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THE UNION PACIFIC RAILROAD AND THE MORMON CHURCH, 1868-1871: AN IN DEPTH STUDY OF THE FINANCIAL ASPECTS OF BRIGHAM YOUNG'S GRADING CONTRACT AND ITS ULTIMATE SETTLEMENT

L-2

A Thesis

Presented to the

Department of History

Brigham Young University

In Partial Fulfillment

of the Requirements for the Degree

Master of Arts

by

Thomas M. Stevens

This thesis, by Thomas M. Stevens, is accepted in its present form by the Department of History of Brigham Young University as satisfying the thesis requirements for the degree of Master of Arts.

Eugene E. Campbell, Committee Chairman

Ted J. Warner, Committee Member

7/31/72
Date

De Lamar Jensen, Department Chairman

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CHAPTER I

INTRODUCTION

In 1868 as the Union Pacific Railroad Company approached Utah territory, Brigham Young was given the opportunity to complete that part of the road bed that was to be built from the head of Echo Canyon to the northern or southern end of the Great Salt Lake, depending upon which route was chosen. Realizing that Mormon isolation from the East was no longer possible, Young decided that the contract would benefit the people of Utah because of jobs brought to Utah not only during construction but also after the road was set in operation. He also realized it would reduce the costs of goods transported to or from Utah as well as the cost of overland passenger transportation, notably the immigrants from the East and Europe. Determined to build a broader economic base in Utah, Young signed the contract with the Union Pacific Railroad. Once he accepted the contract he sublet it to a number of subcontractors, who were members of the Mormon church.

The purpose of this paper is to clarify Brigham Young's contract with the Union Pacific with regards to the financial arrangements and negotiations, the initial settlement, the final settlement and the mode of payment. The work in Utah proceeded according to plan, barring a few difficulties, but major problems arose between Brigham Young and the Union Pacific over the payment. Bishop John Sharp and Joseph A. Young were the major subcontractors on Young's contract and they were also the liasons between Young and the Union Pacific in the financial

claims against the company. During this period the Union Pacific was beset by financial reverses which were compounded by the fact that after the completion of the work, Young not only sought payment for the original contract, but also for additional work beyond the contract. Extensive negotiations through efforts by John Sharp and Joseph A. Young ultimately terminated the contractual relationship between the two parties as well as an acceptable settlement of all claims. This study investigates the exchange of goods and money in an attempt to determine whether or not the settlement was equitable and also to investigate what Brigham Young hoped would transpire because of the presence of the Union Pacific in Utah. With growing antagonism in the East against the Mormons as a radical religious group, Young realized a need for a more congenial relationship with the East. Utah was anxious to achieve statehood and viewed the railroad as a vehicle to carry them one step closer to that goal. The railroad showed promise of improving the economic status of Utah through cheap transportation, an expanded labor market and domestic railroads in Utah.

Scholarly investigations in this specific area have treated this problem only superficially. Robert G. Athearn has probably done the most extensive study in his book Union Pacific Country. He is the only scholar who has been allowed access in recent times to the Union Pacific Archives in Omaha, Nebraska. His basic purpose was to write a comprehensive history of the successes and failures of the Union Pacific in Western America and, thus, has not made any attempt to treat each phase in depth. Although Athearn made a survey of the total financial considerations of Young's contract with the Union Pacific, he did not present a thorough study of Young's relationship with his subcontractors or the

building of the Utah Central Railroad as an outgrowth of that contract, nor does he break down negotiations into their respective parts. In treating Young's attitude toward the coming railroad, he dismisses in any way the idea that Young was basically opposed to the railroad's coming to Utah; however, he does not discuss in any detail the possible reasons why Young welcomed the railroad.[1]

In Great Basin Kingdom, Leonard J. Arrington has written an economic history of Mormon endeavors from 1830 to 1900, a period of seventy years. The magnitude of this task dictates that an in-depth study of individual undertakings was not possible. Further, Union Pacific documents in possession of the Mormon church were not made available until after the publication of this work. Financial figures are approximations and frequently are incorrect and details of the negotiations between Young and the Union Pacific are lacking; however, he has considered the association of Young's Union Pacific contract with the building of the Utah Central Railroad and the settlement of final obligations to the subcontractors. Arrington's study concludes that Young's primary concern in railroad involvement centered around the facility of transportation and he does not treat other advantages that may have been a consideration.[2]

A recent publication in which a reappraisal of the Union Pacific construction has been considered by Charles Edgar Ames in his book Pioneering the Union Pacific. He refers briefly to the contract between

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[1]Robert G. Athearn, Union Pacific Country (New York: Rand McNally and Company, 1971).

[2]Leonard J. Arrington, Great Basin Kingdom (Lindoln, Neb.: University of Nebraska Press, 1958).

Young and the railroad and includes only rudimentary figures and facts surrounding the financial considerations. His treatment of this contract involves a total of less than a page of material and mentions nothing of a personal nature of Brigham Young or his associates with regards to their relationship with the company. Although this work is a fairly recent study, it sheds no new light on the topic under discussion.[3]

Around the turn of the century Hans P. Freece completed a master's thesis at Columbia University entitled "The Mormon Church and the Union Pacific Railroad." The work, while dealing exclusively with the topic under discussion was only sixteen pages long and as such was an insufficient study. The author exhibited an anti-Mormon bias which compromized his objectivity and he dealt solely with information of a general nature which could be found in any comprehensive history of the Union Pacific Railroad.[4]

Related articles have been written by both Dr. Athearn and Dr. Arrington which deal with the Union Pacific in Utah, but generally speaking they reflect the same concepts as contained in their books.

The lack of a comprehensive study of Brigham Young's dealings and associations with the Union Pacific Railroad justified research and writing in this area.

The material used in writing this paper was obtained primarily from original documents, papers and letters from the archives of the Church Historian's Office of the Mormon church in Salt Lake City, Utah.

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[3]Charles Edgar Ames, Pioneering the Union Pacific (New York: Appleton-Century-Crofts, 1969).

[4]Hans P. Freece, "The Mormon Church and the Union Pacific Railroad" (unpublished master's thesis, Columbia University, 1909).

The Brigham Young Letterbooks contributed most significantly to the writing of this paper. These papers are bound into twenty-three volumes of letters and telegrams written primarily by Brigham Young to others parties; only a small portion are correspondence to Brigham Young. Superficial indexing has been done. These should not be confused with Brigham Young Correspondence which are uncatalogued letters and notes to Brigham Young that are filed in fifty boxes labelled only by date. Young kept a detailed account of his financial dealings with the Union Pacific Railroad Company and these records are found in the Union Pacific Railroad Papers. These are neither catalogued nor arranged in any order and comprise two boxes of material. The John Sharp Papers are miscellaneous letters, notes and telegrams to and from him. The collection is very small and information is limited. The Journal History of the Church of Jesus Christ of Latter-day Saints is a day-by-day account of incidents and happenings important to the church and recorded by the Church Historian's Office. It comprises numerous, well-indexed volumes and contributed significantly to the paper.

From these sources it can be determined that Young's business dealings with the Union Pacific Railroad can be logically broken down into several areas. Before discussing them and in order to fully appreciate the materials discussed in the body of the paper, it is necessary to understand at least in part the events leading up to the construction of the railroad through Utah. Chapter two deals briefly with the early history of the Union Pacific Railroad, Brigham Young and the Mormons. The terms of the contract with the specific delineations of the responsibilities of both Brigham Young and the Union Pacific comprise Chapter Three. In Chapter Four, the actual construction is discussed with special

emphasis upon work done by Bishop John Sharp and Joseph A. Young. Following the construction, Chapter Five deals with the initial difficulties Young encountered when attempting to collect money due from the Union Pacific; Bishop Sharp and Joseph A. Young were sent to Boston to confer with Union Pacific officials about the settlement of Young's outstanding claims. After the passage of some time and a great deal of negotiation, the Union Pacific agreed to pay the main portion of their obligation to Young. Chapter six is an in-depth study of all financial considerations of Young's contract with the Union Pacific and further explains the financial aspects and method of payment as arranged by John Sharp and Joseph A. Young in Boston. In view of the fact that a complete payment of Young's claims had not occurred in Boston, Chapter Seven discusses further negotiations which were scheduled to take place in Omaha, Nebraska. The railroad failed to comply with this agreement; however, several months later a complete and final settlement and payment of Young's claims were reached. Since the majority of the payment was satisfied with railroad materials, Young had no capital with which to pay his subcontractors. Chapter Eight deals with his subsequent payment to them through the Utah Central Railroad. The final chapter synthesizes the factual information contained in the previous chapters and offers an analysis of its significance.

CHAPTER II

BACKGROUND

The concept of a transcontinental railroad linking the East and West, while the object of much speculation, was not given serious consideration until the 1860's.

The beginning of the Civil War in 1861 retarded progress of the proposed road because of the war-time demand for men and material. In another sense it accelerated the day when work would begin because there were no longer any Southerners in congress thus eliminating support for the proposed southern route to the West. The rebellion did, however, present the distinct possibility that California or other western areas of vast mineral resources, being separated from the control and protection of the central government in Washington, were vulnerable to internal rebellion or external invasion.

Congress was already burdened with a war in the East and was fearful that similar difficulties could develop in the West. Interest in the Pacific Railroad was also strongly advocated by lobbyists from the East and West, both within and without congress. It therefore passed the Pacific Railroad Act in 1862. In view of the magnitude of the manpower, materials and financing that was to be involved, congress later passed the Act of 1864. This essentially provided that the government would at least underwrite part of the cost and to some degree protect the investor. Even after construction began there were still many holding positions in government and business who felt that the entire project was unwarranted owing to its high cost and the few, if any, returns

to be gleaned from the American West.

Regardless of the pessimists and the seemingly insurmountable obstacles to be encountered, both physical and fiscal work began at Omaha in the Nebraska Territory and at Sacramento in California. These efforts culminated several years later at Promontory Summit in the Utah Territory when the rails were linked on May 10, 1869.

The Pacific Railroad Act of 1862 was to bring profound economic and social changes to the Mormon community. The survey and construction work for the transcontinental road through Utah was endorsed by Mormon leadership and the majority of the work undertaken by themselves or their followers. From this beginning there was to ensue a number of spur and short lines several of which were financed and constructed through Mormon enterprize.

Some twenty years before the transcontinental railroad was begun, a religious group from Illinois called the Church of Jesus Christ of Latter-day Saints or, more familiarly, the Mormons, arrived in Utah which at that time was part of the Republic of Mexico. They were led by Brigham Young, the spiritual as well as business and economic leader of the religious organization. These settlements were to stretch from Idaho in the north to California in the south.

From the beginning of these settlements in Utah, Young was anxious that a railroad should link the East and the West. When the Territorial Legislature was organized in 1852, one of the first measures to be considered was a memorial to the United States Congress petitioning that it take under advisement a bill with regards to a transcontinental railroad.[1]

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[1]Leonard J. Arrington, Great Basin Kingdom (Lincoln: University of Nebraska Press, 1958), p. 237.

Several years later a mass meeting was held in Utah, again proposing such a road to Congress with the suggestion that it pass through Salt Lake City.[2] The Mormon petition obviously had no effect upon congressional decision. They were considered just another western pressure group of questionable political importance seeking means from the government to further their own ends.

Congressional consideration was at that time focused upon the "slavery issue" which at that moment was threatening to upset the "Ship of State." These sectional difficulties culminated in 1861 with the advent of the Civil War.

The tenuous nature of any union as demonstrated by the war, was undoubtedly one factor which stimulated the Pacific Railroad Acts of 1862 and 1864. Despite the difficulties of war, the Union Pacific Railroad Company was formed and preparations for construction of the new road were begun. In California similar activities were undertaken and the Central Pacific Railroad Company was organized.

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[2]*Ibid.*, p. 236.

CHAPTER III

EARLY ASSOCIATIONS WITH THE UNION PACIFIC RAILROAD AND BRIGHAM YOUNG'S GRADING CONTRACT

Brigham Young's association with the Union Pacific began shortly after the company was organized. At the time of organization the road began selling stock to finance construction. Young became one of the initial subscribers purchasing five shares valued at $1,000 each. Several years later in 1865 he was appointed to the board of directors.[1]

The Union Pacific began to survey the proposed road in 1863 and by 1864 the engineers had reached the Utah Territory. Division Engineer Samuel B. Reed called upon President Young and contracted with him for men and supplies to assist in the survey work, which Young readily agreed to furnish.[2] Reed visited and counciled with Young on several occasions as the work progressed. On one such occasion he produced a map of the survey work between Weber Canyon and Bear River Mountain, and spoke quite favorably of the route speculating that the construction would cost less per mile than the road built across Iowa.[3] While Reed should not be criticized for his enthusiasm, this mountainous area through northern Utah was to involve a greater sacrifice in time and money than any other part of the construction work done on the Union Pacific Line. This was the first of what was to become a long and

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[1] Ibid., pp. 236-37.

[2] Letter, Peter A. Dey to Brigham Young, December 16, 1864, Union Pacific Railroad Papers, Manuscript Section, L. D. S. Historical Department.

[3] Letter, Brigham Young to D. H. Wells and Brigham Young, Jr., July 16, 1864, Brigham Young Letterbooks, L. D. S. Historical Department. (Microfilm reel 10, pp. 240-3).

profitable relationship between Brigham Young and the Union Pacific. Young's assistance with the survey netted him $4,692.69 which he had applied to his stock subscription.[4] Reed was most favorably impressed with Young and his followers and reported this to his fellow associates in the East.

In 1865 further survey work was undertaken to determine the feasibility of several alternative routes through Utah and the Union Pacific again availed itself of Brigham Young's services.[5]

In mid-1865 the Union Pacific began laying track west from Omaha. Progress was very slow to begin with; however, efficiency rapidly increased at the insistence of company officials who were by this time hard pressed for results and funds. By early 1868 the tracks were laid well into present-day Wyoming and company officials were certain that they would reach Salt Lake City before winter.

As the approach to Utah was imminent, Thomas C. Durant, Vice President of the Union Pacific, wrote Young regarding the availability of men to work on the road construction. The Mormon leader reported that all the men necessary could be obtained for $1.00 to $2.25 per day plus room and board depending upon their ability.[6] Several weeks later Samuel Reed telegraphed Young concerning the feasibility of obtaining oats and barley and flour from the Utah communities. President Young

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[4]Letter, Peter A. Dey to Brigham Young, December 16, 1864, Union Pacific Railroad Papers.

[5]Letter, Samuel B. Reed to Brigham Young, October 9, 1865, Union Pacific Railroad Papers.

[6]Telegram, Brigham Young to T. C. Durant, April 22, 1868, Union Pacific Railroad Papers.

replied that all three commodities were available but that prices were high owing to the demand for such items at the gold mines.[7] Apparently after some inquiry he again contacted Reed the following day informing him that new flour would be available in July.

The following month Durant telegraphed Young inquiring as to his disposition to take a Union Pacific contract to grade the road bed from the head of Echo Canyon to Salt Lake. In his request he made it clear that the Mormon leader and his followers were to be given the first option for all work done near their communities if satisfactory terms could be reached. He called upon Young to name his own price. The work was to be priced per cubic yard according to the materials to be used in grading, dirt, shale, rock, etc. Tunnel work was to be priced in the same manner according to the type of material encountered. Young was not required to state a figure for the entire job. This would be determined by his unit cost per yard which was to be computed as the work progressed. Durant required that the work was to begin immediately and was to be completed before winter. The Union Pacific offered to provide all tools and equipment needed for the work at cost plus transportation. If the terms were agreeable to both parties Samuel Reed and Silas Seymour were to proceed with all haste to Salt Lake City to work out the contract so that construction might begin as soon as possible. If his labor force permitted, Young was also to send a number of hands to Green River to pursue the work there.[8]

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[7]Telegram, Brigham Young to S. B. Reed, April 23, 1868, Union Pacific Railroad Papers.

[8]Telegram, Thos. C. Durant to Brigham Young, May 6, 1868, Union Pacific Railroad Papers.

President Young, obviously pleased with such a financial windfall, telegraphed Durant the same day he received Durant's communications saying:

> I would like to contract for the grading you mention and presume that Mejs Reed, Seymour and Myself can readily agree upon the details. Taking this contract and the surplus laborers who have already gone east will preclude my furnishing hands for Green and West of that Point.[9]

Young was obviously looking to his own financial interests and those of his followers in declining to supply men for the work at Green River, Wyoming. He felt that the men would be at a financial advantage working for their fellow Mormons rather than for someone else more interested in prosecuting the work than the laborer's well being. He also was not entirely aware of the labor force his contract would require and, in view of this and the necessity of completing the contract within the season, he was well advised to plan for a surplus of labor. There also exists the possibility that he did not wish his followers to be associated with the unsavory types who, as a rule, were employed by the railroad—the Mormons having maintained to this point in history some degree of exclusion from the "gentiles" as the non-Mormons were referred to.

In the twenty years since the Mormons had settled in Utah, they had undertaken some rather extensive projects including a sugar mill and various irrigation projects, but nothing quite as ambitious as building a railroad. It is possible Young was not acquainted with the prevailing rates in the railroad construction business. Regardless of his motives

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[9]Telegram, Brigham Young to T. C. Durant, May 6, 1868, Union Pacific Railroad Papers.

he had nothing to lose by inquiring into such matters. Pursuing this matter he prepared a schedule to include the types of work with which he would be engaged. This he presented to Reed who had arrived in Salt Lake to work out the details of the contract. Reed was asked to calculate the necessary facts and figures "at the fairest rates for all parties" taking into consideration the location of the work, the kinds of materials to be used and other such considerations.[10]

These figures were received by President Young the same day he asked for them. From these he made his first and only proposal to Reed and Seymour. Sufficient research has not been done on the part of the writer to make an accurate financial evaluation of Young's contract in relation to those of other contractors. Considering the building of the entire road as a whole, high profits were not unknown. Reed and Seymour, while naturally seeking the interest of the railroad, would not have undercut prevailing prices by a great deal, for to have caused a financial loss on the part of Brigham Young would undoubtedly have caused a temporary halt of the work. This was definitely not in the interest of the Union Pacific. One of the primary ideas behind employing subcontractors was that the road bed might be in readiness when the tracklayers reached a given point on the proposed route.

President Young in a written proposal to Reed and Seymour proffered to take the contract at Reed's estimate plus 10%. He asked that his contract extend westward from the mouth of Echo Canyon to the southern shore of the Great Salt Lake via Salt Lake City if the southern route

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[10]Letter, Brigham Young to Samuel B. Reed, May 19, 1868. Brigham Young Letterbooks (microfilm reel 14, p. 851).

were chosen. If the alternate northern route were chosen he required that he should have the contract from Echo to the northern shore of the Great Salt Lake and as far west from that point as the Union Pacific might extend itself. Implements of construction such as schovels, powder, wheel barrows, scrapers and other tools as should be required were to be provided by the company at its cost plus the cost of rail transportation. Any laborers who should be required were also to be transported by the railroad at cost. Young also stipulated that he be provided with "all such favors and facilities" as were extended to other contractors in forwarding the road. He agreed that the work was to be completed by the following November or at such time as the tracks reached the mouth of Echo Canyon. It was further asked that payment for work completed should be forthcoming as it was required by Brigham Young.[11]

The following day a contract was drawn up and on May 21, 1868, signed by Brigham Young, Samuel B. Reed and Silas Seymour. All the stipulations required by Young were met except that dealing with the method of payment. The contract stated that monthly estimates were to be made of the work completed to that time. Of this estimate eighty percent was to be paid on a monthly basis. The outstanding twenty percent and the final estimate to be made upon completion of the work were to be paid no later than thirty days after the terms of the contract had been met.[12]

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[11]Letter, Brigham Young to Samuel B. Reed and Silas Seymour, May 19, 1868, Brigham Young Letterbooks, (microfilm reel 14, p. 853).

[12]"Union Pacific Railroad," May 20, 1868, Union Pacific Railroad Papers.

The contract also provided that while all the work was under contract it was also to be under the direct supervision of Union Pacific engineers and all work completed was subject to their approval. The work was to begin ten days after the contract was signed. Additional time was to be allowed beyond the November completion date provided the incomplete work did not interfere with the track laying. If there were delays the Union Pacific had the alternative to employ additional men, teams and equipment to hasten progress, the expenses of which were to be paid by Young.

Compensation for grading, as previously mentioned, was to be based on a given price per cubic yard of material excavated. Earth used for fill which was hauled less than two hundred yards was valued at thirty cents per yard. Earth excavations which had to be transported more than two hundred yards were valued at fifty cents per yard. Excavations of solid rock such as sand, limestone or granite were paid at a rate of from three to four dollars per yard. Tunneling work was to be compensated at fifteen dollars per yard. All masonary construction used in the project was priced from eight to fifteen dollars per yard depending upon the material and method of masonary used.[13]

Mr. Reed immediately telegraphed President Durant that he and Brigham Young had reached an agreement on the grading work and that a contract had been signed. He asked that a sufficient supply of tools to commence the work be shipped as soon as possible. The following day he was notified that the equipment consisting of scrapers, wheelbarrows, wagons, shovels, etc. had been procured and were in transit from Green

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[13] Ibid.

River, Wyoming.[14]

Still uncertain of the size of the labor force needed to meet his obligations and not desiring to bring in any outsiders or "gentiles," Young made preparations to augment the domestic force with new immigrants, converts which yearly came from Europe to Utah. Generally speaking most practicing Mormons did not favor a large body of "gentiles" in their midst fearing it would destroy their social solidarity, political power and religious practices.

Shortly after negotiating the contract with the Union Pacific, Young wrote to Franklin D. Richards who directed the immigration for the church in Europe. He discussed the difficulties which might arise in Utah if large numbers of laborers were taken out of the domestic farming and manufacturing labor pool. To forestall such difficulties he proposed that Richards coordinate procedures that the immigrants might leave Europe as soon as possible so that they would reach the terminus of the railroad by mid-July. To assure that the immigrants were in the proper place at the proper time it was suggested that they travel by steamer as opposed to sailing vessel. This was a new turn in Mormon immigration. These immigrants were to be met at the end of the line by wagon trains from Utah to transport them to the valley. It was determined that if one group arrived before the other that they were to attempt to seek employment with the railroad during the interim.[15] This would help if only in a small way to finance the immigration. The major portion

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[14]Telegram, P. W. Frost to S. B. Reed, May 22, 1868, Union Pacific Railroad Papers.

[15]Letter, Brigham Young to Franklin D. Richards, May 23, 1868, Brigham Young Letterbooks (microfilm reel 14, p. 865).

of the cost was met by the church, as a part of Young's grading contract. Through the provision whereby the Union Pacific had agreed to transport laborers, tools and supplies to the western end of the line in order to forward the work, Brigham Young not only eased his financial situation[16] by bringing in immigrants at a reduced rate but provided the necessary hands to increase his labor force. While such a practice could be looked upon as unethical the railroad found no reason to disallow it.

Brigham Young was under contract with the Union Pacific but he showed little or no interest in supervising the work personally. The administration of the project was to be carried out by three of his sons: Joseph A. Young, Brigham Young, Jr., and John W. Young. They were authorized not only to oversee the work but to let all of the masonary and grading contracts on the road.[17] These subcontractors were Mormon bishops or others of the Mormon faithful, totaling close to one hundred persons. Their contracts ranged in length from a few hundred yards to several miles. The single largest contract was that let to Joseph A. Young[18] and Bishop John Sharp.[19] These two men who had organized a firm known as Sharp and

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[16]The Perpetual Emigrating Company, organized in 1849, was the vehicle whereby new converts to Mormonism were normally transported to Utah. The company was dissolved by the Edmunds-Tucker Act in 1887.

[17]Letter, Brigham Young to engineers and other officials of the U. P. R. R., June 3, 1868, Brigham Young Letterbooks (microfilm reel 14, p. 885).

[18]Joseph A. Young was born in 1834 in Kirtland, Ohio. He was the son of Brigham Young and Mary Ann Angel. In the early part of the Utah period he was engaged in the lumber business in Salt Lake City. With the coming of the transcontinental railroad in 1868 he entered the railroad business which he was to pursue the rest of his life. He was one of the original promoters of the Utah Central and Utah Southern Railroads.

[19]Bishop John Sharp was born in Scotland in 1820. In 1846 he was contacted by representatives of the Mormon church and baptized into

Young, contracted for all the tunneling and rock work which no one else was willing to assume.[20]

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that organization. He emigrated to the United States in 1848 and arrived in Utah in 1850. Although a coal miner by trade, he early became associated with the Church Public Works program. In 1868 he and Joseph A. Young took a grading contract under Brigham Young for work on the Union Pacific line in Utah. He later was associated with the Utah Central, Utah Southern and Utah Southern Extension Railroads. In 1874 he was appointed to the board of directors of the Union Pacific Railroad. Because of his activities in railroading he was after referred to as "The Railroad Bishop."

[20] JH (May 30, 1868), p. 1.

CHAPTER IV

THE CONSTRUCTION PERIOD

After the original railroad contract was given to Brigham Young, the subcontract to Sharp and Young was the first one awarded. The others were not available for a week or so after Sharp and Young had begun to work. This was due primarily to the type of work involved in this particular contract and the inclement weather. An unseasonably wet spring had presented the Union Pacific engineers with some difficulty in finding the exact location of the track.[1]

John Sharp and a crew of fifty men left Salt Lake City on May 30, 1869, to begin the rock work in Weber Canyon. Sharp and his men were reported by the Deseret News to be:

> . . . as capable as body of "blasters" as could well be got together; and they will make some big rocks tumble quickly. This is the first "gang" of graders for the distance between Echo Kanyon and the valley on President Young's contract.[2]

Sharp reported several days later that the exact route through Weber Canyon had still not been decided upon. He and his men, however, were busily engaged repairing the road on the south side of the Weber River in order to get through Devil's Gate. It had been determined that the railroad would cross the river in that vicinity and such preparations were necessary before the bridge could be built. The Bishop was confident

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[1]Letter, Brigham Young to Hiram B. Clawson, June 3, 1868, Brigham Young Letterbooks (microfilm reel 14, pp. 880-1).

[2]JH (May 30, 1868), p. 2.

that anyone who wanted to work would be hired as soon as sufficient tools arrived for them.[3]

On June 8, Durant contacted Reed in Salt Lake concerning additional work which he wished Young to take. It was his desire that should Young decide to take the additional work that he should put on five hundred extra teams and that work would begin on July 15. This was presumably the grading west of the Great Salt Lake.[4]

Young reported to the Deseret News on June 9, 1868, regarding the official commencement of the work in Echo Canyon. The affair began when Samuel Reed, now superintendent of construction, turned the first official shovel of dirt at Devil's Gate. Sharp's men were still the only crews working at this time. Difficulties encountered by the Union Pacific engineers continued to delay the exact location of the track.[5]

The Bishop, while in Salt Lake in mid-june, indicated that he now had eighty men engaged and that some progress was being made. He had hoped to put more men on the job by this time, but due to the narrowness of the canyon at that place it was not possible. The engineers had still not completed their final surveys, but once this was done Sharp intended to hire about four hundred more men to work in the area between the mouth of Weber Canyon and Devil's Gate. His partner, Joseph Young, was busily engaged procuring lumber to build the necessary shanties in which to house the men prior to hiring them.

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[3]Ibid., (June 3, 1868), p. 1.

[4]Telegram, T. C. Durant to S. B. Reed, June 8, 1868, Union Pacific Railroad Papers.

[5]JH (June 9, 1868), p. 1.

The men also experienced mild difficulties at this time because of the fact that the railroad had not delivered the needed tools as promised.[6]

As the work progressed there were rumors of strikes and discontentment among Sharp and Young's men but most were found to be groundless. One of their employees reported in a Deseret News interview that the Bishop was working with the men and had the confidence of them all. According to the writer, their camp was one of the best organized on the railroad.[7]

Complaints by subcontractors and laborers began to mount regarding the shortage of tools and equipment and the failure of the railroad to locate the road permanently. Their difficulties and the time and money lost as a result were to burden Brigham Young and he in turn was to press the Union Pacific on the matter until the final settlement between the two was reached several years later.

P. H. Young and B. H. Young, working on their contract from June 22 to July 8, lost sixteen days work. During this period they had fifteen teams and teamsters engaged which came to a total of two hundred and forty days lost time. They informed Brigham Young that even though things had improved somewhat, they still were only able to use about half their work force owing to the fact that what few ploughs and scrapers they had were obtained from other railroad sources.[8] Another contractor,

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[6]Ibid., (June 16, 1868), p. 1.

[7]Ibid., (June 18, 1868), p. 2.

[8]Letter, P. H. Young and B. H. Young to Brigham Young, July 13, 1868, Brigham Young Correspondence, Box 55, folder 7, L. D. S. Historical Department.

L. O. Ballinger, complained that after he had nearly completed his work as per the Union Pacific engineer's specification, that the grade was raised costing him sixty days work.[9]

Brigham Young, concerned about these problems and others of a similar nature, appealed to the Union Pacific for relief. These problems not only retarded the progress of his contract which was to be completed in a five-month period, but were also costing his subcontractors considerable sums in terms of time and money. The railroad was also anxious that nothing should happen to slow the work and promised faithfully to bear the cost of lost time for which they were responsible.[10] In spite of their good intentions, however, Young was to experience some difficulty collecting on this promise.

As the Sharp and Young partnership evolved, John Sharp became the most active member, spending most of his time with the construction work. Joseph Young, while still maintaining an interest, was engaged in other matters.[11] By mid-July, Sharp and his crews were still working in Weber Canyon. The nature of the terrain was such that a great deal of rock work was required to cut the road bed along the northern bank of the Weber River. This was to be completed before any grading could be done.[12]

By the first part of September he and his men had progressed as

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[9]Letter, L. O. Ballinger to Brigham Young, July 15, 1868. Union Pacific Railroad Papers.

[10]Account of Papers handed to Bishop John Sharp, July 22, 1868, Union Pacific Railroad Papers.

[11]JH (July 20, 1868), p. 1.

[12]Ibid.

far as Lost Creek on the Weber. They were still engaged in cutting the road bed from what in many places was solid rock and required extensive rock removal. They had also begun work on two tunnels, one of which was one hundred and fifty feet and the other one hundred feet in length. There were points where it was impossible to construct a normal road bed. Work had begun on each end in order to speed up progress. While the work was not moving as rapidly as had been hoped, Sharp felt the major part of it, with the exception of the tunnels, would be finished according to the time specified in the contract. He further expected that they should be finished before the tracklayers reached them. In an article which appeared in the Deseret News Sharp was very complimentary when speaking about his men. The men " . . . pitch in with a heart and a will, the progress made is much greater than it would be with the same number of men who needed the eye of the 'boss' on them all the time."[13]

Bishop Sharp still experienced difficulties finding sufficient men to work. With the contract period one half over and most contractors behind in their jobs, every available man had been hired. While there were many men in the Utah communities who could have been free to work, Young had specified that bishops should see that the food supply was not endangered by allowing too many to leave their farms to work on the railroad.

The manpower shortage was in part responsible for a complaint registered by S. B. Reed to Brigham Young in early September. Reed had remained in Utah after contracting with Young and was supervising the work for the railroad. His criticism was aimed primarily at the tunneling as well as other heavy rock cuts under the direction of Sharp and

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[13]Ibid., (September 5, 1868), p. 1.

Young. Up to this point the firm had one drill running at the end of each tunnel. Reed felt that if at least five were not employed on each site that the work could not possibly be completed on schedule. Young in communicating his feelings to Sharp said he would like to see ten or fifteen drills running at each side of the tunnels if it were possible. He also suggested that the less difficult parts of the work might be let to some other contractors in order to concentrate on the more difficult areas. Bishop Sharp took this as good advice and complied with it.[14]

Although Joseph Young did not take an active part in the actual work, he did take care of the affairs of the Sharp and Young firm in Salt Lake. He was the receiving agent for monies paid to the business from his father as the monthly estimates were paid by the railroad. He also acted as the general purchasing agent for supplies needed by both men and arrivals at work in the canyon.[15]

As the work progressed in Utah, so did that of the subcontractors and tracklayers to the east. By November they were less than ten miles from Bear River and there was speculation that they would work through the winter or as long as it was necessary to complete the road. The eastern portion of Young's grading contract in Echo Canyon was completed as was most of the western part west of Weber Canyon. The tunneling and a few other difficult rock points still were not completed. Young, however, was confident that in spite of this there was no call for concern. He said, " . . . I fully expect to be ready for the iron horse

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[14]Letter, Brigham Young to Railroad employees, September 8, 1868, Brigham Young Letterbooks (microfilm reel 15, p. 28).

[15]Letter, John Sharp to Brigham Young, September 10, 1868, Brigham Young Letterbooks (microfilm reel 15, p. 36).

when it makes its appearance."[16]

Regardless of extensive efforts by Sharp and Young, an early completion date was not forthcoming. By December, Young asked the Union Pacific for an extension. In his plea he laid the blame for his difficulties at the door of the Union Pacific Railroad. The changes the Union engineers had imposed as to location and type of grade required after the work originally called for had been completed, had, without doubt, retarded the work. The company consistently refused to approve a given job until their specifications had been met.[17] Whatever the reasons for delay, to have refused such a request would not have been of benefit to the company so the contract time limit was extended.

Taking advantage of every available means to finish the job, Sharp had fourteen hundred men employed in Weber Canyon by mid-December.[18] Progress was further hampered by the fact that winter had set in and the area was located at a rather high altitude and was experiencing very unfavorable weather conditions.

It was decided that the Union Pacific tracklaying crews would also continue to work through the winter and by mid-January 1869 were working well into Echo Canyon. Had this decision not been made, some of the pressure on Sharp and Young would have been alleviated.[19]

The Union Pacific, now fearful that the tunneling would not be

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[16]Letter, Brigham Young to Railroad employees, September 8, 1868, Brigham Young Letterbooks (microfilm reel 15, p. 28).

[17] Letter, Brigham Young to T. C. Durant, December 7, 1868, Brigham Young Letterbooks, (microfilm reel 15, p. 213).

[18]JH (December 15, 1868), p. 4.

[19]Ibid., (January 5, 1869), p. 1.

completed by the time the track reached Weber Canyon, asked that Bishop Sharp withdraw his men in favor of railroad employees. This he did without undue hesitation as there were several rock cuts which were still not completed and he concentrated his men on these points. Brigham Young was quite pleased with the turn of events stating, " . . . I could not have asked Dr. Durant to confer a greater favor."[20] Evidently he felt that he had now escaped any repercussions from the Union Pacific for not having fulfilled his part of the contract.

The hope of having escaped the obligation was to become a reality. The following month Superintendent Reed, having decided that the railroad employees were making less progress than had been made by Sharp and Young, asked them to reassume work on the tunnels. Young bragged that the railroad had had four men employed to every one man under Sharp and Young and still made less progress. He also was not immune from glorifying their techniques and personal qualities. "Bishop Sharp and Joseph A. Young are using the nitro-glycerine for blasting, and its superiority over powder as well as the sobriety and steadiness and industry of our men, gives us a marked advantage."[21] This is illustrative of Young's feeling in comparing the Mormons to the "gentiles." If indeed Sharp's men did make better progress than Reed's railroad hands, it was probably due to the fact that Sharp's men had been engaged in the work for five or six months and were much better acquainted with it. Young, however, often spoke tongue-in-cheek and many, especially the "gentiles," did not understand or appreciate his dry wit.

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[20] Ibid.

[21] JH (February 4, 1869), p. 1.

At this point in time it was apparent that the tunneling would not be completed by the time the tracks reached them. This would delay tracklaying work west of that point. To remedy the situation a temporary track was laid around the tunnels until such time as they could be completed. By this means Young's contract with the road was essentially completed by the first of March 1869.[22] Bishop Sharp continued with the labor in Weber Canyon, completing the last tunnel in the middle of April.[23]

All that remained now was the uniting of the rails of the Union Pacific and Central Pacific Railroads. Congress had decided that this was to take place at Promontory Summit, north of the Great Salt Lake and some fifty miles west of Ogden. This was to become the official dividing point between the two lines. The festivities took place on May 10, 1869, and the last rail was laid at 11:45 a.m. A distance of 1882 miles between San Francisco and Omaha had now been spanned, linking the nation east to west.

In spite of the national celebrations taking place all over the country, Brigham Young was not in attendance at those at Promontory or even Salt Lake City. There was a conflict of timing with the celebrations and his annual trip to the Mormon settlements in the southern part of the state and Young, faced with a choice, elected the latter. Bishop John Sharp was appointed to act as his personal representative at the driving of the last spike.

The writer has been unable to uncover any evidence surrounding Sharp's presence on this occasion. There were numerous dignitaries

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[22]Letter, T. W. Ellerbeck to Judge Smith, September 25, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 812).

[23]JH (April 2, 1869), p. 2.

present, mostly from the railroads involved and it is highly unlikely that Sharp did more than observe.[24]

The construction period of the Union Pacific in Utah history was fraught with many problems and difficulties. These were, however, not unique. As the Union Pacific had begun to move west there had been continual conflict between the railroad and the subcontractors. In a number of instances there had been strikes and some destruction of railroad property although there were not too many problems of this nature in the Utah section of the road.

The delays and failure to meet contract specifications on the Union Pacific and Brigham Young contract would have to be shared between the two parties.

Brigham Young in signing the contract with such an early completion date obviously was not completely aware of what he was pledging. With a limited knowledge of engineering, he could not possibly have foreseen the problems involved with the tunneling and rock cutting. Union officials Reed and Seymour could not have been completely informed on the matter to have anticipated such an early completion date. Certainly Reed's speculation of 1864 that the line through Utah would be cheaper to construct than that across Iowa had to be considered. The Union Pacific also shared part of the responsibility in delays caused by late delivery of equipment and the difficulties encountered in locating the road bed and establishing the proper specifications for the grading.

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[24]Orson F. Whitney, History of Utah, II (Salt Lake City, Utah: George Q. Cannon & Sons Co., 1893), p. 250.

Although both parties were to some degree responsible for their own woes, they were to spend the next several years debating them. However, all evidence considered, the relationship which was to grow in years to come was mutually beneficial.

CHAPTER V

NEGOTIATIONS IN BOSTON AND A PARTIAL SETTLEMENT

The work on the railroad now complete, President Young had fulfilled his obligation to the Union Pacific. There was one obligation on the part of the company to Young, however, that remained to be satisfied. Of all the obstacles which had beset the association to this point, the most serious and distressing to the Mormon leader and his associates was collecting the money due from the Union Pacific.

As stated in the contract between the two parties, the railroad was at the end of each month of work, to make an estimate as to the amount of work completed in terms of its dollar value. Of this sum, eighty percent was to be paid directly to Brigham Young on or about the twelfth of the following month. The twenty percent outstanding per month was to be paid when the work was completed in conjunction with the final estimate. The final estimate was to be met no later than thirty days after completion of the project and ultimate approval by the Union Pacific. The first few months of the work passed apparently without incident regarding payment of the estimates.

In their efforts to finance railroad building, the company officials used a number of devices to obtain credit and investment capital. One of these was the printing of "Union Pacific Exchange" or "Company Paper" as it was often referred to. Using this exchange, which was presumably redeemable in New York, the company bought equipment, paid

their employees and contractors and generally met their obligations. This type of currency was safer and easier to transport than gold and provided the company with short term credit. The exchange was part of the financial scheme known as the Credit Mobilier of America which was essentially responsible for financing the railroad building for the Union Pacific. Although on rare occasions payments to contractors was made in currency, they were generally paid in exchange.

Brigham Young, early in his association with the Union Pacific, complained to the company cashier, C. L. Frost, and to S. B. Reed, who had set up offices in Echo Canyon, of the difficulty of converting the exchange into currency. At times it could be sold locally to merchants with fiscal obligations in the East. If, however, this was not possible it had to be shipped to New York, sold there and the currency returned to Salt Lake. Depending upon the Union Pacific's financial condition at a given time, the market for such exchange was not always the best. If it was not to be sold to a second party at a discount, a considerable amount of time was required to dispose of it to the best advantage. Due to this particular arrangement, subcontractors and their employees were often destitute of funds even though the railroad had paid the monthly estimate on time. Young could have paid his subcontractors with the exchange but, apparently because of the arrangement with them, he did not.

In his communications to Reed and Frost, Young suggested the propriety of placing the exchange to his credit for the past month's estimate as soon as possible. By doing so he would be able to meet the needs of the local merchants, redeem on the New York market what he could not dispose of within the territory, and, ultimately, have the cash on hand to meet his obligations to his subcontractors. He stated that it

had taken almost a month to dispose of the last exchange he had received. If this new method were employed, considerable expense could be saved on that exchange which could be converted locally.[1]

Unfortunately for Young at the time he made his suggestion regarding the exchange, Union Pacific resources were being taxed beyond their limits. Money was in short supply owing primarily to the fact that the investment capital began to taper off as the road neared completion.

From June to October 1868, the railroad faithfully met all monthly estimates to President Young. January 1869, however, found Young still trying to obtain November's payment. The payments for December also had not been paid. In addition, there was an outstanding draft on the Union Pacific which amounted to $35,000. The note had been paid on some extra work done on the contract and Young had only been able to collect $12,500 on it. In a note to Assistant Cashier Frost, Young asked him to come into Salt Lake to discuss the matter: "We are pretty well concerned and hope that you will be able to do something for us without delay, as the men are not to be appeased without the money."[2] Whether or not Young's threat of force by irate, unpaid laborers influenced Frost to action is not clear. He did, however, pay $200,000 on an estimated $400,000 for November's estimate. This, if anything, rendered only temporary relief and there was soon a petition before him for December's estimate.

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[1]Letter, Brigham Young to C. L. Frost, November 3, 1868, Brigham Young Letterbooks (microfilm reel 15, p. 130).

[2]<u>Ibid.</u>, January 4, 1869, p. 269.

The economic panacea of six months earlier had begun to lose some of its luster. Many laborers who had left their farms or other means of employment to work for the railroad, suffered most as Union Pacific funds began to falter. Undoubtedly the new-found wealth had caused some overspending and extension of credit. As non-payment of Union Pacific obligations began to cause serious economic constriction, many were found without the funds to meet their responsibilities. The laboring classes were not the only group affected. The difficulties ultimately reached all segments of the economy to some degree. Bankers, somewhat concerned with the fiscal situation, began paying a premium of up to one percent on currency.[3]

President Young, not desiring the work on the road to stop or the economic situation to worsen, began to use his personal funds or those of the Mormon Church, if indeed the two were separable.[4] His supply was limited, however, and considering other financial obligations, he could not continue indefinitely.

Conditions did not improve, as no railroad money was forthcoming. In February there was still over $30,000 outstanding on November's estimate and a sum in excess of $370,000 due on the December and January work.[5] T. W. Ellerbeck, one of Young's secretaries, wrote the cashier in February that his employer was undergoing "a good deal of extra trouble" trying to continue the work with supplies to buy and trying to keep the men on the

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[3]Ibid., January 27, 1869, p. 323.

[4]Leonard J. Arrington, "The Settlement of the Brigham Young Estate," Pacific Historical Review XXI (February, 1952), p. 20.

[5]Union Pacific Railroad Papers, estimates on work done by Brigham Young.

job. Ellerbeck almost pleadingly asked for any type of assistance offering to take exchange if any was available.[6] Before this correspondence had sufficient time to bring results, company officials notified Young that $100,000 had been placed in his account.[7] Several weeks later another $150,000 was paid. It was the last to be received until a partial settlement was reached some time later.[8]

Discounting Sharp and Young's tunneling work in Weber Canyon, Young's contract was completed and accepted by the Union Pacific the last part of April 1869. According to contract terms, the final estimate was to be made and paid to include the twenty percent outstanding on the previous estimates within thrity days. The end of March passed, however, and the estimate on the work had not been made nor were any funds forthcoming.[9]

Sensing that the railroad was not overly concerned with an early or speedy settlement, Young began to push Reed on the matter. He told him that although he did not desire to add to the railroad's problems, he was under considerable pressure from his contractors who wanted a settlement. Considering these hardships and the large sum past due on other estimates, " . . . I am compelled to ask that as soon as it can possibly be done, I may be favored with a final estimate from the head of Echo, to the mouth of Weber, so that I may be able to finish up all

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[6]Letter, T. W. Ellerbeck to W. P. Kennedy, February 10, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 349).

[7]Letter, Brigham Young to J. Cisco and Sons, February 18, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 369).

[8]Union Pacific Railroad Papers, July 15, 1869.

[9]Letter, Brigham Young to S. B. Reed, March 20, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 428).

the business connected with my railroad contract in a satisfactory manner."[10] He asked that the final estimate be paid in cash and that he might receive $100,000 on January's estimate in the interim.[11] Reed, who was still in Utah, failed to pay any of the claims or make any effort to obtain the final estimate.

Since Reed had offered no satisfaction, Young then turned to Vice President Thomas Durant. He informed Durant that the entire account was now past due and as yet the railroad had not rendered the final estimate. Then, apparently in a diversionary tactic to stimulate the Vice President to action, Young launched into an oration about a part of the work called the "Big Fill." Due to the magnitude of this job, he spoke of the necessity of extra compensation. In closing he asked Durant to authorize the payment of January's and February's estimates along with the twenty percent due on past estimates.[12] Despite Young's urgings upon Durant, they did not come to fruition.

In May the rails were connected at Promontory and still no settlement had been reached or the final estimate established. Nor was there any indication that such action was imminent.

Young, apparently feeling that he was not pressuring the proper railroad personnel, contacted Sidney Dillon who was the managing director for the Union Pacific, Oliver Ames, the President, and Durant. He restated his case alluding to the difficulties imposed upon his crews as a result of the company engineer's tardiness in locating the line,

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[10] Ibid.

[11] Ibid.

[12] Letter, Brigham Young to T. C. Durant, April 2, 1869, Brigham Young Letterbooks, (microfilm reel 15, p. 456).

thus causing them the further hardship of working through the winter months. The difficulty surrounding the payments of the estimates had also caused untold anxiety on his part and that of his subcontractors and their employees. Emphasizing the need for immediate settlement, he pointed out that the work, while not only complete, had been in use for some time, yet he still had not received a final estimate for the work done in Weber Canyon or any of the work beyond the Bear River. From all indications the final estimate for Echo Canyon to Weber Canyon had been completed by this time although there had been no attempt to pay for it. Young reminded them that according to his calculations the company owed him a sum amounting to three quarters of a million dollars which he badly needed. While offering apologies for the necessity of having to call the matter to their attention, he asked them to order the account paid immediately.[13] The company was continuing to operate under a depressed financial condition and could offer Young no relief.

Several days after his letters to Durant, Ames and Dillon, Brigham Young telegraphed Reed concerning the final estimate. According to Reed the estimate was in the process of completion and as soon as it was, Young would receive a copy of it. In his growing concern over the railroad's reluctance to settle with him, Young sought the assistance of Bishop John Sharp. Referring to his most recent communication with Reed he informed Sharp, "Such answer is unsatisfactory for no time is mentioned."[14] Such an assumption was not entirely unreasonable considering

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[13]Letters, Brigham Young to O. Ames, S. Dillon and T. Durant, May 19, 1869, Brigham Young Letterbooks (microfilm reel 16, pp. 524-6).

[14]Letter, Brigham Young to John Sharp, May 21, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 532).

that the estimate was now almost three months overdue. It appears that the railroad, caught without funds, was delaying the final estimate until such time as they were in a position to meet the obligation. There is also the possibility that the push to finish the road had so taxed the time of Reed and his engineers to the point that they were physically unable to complete the work. It is highly improbable that the company was trying willfully to escape the debt.

Young, increasingly alarmed at the delays, solicited Sharp's assistance in obtaining the estimate. Without it a final settlement was not possible. It was Young's suggestion that the Bishop seek out the services of Thomas Bates, a company engineer, or the services of any other engineer who was familiar with Young's contract. If one of these men could be persuaded to determine the estimate, Young felt he would be in an improved bargaining position with the Union Pacific.[15] If for no other reason, such a figure would serve as good reference material when compared to the company estimate. Whether or not Sharp did employ one of the engineers to carry out the work is not entirely clear.

In early June Sidney Dillon responded to the note sent to Ames, Durant and himself regarding the estimate and final settlement. The inquiry had been referred to the Board of Directors but no further word was available. Dillon assured Young that he was sure the matter would receive the director's prompt attention.[16]

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[15]Ibid.

[16]Union Pacific Railroad Papers, June 1, 1869.

In the meantime Young took a somewhat unorthodox approach to settle one of his smaller debts. In the latter part of May he drew an unauthorized sight draft on Thomas Durant, Vice President of the Union Pacific, to the order of a Salt Lake commercial house, in the amount of $4,720. He then wrote Durant telling him of his action in view of the large sum still due from the railroad and stating that he had every confidence it would be "duly paid" and then asked that more money be placed in his account.[17] He ultimately received word that it had been paid but that no further drafts should be drawn unless they had been properly authorized.[18] Such measures, however, provided little if any relief from the economic quagmire in which Young found himself. The depression also continued in the territorial economic structure in general.[19]

Around the first of July, Cornelius Bushnell, a railroad official, stopped in Utah enroute to California and took the opportunity to call on Brigham Young in Salt Lake. He informed Young that he had been authorized by the Union Pacific Board of Directors to make a final settlement with him on his grading contract. Reed's final estimate still was not in Young's possession so Bushnell asked to have all the necessary accounts in order upon his return from California at which time they would be settled.[20] After much agitation Reed submitted the final estimates to

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[17]Letter, Brigham Young to T. C. Durant, May 26, 1869, Brigham Young Letterbocks (microfilm reel 16, p. 552).

[18]Union Pacific Railroad Papers, June 5, 1869.

[19]Letter, L. D. McKenzie to George Nebeker, June 20, 1869, Brigham Young Letterbooks.

[20]Letter, Brigham Young to G. Bushnell, August 12, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 708).

Young in mid-July and reminded him of Bushnell's visit.[21] Youngdetermined to send Thomas Ellerbeck, his secretary, and John Sharp to present his case. While basically agreeing with Reed's estimate there were a number of things with which he found reason for disagreement and he instructed his representatives to review them with the railroad officials. He also included in the account certain additional claims for extra work, work done under extreme conditions, claims for lost time for which the company was responsible and several other sundry reasons. The claims for extra compensation came to $274,250.[22]

On July 19, 1869, Sharp and Ellerbeck met with railroad officials in Ogden and presented Young's claims. Bushnell, representing the company, reviewed the final estimates as well as Young's additional claims. He conceded that nothing could be done as all accounts of this nature were subject to review by the Board of Directors in Boston.[23] There was no doubt as to the validity of Reed's estimates but Bushnell did not pay any money on either account. With the failure of the face-to-face confrontation with Bushnell, Young was very disappointed since he had hoped that an equitable settlement would be reached. Writing to his son, Joseph Young, he said:

> I feel well assured that the prospect for receiving money for the company is very poor indeed and we have concluded that under the circumstances our best course is to purchase the Iron, Rolling Stock etc. for the Utah Central from the Union Pacific Company.[24]

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[21]Letter, Brigham Young to G. Bushnell, August 12, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 708).

[22]Ibid., July 17, 1869.

[23]Ibid., July 21, 1869.

[24]Letter, Brigham Young to Joseph A. Young, July 21, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 643).

Sending these officials to Utah was undoubtedly another maneuver by the Union Pacific to gain more time in which to settle their financial affairs.

Regardless of the evasive tactics by the railroad, Young was a very determined man and resolved to take a more direct approach in securing the money due him. To this end Bishop John Sharp was empowered as President Young's attorney with instructions to proceed to the company headquarters in Boston and obtain a settlement. Sharp was selected primarily because of his familiarity with the work, his own personal interest as a subcontractor and his intimate association with Young.

Sharp's directions were to take his claims personally before the Board of Directors. In reaching a settlement he was to secure:

> . . . first as much money as you possibly can then, Railroad Iron, Locomotives, Cars, Steam Shovels and all kind of Material necessary for the building and equipment of the "Utah Central" not only from Ogden to the City, but even for 80 or 100 miles; then, a portion of this debt might be applied to pay for the transportation of our Immigrants over the U.P.R.R. and possibly, even from New York City.[25]

Sharp was to confer with William C. Stains, the Church representative in New York in charge of immigration, in matters relating to immigrant transportation should the possibility of such a settlement with the railroad arise.

Regarding the acceptance of rolling stock and material for construction of the Utah Central Railroad, Joseph A. Young, General Superintendent of that road, was in New York and would be available should his advice be required. Joseph A. Young was in the East negotiating Utah Central bonds at the time. While Brigham Young wanted the two men to

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[25]Letter, Brigham Young to John Sharp, July 21, 1869, Brigham Young Letterbooks (microfilm reel 16, pp. 645-6).

council with each other, he imposed certain strict prohibitions relating to any overlapping business between the two companies. Sharp was to be the sole agent in any association with the Union Pacific and Joseph A. Young was prohibited in any way from identifying with the negotiations. Sharp was also instructed that should railroad materials be obtained on the contract, that the railroad should not retain any future control over it.[26] All proceedings at Boston were to be frequently reported to Young by letter, but if they were of pressing importance, by telegraph. Justifiable or not, Young was fearful that should Joseph A. Young participate in settling the claims, that some other party might gain some degree of control over the Utah Central. He speculated that this could happen through some form of chicanery relating to supplying the needed material or through obtaining a disproportionate number of Utah Central Stocks and bonds.

Sharp left Salt Lake the latter part of July replete with all the necessary documents and etc. to establish and settle Brigham Young's claims. Among the paperwork in Sharp's possession were the current status of Brigham Young's account with the Union Pacific, all claims additional to Reed's final estimate, a copy of the telegram wherein the Union Pacific agreed to pay for time lost for which the railroad was responsible, a statement of all time lost, a copy of Young's contract with the company for the grading, and several individual claims against the railroad.[27]

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[26] Ibid.

[27] Account of papers handed to Bishop John Sharp, July 22, 1869, Union Pacific Railroad Papers.

The Bishop wrote President Young from Omaha on the 25th requiring additional information regarding his mission. He asked for an accounting of claims and information about the "Big Fill," statements of interest on money borrowed by Young and his subcontractors to pay their obligations: the document appointing the Bishop as Young's lawful attorney, empowering him to settle all of the latter's claims with the Union Pacific, and the final estimates of several individual subcontractors.[28]

W. C. Stains reported July 30 that Bishop Sharp had arrived in New York in the company of John Taylor to effect a settlement with the railroad.[29] Taylor had also been a subcontractor on Young's road work and was apparently traveling to assist Sharp and possibly to promote his own case since he had a considerable amount of money involved in the additional claims. His name, however, was not mentioned in Young's instructions to Sharp. Sharp's and Taylor's visit to New York was probably prompted by Young's instructions dealing with the possibility of obtaining immigrant transportation and materials for the Utah Central Railroad in lieu of cash on his contract. W. C. Stains and Joseph A. Young were both living in New York at the time.

Between the last of July and the third of August 1869, Sharp was able to present his claims to certain of the Union Pacific officials in Boston.[30] Young had basically laid out his claims in a letter of introduction presented by Sharp to the company. In the letter Brigham Young

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[28]Letter, Brigham Young to John Sharp, July 30, 1869, Brigham Young Letterbooks, (microfilm reel 16, p. 682).

[29]Letter, W. C. Stains to A. Carrington, July 30, 1860, JH, p. 2.

[30]Letter, John Sharp to A. Carrington, August 3, 1869, JH, p. 1.

reiterated the problems surrounding the lost time for which the company was responsible. He insisted that he had continued the work only upon a promise by Vice President Durant that the railroad would accept full responsibility for the time lost. As has been mentioned the delays caused Young's men to work into the winter season causing extreme difficulties in prosecuting the work. Although no price had been affixed by the engineers for this work, he had done so and called upon the company for a fair settlement. After the railroad failed to meet the monthly estimates, Young and his subcontractors had borrowed heavily to pay their men. In view of this he felt justified in asking two percent per month on the balance due him from the company as the bank had charged him the same rate to borrow the sums he had out on loan. These claims and others, the majority of which concerned unforeseen difficulties arising out of the grading and tunneling work, came to a dollar value of $274,250.98. There were also several irregularities which had arisen between Reed's final estimate and those of the subcontractors.[31]

Concerning his first interview with company officials, Sharp wrote of his experiences to Albert Carrington:

> After so long a time permit me to tell you that I am still alive. The U.P.R.R. is finished but I have been so very busy since I commenced it until now, that I have not had time to drop you a line. Although I have been very busy in doing the work, the worst part of it is to be done yet, that is getting our pay. President Young has sent me to Boston to effect a settlement of his claims with the U.P.R.R. Company. I have had an interview with the Vice-President and some of the board of directors and can assure you they had no flattering news for me, so far as money is concerned in the settlement, but they offered us railroad iron enough to lay our Utah Central Branch to Salt Lake City.

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[31]Letter, Brigham Young to the President and Board of Directors of the Union Pacific Railroad or their representatives, July 30, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 386).

> We need the iron but we also need some money badly, for this great labour has made a very heavy draw on all business men in our city, as well as the farmer and labouring classes. The President and board of directors, however, have agreed to meet on Thursday next to investigate our claims, and try to come to a settlement when I do hope the Lord will open up some way that we may get some money, although I do not believe we shall be able to get a final settlement for some time yet, and I shall have to stay here till we do . . . . We have got considerable credit for the manner in which we prosecuted and finished our work, but we now want some pay.[32]

While no mention was made in the Bishop's first visit with the company officials regarding applying the cost of immigrant transportation to Young's claims, there was optimistic hope in Salt Lake that such an agreement was possible. Shortly after Sharp's first interview with the Union Pacific officials, T. W. Ellerbeck contacted W. C. Stains and suggested that he put off paying the railroad for immigration costs as long as possible, although he was not to say anything of the matter until some type of settlement had been reached.[33]

On August 12, Young wrote Bushnell calling his attention to the now long overdue claims. He reminded Bushnell of a statement made earlier by himself, " . . . it was a good thing for us (the U.P.R.R. Co.) that your people did 'the work' . . . for no other would have waited so long without disturbance."[34] Although the insinuation is covert, Young almost seemed to say that his people would not stand for such ill-treatment indefinitely and called on him to use his influence in assisting Bishop Sharp to reach immediate settlement. Similar letters were written to

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[32]Letter, John Sharp to A. Carrington, August 3, 1869, JH, p. 1.

[33]Letter, T. W. Ellerbeck to W. C. Stains, August 3, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 689).

[34]Letter, Brigham Young to C. Bushnell, August 12, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 708).

the Union Pacific President Oliver Ames and Vice President J. Duff. Young called their attention to Bushnell's failure in living up to his promise to settle the railroad contract. Once again he asked these men to order his account paid in spite of their past tardiness regarding the matter.[35]

Sharp communicated with Young several days after his first visit to the railroad directors and was somewhat dejected over the results of that visit. In his return correspondence, Young reassured the Bishop that the company had plenty of money regardless of their insistence to the contrary. Although it was Young's wish for an early settlement, he did not want Sharp to make any concessions or compromises pursuing this end if they would in any way jeopardize his claims. He was sure that in time the road would pay. He stated, however, that if cash could not be obtained, the railroad materials should be obtained only at reasonable costs, this done "we will rest awhile" and pursue the matter at another time.[36] The Mormon leader obviously was not completely aware of the Union Pacific's financial circumstances when he insisted that they had plenty of money. He was well-advised on the policy of accepting no compromise settlement. He had already waited five months for the money and a few months more would surely have been of no great consequence. Any compromise which did not result in successful settlement could only have served to weaken his claims should he ultimately be forced to settle his Union Pacific claims through litigation. Accepting the railroad material and then resting awhile before pursuing settlement of the balance was also well

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[35]Letter, Brigham Young to J. Duff and O. Ames, August 12, 1869, Brigham Young Letterbooks (microfilm reel 16, pp. 706 and 709).

[36]Letter, Brigham Young to John Sharp, August 14, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 719).

advised. Once the material was received the work on the Utah Central which was in progress could be completed. With this road complete Young would then have a source of income and hopefully could begin meeting his obligations to the subcontractors.

As per instructions from Young, there were only minor differences existing between Reed's estimate and the estimates made by the subcontractors who had performed the work. Ellerbeck, on behalf of Brigham Young, wrote to Bishop Sharp in mid-August regarding differences between the two estimates. In reassessing the figures he had found one sizable portion of the work that was not included in Reed's estimate. Sharp was advised that no settlement should be reached wherein there was not an option to correct any further errors which might ultimately be discovered in the final estimate.[37]

Interviews between Sharp and the Union Pacific directors continued, but no real progress seems to have been made until sometime around the second week in August. Mr. Bushnell, representing the Union Pacific, made an offer consisting of railroad material and rolling stock to at least partially settle Brigham Young's claims. The Bishop immediately forwarded the proposal to Young for his consideration.[38]

Upon receipt of the proposal Young took particular issue with the prices asked for the rails and iron. The railroad proposed to offer four thousand tons of rails and iron at $150 per ton. Young said, " . . . we think the rates are extravagantly high." Through consultation with

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[37]Letter, T. W. Ellerbeck to John Sharp, August 18, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 726).

[38]Letter, Brigham Young to John Sharp, August 25, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 745).

his son, Joseph A. Young, he had established that the Union Pacific was asking around $175,000 over market price for the iron. The other material offered, rolling stock, etc., Young felt was priced at some $7,000 over market price. All materials came to $182,000 over their real value. Regardless of the high cost, Young instructed Sharp to accept the materials, provided certain conditions were met by the Union Pacific Railroad.[39] These provisions included the following:

1. There was to be a rapid and just settlement of all claims.

2. The railroad materials offered to complete the Utah Central Railroad were to be transported to Ogden, Utah, immediately that the road might be completed as rapidly as possible.

3. The Union Pacific was to grant to the Utah Central five years free use of the Union Pacific line from coal beds located in northern Utah to Ogden for the purpose of coal transportation.

4. The remainder of Young's claims were to be settled in three equal payments due thirty, sixty and ninety days from the date of settlement.

5. Joseph A. Young was to inspect the locomotives offered and if they failed to meet his requirements the Union Pacific was to have new ones constructed.[40]

Whether or not the prices were in reality inflated to the degree suggested by Young, it is difficult to determine. He did ask for certain concessions, but it is doubtful that they were worth the $182,000 claimed in overcharges. The possibility that he might regain this amount by putting the Utah Central into immediate operation also does not seem feasible. His total claims amounted to around one million dollars. To have written off approximately one fifth of this amount for a speedy settlement would

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[39] Ibid.

[40] Ibid.

have been financially ruinous and in violation of his earlier objectives to avoid compromising his claims.

Bushnell and his fellow officers were certainly going to dispose of the material at the most advantageous prices and put it as high as they dared. However, they too wanted a settlement and probably would not have inflated their offer to the degree suggested. Young's action suggests a psychological move on his part to appear the underdog while in reality getting everything he had originally planned for. Although he had agreed to accept the material on his contract, there should be no mistake regarding his personal preference. Had he been given the choice of the material or cash, he would definitely have chosen the latter. Once in possession of the cash he could easily have purchased the needed supplies for the Utah Central. He was businessman enough, however, to realize that if a speedy settlement was to be reached with the Union Pacific, acceptance of the material was inevitable.

Sending Bishop Sharp to Boston was only part of Young's effort to force a settlement with the Union Pacific. While Sharp was agitating in the East, Young was doing the same in Utah through the press.[41] The Mormons did not have sufficient political muscle to effect change in Boston but they did on the local level in Utah. Aside from local politics, there was always the threat of violence and sabotage against the Union Pacific road and equipment. The company was well acquainted with such tactics having had such problems in other areas where the unpaid workers had resorted to such acts to demonstrate their grievances to the company.[42]

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[41] Ibid.

[42] Robert G. Athearn, Union Pacific Country, p. 105.

To this point in the negotiations Sharp had seen only a few of the directors and most of these were interviewed separately. In order to settle the numerous unpaid claims stemming from the transcontinental road construction, the Union Pacific Board of Directors empowered certain of their number to settle these claims. The board, numbering twenty, elected seven of their number to be company trustees and appointed them to carry out the aforementioned task. A vote by four of these men was needed to carry a motion under consideration by the body. The Board of Trustees was made up of Oliver Ames, John Duff, Sidney Dillon, Thomas Durant, Cornelius Bushnell and Henry S. McComb. The last week in August Sharp, in company with John Taylor and Joseph A. Young, presented part of their claims to the trustees.[43]

The presence of Brigham Young's son is not readily explainable in view of the fact that he had been explicitly forbidden to take any active role in the negotiations for fear that his participation might somehow give the Union Pacific control of the Utah Central Railroad. The time of his arrival in Boston is also difficult to ascertain. Available information would indicate that he came from New York with Sharp or arrived shortly thereafter.

Bishop Sharp could not possibly have received Brigham Young's tentative approval of the proposed partial settlement in which the company offered railroad material before his first meeting with the trustees. The acceptance could not have arrived until the last few days in August.

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[43]Letter, Joseph A. Young to Brigham Young, September 1, 1869, Brigham Young Correspondence, Box 56, folder 3.

After spending several days discussing the arrangements of the settlement, it was decided that the trustees would entertain all Young's additional claims which amounted to about $400,000. Sharp prepared these in a list, some eighteen in number. The account consisted of the amount claimed, the contractor who performed the work and the circumstances surrounding the necessity of additional compensation. Sharp, Taylor and J. A. Young familiarized themselves completely with each case in order that they should be in complete control of the situation when the trustees reviewed the claims.[44]

They arrived at the Union Pacific office early on the appointed day, anxious to conclude the business at hand. Joseph A. Young, writing of the occasion said, " . . . when they sent us word, after a couple of hours waiting, that they were ready for us, we went in, with the full assurance that we were perfectly 'ready' for them."[45] After the formalities were completed Bishop Sharp took the floor. Each claim was considered individually and Sharp discussed its necessity in completing the work and the reasons why the company should honor it. After expounding all he could on each case, he gave Joseph A. Young and John Taylor the opportunity to add any more information they might possess in order to strengthen the claim. Sufficient time was also taken to answer any questions posed by the trustees. Upon the presentation of all claims, Sharp and his associates retired to let the trustees consider the account. They

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[44]Letter, Joseph A. Young to Brigham Young, September 1, 1869, Brigham Young Correspondence, Box 56, folder 3.

[45]Ibid.

felt assured that a decision would be reached within a few hours.[46]

The proceedings had passed with a very congenial association between both parties and after leaving the board members, Sharp, Taylor and Young felt confident that they would act favorably upon most of the claims. After the passage of some time, McComb reported to them that he and the other trustees had reached a decision on their case. He reported that they were ready to submit the decision to a final vote provided the terms thereof were agreeable to Brigham Young's attorney. The proposal as outlined by McComb provided that the Union Pacific would pay $100,000 on the additional claims, scarcely one-fourth of the original sum asked. This offer did not in any way relate to Reed's final estimate which the company had always acknowledged. In view of their high expectations after meeting with the trustees, Sharp and his associates were understandably upset. This reaction was reinforced by the fact that they had previously been offered a superior settlement on the additional claims. Quoting from Joseph A. Yourg," . . . I don'tthink I ever saw quite so much steam raised, in so short a time."[47]

McComb was readily informed that such a settlement would not even be considered. Joseph A. Young proffered that if they could receive the amount due on Reed's estimate that they would leave. This proposal was declined by McComb who stated that if a settlement were not reached on the additional claims that the Union Pacific would not pay a penny. This further incited Brigham Young's representatives who demanded to see the rest of the trustees. McComb returned to seek their council. Joseph A.

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[46] Ibid.

[47] Ibid.

Young by his own admission was practically in a state of rage by this point.[48]

After a few moments consultation the trustees agreed to entertain a few words from Sharp, Young and Taylor before taking a final vote. When the door was opened to admit them, Joseph was the first one in and he immediately assailed the trustees. He accused them of trying to cheat his father out of the $735,806 now long overdue on Reed's estimate in an effort to force a settlement on justifiable additional claims. Young told them that if this was their intention, " . . . I want to inform you that one end of the road is out in our country and I think we can pull hard enough so you can feel it at the other end."[49] At the revelation of this threat John Duff on the defensive threatened to call out the United States Army if need be to defend the railroad's interests. This prompted the question as to the public implications involved if the military was mobilized to assist the railroad in cheating the men who built it.

In the face of such a confrontation the rest of the trustees disavowed any knowledge of the proposal and laid the blame for the entire idea on McComb. They proferred to strike the whole matter from their discussions. Young, Sharp and Taylor were all involved in the argument and after discoursing for some time left the trustees to reconsider the additional claims.[50] Returning to their hotel that evening, Sharp and his associates discussed the day's proceedings and determined to accept

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[48] Ibid.

[49] Ibid.

[50] Ibid.

whatever the Union Pacific would offer, return home and "rest awhile."[51] The next morning, resolute in their decision, they return to the Union Pacific offices

> . . . clothed with silent dignity as a garment as in the vernacular, spoiling for a fight and didn't dare say a word for fear we'd bring one on. When they found we had arrived Ames--Duff and all the rest of the curs rushed to meet us and almost, 'fell upon our necks and wept', they were so glad to see us.[52]

In spite of the friendly attitude of the trustees, Sharp and his associates maintained a spirit of allofness. They explained that there was nothing more to be discussed, that they had grown tired of Boston and wanted to return home. If the railroad was going to pay anything, they wanted it without further difficulty that they might be on their way.[53]

Mr. Bushnell then began to explain the huge losses and debts which presently burdened the company. In view of these problems he suggested that each party suffer a fifty percent loss on the additional claims. His suggestion was cut short, however, by Joseph A. Young who asked how his father could in any way be held responsible for the fiscal policies of the railroad. John Duff talked at some length on the liability of the trustees for their actions and suggested that perhaps a friendly suit should be initiated. To this Sharp and his associates replied that should they not receive an equitable settlement, they were certainly capable of seeking regress through the courts. If a situation of this nature developed, however, the lawsuit would not be friendly

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[51] Ibid.

[52] Ibid.

[53] Ibid.

but they would fight to win all that was possible.[54]

After some further discussion Duff proposed that the additional claims should be subjected to arbitration with no provision for any additional claims which might arrive, thus releasing the company from further obligations. This suggestion too was found to be unsatisfactory.[55]

The proposal was then made by Joseph A. Young that the road should pay Reed's final estimate plus all other amounts due on Young's grading contract. In addition they should pay the sum due Sharp and Young as contained in the additional claims. He suggested also that they pay several accounts and parts of accounts in the additional claims to the total of $126,930. This particular scheme had apparently been discussed during previous interviews with the trustees for they disclosed, after Young's suggestion, that they had considered it the night before after Sharp and his associates had departed and it had been approved.[56]

This brought the total to be paid to $940,138. Over the amount to be paid on the additional claims, there remained some $198,000. It was decided that this sum would be settled by arbitration between the parties. A provision was also included whereby no further claims would be considered valid. General agreement was found among the group and the contract was drawn up on August 31st. The following day the trustees voted to approve the contract and commissioned President Ames to sign it

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[54] Ibid.

[55] Ibid.

[56] Ibid.

as representative of the railroad.[57] Bishop Sharp signed the document for Brigham Young as his lawful attorney.[58]

Joseph A. Young left Boston the day before the contract was signed and reported the following to his father:

> Brother Sharp will now work for the pay I have every reason to believe he will get the Iron and rolling stock on reasonable terms, but have no hope of getting money soon or any portion of it.[59]

On September 2, John Sharp telegraphed Brigham Young in Salt Lake, "'Amicable settlement' (with the U.P.R.R.) Iron and Rolling stock (for railroad between here and Ogden) will start immediately."[60]

Young and his followers were undoubtedly overjoyed at the settlement. Bishop Sharp had been absent just over a month and had achieved considerable results. Certainly most of those involved, including the Bishop himself, had not anticipated such an achievement in so short a period of time. From all indications Brigham Young would have been more than satisfied to have received settlement of Reed's final estimate on Sharp's first visit to Boston. Although he instructed Sharp to get what he could and rest for awhile, he did not intend to write off the additional claims, only to put them off for awhile until the railroad was more disposed to pay.

When settlement was ultimately reached, a period of almost six

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[57] Ibid.

[58] "Memorandum of Agreement," August 31, 1869, Union Pacific Railroad Papers.

[59] Letter, Joseph A. Young to Brigham Young, September 1, 1869, Brigham Young Correspondence, Box 56, folder 3.

[60] Letter, Brigham Young to A. Carrington, September 4, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 775).

months had passed from the time it should have been accomplished according to contract. While they were guilty of tardiness in making the necessary payments, the railroad had never disavowed responsibility for them. The Union Pacific had used every available means to put off payment as long as possible. Bishop John Sharp's daily presence in Boston brought to the attention of the trustees the fact that the debt could not be forgotten indefinitely.

Faced with this situation, although somewhat reluctantly, they met their original obligations as outlined in the contract. As a demonstration of their good faith in Young's extra claims, the railroad had also agreed to pay a good portion of them. Through the document signed by Bishop Sharp and Oliver Ames, the Union Pacific had agreed to pay Brigham Young a certain amount of money. The task of deciding how the obligation was to be met was still unsettled.

CHAPTER VI

FINANCIAL ASPECTS OF YOUNG'S GRADING CONTRACT, THE ADDITIONAL CLAIMS AND THE SETTLEMENT IN BOSTON

The work on Brigham Young's grading contract was divided into four sections as far as accounting of the work was concerned, although work by some contractors overlapped from one section to another. These sections were the Echo, Weber, Ogden Line and Bear River, deriving their names from those geographical areas through which the road passed.[1]

As previously mentioned, as the work progressed the Union Pacific engineers were to make a monthly estimate, which was to be paid to Brigham Young monthly, minus twenty percent which was to be paid with the final estimate after the work was completed. As per terms of the contract, any items such as equipment and supplies received from the railroad were to be deducted from the eighty percent payable on the monthly estimates.

As indicated in Table I, the second payment made by the Union Pacific on August 17, 1869, exceeded by many thousands of dollars the total amount due Young. In view of the financial condition of the road, this overpayment is not entirely understandable. This difference was equalized by October, however, because the railroad failed to pay the total amount due on September's estimate. To this point Young had been paid approximately $565,000 on his contract. The payment on October's estimate left the railroad $100,000 in Young's debt. The deficit for the

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[1]Union Pacific Railroad Papers, nd.

TABLE I[1]

Monthly Estimates and Payments as Paid to Brigham Young by the Union Pacific Railroad, August 1868 to February 1869

Month	Monthly Estimates[2]	Equipment Deduction	Date Paid	Amount Paid
1868			1868	
May-July	$ 94,085.60	$ 30,990.30	August 12	$ 30,000.00
August	129,393.13	30,805.71	August 17	90,000.00
September	341,662.95	35,705.04	October 1	50,000.00
			15	50,000.00
			16	25,000.00
			20	80,000.00
			26	30,957.91
October	352,790.66	39,197.73	November 21	200,000.00
November	376.690.89	31,677.21	December 7	80,000.00
			1869	
December	190,232.36	25,245.67	January 14	100,000.00
			21	100,000.00
1869				
January	184,165.73	26,107.56	February 5	100,000.00
			19	150,000.00
February	182,139.91[3]	10,775.62		
Totals	$1,841,161.23	$230,123.84		$1,348,021.63

[1]Union Pacific Railroad Papers, July 15, 1868.

[2]All monthly estimates are minus the twenty percent which was to be paid in conjunction with the final estimate.

[3]This estimate was not rendered until July 15, 1869.

month of November was around $114,000 placing the company about $214,000 in arrears. As demonstrated elsewhere in this paper, there had been some problem in the first months of the work over finances between Young and the railroad, but those of a serious nature did not begin until the failure of the company to completely pay off the October and November debt. Payments made in February reduced this sum to about $90,000. Theoretically the work was completed by the end of February and this estimate or the final estimate should have been computed and paid by March 30, 1869. This estimate, however, was not completed until the following July. Since the estimate was not made for five months, there was no attempt on the part of the railroad to pay any part of it during the interim. By the end of February 1869, Young had received approximately $1,350,000 in cash or some type of exchange as well as equipment amounting to $230,000.

Apart from the past due, final estimate and the $90,000 due on previous monthly estimates, there also remained the matter of the twenty percent to be paid on the entire amount which was about $463,000. The outstanding twenty percent, the final estimate and the sum unpaid on past estimates totaled $735,806. This amount was also referred to as Reed's final estimate. The entire contract once completed and excluding any additional claims came to $2,313.957. This sum was divided over the four sections of the work. The work on each of the sections was further divided into two parts, the grading and the extra work or anything other than grading.[2] Detailed financial information on these sections--the Echo, Weber, Ogden and Bear River lines--is contained in Table II.

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[2] Ibid. This extra work is not to be confused with the additional or extra claims which Young asked the Union Pacific to pay. The latter are the terms used for work done that was not specified in the contract.

TABLE II

Work Sections

Location	Grading	Extra Work	Total
Echo	$ 326,650.67	$ 47,411.08	$ 374,061.75
Weber	1,490,071.84	205,811.84	1,695,829.68
Ogden Line	208,771.95	2,565.00	211.336.95
Bear River	30,568.15	2,115.00	32,723.15

The facts and figures under consideration do not seem to be of particular significance in relation to dollar values in 1972. To fully understand the topic under discussion, one must consider it in light of dollar values in 1868 and 1869. When questioned by Durant as to the possibility of obtaining laborers from Utah to work on the railroad, Young reported that a man could be hired at a daily wage of from $1.00 to $2.25 a day if they were boarded. In such perspective the three quarters of a million dollars in question takes on additional importance.[3]

The other aspect of Brigham Young's association with the transcontinental railroad construction and the Union Pacific involved additional work and other services for which Young wanted compensation. These additional claims came to $403,006.[4] The verbal settlement pertinent to the additional claims specified that the railroad would, " . . . pay Sharp and Young's balance on promontory work $77,000, and

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[3]Ibid.

[4]Union Pacific Railroad Papers, Memorandum of Agreement, August 31, 1869.

to pay claims and parts of claims, amounting in the aggregate to $126,000."[5]

The eighteen claims which Bishop Sharp had in his possession when negotiating with the Union Pacific trustees, in most cases involved a given amount of dollars per claim although some asked compensation for more than one reason. It is apparent from Table III that the additional claims were quite extensive covering almost every phase of the work.

TABLE III[1]

ADDITIONAL CLAIMS STEMMING FROM BRIGHAM YOUNG'S WORK ON HIS UNION PACIFIC GRADING CONTRACT

Claim Number	Description of the Work Performed	Amount Claimed by Brigham Young	Amount Paid by The Union Pacific as per August 1869 Agreement
1	Interest on $735,806.06 from March 30, 1869, to July 15, 1869, at 2% per month.	$ 51,506.42	$ 20,884.79
2	Discount on $360,000 in Union Pacific exchange	1,100.00	1,100.00
3	Discount on $550,000 in Union Pacific exchange	1,375.00	nil
4	Difference of 4¢ per yard on earth work and 60¢ per yard for cast work on the Ogden Lien.	27,146.05	3,272.85
5	Difference of 60¢ per yard on the Big Fill	8,495.20	nil
6	Difference of 40¢ and 60¢ per yard for earth work beyond the Bear River section	9,561.55	4,778.15
7	Difference of $5.00 per yard for tunneling	23,290.00	9,316.00

[5]Letter, Joseph A. Young to Brigham Young, September 1, 1869, Brigham Young Correspondence, Box 56, Folder 3.

TABLE III (continued)

Claim Number	Description of the Work Performed	Amount Claimed by Brigham Young	Amount Paid by Union Pacific as per August 1869 Agreement
8	Difference of $7.00 per yard for bridge abutment in Weber Canyon	$ 25,284.00	$ 8,110.00
9	Difference of $1.00 per yard on Slate Point, Duncan's Point and Dry Creek	25,999.00	nil
10	20% discount for overcharge of tools	46,024.76	25,000.00
11	Time lost for which the Union Pacific was responsible	54,469.00	54,469.00
12	Work in loose rock from station 239+70 to 250+25.	1,673.30	nil
	Difference of $1.75 for work in loose rock at Boulder Creek.	4,470.00	nil
	Difference of 50¢ per yard for embankment work	11,131.20	nil
	Difference of $7.00 per yard on bridge abutments	2,604.00	nil
	Difference of $4.00 per day for excavations	170.00	nil
13	Bernard Snow's claim of $1.75 per yard for cut work	8,842.00	nil
14	Sharp and Young's claim of $3.00 per day for men and $6.00 per day for teams for lost time	8,400.00	
15	E. R. Young's account	6,137.00	nil
16	J. W. Lewis and Company account	1,494.05	nil
17	W. G. Child's account	723.00	nil

TABLE III (continued)

Claim Number	Description of the Work Performed	Amount Claimed by Brigham Young	Amount Paid by Union Pacific as per August 1869 Agreement
18	Sharp and Young's account of $1.00 per day for 5,979 days work	$ 5,799.00	nil
	Totals	$403,275.83	$204,332.09

[1]Statement No. 1, Union Pacific Railroad Company in acct. with Brigham Young, August 31, 1869, Union Pacific Railroad Papers.

The additional claims, as referred to by Young and his attorney, by their very name suggest an element of doubt existed even in the minds of their authors as to their validity or the real possibility for collecting on them. While some documented proof does exist to support a few of these claims, the majority were apparently based on word of mouth approval from Union Pacific engineers at the time the service was performed, or on the contractor's good faith in the Union Pacific. It is difficult to believe that Young would have allowed himself and his associates to have become involved in financing the railroad company to a point approaching one half a million dollars without a written contract. The railroad, while acknowledging some of the claims as legitimate, was not ready at the time of the Boston settlement to accept responsibility for the lot. The claims paid were obviously those the trustees felt were the most justifiable in view of their knowledge relating to the work and the documents and arguments presented by Bishop Sharp and his associates in defense of the claims. Another point of interest is the fact that in all Young's correspondence with the Union Pacific from May 1868 to June 1869,

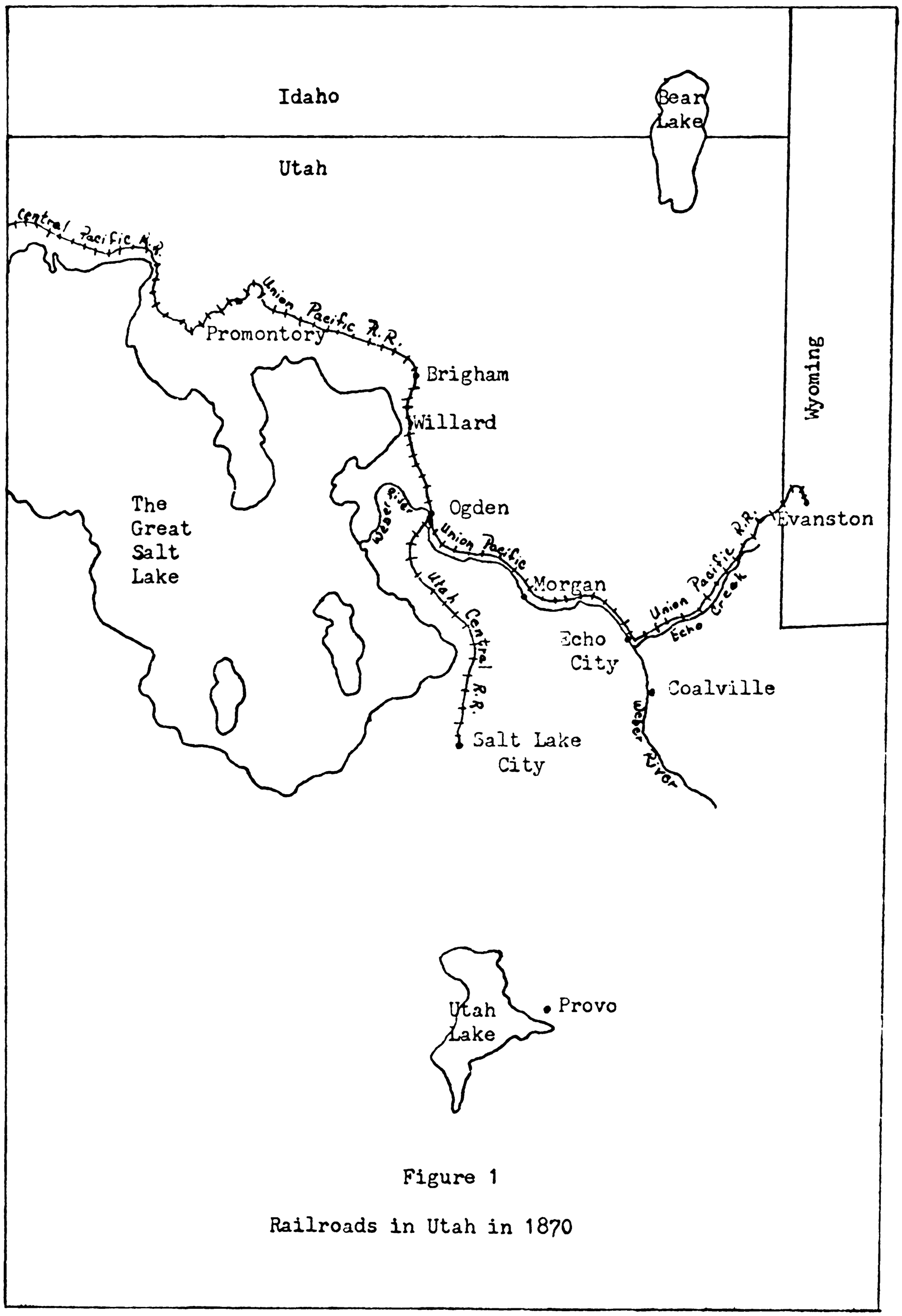

Figure 1

Railroads in Utah in 1870

no mention is made of the additional claims except the time lost. The first time these others were presented to the Union Pacific was in July 1869 when Sharp and Ellerbeck attempted to settle Young's claims with Bushnell in Ogden, Utah.

The Union Pacific's agreement to pay Reed's estimate as well as part of the additional claims was theoretically an agreement, " . . . between the Union Pacific Railroad Company of Boston, Massachusetts, of the first part, and Brigham Young of Salt Lake City, County and Territory of Utah, by John Sharp his lawful attorney of the second part . . . "[6] The second paragraph of the agreement wherein the dispersement of the funds to be paid is discussed, the company, " . . . agrees to pay to Brigham Young the party of the Second part and to Sharp and Young the following several sums on their accounts hereunto appended . . ."[7] The association of Bishop Sharp and Joseph A. Young with Brigham Young and the Union Pacific trustees, appears to have endowed them with a privileged status regarding the final settlement. Available information indicates that all contracts on the section of road let to Brigham Young were subsequently let to subcontractors, none of which dealt individually with the Union Pacific. All affairs of business were referred to Young who passed such information on to the company. To this point all monies paid by the railroad were received by Young who in turn dispersed it to his subcontractors. Once the settlement was completed, Young personally received the entire amount. This makes it difficult to understand why Sharp and Young should be mentioned individually since they were listed

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[6]Ibid.

[7]Ibid.

in the body of the original claims.

Brigham Young's accounts recorded that the settlement was made up of $735,806 on the original contract, $126,930 on the additional claims and $77,401 on Sharp and Young's account.[8] It appears then that the status of Sharp and Young changed from the time they originally contracted with Young and the time the Union Pacific made the first settlement of Young's claims. Although first listed as merely a subcontractor, and thus not in a direct negotiating position with the Union Pacific, by the end of the discussions with the railroad, Sharp and Young assumed a different position and were dealt with on an individual basis and were listed as a separate contractor. The possibility could exist that John Sharp and Joseph A. Young shared some type of partnership with the elder Young. While a case may not be made on this point, it does indicate that the Bishop had more than a passing interest in settling Young's accounts with the Union Pacific.

Once the terms of settlement were established, their implementation still remained. Although Young would have preferred a cash settlement, he was a realist and to have obtained such would have involved an indefinite period of time. The fact that the Union Pacific had vast amounts of railroad surplus materials on hand, and the urgency of completing the Utah Central Railroad combined with the shortage of financial resources by the Union Pacific seemed to prefer the alternative open to both Sharp as Young's attorney and to the railroad trustees. In view of these facts, continued negotiations between the two parties determined that rolling stock and other related railroad materials for use on

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[8]Union Pacific Railroad Papers, September 6, 1869.

the Utah Central would cover a large part of the financial aspect of the settlement. Of the $940,138 to be paid to Young, $599,460 was to be satisfied by these railroad materials. The agreement relating to these was entered into on September 2, 1869, just two days after the settlement of the contract and additional claims was consummated. The materials, which were to be delivered to Ogden, Utah, consisted of sufficient supplies, apart from locomotives and ties, to complete the railroad from Ogden to Salt Lake City.[9]

The single most costly item in these supplies was the thirty-seven miles of rails which were to stretch between the two cities. In an earlier proposal by the railroad to supply the rails, they had offered them at $150 per ton. Young, while not happy with the price, had agreed to accept it. Bishop Sharp, also feeling that the price was unsatisfactory, sought a more equitable arrangement. He ultimately was successful in obtaining a $30 per ton reduction and by so doing effected a substantial savings over the original offer. Even at the lower price, the rails cost $480,000. The second most costly item was the spikes which were obtained at $140 per ton totaling $20,160. Other items obtained were box cars at $900 each, mail and express cars at $3,200 each, first and second class passenger cars at from $3,000 to $5,000 each and other assorted bolts, switches and etc. It was specified that these materials were to be delivered to Brigham Young or John Sharp, his attorney, " . . . as soon as practicable," and was signed by President Oliver Ames.[10] The remaining financial obligation was resolved through

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[9]Union Pacific Railroad Papers, September 2, 1869.

[10]Letter, Oliver Ames to Col. C. G. Hammond, September 2, 1869, Union Pacific Railroad Papers.

several different methods.

The second part of the payment agreement involved immigrant transportation. The completion of the transcontinental railroad accompanied a considerable reduction in transportation costs and time for all overland travelers taking advantage of the railroad. Probably of more significance than the savings was the tremendous reduction in the time required to complete such a trip and the fact that it could be undertaken at any season of the year. Mormon immigrants from Europe and the eastern United States yearly traveled to Utah at a great cost to church financial resources as well as manpower. These immigrants with the completion of the railroad could now travel from eastern areas in relative comfort without the assistance of companies of men from Salt Lake, which in pre-railroad days were sent to transport these newcomers across the plains. As a part of the agreement made in Boston, an order was issued to W. C. Stains, church immigration coordinator in New York, in the amount of $10,000 for immigrant transportation.[11]

A third part of the agreement was an order to the D. O. Calder and Company for freight transportation for the sum of $50,000. A fourth part and the only cash paid by the Union Pacific, was $50,000 paid to Bishop John Sharp. The last part of the agreement consisted of three notes drawn on the Union Pacific Railroad Company and payable to Brigham Young in the amount of $57,669 and a fourth note for $57,669. These notes were carried at seven percent interest and were payable four, five, six, and seven months from September 6, 1869, the date that the

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[11]Union Pacific Railroad Papers, Union Pacific R. R. Co. In acct. with Brigham Young, September 6, 1869.

agreement was completed.[12]

A short time after having received the notes, Young asked that the first one which was due in December be converted into several notes of smaller denominations that they might be more easily dispersed in meeting his obligations.[13] Later that same month arrangements were made and a locomotive was obtained from the Union Pacific for use on the Utah Central Railroad line. When he was billed for the engine, Young contacted Colonel Hammond who was General Superintendent of the Union Pacific in Omaha, and asked if the merchandise might not be deducted from his company notes. This request was approved and he ultimately asked that other supplies and equipment received from the Union Pacific might be settled in a similar manner.[14] In the last part of October, apparently with the approval of the Union Pacific, Young endorsed the second note which was not due for four more months. It was made payable to three individuals and two business houses, one of which was the firm of Sharp and Young. They received $12,835.[15]

After such splendid success with the company, Young in late November inquired again of Colonel Hammond if he might be allowed to endorse $10,000 on the note which was to come due in February. He was also at that time in possession of a due bill for $15,826 from the Union Pacific for immigrant transportation ordered by W. C. Stains. He

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[12]Ibid.

[13]Letter, Brigham Young to W. P. Kennedy, September 22, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 805).

[14]Letter, Brigham Young to C. G. Hammond, October 20, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 282).

[15]Union Pacific Railroad Papers, September 6, 1869.

asked if this sum might not be deducted from the note which was due the following April. Hammond approved both requests but told Young to endorse the April note as per the date the transportation bill was due, October 25, 1869, so that the company would not pay any unnecessary interest on the remainder.[16] From all indications, none of the notes due before February 1870 were actually converted to cash by Young. He had either endorsed them to the order of other parties, had them applied to merchandise obtained from the Union Pacific or otherwise disposed of them. He planned to cash the February note and was apprehensive about it. He wrote, "As the time approaches for the payment by the U.P.P.R. Co. of their first note due me Feb 9, I feel interested concerning it, and shall be pleased to learn that it has been paid when presented."[17] From the amount received on the note, $28,468 was to be paid to the H. Majors and Sons Company who held a note for that amount on the Utah Central Railroad.[18] Young's attitude is somewhat difficult to understand considering his most recent success in obtaining concessions from the company on his other notes. The note was paid, however, reaffirming Young's confidence in the Union Pacific.

Regardless of Joseph A. Young's pessimism about the financial aspect of the Boston settlement, Bishop Sharp had been quite successful. Materials for the Utah Central Railroad had been obtained as well as credit for several worthy purposes. Of equal importance were the cash and notes received from the company which totaled almost $300,000.

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[16]Letter, C. G. Hammond to Brigham Young, December 4, 1869, Union Pacific Railroad Papers.

[17]Letter, Brigham Young to H. L. Eldredge, February 2, 1870, Brigham Young Letterbooks (microfilm reel 16, p. 986).

[18]Letter, D. H. Wells to Hooper Eldredge & Co., November 11, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 863).

Probably the single most significant factor to consider was the nature of the settlement. At this time the Union Pacific was under a great deal of public criticism for the manner in which the construction was carried out and the means by which it was funded. While Young was on many occasions out of patience with the company over the money owed him, he had not engaged in wholesale condemnation of the road but maintained the channels of communication. With the assistance of Bishop John Sharp dealing personally with the Union Pacific trustees, they had concluded a settlement of Young's contract and part of his additional claims on terms acceptable to both parties. Above all the company officials were favorably disposed towards Sharp personally and he had established a congenial relationship with them which was to prove of future value.

CHAPTER VII

FINAL SETTLEMENT OF THE REMAINING ADDITIONAL CLAIMS

As soon as the work surrounding the settlement which had been effected in Boston was completed, Bishop Sharp returned to Salt Lake City. His presence was required as a number of preparations still had to be made in relation to the settlement of the unpaid additional claims. The agreement reached on August 31, 1869, to pay part of Brigham Young's claims provided that the Union Pacific Railroad and Young should each choose a disinterested referee whose responsibility it would be to arbitrate the $198,942 in question on these extra claims. The referees were to assemble in Omaha, Nebraska, within thirty days to begin hearings on the matter. If for some reason the two men failed to reach an agreement, they were to choose a third party, the three forming a board, with the agreement of either two necessary to effect a decision. If either party failed to send his representative, he forfeited the decision to the others. Each referee was also required to be bonded in the amount of the claims, the bond payable to the party which received the favorable settlement.[1]

As plans for the meeting, which was to commence the last of September were finalized, it was determined that Judge Elias Smith of

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[1]Memorandum of Agreement, August 31, 1869, Union Pacific Railroad Papers.

Salt Lake City would serve as Young's attorney.[2] To assist the Judge, Bishop John Sharp, Joseph A. Young and John Taylor were also to accompany him to Omaha. Colonel Hammond telegraphed Sharp on the twentieth or twenty-first of September inquiring as to who Young's referee was to be and when the Bishop anticipated leaving for Omaha. Sharp telegraphed him a day or so later and informed him of the Judge's appointment and indicated that they planned to leave Salt Lake on the twenty-sixth.[3] This correspondence between Hammond and Sharp leaves no doubt that both parties were well-informed in relation to the forthcoming meeting in Omaha.

In order to meet the obligations of the contract whereby both parties were to secure themselves to the amount of the claims, Young appointed several prominent Salt Lake businessmen of some fortune to bond him. These men, William Jennings and Henry D. Lawrence, were bound to the extent of the claims to pay, " . . . good and lawful money of the United States to be paid to the said Union Pacific Railroad Company . . ."[4]

It would stand to reason that Young had at least searched out all reasonably valid claims to be found against the railroad and had included them in the additional claims, although it would not be difficult to believe that he might have included some of questionable validity, as such practices were not unknown in the business world. In spite of his financial situation he was apparently scrupulous in his business dealings.

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[2]Certificate appointing Judge Smith Brigham Young's referee, Union Pacific Railroad Papers, September 25, 1869.

[3]Telegram, John Sharp to Col. C. J. Hammond, September 22, 1869, Brigham Young Letterbooks (Microfilm reel 16, p. 280).

[4]Bond agreement between Brigham Young, William Jennings and Henry W. Lawrence, Union Pacific Railroad Papers, September 22, 1869.

Although the amount was not disclosed, T. W. Ellerbeck notified the Union Pacific cashier in Utah that the calculations on the final estimate which were paid in Boston had been incorrect in favor of the railroad and that the sum in question would be placed to the company's credit.[5]

As Young's emissaries prepared to depart for Omaha, Judge Smith was entrusted with certain documents and information to assist him in receiving a settlement. T. W. Ellerbeck provided him with a brief statement of all the financial considerations involved in the claims and general guidelines which he might follow should a compromise settlement result from the negotiations.[6] He also received Brigham Young's security bond and an accounting of the additional claims together with a copy of the agreement made in Boston pertinent to settlement of these claims. A copy of Young's contract with the railroad, calculations of interest due on the unpaid monthly estimates as contained in the extra claims, a copy of the agreement made in Boston wherein Bishop Sharp had received payments from the railroad for Brigham Young were also included with these documents. The Judge was further given a copy of his appointment as Young's referee and statements by various individuals who were seeking compensation through the additional claims as well as several others whose names did not appear on the original statement of additional claims.[7] It is very doubtful that these persons whose names were recently added to the list of claimants would have ever received consideration since it had

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[5]Letter, T. W. Ellerbeck to Mr. Kennedy or Mr. Frost, September 24, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 809).

[6]Note, T. W. Ellerbeck to Judge Smith, September 25, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 812).

[7]Statement of Papers handed Judge E. Smith, Union Pacific Railroad Papers, September 25, 1869.

been established in Boston that no further claims would be considered after the first settlement was reached.[8]

Judge Smith accompanied by Bishop John Sharp departed for Omaha September 25 or 26 and arrived in that city on the 28th and took accommodations at the Cozzen's Hotel. Some sixty miles outside of Omaha their train passed another on which Samuel Reed was riding. The Bishop had hoped to talk with Reed but for some reason the trains had not stopped.[9] Shortly after their arrival Sharp called upon Superintendent Hammond and informed him of the presence of Judge Smith and of his willingness to begin the negotiations at the disgression of the railroad. He also presented him with an official written notification which stated:

> In pursuance of the agreement entered into in Boston, between the Union Pacific Rail-Road Company and President Brigham Young of Salt Lake by his attorney, to submit to referees about two hundred thousand dollars of unadjusted accounts;--I hereby officially inform you that Judge E. Smith the referee chosen by President Young, and myself are here with bond and security accounts, papers and witnesses ready to proceed with the adjustment of the accounts in the manner provided for in said agreement.[10]

Hammond assured the Bishop that he would forward the notification to the company's attorney and told him that Mr. J. L. Wilson had been appointed as referee to represent the Union Pacific but that he would not arrive for several days.[11]

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[8]Memorandum of Agreement, Union Pacific Railroad Papers, August 31, 1869.

[9]Letter, John Sharp to Brigham Young, September 30, 1869, John Sharp Papers (Salt Lake City: Latter-day Saint Church Historian's Office).

[10]Letter, John Sharp to Col. C. G. Hammond, September 30, 1869, John Sharp Papers.

[11]Letter, John Sharp to Brigham Young, September 30, 1869, John Sharp Papers.

Joseph A. Young and his wife arrived from New York a day or so after the Bishop in order to be present for the negotiations. When it was determined that the railroad's representative would not arrive for several days, Joseph A. Young left for Chicago to transact some business there, promising to return the following Tuesday.[12]

Bishop Sharp and Judge Smith, having made their presence known, now awaited the pleasure of the Union Pacific to begin the ajudication. The last day of the specified period passed, however, and the company had made no effort to initiate the proceedings. On October 1, Judge Smith recorded in his journal, "I deeded that judgment should be rendered in favor of President Young and against the Union Pacific."[13] This same day John Taylor arrived to be present for the proceedings and was elated to find that the railroad had failed to comply with the agreement and therefore lost by default.[14] When it was apparent that the company did not intend to comply with the agreement, Sharp immediately asked Salt Lake for the original, stamped document entered into in Boston some thirty days earlier. This was immediately forwarded to him by Wells Fargo express.[15] The reasons for obtaining the original would have resulted from the necessity he now faced of completely documenting and verifying his case against the Union Pacific.

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[12]Ibid.

[13]Journal of Judge Elias Smith, October 1, 1869 (Salt Lake City: Latter-day Saint Church Historian's Office).

[14]Ibid.

[15]Letter, T. W. Ellerbeck to John Sharp, October 4, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 280).

In view of the failure of the railroad to initiate any positive action, Sharp reported the proceedings to Brigham Young on October 3. Young replied that in his opinion the Union Pacific was complying with neither the spirit or letter of the Boston agreement. He also speculated that the company had possibly found a "loop-hole or legal technicality" by which they hoped to avoid the terms of the agreement and payment of the extra claims. Bishop Sharp was instructed to obtain witnesses and to make an affidavit to the effect that he had been in Omaha on the day specified in the agreement in company with Young's referee and had in his possession all other necessities to begin the negotiations. He was also to notify company officials in Boston of his action and that as a result of railroad non-compliance, he held them in forfeiture.[16]

On October 5, a Mr. Poppleton, the company attorney in Omaha, notified Bishop Sharp that Mr. J. L. Wilson, their referee, had arrived and was ready to begin negotiations.[17] Sharp, Joseph A. Young and Judge Smith met with Wilson but would not begin the negotiations since the time limit imposed by the agreement had expired and such talks would have been of no legal significance so far as the contract was concerned.[18] Before leaving Omaha, Sharp wrote President Ames in Boston of the proceedings since his arrival. He explained that he and President Young's referee had complied with all the terms of the agreement reached in Boston. He quoted the content of the official notification which he

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[16]Letter, Brigham Young to John Sharp, October 7, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 824).

[17]Letter, John Sharp to Oliver Ames, October 11, 1869, Union Pacific Railroad Papers.

[18]Journal of Judge Elias Smith, October 1, 1869.

had delivered to Colonel Hammond upon his arrival in Omaha regarding his presence and readiness to negotiate. He conceded that the railroad representative had finally made an appearance but not within the prearranged time limit. Sharp wrote that Mr. Wilson's arrival,

> . . . as you will perceive, sir placed me in a very unpleasant position; inasmuch as the agreement says specifically, 'These said referees, so chosen shall meet in Omaha, Nebraska, in not exceeding thirty days from the date hereof and proceed to adjudicate upon the claim, and parts of claims, now remaining unadjusted.' By this sir you will perceive that any action commenced after the time specified would necessarily be void.[19]

Expressing with some regret the fact that the Union Pacific had not lived up to the agreement, Sharp informed Ames, " . . . I am under the necessity of demanding ($198,942.38) One hundred and ninety eight Thousand nine hundred and forty two dollars and thirty eight cents the amount specified in the claim as forfeited by the terms of our agreement."[20] The day this appeal was written to Ames, Judge Smith reported that Young had contacted Bishop Sharp and John Taylor and instructed them to proceed to Boston in pursuit of a settlement, Joseph A. Young having already returned to Salt Lake. The Judge left Omaha for the West the following day and said that Sharp and Taylor were leaving for the East that afternoon.[21] In spite of indications to the contrary, it appears that Sharp and Taylor did not go to Boston at all but returned to Salt Lake within a short period.

It is difficult to determine whether Bishop Sharp seriously felt that the Union Pacific would honor the terms of the agreement and pay the

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[19]Letter, John Sharp to Oliver Ames, October 11, 1869, Union Pacific Railroad Papers.

[20]Ibid.

[21]Journal of Judge Elias Smith, October 1, 1869.

sum due on the additional claims. The company had not by some oversight forgotten to have their referee in Omaha at the prescribed time. Colonel Hammond in Omaha was well informed as to what was to take place and the time at which it was to have happened. The failure of Mr. Wilson to appear until the time limit has expired could only have been a planned move by the company. The question is what did they hope to accomplish by such a course of action. Although they were legally bound by the Boston agreement, had court action been pursued it would have been a long and costly course for Young to have taken. The company was apparently fearful that had the adjudication taken place that the ultimate decision would not have been in their favor. Failing to comply with the agreement in either providing the referee in time or paying the additional claims after the forfeiture, the company left two avenues of action open to Young. He could seek another settlement which would probably result in a compromise, or he could seek redress through court action. Evidence would indicate that Young would choose the former alternative placing both parties in a situation not to dissimilar from the one in which they had been one month earlier, before the agreement had been reached. In this position the Union Pacific at least had a chance of reducing the claims at the time the new talks began. Bishop Sharp, in possession of all the facts, could only have felt that his letter to Ames would open the way for new negotiations, but regardless of his intentions, the company from all indications made no response to the Bishop's correspondence.

There seems to have been no further intercourse between the Union Pacific and Young or his representatives regarding the unsettled claims until April 1870. As previously mentioned there were numerous inquiries

both to and from the company regarding other matters. Young apparently felt that since the railroad had not taken the initiative in the seven months since the affair in Omaha, that the burden of responsibility rested with him. His decision was also influenced by unpaid laborers and sub-contractors who continually beseiged him for their pay since the first settlement had provided little or no relief in this quarter. Addressing himself to Ames, Young recounted for him the agreement reached in Boston regarding the grading contract, extra claims and arbitration which was to have taken place in Omaha. He reminded him that the railroad had failed to comply with this agreement wherein they were required to pay the full amount of the additional claims and as a result had caused him considerable financial embarrassment. Pointing out this oversight on the part of the railroad, he asked for immediate payment of the sum due him. In closing the following remarks were used, "Trust in a continuance of the amicable relations which have characterized our business matters heretofore, and with sentiments of high personal regard. I remain Yours with respect."[22] There must have been a certain amount of irony in his statement, particularly in light of his next letter to Ames just three days later. In the latter correspondence Young informed Ames that Bishop John Sharp would be in Boston in a few days, acting again as his attorney with authorization to collect the money due on the claims. He asked Ames to settle the account as soon as possible because he was in great need of some type of financial relief.[23]

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[22]Letter, Brigham Young to Oliver Ames, Esq., April 24, 1870, Brigham Young Letterbooks (microfilm reel 17, p. 94).

[23]Ibid., April 27, 1870 (microfilm reel 17, p. 105).

Preparing for his trip to Boston, Sharp was entrusted with all the necessary paperwork to establish Young's case. He was given the original documents of Young's security bond and statement of additional claims along with the agreement reached at Boston. Young's Union Pacific accounts to April 1870, an accounting of the interest asked on the monthly estimates and a copy of the payments received by Sharp while in Boston were also included. He also received an accounting of differences in prices for material contracted for and those received on that part of Reed's final estimate applied to materials for use on the Utah Central Railroad.[24]

After an uneventful but speedy trip east, Sharp arrived in Boston on May 5 and that same day obtained an interview with Oliver Ames. He reported that he was "received very kindly" and told that Young's letter of the twenty-fourth had been received several days earlier but that no action had been taken on it although a meeting of the directors had just concluded. Ames indicated that the company was still disposed to arbitration by disinterested referees if the Bishop had no objections. Sharp, however, stated that this was unsatisfactory since the time for such negotiations had long since passed and the railroad had failed to comply with their part of the agreement. But Ames countered with the argument that such a position was but a "trifling excuse." After talking at some length with Ames, Bushnell and Durant joined the discussions. Sharp reported that they were glad to see him " . . . and laughed heartily at the idea of me coming here for more money."[25] After discussing Young's

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[24]List of papers handed John Sharp (to take to Boston), April 28, 1870, Brigham Young Correspondence, Box 56, folder 11.

[25]Letter, John Sharp to Brigham Young, May 15, 1870, Brigham Young Correspondence, Box 56, folder 12.

claims, Bushnell offered Sharp $10,000 to pay off the claim completely that he might return home that same day; the Bishop in turn stated that he would stay over night and perhaps in a day or two they would be more generous. Durant said he felt that Young had received all the money which could be justifiably paid on his claims and asked Sharp what he thought would be a fair settlement. To this the Bishop replied that he felt that $198,942.68 would be sufficient, after which all had a good laugh. After more talk and discussion on the matter, Durant offered to act as referee for the railroad and suggested that Bishop Sharp act as the same for Brigham Young and if a situation arose on which they could not agree, then Bushnell would cast the deciding vote. This suggestion Sharp readily accepted if it were applied to his personal claims. Somewhat surprised at the Bishop's acceptance, Durant retracted his offer much to Sharp's amusement. In spite of the extended discussions, no positive progress was made nor could it have been made without the concurrence of the trustees or the board of Directors.[26]

Sharp was present at the railroad office the following day and was able to discuss the claims with Ames and Duff. The two men assumed the same position as Durant indicating that they thought all Young's legitimate claims had been paid. They were not, however, inflexible on the subject and offered to call the Board of Directors together in a few days to discuss the matter. At the conclusion of these talks Sharp was confident the claims might soon receive favorable consideration.[27]

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[26]Letter, John Sharp to Brigham Young, May 12, 1870, Brigham Young Correspondence, Box 56, folder 12.

[27]Ibid.

Within the next week Bishop Sharp was able to discuss the claims further with a number of board members on an individual basis and found that most were very solicitous. As promised, Ames telegraphed all the members in regard to a meeting of the board but was unable to establish contact with Dr. Durant who had gone to New York the day Sharp had arrived in Boston. When it became clear that Durant was not going to be located, Bishop Sharp took the train to New York to contact him personally about the meeting. Upon arrival at Durant's offices in New York City, he found that the doctor had gone to Saratoga Springs, New York, presumably on business, and was not expected to return for a week. In receipt of this none-too-welcome news, Sharp returned to Boston to await the doctor's return. Several days after Sharp returned from New York, Sidney Dillon arrived in Boston and Ames arranged an interview between him and the Bishop. Also included in the discussion were Ames, Duff and several other board members. The only conclusion resulting from these talks was that no action could be considered until Durant returned, the reason given was his intimate acquaintance with Brigham Young's account. Sharp thought this was quite ironic when considering the fact that the doctor held no office in the railroad, but he determined to wait until his return.[28]

The latter part of May, Young instructed Sharp to inform the company officials that he could not wait indefinitely and if the matter were not soon resolved, he would return home and a different course of action would be sought. Speaking of the railroad's attitude, Young said,

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[28]Letter, John Sharp to Brigham Young, May 12, 1870, Brigham Young Correspondence, Box 56, folder 12.

> The company have been very great sticklers for contracts when it suited their own purpose, but they will find that we can be just as particular when we deem it, necessary; we certainly consider their contract to arbitrate just as good as a note of hand.[29]

Regardless of Young's or Sharp's urgings, Durant did not return and the directors refused to make any decisions without his approval.

By the first of June word had reached Boston that Durant had returned to New York City and would soon return to Boston if his presence were needed. Ames immediately telegraphed the doctor that he should return to Boston with all haste as Bishop Sharp was still awaiting his arrival, since the directors had refused to consider his case without Durant's recommendations. Sharp complained to Young that Durant had been aware of this all along and was purposefully trying to avoid him. He was still confident, however, that generally speaking the individual board members with whom he had talked would give him a favorable hearing even though they would probably disallow some of the claims.[30] In spite of promises regarding Durant's imminent arrival, they did not materialize and the Bishop was growing short of patience. When he informed Ames of his suspicions that the doctor was trying to avoid him and that he wanted to return home, Ames insisted that this was not the case and prevailed upon him to remain a few more days.[31] Whether or not Durant returned as promised and met with the Bishop is not entirely clear, but a settlement was not reached and Sharp returned to Salt Lake.

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[29]Letter, Brigham Young to John Sharp, May 27, 1870, Brigham Young Letterbooks (microfilm reel 17, pp. 146-7).

[30]Letter, John Sharp to Brigham Young, June 1, 1870, Brigham Young Correspondence, Box 56, folder 13.

[31]<u>Ibid.</u>, June 3, 1870.

What took place within the next few weeks can only be a matter of speculation. It is possible that Sharp met with Durant before departing Boston and worked out some type of tentative agreement with reference to a settlement within the immediate future. There is also the possibility that after Sharp returned to Salt Lake the railroad forwarded to him some offer of settlement. While this point cannot be determined beyond doubt, Bishop Sharp by late June was once again enroute to the East confident in the pursuit of a settlement.[32] Upon arrival he was able to talk with President Ames who, while very happy to see him, informed the Bishop that no action could be taken on his account for several days.[33] Although he experienced some difficulty in obtaining a hearing before the proper persons, he reviewed his claims on July 7 before the Finance Committee. After presenting the claims the members would only consent to pay $70,386 on the $198,943 asked. Bishop Sharp, apparently on previous approval from Young to accept any reasonable offer, agreed to it. It was decided that $35,000 of the settlement was to be paid in cash with the remainder payable in notes of $5,000 each and maturing in three months.[34]

The settlement of all Young's claims against the Union Pacific was now completed. Once the three-month notes were paid, the work begun over two years ago would be at an end. These notes were all met by November 1870 at which time Brigham put his hand to a document releasing the Union Pacific Railroad Company, its trustees and directors from any claim regarding

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[32] Ibid., June 28, 1870.

[33] Letter, John Sharp to Brigham Young, July 2, 1870, Brigham Young Correspondence, Box 56, folder 13.

[34] Letter, John Sharp to Brigham Young, July 7, 1870, Brigham Young Correspondence, Box 56, folder 14.

services he performed for the company.[35] This settlement involving the remaining additional claims was probably the most difficult and time consuming yet entered into with the Union Pacific by Bishop Sharp. From a legal point of view the company had grossly failed to meet its obligations to Young as established by the agreement reached in Boston. They clearly violated the terms of this agreement yet refused to abide the consequences. From this point of view and the fact that a settlement was ultimately reached for approximately $120,000 less than the sum specified to be paid by the Boston agreement, it is difficult to understand why Young did not seek a court settlement. It is possible that because of the unpopular aspects of Mormonism he felt that justice would not be served and this action would only tend to draw undue attention to himself and his followers. The supposition could also be made that some of his claims were not valid and that he fully expected from the beginning to reach a compromise settlement. Although somewhat more remote, he may have been determined to curry the favor of the Union Pacific even at a financial loss. As with the earlier settlement, when negotiations were completed, the company was still in the good graces of Brigham Young and vice versa.

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[35]Agreement of release from Brigham Young to Union Pacific Railroad Company, November 1, 1870, Union Pacific Railroad Papers.

CHAPTER VIII

THE UTAH CENTRAL AND THE RESOLUTION OF THE UNION PACIFIC SUBCONTRACTS

A final settlement between Brigham Young and the Union Pacific did not necessarily indicate an imminent settlement between Young and his subcontractors. It has been noted that the major part of the compensation received from the railroad was applied to materials which were secured for construction of the Utah Central Railroad.

When it was determined by the Union Pacific that the main line of their transcontinental track would not pass through Salt Lake City as Young had hoped it would, he began to formulate plans for a spur line from Ogden to Salt Lake. By late 1868, several months before the Union Pacific work was completed, Young had survey crews in the field in an effort to determine the most feasible route.[1] In spite of these early beginnings, progress was slow and the road's exact location had still not been decided upon some four months later. Regardless of these difficulties, the work continued even to the point of obtaining the services of one of Superintendent Reed's men who was then engaged in the Union Pacific construction.[2] The company was formally organized in March 1869 at which time Brigham Young was elected president, and Joseph A. Young,

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[1]Letter, Brigham Young to A. Carrington, January 5, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 272).

[2]Letter, Brigham Young to S. B. Reed, March 19, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 426).

general superintendent.[3] Almost immediately after the organization, Young began to search for a source from which to procure the necessary rolling stock and supplies. In spite of his intimate association with the Union Pacific officials, his first contact was with Governor Leland Stanford, then president of the Central Pacific Railroad. He disclosed to Stanford his intentions of constructing a spur line to Salt Lake City and inquired as to his interest in supplying all or part of the necessary equipment. He also asked if his needs could be supplied on credit or if the Central Pacific would require stock in the new road.[4] The day after this communication to the Central Pacific president, Young made an almost identical proposition to Thomas Durant of the Union Pacific.[5] At the time these two inquiries were made, Young's contract work for the Union Pacific was in the final phases of completion and he was hopeful that he would collect all the money owed by the railroad within the next month. Once in possession of this, he would have a free hand to pursue whatever course deemed necessary in completing the Utah Central and was thus hopeful of creating competition between the Central Pacific and Union Pacific Railroads. As has been delineated this was not to be the case and some time was to pass before any type of settlement was reached. As the months passed with no hope of any immediate cash settlement, Young came to the conclusion that the acceptance of railroad materials from the Union Pacific might hasten some type of agreement with the company. In the

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[3]Leonard J. Arrington, Great Basin Kingdom, p. 270.

[4]Letter, Brigham Young to Leland Stanford, March 13, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 404).

[5]Letter, Brigham Young to T. C. Durant, March 14, 1869, Brigham Young Letterbooks (microfilm reel 15, p. 402).

meantime his son Joseph had been sent to New York to negotiate Utah Central bonds in order to raise capital for the road. Young's preoccupation with the possibility that the Union Pacific might gain control of the Utah Central was not confined to the Boston company alone. The instructions given his son in regard to negotiating the bonds were very similar to those he was given regarding any association with John Sharp when he was working out the settlement. Regarding sale of the Utah Central bonds, Young instructed his son that he was not under any conditions to make them convertible to stock at the option of the buyer as he did not want the management of the road to pass to other parties. He further stated, "As business of Railroading is new to us, we must move with great caution. I fully realize the extreme necessity of this, and the importance of being perfectly sure of our position and of the safety of all our movements."[6] The sale of these bonds, however, did not meet with a great deal of success. The failure to obtain any working capital also influenced Young in his decision to obtain the supplies on his Union Pacific contract. Writing to his son on this problem he said,

> . . . . our best course is to purchase the Iron, Rolling Stock and etc. for the Utah Central from the U. P. Company.
> By this means with the U. C. in a fair way of completion, the bonds could readily be hypothecated and funds procured to meet our obligations to our men in the U. P.[7]

From the time of its formal organization to the termination of the Boston settlement between the Union Pacific and John Sharp as Brigham

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[6]Letter, Brigham Young to Joseph A. Young, August 19, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 728).

[7]Letter, Brigham Young to Joseph A. Young, July 16, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 643).

Young's attorney, the only work which was done on the Utah Central line consisted of some grading and bridge building. The promise in August 1869 of all the necessary rolling stock and other materials needed to complete the road, stimulated the work. As soon as the first shipments of iron began to arrive in late September, tracklaying was begun. By October the locomotive had arrived completing the list of basic necessities required to put the road into operation. Problems began to develop, however, over delays in the delivery of iron from the East which brought a cessation of tracklaying in early November. The company had two hundred twenty-five men employed in this work at a cost of over $1,000 a day. Young wrote to Colonel Hammond complaining of the unsatisfactory situation which had developed, for which the Union Pacific was responsible. He was particularly concerned about the imminent approach of winter as he was well acquainted with the difficulties of such road work from his experiences of the previous year on his Union Pacific contract. Any impediments in completing the road also delayed the time at which his obligations to his subcontractors would be met. In view of these untimely difficulties it was decided that W. C. Stains, now in Salt Lake, would go to Boston to facilitate the iron shipments.[8]

Some rails apparently continued to arrive and by late November the tracks were laid as far south of Ogden as Farmington.[9] However, on December 10, the Utah Central board of directors suspended all work until sufficient iron was delivered to complete a minimum of six miles of

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[8]Letter, Brigham Young to Col. C. G. Hammond, November 12, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 16).

[9]Letter, Brigham Young to (no recipient given), November 29, 1869, Brigham Young Letterbooks (microfilm reel 16, pp. 905-8).

track.[10] By late December, Stains had returned from the East and reported that one hundred and twenty-five cars of Utah Central materials were enroute to Utah and the work was soon resumed.[11] The work was pushed forward with all possible speed regardless of the inclement weather conditions. The last rail was laid on January 10, 1870, completing the road in what Young described as, "One of the most interesting events that have ever transpired here."[12] He was one of the speakers on this occasion and made several extremely interesting and enlightening statements, one regarding the Union Pacific and the other the Utah Territory. Regardless of the delays and difficulties under which Young was operating and for which the Union Pacific was responsible, he had nothing but praise for the company. He congratulated both the Union Pacific and Central Pacific Railroads on the completion of the transcontinental railroad. He thanked the Union Pacific for all the assistance its officers had rendered in completing the Utah Central stating further,

> . . . As far as I have learned, you have refused us no favor. Let us be one in sustaining every laudable undertaking for the benefit of the human family; and I thank the companies for their kindness to us as companies, as superintendents, as engineers, as conductors and etc.[13]

Speaking of the failure of the Union Pacific to pay its debts to him promptly Young said,

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[10]Letter, Brigham Young to the hands employed on the Utah Central Railroad, December 10, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 796).

[11]Letter, Brigham Young to Joseph A. Young, December 22, 1869, Brigham Young Letterbooks (microfilm reel 16, p. 934).

[12]Letter, Brigham Young to President A. Carrington, February 2, 1870, Brigham Young Letterbooks (microfilm reel 16, p. 988).

[13]<u>JH</u>, (January 10, 1869), p. 2.

> We have felt somewhat to complain of the Union Pacific Company for not paying us for the work we did, in grading so many miles of their road. But let me say, if they had paid us according to agreement, this road would not have been and this track would not have been laid to-day. It is all right.[14]

In spite of the relative insignificance of the Utah Central Railroad, there were fourteen officers of the Union Pacific Railroad present for the celebration.[15] These men were apprently those attached to the company offices and shops in Ogden and their presence probably had no particular importance.

The other statement of significance made in the speech had reference to Utah and the nation. Young said,

> Our work is not one for individual benefit, but it is an aid to the development of the whole country, and tends to the benefit and prosperity of the whole nation of which we form a part.
>
> To all present I would say, let us lay aside our narrow feelings and prejudices, and, as fellow citizens of this great Republic, join in the celebration of this happy day.[16]

A commentator of the day reporting Young's speech interpreted this to mean that the railroad would be a major factor in uniting the nation and bringing Utah to statehood. He even went so far as to say that in light of these recent occurrences that the government would have no choice but to make Utah a state.[17]

With the Utah Central now in operation, Young had to use it to meet his responsibilities to the still unpaid subcontractors on his Union

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[14] Ibid.

[15] Letter, Brigham Young to A. Carrington, February 2, 1870, Brigham Young Letterbooks (microfilm reel 16, p. 988).

[16] JH, (January 10, 1869), p. 2.

[17] JH, (January 11, 1870), p. 1.

Pacific grading contract. He was constantly pressured by laborers, contractors and businessmen who had let thousands of dollars worth of goods out on credit. At the time the Utah Central was completed there was still about $400,000 owed to the subcontractors. In order to pay off this debt Young, as previously indicated, had determined to once again attempt to sell bonds on the Utah Central after its completion. With the road finished and presumably making money, a prospective investor would hopefully be less reluctant to engage his capital. Daniel H. Wells, treasurer of the road, reported shortly after the railroad was dedicated that all bonds had been withdrawn from the New York market and were available to any who wished to purchase them, particularly members of the Mormon Church.[18] Later that same month a meeting was held at which all who had worked on the Union Pacific or Utah Central Railroads and had not been paid for their work, were to be present.[19] While the minutes of the meeting are not available, it is assumed that the outstanding debts were discussed in relation to the possibility of accepting all or partial payment on them in Utah Central bonds. The following month Young, in an effort to dispose of Utah Central bonds, sought to sell $100,000 of them to the Union Pacific because of the fact that he was "somewhat pressed" for money.[20] If Young was successful in this proposal it is not known, however, regardless of the action taken by the railroad, the money would not have made a great deal of difference

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[18]JH, (January 15, 1870), p. 1.

[19]Letter, Brigham Young to (recipient not given), January 28, 1870, Brigham Young Letterbooks (microfilm reel 16, p. 977).

[20]Letter, Brigham Young to C. Bushnell, February 14, 1870, Brigham Young Letterbooks (microfilm reel 16, p. 12).

in settling the debts to his subcontractors. Several months afterward, John Duff of the Union Pacific, possibly as a result of Young's interest in selling that company Utah Central bonds, contacted John Sharp relative to Young's disposition to relinquish control of the Utah Central. Sharp reported that he had discussed the matter with Young but did not disclose any of the details. He questioned Duff as to the nature of the Union Pacific's intentions whether they were interested in outright purchase, a lease arrangement or merely management of the road, and offered his assistance in any negotiation that might be necessary. He also asked if he and Young could not obtain a loan of about $200,000 using Utah Central stock as security.[21] Available information indicates that no positive action was taken on either proposal. The following February 1871 Bishop Sharp was authorized by Young to borrow $200,000 from any available source for Young's personal use. At this point the subcontractors had still not been completely paid off and it can only be assumed that the money was to be used for this purpose. Another fact that strengthens this supposition is that the loan was to be secured with a sufficient amount of first mortgage bonds drawn on the Utah Central to satisfy the party extending the loan.[22] Bishop Sharp succeeded in obtaining the loan in May 1871 from the Union Pacific.[23]

By July 1870 the Utah Central bonds had been available to the

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[21]Letter, John Sharp to John Duff, July 22, 1870, Brigham Young Letterbooks (microfilm reel 7, p. 244).

[22]Power of attorney given John Sharp, February 13, 1871, Union Pacific Railroad Papers.

[23]Letter, John Sharp to E. H. Rollins, August 8, 1871, Brigham Young Letterbooks (microfilm reel 17, p. 793).

Utah market for some six months but the response of the local capitalists had not been overwhelming. As it became apparent that the bonds were not going to be disposed of as rapidly as anticipated, the School of the Prophets,[24] a group made up of most of the leading Mormon financial and spiritual leaders in Salt Lake City, took the matter under advisement. The resolve of the group was the organization of a committee whose purpose it was to impress upon church members the necessity of purchasing Utah Central bonds, "to enable the President to liquidate his indebtedness of the U.P.R.R., claims which were held against him."[25] The committee was made up of six members plus the twelve apostles[26] of the church who were charged with the duty of visiting all church officials at the local level in order to find buyers for the bonds. The committee announced its purpose and intent in a letter sent to all local officials

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[24]The School of the Prophets was originally an ecclesiastical body of male members of the priesthood. This group was organized by the founder of Mormonism, Joseph Smith, in Kirtland, Ohio, in 1833. Their original purpose was to meet together to study the teachings of God. With the move to Utah the organization was discontinued for some time. When it was reorganized in the late 1860's its members engaged mainly in determining economic policies as they related to the church. Professor Gustive Larson of Brigham Young University in his most recent work, The Americanization of Utah, refers to the group as an ecclesiastical chamber of commerce. For a detailed study of the School of the Prophets see John R. Patrick, "The School of the Prophets: Its Development and Influence in the Utah Territory" (unpublished masters thesis, Brigham Young University, Provo, Utah, 1970).

[25]JH, (July 30, 1870), p. 1.

[26]The twelve apostles, or "Quorum of the Twelve Apostles" as they are often referred to by adherents of the Mormon faith, are part of the ruling body of the church. The Mormon church believes that they possess the priesthood authority given to Christ when he was on the earth and have, thus, set up a similar governing body with twelve apostles as the ancient Church of Christ as found in the New Testament.

and signed by Brigham Young. A portion of the letter stated:

> A Committee will shortly visit you to solicit your cooperation in the sale of Bonds of the Utah Central Railroad in your settlement, this being the means adopted to enable that Company to liquidate its indebtedness to myself, which will then enable me to pay those of my Creditors, for work done on my Contract on the Union Pacific Railroad, whose accounts still remain unsettled.[27]

Young seems to have changed his method of operation at this point. Resolving debts incurred by the formation of the Utah Central Railroad were now not only necessary to free Young from his creditors and pay the men who had labored to build the Union Pacific line, but they began to take on tones of a religious obligation with high ranking church officials sent out to administer the policy.

In spite of this concerted effort by Mormon leaders, response to the bonds still was not adequate. In October Young wrote a letter to all members of the School of the Prophets reminding them of the obligation they had taken to dispose of the bonds. He brought to their attention the facts surrounding his acquisition of the materials to put the Utah Central in operation, materials he had received from the Union Pacific in payment for his contract. He informed them that this had placed him in debt and that as things were he saw no immediate way to pay it off. He had sold or traded everything at his disposal, including personal property, to meet this obligation but there was still a considerable sum outstanding. He told them that the committee had been successful in obtaining a number of promises to purchase bonds as well as stock but that the subscribers had not come forth with their money. The bishops in Salt Lake City alone had committed themselves to purchase $40,000 worth

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[27]JH, (August 18, 1870), p. 1.

as yet they had paid for but a small portion of that amount. Young admitted that he did not know why the saints[28] were not following through with their commitments, but said he could not pay his creditors with promises. Some, he said, understood his precarious situation, but the majority did not which caused him a great deal of concern. He told them that inquiries had been made to purchase the road (he was presumably referring to the Union Pacific) and if immediate action was not taken to relieve him of these debts, that he would have to consider such measures. The alternatives, he felt, were for the creditors to accept Utah Central bonds or some property he owned on their debts, or for the School of the Prophets to follow through with their plans to dispose of the bonds. He warned that if he were forced to sell, that the buyers would most certainly not share the same interest he did regarding the railroad and the community. He further stated,

> . . . . to assume the responsibility of making this transaction unless I am obliged to is something more than I wish to do, still, if the brethren who have agreed to assist me in throwing off this burden, prefer this way of doing it, and will take upon themselves the responsibility of introducing into our midst such another strong engine of Gentile influence, instead of controlling the road themselves I would be pleased to have them say so, in order to settle this matter without further delay.[29]

It is apparent that Young was somewhat out of patience with his followers and their reluctance to obligate themselves in the railroad which he felt was so important to their economic, political and social well-being. Although he had considered the possibility of selling the Utah Central,

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[28]Saints is a term applied by the Mormons to all members in good standing in their religious organization.

[29]Letter, Brigham Young to the Brethren of the School of the Prophets, October 22, 1870, Brigham Young Letterbooks (microfilm reel 17, pp. 418-9).

it is most certain that through his statement he hoped to stimulate those community leaders in the School of the Prophets to renewed action in disposing of the bonds.

It is difficult to determine how effective these members were in selling bonds. By August 1871, or approximately one year later, the debt had still not been completely paid off. In a meeting held by the School of the Prophets in August of that year several persons including John Sharp spoke, " . . . of the propriety of the Saints holding up the hands of the servants of God and especially in liberating the hands of President Brigham Young on the U.P.R.R. indebtedness."[30] It is not entirely clear if money was still owed to individual contractors at this time or if the debt spoken of possibly refers to the $200,000 borrowed from the Union Pacific against the Utah Central, here again presuming that part of this loan was used to pay off the contractors.

To determine the exact sums owed and precisely how and when they were paid, there is not a great deal of information available. Obtainable information indicates that in May 1870 the total debt amounted to around $350,000 and was owed to ninety-four subcontractors. The following July it had been reduced to $284,000 and by September to $206,000.[31] The Utah Central accounts indicate that $101,000[32] of the outstanding sum to August 1870 had been paid in tickets and bonds which had been accepted by the contractors. The amount of bonds disposed of to other sources and

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[30]JH, (August 27, 1871), p. 1.

[31]Statement of Indebtedness to the R. R. Contractors, May 1870 to April 1871, Union Pacific Railroad Papers.

[32]Letter from Utah Central Railroad Co. to Brigham Young, August 13, 1870, Brigham Young Letterbooks (microfilm reel 17, p. 298).

the money in turn paid to the contractors is not known. By February 1872 the indebtedness had been reduced to $125,000 of which, according to agreements with contractors, $13,000 was to be paid in bonds. In April the total debt was reduced to $18,000.[33] After this date no further information was available to determine the exact date that the contractors were completely paid. Judging from the small sum owed in relation to what had been the previous year, it can be assumed that it must have been paid within the next few months.

During this period Young was faced with problems not only from the Union Pacific but from his own followers. Oppressed by excessive debts resulting from his Union Pacific contract, it was only with the passage of time and some cooperation from these two sources that he was finally able to resolve the difficulties. Although the railroad had basically paid its obligations to Young in rolling stock and iron, they failed to deliver the material rapidly enough to suit him. Considering the time and space between Boston and Salt Lake City, and the fact that the agreement regarding materials was not reached in Boston until September 1869, and the completion of the Utah Central in January 1870, the time between the two occurrences does not seem excessive. Young, however, wanted the road completed as soon as possible so that Utah might not only have the use of it, but so that it should make money as well as become security to borrow money. The Union Pacific, which was his antagonist in fighting against time to pay his subcontractors, was also his salvation. Due to financial difficulties in successive years, the Union Pacific ultimately acquired the majority of Young's stock in the Utah

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[33]Statement of Indebtedness to the R. R. Contractors, May 1870 to April 1871, Union Pacific Railroad Papers.

Central obtaining a considerable portion of it as early as 1872. Regardless of what else might be said of the Young-Union Pacific relationship, it was mutually beneficial. Brigham Young's speech at the services celebrating the opening of the Utah Central also says something of this relationship. It would appear from past problems that there was on occasion sufficient grounds to breach the peace between the two parties. This in reality was not the case; Young was very pleased with his accomplishment in railroading. The Union Pacific was an active participant in this accomplishment and succeeding historical events indicate that the relationship between the two met with Brigham's approval, all things considered.

The other participants in the final settlement of money due the subcontractors were the Mormons. Young, of course, had hoped that they would rise to the occasion and redeem the Utah Central, but he experienced equally as many disappointments trying to sell the bonds to the Saints as he did in trying to secure his money from the Union Pacific. While it is difficult to determine all the reasons why local capitalists were so slow to respond to these bond issues, two are obvious. Following the Civil War the entire nation underwent some aspects of an economic depression which created a scarcity of money and a reluctance to invest. Secondly, the economic constriction already present in Utah as a result of the fact that the financial obligation on the transcontinental track were long overdue, compounded the fiscal depression. Many persons who possibly would have invested were simply without the means to do so.

CHAPTER IX

CONCLUSION

The railroad brought many economic benefits to Utah. The initial construction work provided employment for thousands of persons at a substantial rate of pay. The ultimate division of the transcontinental line at Ogden and the location there of the Union Pacific and Central Pacific shops and administrative offices furnished permanent employment for an undetermined number of people. Many jobs were also created by the eventual establishment of branch roads both north and south of the transcontinental line. Another important fact to be considered with the building of the branch lines was the mining industry which had heretofore been largely unprofitable because of the high costs of transporting ores to a convenient smelter. New profits in mining broadened the economic base in the territory and increased the need for personnel in these and other related areas. These districts were opened by the Utah Central and Utah Southern lines extending as far south as Milford in Beaver County, Utah, and the Utah Northern line extending as far north as Montana.

In the twenty years prior to the establishment of the railroad, the high cost of incoming and outgoing overland wagon and stage coach transportation for goods as well as persons had been a serious drain on the Mormon economy. The completion of the transcontinental road greatly reduced these costs as well as the travel time involved.

The railroads not only started but promoted tourism in the West

which is still of major economic significance in Utah.

Other industries which developed as a result of the Union Pacific grading work were those of railroad and road construction. As branch lines were built not only in Utah but in other western states, part of the labor demand was met by men who had worked for the Union Pacific and who had subsequently formed companies which contracted for this work. After the railroad building era had passed, the companies contracted for road construction and a number are still in operation.

Brigham Young was aware of the fact that while the railroad offered many advantages, there were also some disadvantages. Long distances and poor transportation would no longer assist the Mormons in their desire for isolation from the outside world. After the road was completed, Utah and the Mormons were exposed to anyone with even a passing interest. Reformers having disposed of slavery were free to concentrate their efforts on the last remaining "relic of barbarism," polygamy, a basic tenant of the Mormon faith. In view of the fact that isolation was no longer possible, Young sought to maintain his power position against any possible interlopers. He established a substantial positive relationship with at least one Eastern power, the Union Pacific. The negotiations with the Union Pacific as carried out by Bishop John Sharp and Joseph A. Young demonstrates that they were well liked and highly respected by company officials. This is evidenced by the fact that Sharp was later elected to a position on the Union Pacific board of directors. If an instance arose in which Young needed political muscle in the East, he might and possibly did obtain it from the company.

The prospect of statehood had always been one of the most important considerations in the Mormon mind since their arrival in Utah in 1847.

Had they been successful in obtaining it, they would have been able to exercise a great deal more influence over their destiny than was possible considering their territorial status. There can be no doubt that Young hoped the railroad was a positive step toward statehood. This is more than apparent from his speech delivered at the opening of the Utah Central Railroad. Perhaps he felt that with improved transportation, government officials would see for themselves that the Mormons were not as rebellious nor as eccentric as was generally believed.

The building of the Utah Central Railroad was an important result of Young's grading contract with the Union Pacific. Among the many benefits gained from the construction period by the Mormons was that of expertice in railroad building. The Utah end of the Union Pacific mainline accounted for the most difficult part of that road so far as construction was concerned. Since the Mormons had been engaged in all areas of the work, they were well fitted with the necessary skills to build any other roads that they deemed necessary. The acceptance of rolling stock and other railroad materials to build the Utah Central, while not the most advantageous choice from the standpoint of Young's subcontractors, did prove beneficial to the community. Had he not taken the materials as partial payment on the contract, the road certainly would not have been completed as soon as it was. The building of this road was probably the single largest financial undertaking in the twenty years that the Mormons had been in Utah. Building the road not only required approximately $600,000 on the grading contract, but about $300,000 was raised from the sale of Utah Central stock, to cover the cost of grading and tracklaying. To have raised $900,000 on the local economic market would have delayed the contraction of this branch road

for some time.

The major contribution of this study, however, is the disclosure of details surrounding Young's contract with the Union Pacific and its ultimate resolution through negotiations with the railroad as conducted by Bishop John Sharp and Joseph A. Young. Although several writers have written on the subject, none have examined it in great detail. There has also been a great deal of speculation as to the role played by Sharp as Young's attorney in dealing with the Union Pacific. To the knowledge of the writer, no one has written or even speculated as to the role of Joseph A. Young in the Boston agreement reached in August 1869. These men not only performed a valuable service in obtaining a settlement with the Union Pacific, but the rapport which they established was to hold the Mormons in good stead with the company during the period in which Utah branch lines were constructed.

Another point of consideration is the settlements. There naturally is some question as to whether or not Young was cheated by the Union Pacific. By his own admission the price asked for equipment and rolling stock on the Utah Central was over priced. This, combined with the final settlement in July 1870 wherein he agreed to a compromise settlement which cost him $130,000, would seem to indicate that the railroad had taken advantage of him. To date no evidence has been located which would indicate that the railroad acted unfairly in its dealings with Young or vice versa. In spite of lacking evidence, some conclusions may be drawn. The fact should be kept in mind that Young was a businessman and a very successful one. Before leaving his native Vermont some forty years earlier, he had owned and operated a furniture factory and so was no stranger to commerce. As a businessman he was

certainly not above employing tactics to further the economic prosperity of Utah by any legal means, although such tactics may have come into moral question. In the negotiations with the Union Pacific, many offers were made by the company before Young was finally satisfied. However, once the agreements were reached, he did not even suggest that he was unhappy with the settlement. In view of this it can only be determined that he felt that he had received all the money owed him. When he prepared the additional claims he possibly asked for more money than was owed on the work, fully realizing that he would never receive the amount specified. As the negotiations progressed and the railroad offers became equal to or above what he felt was satisfactory, the proposal was accepted. The grading contract and the final settlement withthe Union Pacific was a steppingstone to future mutually beneficial business dealings between the company, Brigham Young and the Mormon Church.

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APPENDIX A

CONTRACT BETWEEN BRIGHAM YOUNG AND THE

UNION PACIFIC RAILROAD COMPANY

Union Pacific Rail Road.

Memorandum of an agreement made and concluded this 20th day of May, A.D. 1868, by and between Brigham Young, of Salt Lake City, of the first part, and the Union Pacific Rail Road Company, by their agent, Samuel B. Reed, superintendent and engineer of construction, of the second part,-

Witnesseth:

That, for and in consideration of the moneys hereinafter specified, said party of the first part agrees to do all the grading and masonry on that part of the Union Pacific Rail Road between the heavy work at the head of Echo Canon and the Salt Lake Valley at or near the mouth of the canon in the valley of the Weber river, being a distance of about fifty four miles.

It is also agreed that said first party shall have the contract to do the grading from the mouth of Weber Canon to Salt Lake City or, in case the line is located around the north end

of Salt Lake, then to the Lake, if desired by him. Said grading and masonry shall be done to the satisfaction and acceptance of said second party and in accordance with the instructions of the engineer in charge of the work.

The work to be commenced within ten days and completed on or before the first day of November, A.D. 1869. In case the track is not laid to said work by the first day of November, then said first party may have more time to complete the work, providing it is finished in time not to delay the track laying.

Said second party agrees to transport from Omaha to the western terminus of the road, free, men, teams and tools for the work; also to furnish to said party powder and fuse, steel for drills, shovels, picks, sledges, wheelbarrows, — scrapers, crow bars, derrick irons and such other tools as may be necessary for carrying on the work, at cost and such prices for transportation as are charged to other contractors on the aforenamed road; such tools to be furnished at the end of the track or at such supply

depot as may be established on the line west of the end of the road.

In case said work is not prosecuted fast enough to insure its completion in accordance with this agreement, said second party reserves the right to put on men and teams to complete the same, all extra expenses incured thereby to be paid by said first party.

In consideration of the faithful preformance of this agreement said second party will pay said first party for earth excavation, either borrowed for embankment, wasted from cuts, or hauled not exceeding two hundred feet from the cuts into embankment, at the rate of (30) thirty cents per cubic yard.

Earth excavation hauled more than (200) two hundred feet from cuts into embankment, fifty (50) cents per cubic yard.

Excavation of solid sand or lime rock at the rate of three (3) dollars per cubic yard.

Excavation of solid granite rock at the rate of four (4) dollars per cubic yard.

Excavation of shale, slate, or loose rock, at

the rate of one 75/100 (1.75) dollars per cubic yard.

Excavations of tunnels at the rate of fifteen (15) dollars per cubic yard.

For rubble masonry in box culverts laid in lime or cement mortar, at the rate of Six 50/100 — (6.50) dollars per cubic yard.

Rubble masonry laid dry, at the rate of six (6) dollars per cubic yard. Coping or covering stone for box culverts, at the estimate of the engineer in charge of the work.

Masonry in bridge abutments and piers — laid in lime or cement mortar, beds and joints dressed, draughts on corners, laid in courses, at the rate of fifteen (15) dollars per cubic yard.

Rubble masonry in Bridge abutments and piers laid dry, at the rate of eight (8) dollars per cubic yard.

Rubble masonry in bridge abutments and piers laid in lime or cement mortar, at the rate of eight 50/100 (8.50) dollars per cubic yard.

Excavation and preparation of foundation for masonry, at estimate of engineer.

Estimates shall be made monthly for the

work progresses. Eighty per cent of the monthly estimates will be paid about the twentieth of each month.

The final estimate together with the twenty per cent retained from the monthly estimates shall be paid to said first party within thirty days after the completion of the work according to this agreement.

Witnesses
Albert Carrington
T. Bigelow

Brigham Young
Wm. B. Reed
Supt of Engr

Signed, sealed and witnessed in Salt Lake City, Salt Lake County, Territory of Utah this twenty-first day of May, A.D. 1868.

May 20. 1868.

Contract U P R R Co.
and
B. Young.

(Original signed document)

APPENDIX B

Statement No. 1.
Union Pacific Rail Road Co.
In Acct. with
Brigham Young — Dr.

		Claims of balances due as per J. B. Reed's estimate	$35,500	00
No. 1.	"	Interest on $35,500.00 from March 30th 1869 to July 15th 1869 at 2% per mo. 3½ mos.	51,506	12
No. 2	"	Discount on $31,000 Kennedy's Drafts on the Road as per agreement at 3/8 $1350.		
	"	Sum that received thereon Oct. 26, 1868 250.	1,100	"
No. 3	"	Discount on $550.000 placed to my Credit with Ogden & Jones the Road at 1/4 of one per cent (currency being at a premium of 1/2 to 1% in Salt Lake City at the time)	1,375	"
No. 4	"	Difference of 4 cents per yard on Earth Excavation, on the Ogden Line, and 60 cents per yard for rock work over and above Cont. credited to me, viz. 30 - 35 - 450 cents respectively.	24,146	05
No. 5	"	Difference of 60 cents per yard on the Big Hill at head of Echo over 30 cents & 50 cts. credited -- Stations 379 to 392.	8,495	20
No. 6	"	Difference of 40 cents and 60 cts. per yard for Earth Excavation beyond Bear River over and above 30¢ and 50¢ allowed respectively	9,561	55
No. 7	"	$5. extra per yard on the Tunnel — 4658 yards	23,290	"
No. 8	"	$7. Extra per yard on the Bridge Abutments in Echo Canon — 3612 yards	25,284	"
		Carried forward	$183,561	28

	Amount brought forward	553,514	55
	" $1. extra per yard on State Point, Duncans Point and Mitchell Point 25,999 yards	25,999	"
No 10	" 20% Allowance on tools exchanged ($250,123 $\frac{11}{100}$)	46,024	76
No 11	" Time of lines and stake holding for the Security of the State Metro Surveyor's claim	514,419	"
No 12	" Difference of one half Stone Rock between Sta. 239+70, and 250+25 & 1/3 credited 492.08 (?492.08) cubic yds	1,673	20
	" Difference of price of Stone Rock $1 $\frac{75}{100}$ on Boulder Creek & 50 cts. credited, 3567 yds.	4,470	"
	" Difference of 58,475 yds. Embankment at 50 cts. per yd. & 20 cts. Credited.	11,131	20
	" $1. Extra per yard on Bridge Abutments 3/4 Cubic Yds.	260-11	"
	" Difference of $4. per day expended Excavating Cottonwood foundations & $3. allowed. 170 days @ $1.	170	"
	Bernard Snow's claim		
No 13	" Difference of $1 $\frac{75}{100}$ & 30 cents per yard on one third of the cut	5812	"
	Sharp & Young's claim for delay time		
No 14	" 135 men 16 days @ $3. per day $6,480.00		
	" 20 teams 16 " " $6. " 1920.00	8400	"
	E.R. Young's claim		
No 15	" E.R. Young's a/c.	1137	"
		1,053,484	54
	J. W. Davis & Co - a/c.		
No 16	" J.W. Davis & Co	1494	05
	W. G. Childs a/c.		
No 17	" W. G. Childs	723	"
	Sharp & Young's a/c.		
No 18	" Sharp & Young's $1. per day on 5979 days work	5979	"
	" Sharp & Young's work on the Promontory	7,401	20
		$1,130,181	59

1,130,181.59
[illegible]
[illegible]

APPENDIX C

Memorandum of Agreement; made and entered into this 31st day of August 1869 and between the Union Pacific Railroad Company of Boston, Mass. of the first part, and Brigham Young of Salt Lake City, County and Territory of Utah, by John Sharp his legal attorney, of the second part, Witnesseth:—

That for and in consideration of the covenants and agreements hereinafter made by the party of the second part the party of the first part covenants and agrees to pay to Brigham Young the party of the second part, and to Sharp and Young, the following-named sums on their accounts hereunto appended and numbered Statement #1 containing Engineer Estimate, and claims numbered from 1 to 15 inclusive additional, and Sharp & Young's estimate for work done on the Promontory to wit—

On Engineer J. B. Reed's estimate ($735,506.06) Seven hundred and thirty-five thousand eight hundred and six 06/100 dollars on claim #1 ($20,884.79) Twenty thousand eight hundred eighty-four 79/100 dollars.

On claim #2 ($1,100) One thousand one hundred dollars. On claim #4 - ($3,272.55/100) Three thousand two hundred seventy-two 55/100 dollars. On claim #6 ($4,775.15/11) Four thousand seven hundred seventy eight - 15/100 dollars. On claim #7 ($5,315.) Five thousand three hundred sixteen dollars.

The claim #9 ($9,110.00) - Eight thousand one hundred and ten dollars. The claim #10 - ($25,000.00) Twenty five thousand dollars. The claim #11 - ($59,416.00) Fifty nine thousand four hundred & sixteen dollars; and on Brigham Young's claim for work done on the Tabernacle - ($7[illegible],461.25) Seventy three thousand four hundred and sixty one & 25/100 dollars. Said payments amounting in the aggregate to $940,138 15/100 - Nine hundred forty thousand one hundred thirty-eight & 15/100 dollars. And the said party of the second part covenants and agrees that the accounts appended as shown in Statement #1, shall be the full and entire settlement of the claims for extra compensation, and such claims as have been fully or in part disallowed, shall be the only amounts in controversy between the parties of the first and second parts.

And the said parties of the first and second parts do jointly and severally agree and bind themselves to settle the claims and parts of claims in controversy amounting in the aggregate to — $198,942.35/100 - One hundred and ninety eight thousand, nine hundred forty two & 35/100 dollars in the following manner, to wit:—

The Union Pacific Railroad Company party of the first part, by their Trustees three times, shall choose one disinterested person, as a referee and the said Brigham Young party of the second part shall choose one disinterested person as a referee and these said referees so chosen shall meet in Omaha Nebraska in,

not exceeding thirty days from the date hereof, and proceed to adjudicate upon the claims and parts of claims now remaining unadjusted in the statement #1 hereunto appended, and in case the referees herein cannot agree upon a determination, then they two shall select a third disinterested person and the three referees so chosen shall form a board, the decision of two of whom shall be final in the premises.

And the said Union Pacific Railroad Company party of the first part, and the said Brigham Young by his lawful attorney John Sharp of the second part, mutually and severally agree and bind themselves each to the other to give bonds with — mutual accepted security in sums equal to the full amount of the claims in controversy to make the decision of the referees herein referred to final without appeal, and the said arbitration shall not extend — beyond the period of sixty days from the commencement thereof, without sufficient cause.

Should either party shall fail to comply with the covenants & agreements herein made and entered into, then judgment shall go against such party by default.

Witness

Oliver Ames President of Union Pacific R. R. Co.

Signed C. S. Ross
John Taylor

Signed John Sharp
Brigham Young
by John Sharp his lawful attorney

Territory of Utah } S.S
County of Salt Lake }

I James Pack Notary Public in and for said County, certify that I have carefully compared the foregoing document with the original, and that the same is a true and correct copy thereof.

Witness whereof I have hereunto set my name and seal this fourth day of October A. D. one thousand eight-hundred & forty nine

James Pack
Notary Public

APPENDIX D

Copy

1869 Union Pacific R.R. Co. In act

Sept 6 To Cash as per agreement-
signed Aug 31st 1869. 940,135 15
& composed of the
following items, viz

Sept 6 — Order for Railroad Material
delivered Mr Sharp Sept 3rd 599,460.
Order for Emigrant Transportation delivered to
H. C. Haines, Sept 4th 10.000.
Order for freight transportation
to G. C. Cubbs & Co, delivered
Sept- 50.000.
Cash paid in hand 50.000.
4 Notes U. P. R.R. Co
with 7% interest &
One for — 57,669 54
" " 57,669 54
" " 57,669 54
" " 57,669 53
940,135.15

1159,051.99
940,135.15
219,916.84

I with Brigham Young,

Received, Salt Lake September (6th) sixth 1869,
15 of the Union Pacific Railroad Company, by
the hands of J. M. S. Williams Treasurer, the following
payments in full of the amount agreed upon
August 31st 1869, as due Brigham Young — said
Amount being ($910.138.15) Nine hundred and
forty thousand one hundred & thirty eight & 15/100 dollars
and the payments for the same being as follows

An Order for Railroad Material delivered
Mr Sharp Sept 3. 1869 - for five hundred twenty
nine thousand four hundred sixty. $529.460.00

An order for Emigrants transportation
delivered Mr Stearns, Ten thousand dollars 10.000 .

An Order for Freight transportation for
of D. C. Calder & Co. Fifty thousand dollars 50.000 .

Cash in hand - Fifty thousand dollars 50.000 .

5 — One Note Sept 6th 4 Mos for Brigham Young 57.669 54 —
" " " " 5 " " 57.669 54
" " " " 6 " " 57.669 54
" " " " 7 " " 57.669 53
$910.138 15

Signed
Brigham Young
by his lawful Atty
John Sharp

Rev Stamp

APPENDIX E

Know all men by these presents that I, Brigham Young, of Salt Lake City County of Salt Lake and Territory of Utah, in consideration of seventy thousand three hundred and eighty six dollars to me paid the receipt whereof is hereby acknowledged, do hereby release and forever discharge all and all possible claims that I have or might in any way have against Oliver Ames, Thos. C. Durant, Sidney Dillon, John Duff, C. S. Bushnell, H. S. McCosh and Benjamin E. Bates, or either of them who have been engaged as Trustees in the construction and completion of the Union Pacific Railroad as well as against the Union Pacific Railroad Company, for work and labor done and performed, materials supplied, or payments made by me of every description, whether by special contract or otherwise in the construction or equipment of said road, or in any way connected therewith, which claims heretofore been the subject of an agreement for arbitration between me and the said corporation, which agreement is hereby rescinded and declared null and void, meaning hereby to release all said claims and any other I may have against said corporation or parties, on.

litigation, for such labor, materials supplies or fragments by me heretofore furnished performed or made in the construction of the road of said company and of each and every part thereof, and intending hereby to discharge said corporation, said parties above named or either of them and each and every other party if any there be who might or could in any way be liable to me for the same or any part thereof, the purpose of this instrument being to make a final and complete settlement of all my claims against said parties, corporation and all other parties, and to discharge the same.

In testimony whereof, I have hereto set my hand and seal this first day of November, in the year of our Lord eighteen hundred & twenty.

(Signed)
Brigham Young }SO.

THE UNION PACIFIC RAILROAD AND THE MORMON CHURCH, 1868-1871: AN IN DEPTH STUDY OF THE FINANCIAL ASPECTS OF BRIGHAM YOUNG'S GRADING CONTRACT AND ITS ULTIMATE SETTLEMENT

Thomas M. Stevens

Department of History

M.A. Degree, August 1972

ABSTRACT

In 1868, Brigham Young signed a grading contract with the Union Pacific Railroad to work on the transcontinental line in Utah. He sublet the job to other contractors who completed the work in February 1869. When the project was finished, there was still a great deal of money owed to Brigham Young by the Union Pacific and because of their financial difficulties, they were not able to meet the obligation immediately. To resolve the debt, Young sent Bishop John Sharp and Joseph A. Young to Boston in an effort to effect a settlement with the company. They obtained a partial settlement in August 1869, and the following year John Sharp completed a final settlement with the railroad.

Although the negotiations between Young's representatives and the railroad resulted in a compromise settlement, it was equitable and satisfactory to both parties.

COMMITTEE APPROVAL:

Eugene E. Campbell, Committee Chairman

Ted J. Warner, Committee Member

De Lamar Jensen, Department Chairman