. Groesbeck, Joseph M. Cohen, Robert Harkness, and Robert T. Burton.⁸³ The incorporators were: (a) Non-Mormon mine operators in Park City who desired a railroad connection to Park City as well as a cheap supply of fuel; and (b) Mormon capitalists who had no personal interest in the road but were urged by church officials to support the road. Burton, counselor to the presiding bishop, represented church authorities on the board.

The formation of the company was widely acclaimed in Salt Lake and Summit counties. The *Deseret News* and *Salt Lake Herald*, which had done so much to keep the "coal road" issue alive, carried many editorials urging support for the company. Their concern in this matter was undoubtedly prompted by the recognition of the vital role which coal was coming to play in an area largely devoid of timber supplies. Their editorial arguments can be summarized as follows:

1. When the need for coal was greatest, the supply was smallest. This could hardly be satisfactorily handled by team-hauling because the wagon roads were snowbound during the worst part of the winter when coal needs were greatest. The

⁸³Each of the directors subscribed for fifty shares, with the exception of Robert T. Burton, who subscribed for five shares. *Deseret News*, December 29, 1879; Utah Eastern Railroad Company, incorporation papers, National Archives.

coal could not be hauled in the summer and stored for winter use because of its quality of rapid disintegration.

2. The price of coal was altogether too high. Eight to ten dollars per ton was regarded as excessive in view of the price of two dollars per ton paid at the mines. It was thought that the U. P. could have made a reasonable profit by charging as little as four dollars per ton. If the price were reduced by only two dollars per ton, it would represent a saving of three hundred dollars per day to Salt Lake citizens, or an estimated seasonal saving of \$180,000.00. Park City was said to be paying four hundred dollars daily in exorbitant rates on coal.³⁴

3. The insecurity of being subject to a monopoly. The "rude and uncivil rejoinders and sometimes . . . insults for answers to respectful inquiries;" the desire to get out from under "the bondage of a monopoly."³⁵ Public indignation "over the heartless conduct of the U. P. . . ."³⁶ "The necessity for the Utah Eastern," said *The Herald*, "has been created through the grasping, grinding policy of the U. P. . . ."³⁷ John R. Winder, a pioneer stockman and military leader, wrote that the road had to be built so that thirty thousand people would not be dependent on one man or one company.³⁸

4. Money should be kept at home. Several of the leaders in the movement stressed that Salt Lake City, which consumed 70,000 tons of coal annually, was paying half a million dollars, nearly all of which went out of the territory, to the Union Pacific itself or to the Rock Springs, Wyoming, area. Some emphasis was placed on the fact that the Rock Springs coal was dug mostly by Chinese, "while many of our own citizens are without employment."³⁹

One of the problems which arose in connection with the formation of the concern was the possibility that the "great

³⁴*Deseret News*, July 8, October 18, 1880.

³⁵*Idem*.

³⁶*The Herald*, October 15, 1880.

³⁷*Ibid.*, May 14, 1880.

³⁸*Deseret News*, November 11, 1880.

³⁹*Idem*.

monopoly" might buy up a controlling interest in the Utah Eastern and thus render it ineffective. To avoid such a possibility the stockholders decided to elect three trustees in whose hands was to be placed a majority, or \$400,000.00, of the stock. Such stock was to be inalienable for fifteen years; that is, the stock could be sold but would still be subject to the control of the trustees for voting purposes. Here was the use of the trust device to fight rather than to entrench monopoly! Colonel Winder and Leonard W. Hardy, counselor (along with Burton) to the presiding bishop, were elected trustees from among the Mormon supporters, and Fred H. Auerbach was chosen to represent the non-Mormon interests.⁴⁰

Anticipating success in solving the freight problem, the church bought the highly productive Cullen Springs mine in Grass Creek Canyon in April, 1880. Church leaders also personally subscribed for a considerable amount of stock, and requested the Latter-day Saints to assist the enterprise in every possible way. Bishop Hardy, in speaking to the bishops about the Utah Eastern, is quoted as having said that: "He hoped the bishops would not only use their influence to further this important enterprise, but take all the shares they could in the railroad By bringing coal to this city from the mines in Coalville, the price per ton would be lowered one half" ⁴¹

Not only did the bishops use their influence, but a bill was passed by the territorial legislature authorizing counties to take stock in it. The Grant-appointed governor, George W. Emery, however, vetoed the bill.⁴² To stimulate sales, the management decided to price the \$100.00 shares at fifty dollars, which could be paid in ten-dollar monthly installments. Later, ten-dollar certificates, representing fractional shares, also were issued.⁴³ One bishop developed an interesting financial arrangement in his ward to permit small stockholders to subscribe. Ward members would pay for stock in small sums—whatever they felt they could

⁴⁰*Ibid.*, May 1, and 19, 1880. According to the incorporation papers, the three trustees were listed as having 4,000 shares on June 1, 1880.

⁴¹*Ibid.*, May 14, 1880.

⁴²The press attributed his veto to Emery's alleged friendship with U. P. officials. *Ibid.*, May 7, 1880.

⁴³*Ibid.*, May 19, October 21, 1880.

afford—in cents or in dollars. A person was chosen to pool this money and buy stock to be held in trust. These subscribers organized "The Sixth Ward Co-operative Association," on November 12, 1880.⁴⁴ A petition was also circulated to have the Salt Lake City Council put \$50,000.00 into the road.⁴⁵ The *Deseret News* and a large number of leading citizens supported this move, but the council disapproved, on constitutional grounds.

All in all, only \$82,400.00 was subscribed, of which \$2,400.00 was advanced by the president of the church as trustee-in-trust of its funds.⁴⁶

During the fund-raising campaign, Salt Lake newspapers and church authorities emphasized the *public* nature of the road. It was to be a "people's road." The benefit to the community of its construction was continually stressed. In answer to the question, "will it pay?" the editor of the *Deseret News* wrote: "If the people build and own the road, no matter whether a ton of coal is freighted upon it or not, so long as coal is sold in Salt Lake City for \$4 or less a ton, the people will gain largely by the investment."⁴⁷ The editor of *The Herald* added: "The Utah Eastern was not devised as a moneymaking scheme for a few individuals The Company was organized and the road is to be built for the purpose of breaking a monopoly that is sorely oppressing the people."⁴⁸ Bishop Burton echoed this theme in speaking to the bishops: "This was no private speculation," he stated; "it had been commenced for the express purpose of benefiting and blessing the poor, and . . . [he] besought the Bishops to lend their aid and influence to the consummation of the work."⁴⁹ Presiding Bishop Hunter also stressed the welfare aspect of the enterprise. "The poor," he said, "suffered severely, last winter, on account of the high price of fuel, which they could only obtain in small quantities, if at all, and he often thought," he continued,

⁴⁴*Ibid.*, November 13, 16, 1880.

⁴⁵A copy of the petition may be found in *ibid.*, November 15, 1880. See also *The Herald*, November 17, 1880, for a dissenting view.

⁴⁶*Ibid.*, November 18, 1884. One source definitely states that the amount raised was \$66,750.00, which, if true, would indicate that some of the stock was never fully paid up.

⁴⁷*Deseret News*, May 19, 1880.

⁴⁸*The Herald*, June 20, 1880.

⁴⁹*Deseret News*, June 11, 1880.

"while sitting at his fire, of the poor children who were . . . suffering from cold and privation He knew the building of the road meant help for the poor" ⁵⁰ Bishop Hunter's clerk, George Goddard, reaffirmed the bishop's sincerity in a letter to a friend in England: "Bishop Hunter and Council are extremely in earnest in the matter and doing all they can, by word and deed, to forward the enterprise and call upon all good Saints who have the interests of the kingdom of God at heart to step forward and help to free themselves from the grip of a powerful monopoly." ⁵¹

These appeals of the bishops, newspaper editors, and others made it possible for the company to begin construction operations quickly, for nearly all of the initial construction costs were paid for with capital stock in the enterprise. ⁵² The right-of-way, for example, was easily secured by the agreement of property owners to take payment in company stock. Contracts were let in May, 1880, for the grading of the first ten miles of the road, from Coalville to Kimball's Junction at the summit, and for 60,000 ties—enough to timber twenty-one miles of track. By the middle of June, four hundred men and one hundred-fifty teams were at work on the grading. ⁵³ The overwhelming majority of these men were paid in stock. The grading from Coalville to Park City—twenty-three miles—was completed August 27, 1880.

The lack of an adequate public cash subscription, however, obliged the management to call on the Ontario Silver Mining Company of Park City for the cash with which to buy rails and rolling stock. The Ontario Company agreed to advance \$186,000.00 to the Utah Eastern in the form of a loan secured by mortgage bonds. ⁵⁴ (It later became evident that the precise manner in which the transaction had been handled paved the way for the downfall of the little road, but more of that later.) On

⁵⁰*Ibid.*

⁵¹George Goddard to William Budge, *Millennial Star*, XLII (1880), 437. The Utah Eastern might well be called "The Bishops' Railroad" if it were not for the important role eventually played by the owners of the Ontario Silver Mining Company in the financing and ultimate fate of it.

⁵²*The Herald*, November 30, December 3, 9, 1880; *Deseret News*, May 18, October 29, 1880.

⁵³*The Herald*, June 20, August 27, 1880.

⁵⁴*Ibid.*, December 10, 1880. One estimate gives the figure as \$120,000.00; another places the Ontario investment at \$100,000.00.

September 8, 1880, President R. C. Chambers of the Ontario Silver Mining Company purchased rails for more than twenty-five miles of track, and an engine and ten cars, from the bankrupt Nevada Central Railroad.⁵⁵ Track-laying commenced on November 5, 1880. The road was completed to Park City on December 9, 1880. The facilities were later expanded to include twenty-eight miles of main track, four miles of branch track, the switches, and stationhouses at Park City, at Kimball's, and two at Coalville. The total construction cost was approximately \$300,000.00, of which the initial \$82,400.00 was contributed by stockholders, and the remainder obtained by the sale of first and second mortgage bonds.⁵⁶

While the construction of the road was being pushed, the organizers of the Utah Eastern also formed a corporation known as the Home Coal Company, which acquired a number of important coal mines in Summit County, including the Wasatch.⁵⁷ In December, 1880, the Utah Eastern and Home Coal companies signed a contract with the Ontario Silver Mining Company whereby Utah Eastern agreed to transport all of Ontario's coal from Coalville to Park City for two dollars per ton. Coal sold at the mine for two dollars a ton, so that coal was laid down at Park City for four dollars a ton, saving the Ontario company up to two hundred dollars per day.⁵⁸ A similar contract was made with the Empire Mining & Milling Company, also of Park City. These contracts assured Utah Eastern of sufficient business to keep going even if crowded out of the Salt Lake market.

⁵⁵*Ibid.*, September 3, 12, 1880.

⁵⁶*Ibid.*, March 7, 1885; *Deseret News*, April 18, 1885. The exact cost given is \$291,236.54. The cost of one engine, two way-cars, and twenty-five coal cars had been only \$26,110.00. The first mortgage bonds seem to have been issued solely for the purchase of rails, engines, and cars from the Nevada Central Railroad. Second mortgage bonds apparently were issued later to cover the purchase of other equipment, fixtures, and additional cars.

⁵⁷JH, October 21, 1880. Shortly after the formation of the Home Coal Company, Edward W. Tullidge wrote: "There has been great danger of our Utah coal fields being monopolized by the great railroad passing through our Territory, but the prospect of an escape from such an all-prevailing monopoly appears in the organization of the Home Coal Company, as an adjunct of the Utah Eastern Railroad, and the mining operations now being rapidly pushed forward by the Pleasant Valley Coal Co. . . ." *Tullidge's Quarterly Magazine* (3 vols., Salt Lake City, 1880-85), II, 297-98.

⁵⁸*Deseret News*, November 11, 1880; *The Herald*, February 5, 1885. The amount used by Ontario amounted to about 100 tons per day.

When the track was laid to Kimball's Junction the company was to have delivered coal at \$3.50 per ton to men with teams for hauling to Salt Lake City.⁵⁹ But when that point was reached on November 26, 1880, there was only enough rolling stock to fulfill the Ontario and Empire demands. Salt Lake residents were justifiably disturbed when one member of the board of directors, Mr. Henry Van Praag of the Empire Mill, made a public statement to the effect that unless the people put up enough money to buy more rolling stock they would get no coal.⁶⁰ Actually, it was discovered that half of the rolling stock had been "tied up" in track-laying operations, and shortly after the track was completed to Park City, December 9, 1880, the road furnished some coal to teams. Nevertheless, the record seems clear on the point that at the outset "the common people" had to wait until the wagons of the Ontario and Empire mines were filled and take what was left. Coal haulers complained that the situation was not improved at all: a new monopoly (the Ontario Company) had replaced the old one (the U. P.).⁶¹ Ontario Mining Company was saving two hundred dollars a day on its fuel bill, but the inability of haulers to get coal in the desired volume, and the expense of hauling the twenty-five miles from Kimball Junction to Salt Lake City, precluded any immediate reduction in coal prices to Salt Lake consumers.

As the winter wore on, however, more coal was made available to haulers and the first disillusionment was tempered with a more realistic view. By Christmas, forty tons per day were delivered at Kimball's and two weeks later more coal was available than haulers were taking.⁶² Nevertheless, "A Sixth Warder," who had invested fifty dollars of "hard-earned money" in the road so that coal could be cheaper, and so that it would be "Mormon-controlled," wrote that the enterprise had done nothing but add thousands to the pockets of the rich non-Mormon owners of the Ontario.⁶³

⁵⁹*Deseret News*, October 29, 1880.

⁶⁰*The Herald*, November 30, 1880.

⁶¹*Ibid.*, December 9, 16, 17, 19, 1880.

⁶²*Ibid.*, December 24, 1880; *Deseret News*, January 7, 1881.

⁶³*The Herald*, November 2, 1881.

How did the Union Pacific react to these efforts? Did U. P. lower coal prices to discourage investment in the road? Did U. P. promise more regular supplies of coal? Did U. P. commence a campaign against the Mormon bishops for interfering with "free enterprise?" In each case the answer is in the negative. Moving quietly, the Union Pacific, now controlled by Sidney Dillon and Charles Francis Adams, proceeded to construct a parallel broad-gauged line from Coalville to Park City, in an attempt to drive the Utah Eastern out of the Park City as well as the Salt Lake City market.⁶⁴

In 1880, it will be remembered, the U. P.-dominated Union Trust Company of New York initiated bankruptcy proceedings against the twenty-two mile Summit County Railroad. Union Pacific interests were able to buy that line, which connected Echo Station with Coalville and the Summit County mines, for only \$75,000.00. In acquiring the Summit County Railroad Company, the U. P. secured rights-of-way and properties which made possible the construction of a road south from Coalville to Park City. The newly-constructed line was to vouchsafe to the Union Pacific interests a direct self-owned road from Park City to Coalville, to Echo, to Ogden, and to Salt Lake City.

The Utah Eastern, upon learning of the parallel line, did not back down. As Editor Sloan of *The Herald* wrote, "To give up now would be to fasten the chains tighter upon the country, for the Union Pacific has only to block the way to Coalville, when it will have Salt Lake perpetually at its mercy in the matter of coal prices."⁶⁵ After an important meeting on the subject, the *Deseret News* carried the official announcement that "the road will be built." If the U. P. decides to haul coal and put it on the market cheap, the report added, the people "can afford to put their locomotives and cars under cover and let the road rest on

⁶⁴*Ibid.*, June 20, 1880. Another motive of the U. P. in building the Echo and Park City was the imminent competition of the Denver & Rio Grande, which had acquired control of the two million dollar Pleasant Valley Coal Company in Carbon County, and was threatening to push a narrow-gauge railroad into Salt Lake City. On the rivalry of U. P. and D. & R. G. at this time, see files of the *Deseret News* and *The Herald* for 1880-81.

⁶⁵*The Herald*, June 20, 1880.

its little bed, while they pocket big dividends in the reduction of the cost of coal for their own use."⁶⁶

The construction of the two parallel roads developed, as one might expect, into a contest to see which one should reach Park City first. The Union Pacific was in the enviable position of being able to lay its track as fast as the grading was done because it had plenty of iron. The promoters of the Utah Eastern also felt that U. P. deliberately charged an exorbitant rate on the transport of the Utah Eastern iron from Ogden to Coalville in order to hinder the enterprise. (The Utah Eastern had made arrangements to have the Central Pacific Railroad carry its iron from San Francisco to Ogden.)⁶⁷ U. P. reportedly charged \$85.00 per car to carry rails the requisite forty miles—a price which seems reasonable enough today, but which was “about four times the price asked from ordinary shippers.”⁶⁸ Moreover, they had allegedly agreed to transport it for \$35.00 per car before they knew what the Utah Eastern promoters were about.

The U. P. line to Park City was finally completed in January, 1881, approximately a month after the completion of the Utah Eastern to that point.⁶⁹ The broad-gauged road cost an estimated \$500,000.00. Hardly profitable in the narrow sense, the Echo and Park City line preserved to Union Pacific its control over the coal market of northern Utah, and it also prevented inroads by competition from the youthful and aggressive Denver and Rio Grande Railway Company.⁷⁰ In the event of the failure of the Utah Eastern, the Echo and Park City road also would have the lucrative coal business of the Utah Eastern and the reverse ore traffic from the Park City silver mines.

⁶⁶*Deseret News*, June 25, 1880.

⁶⁷*Ibid.*, June 11, 1880.

⁶⁸*The Herald*, October 15, 1880. At least that was the unsupported allegation.

⁶⁹*Deseret News*, January 19, 1881.

⁷⁰Having been successful in its Colorado campaign, the Rio Grande made a successful attempt to buy out the Pleasant Valley coal fields and Utah & Pleasant Valley and Sevier Valley railroads in 1881-82. Pleasant Valley coal began to appear on the Salt Lake market and somewhat eased the “coal famine” there. A subsidiary, Denver & Rio Grande Western, then made plans to construct a railway from Salt Lake City to Park City, at a cost of slightly over \$500,000.00, in order to beat the U. P. to the draw. This move of Rio Grande against the well-entrenched monopoly of the U. P. gave it sudden

After the completion of the Echo to Park City line, the Union Pacific organized the Echo and Park City Railway Company, on January 17, 1881, with capital stock of \$500,000.00, its stated purpose being "to buy, own and operate the Summit County Railroad." On May 6, 1881, Sidney Dillon sold and delivered the Summit County road and its properties to the Echo and Park City Railway Company for \$1,006,600.00 worth of the stocks and bonds of the latter company.⁷¹

After nearly a year of operation, the Utah Eastern Railroad was reported to be working at near capacity and paying its way. As with most Mormon enterprises, the board of directors served without charge; it also boasted the "lightest bonded indebtedness of any road in the territory."⁷² During the three-year period from December, 1880, to December, 1883, the Utah Eastern earned \$379,056.00, of which more than half was earned on its Ontario contract.⁷³ This was sufficient to pay operating expenses amounting to \$147,687.00, and \$231,369.00 interest on bonded indebtedness, and other transfers; but it was insufficient to warrant dividends. Projects to continue the road from Park City to Salt Lake City got underway at least twice because of the anticipated profitability, but these projects were effectively estopped by a development which served only to increase the disrespect which "the people" held for the Union Pacific. This development was a maneuver by the Union Pacific to close out the Utah Eastern and remove it permanently from competition.

popularity in Utah. The Utah Eastern entered into an agreement with Rio Grande so as to permit direct connection between Coalville and Salt Lake City. The management of the Utah Eastern seemed serenely confident of the little road's future. Bishop Hardy announced in bishops' meeting in August, 1881, that "he would not today take the face value of his shares, and he could assure the Bishops, who had invested in the road, that if they would hold on to it, they would soon realize, in the cheapness of fuel, the benefits for which the enterprise had been inaugurated." The Rio Grande road, however, was not completed until 1889, as the Salt Lake and Eastern; it was recently abandoned. See *The Herald*, June 12, 1881, June 13, 1882; *Deseret News*, August 18, 19, 1881.

⁷¹The incorporation papers indicate that Dillon sold the Summit County road for 510 of Echo's first mortgage thousand-dollar bonds, 4,660 shares of one-hundred-dollar stock, and \$30,600.00 credit on the Echo's books. Dillon kept only 329 shares of Echo stock and disposed of some of the remainder to U. P. officials in Utah and elsewhere.

⁷²*The Herald*, November 3, December 4, 1881.

⁷³*Ibid.*, February 5, March 7, 1885; *Deseret News*, April 18, 1885. The figures given are for a four-year period, but during the fourth year earnings and costs were unimportant.

The original capital stock of the Utah Eastern was 7,000 shares of stock, of which 4,000 shares were pooled to three trustees for fifteen years, and the remaining 3,000 were to revert to the company. As the result of popular subscription of stock, however, the trustees were able to sell only 1,098 shares, representing an investment of \$54,900.00. Forty-eight of these shares, valued at \$2,400.00, were held by John Taylor, as trustee-in-trust for the Mormon Church. In addition, non-trustee subscribers purchased 550 shares, for which they paid \$27,500.00.⁷⁴ The combined investment of subscribers and trustees was \$82,400.00, representing 1,648 shares. Being unable to secure the necessary funds by selling stock, Robert C. Chambers, president of the Utah Eastern, and superintendent of the Ontario Silver Mining Company, bonded the road to J. B. Haggin (of Haggin & Lloyd Tevis, a San Francisco partnership), who was vice-president of Wells-Fargo and the Nevada Central Railroad Company, and who was also president of the Ontario Silver Mining Company. When stock sales continued low, it was deemed imperative to issue second mortgage bonds. Mr. Chambers "negotiated" with Mr. Haggin, as the result of which Haggin agreed to buy 186 bonds (\$186,000.00), provided he was given a sufficient stock "bonus" to give him control of the Utah Eastern. Apparently, without the knowledge or consent of the three trustees who held a controlling interest in the road, Chambers, in the fall of 1881, turned over to Haggin 2,232 shares of treasury stock (12 shares for each bond).⁷⁵ This transfer gave Haggin more stock in the concern than all other stockholders put together. In the fall of 1883, two years after this exchange, the U. P. bought the Utah Eastern bonds from Haggin & Tevis. The U. P. also secured from the firm a proxy to vote the bonus stock, and later the stock itself. With 2,600 shares of stock, in the fall of 1883, the U. P. prepared to assume control of the road.⁷⁶

⁷⁴*The Herald*, November 18, 1884, February 5, 1885. There are some discrepancies in the figures reported by the newspapers, perhaps because of the use of different dates.

⁷⁵*Ibid.*, February 5, 1885. Elsewhere it is reported that he was given a bonus of 2,400 and 2,600 shares, respectively. *Deseret News*, November 20, 1883, November 18, 1884.

⁷⁶Apparently U. P. purchased a few additional shares from some of the original non-trustee subscribers.

The knowledge of the transfer of the bonus stock to the U. P. was carefully kept from the pooled stockholders until the annual stockholders' meeting November 19, 1883. At that meeting Union Pacific, voting the bonus stock, elected its own slate of board of directors, placed its own representatives in charge of the management, removed the books of the company to Union Pacific headquarters in Omaha, closed the road, transferred its usable rolling stock to its subsidiary, the Utah and Northern Railroad, and allowed the Echo and Park City road to absorb the coal contract between Utah Eastern and the Ontario Mining Company.⁷⁷ Within a year, Charles W. Penrose, of the *Deseret News*, in an editorial entitled "The Injustice of a Great Corporation," reported: "The U. P. [Echo & Park City Railroad] is in fine condition, conveying both passengers and freight, . . . chiefly coal for the Ontario. The U. E. is dilapidated and empty; its rails are twisted, its road-bed sunken, its bridges falling into decay, and the whole concern going rapidly to destruction. It is a standing but crumbling shame to the Company which has wrought this ruin."⁷⁸

The pooled stockholders met to discuss the possibility of countervailing action. A committee of prominent Latter-day Saints was appointed to investigate the condition of the Utah Eastern and the rights of the (now) minority stockholders.⁷⁹ At a subsequent meeting of the pooled stockholders, held February 9, 1884, the committee reported as follows:

We find, on examination, that . . . the earnings of the road are more than sufficient to pay the interest on the legal bonded debt and current expenses. It therefore is evident that there is no necessity for any parties connected with the road undertaking to jeopardize the interest of the minority stockholders therein.

⁷⁷*Deseret News*, November 18, 1884. Union Pacific headquarters at Omaha has informed the writer that no records of the Utah Eastern now are deposited there.

⁷⁸*Idem*.

⁷⁹*Ibid.*, February 4, 1884. The committee consisted of John R. Winder, Alonzo H. Raleigh, John A. Groesbeck, Francis Armstrong, Sydney Gilchrist, and John C. Cutler.

We find that on or about the 20th day of November, 1883, the day after the new board was elected, orders were issued to the employees of the Utah Eastern road not to receive or transport any local freight or passengers over said road, and on the 20th of December, 1883, the coal trains hauling coal on the Ontario contract were taken off, and the coal to fill this contract between the Ontario and the Utah Eastern—which was to continue five years—was transferred to the Echo & Park City road, and no trains have run over the Utah & Eastern since that date. Thus the present directors of the Utah Eastern—who are also the interested parties in the Echo and Park City Road—have transferred all the business from one to the other, to the great detriment and against the interests of the stockholders of the Utah Eastern.

We find that immediately after the election of directors, a new secretary was appointed, and the books and papers belonging to the company were taken from the office in this city away from the Territory, and when stockholders applied at the office to transfer stock or do business they were informed that the books and papers had been sent away

We find on examining the list of the pooled stockholders there are between 400 and 500 owners, a few of them are wealthy men, a good many merchants, and a large number of influential citizens, who unitedly can wield an influence in this city, in resenting a wrong when perpetrated upon them, should necessity require it.⁸⁰

⁸⁰*Ibid.*, February 11, 1884.

The committee then recommended that a group of five stockholders be appointed to take legal steps for the protection of the rights of the minority stockholders. The report was adopted unanimously, the committee appointed, and legal advice sought.⁸¹

However, nothing concrete was accomplished by the time the next annual stockholders' meeting was held on November 17, 1884. That meeting was presided over by Mr. E. Dickinson, who had been appointed by the U. P. as superintendent of the idle Utah Eastern. Chairman Dickinson said the object of the meeting was to hear the annual report and elect officers. But "as the road was not in use no report could be given," so he proceeded to the election. When the trustees objected to the voting of the bonus stock on the grounds that it was not bona fide, paid-up stock, the chairman overruled the objection. An appeal was taken to the decision of the chair, but by the vote of the bonus stock, the chairman was upheld. Sidney Dillon, Charles Francis Adams, F. L. Ames, E. Dickinson, and other U. P. officials were then elected to the board of the Utah Eastern.⁸² The board later elected Charles Francis Adams, president, and E. Dickinson, vice-president and superintendent. Commented the caustic editor of *The Herald*:

The duties of the newly-elected officers . . . will be onerous and trying in the extreme. They will consist of a vigilance almost superhuman, to see that a puff of smoke never by any possibility ascends from the shops of the company; that the toot of the whistle is sacredly excluded from along its line; that the rails rust with all possible facility, and that the rolling stock of the company do the best possible service on the Utah & Northern. The present force [Dickinson and his brother] may suffice for these duties for the time being, but sooner or later we are convinced, their hands will have to be strengthened.⁸³

⁸¹The committee consisted of John R. Winder, Alonzo H. Raleigh, Francis Armstrong, Robert T. Burton, and Elias Morris—all prominent Latter-day Saint businessmen.

⁸²*Deseret News*, November 18, 1884.

⁸³*The Herald*, November 19, 1884.

The U. P. stockholders offered to buy out the local stockholders for the reported price of \$8.00 per share. The latter decided to reject this "munificent sum," as they sarcastically called it, and made plans to go ahead with a suit to test whether U. P. could vote the bonus stock.⁸⁴ Leading Mormon lawyers, however, were engrossed in defending Rudger Clawson, the first of the Mormon polygamists to be sentenced under the Edmunds Anti-Polygamy Act, and it remained for U. P. to take the case to the courts.

In January, 1885, through the person of J. E. Dooley, Salt Lake banker, the U. P. brought suit in Third Judicial District Court for foreclosure of the mortgage which the bonds were given to secure, alleging default on the interest and the insolvency of the road. Apostle Joseph F. Smith, who was chosen to represent the stockholders in the suit, and was therefore listed as co-defendant with the Utah Eastern, replied by charging that the new board had purposefully prevented the U. E. from making money so as to permit the U. P. bondholders to foreclose. As evidence, he showed that all interest payments on the bonds had been met prior to the assumption of control by Union Pacific in November, 1883. And during November and December, 1883, the Utah Eastern earned over \$10,000.00, which was more than ample to pay current interest on the first mortgage bonds. Smith held out for a receivership, and claimed that there was no reason why, under a receivership, the road could not pay the entire floating indebtedness.⁸⁵

Judge Charles S. Zane announced his decision on February 5, 1885, that, in the interests of all stockholders and bondholders, a receiver for the Utah Eastern should be appointed.⁸⁶ This decision was regarded as a victory for the minor stockholders. Judge Zane appointed his deputy clerk, H. G. McMillan, to serve as receiver. The sum total of McMillan's activity as a receiver seems to have been to make an inspection trip over the U. E. line and to report his findings. They were substantially as follows:

⁸⁴*Deseret News*, November 18, 1884.

⁸⁵*The Herald*, February 5, 1885.

⁸⁶*Deseret News*, February 6, 1885.

1. The company could be expected to earn as much in the future as in the past provided it were managed efficiently and fairly.

2. Since November, 1883, when the Union Pacific transferred the lucrative Ontario mine contract to its own Echo and Park City Road, 33,879 tons of coal had been hauled. No payment had been made by the Echo & Park City railroad to U. E. for the use of its coal mine branch, engine and cars. The receipts of the road from November 1, to December 19, 1883, were not to be found. According to the books, however, the engine, way cars and coal cars had been leased by the U. P. management to the Utah & Northern Railroad; the engine at the rate of three dollars per day, and the cars at the rate of $\frac{3}{5}$ of a cent per mile. The Union Pacific had also taken \$1,132 of tools, fixtures, etc., for which it had left a voucher.

3. Some portions of the track were missing as the result of washouts; three bridges were gone. The timbers were out of a number of other bridges, and nothing had been done to preserve them. The stationhouses were still standing. There were two engines and many cars on the track.

4. The value of the road equipment at the time of the investigation totaled \$135,941. The cost of putting the road into operating condition was estimated at \$3,250. The bonded indebtedness of the road, represented by first, second, and third mortgage bonds, was \$470,000. On this there came due as interest on April 1, 1885, \$57,569.⁸⁷

⁸⁷*Ibid.*, April 18, 1885; *The Herald*, March 7, 1885.

Deprived of its contract, its traffic taken away by the Echo and Park City, the Utah Eastern could not recover without an active receivership. McMillan seems to have been interested only in the liquidation of the concern. Sufficient prodding by the stockholders might have moved him to positive action in putting the company on its feet; but it was not to be. One of those curious coincidences in history made it unlikely that the stockholders could make their influence felt. With an adverse decision by the United States Supreme Court in the Clawson case, in January, 1885, the way was open for the drive on Mormon polygamists to begin. The Mormons chose to "go underground," and, when caught, to fight back with every legal device they could muster. The pressure of the antipolygamy drive not only engaged the attention of every Utah lawyer, but forced almost every leading Mormon into jail or into hiding. This included most of the minority stockholders interested in the re-establishment of the Utah Eastern. Joseph F. Smith, who had been chosen to represent the stockholders, was indicted for "cohabitation" and escaped to Hawaii, to remain until 1890.⁸⁸

As the direct result of the Edmunds Act, therefore, the minor stockholders ceased to press for the reactivation of the road at the very moment that it became feasible. It was only a question of time until the Utah Eastern would end up on the auction block. On February 21, 1887, P. L. Williams, representing the Union Pacific interests, whose \$186,000.00 in first mortgage bonds had matured, bid \$25,000.00 for the road bed, locomotives, cars, and other properties of the Utah Eastern Railroad.⁸⁹ He was the only bidder. Soon afterward, the tracks of the Utah Eastern were taken up and the equipment transferred to other U. P. lines.⁹⁰

⁸⁸It is somewhat ironic that shortly after Smith became church president in 1901, he became a director of the Union Pacific Railroad Company and served as such until his death in 1918.

⁸⁹*The Herald*, February 22, 1887.

⁹⁰The Home Coal Company, which was not involved in the sale, had remained more or less continuously in the market by transporting its coal over the Echo and Park City to the U. P. line and thence to Salt Lake City. The company alleged that U. P. attempted to force it to sell out (or get out of the Salt Lake market) by prohibitory rates; but the company stayed alive, and in 1888, sold 4,500 tons of coal at its mines, 23,800 tons in Park City, 6,000 tons in Salt Lake City, and 900 tons in Coalville. *Deseret News*, April 27, 1889.

The story of the Utah Eastern is a story which was repeated many times in the history of American railroading. The seemingly brutal tactics of the Union Pacific were accepted competitive practices during the "Reign of Laissez-faire" from the end of the Civil War to the turn of the century. There was one unique element in the situation, however, and that was the vital and growing dependence of Salt Lake City upon coal. The growing exhaustion of timber resources, the relative distance of other coal deposits from Salt Lake City, and the spectacular growth of the mining industry, not only created a comparatively large demand, but rendered the demand increasingly inelastic. The willingness of Union Pacific interests to pay half a million dollars to construct a line parallel to the Utah Eastern is explicable only in terms of their recognition of the importance of preserving to themselves the coal market of the Great Basin metropolis.

The U. P. monopoly proved to be short-lived. Rich new mines, the Scofield and Winter Quarters, had been opened up in Carbon and Emery counties in eastern Utah in the early 1880's, and the Castle Gate and Sunnyside were developed before 1900. The Denver and Rio Grande, which developed these mines, was pushing into Salt Lake City with competitive supplies. At the same time, companies were established to manufacture gas, and quantities of natural gas began to come on the market within a decade. The process of economic development, starring the achievements of American scientists and engineers, was accomplishing what the Mormon bishops had sought in vain to do.

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