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Article Summary: The Burlington and Missouri was constructed as a feeder line for the Union Pacific. Only after it had been extended into the Rockies did it function as an independent railroad.

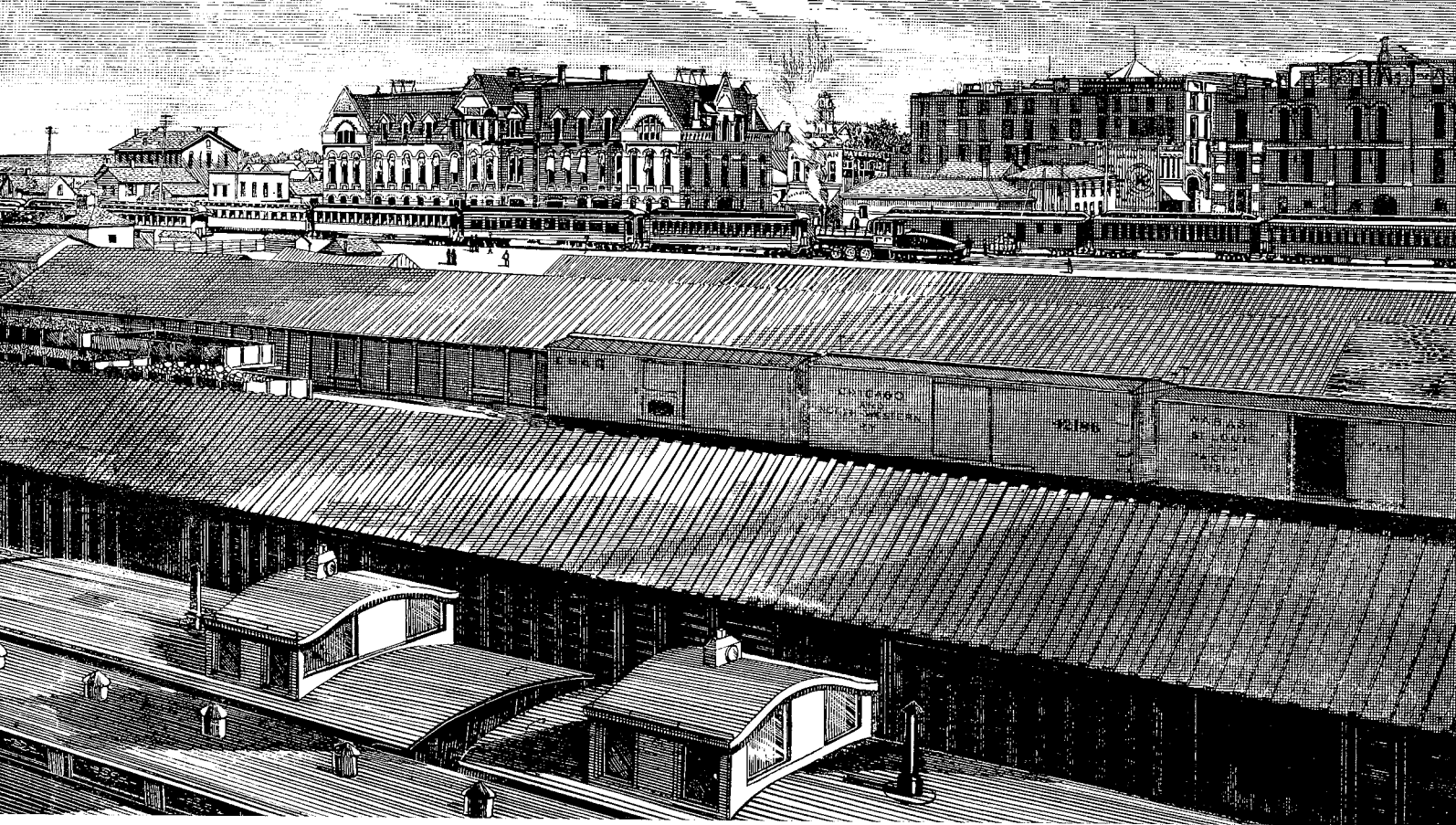
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Photographs / Images: drawing of railroad yards, Lincoln; Thomas Doane



RAILROAD YARDS, LINCOLN

(From a promotional leaflet issued by the Lincoln Board of Trade about 1888. The imposing structure in the upper left center is the Burlington Depot, built in 1880.)

Building the Burlington Through Nebraska - A Summary View

By Thomas M. Davis

THE history of the construction of the Burlington Railroad in Nebraska begins in 1862 with the passage of the Union Pacific act by Congress. Included in this act was a provision for the Hannibal & St. Joseph Railroad "to extend its line from St. Joseph via Atchison to connect and unite with the road through Kansas, for one hundred miles in length next to the Missouri . . . the said company may construct their road on the most direct and practicable route west of St. Joseph to connect and unite with the road leading from the western Iowa boundary at any point east of the one hundredth meridian, but in no event shall bonds or lands be given to said company to aid in the construction of the road for a greater distance than one hundred miles."²

Two years later, on July 3, 1864, an act was passed amending the Pacific Railroad act of 1862. Section 9 of this act gave the Hannibal & St. Joseph the right to bridge the Missouri River and the right to join the main line of the Union Pacific west of the hundredth meridian, provided no bonds should be given to the branches west of that meridian. Sections 18, 19 and 20 of this bill further provided for the extension of the Burlington and Missouri River Railroad (of Iowa) through the territory of Ne-

¹This study, a highly condensed statement of the building of the Burlington in Nebraska, is based on certain chapters of the author's biography of George W. Holdrege, a doctoral dissertation written at the University of Nebraska.

²Hale Holden, *History of the Burlington, Some Features in the History of the Burlington Road* (Chicago, 1901), p. 4.

braska so as to connect with the main trunk of the Union Pacific by the most practicable route, and for a land grant to aid such an extension.³ Thus, as originally conceived by the federal government, the B. & M. was to become a feeder for the Union Pacific, providing the latter with another eastern outlet. The company was allowed a year to decide whether or not to take this proposition, and, as the year drew to a close and no action was forthcoming by the Iowa company, the offer was allowed to lie dormant indefinitely.⁴

Both the Hannibal & St. Joseph and the B. & M. of Iowa were railroads belonging to and under the management of John Murray Forbes, an eastern financier and early railroad magnate.⁵ Forbes' reluctance to avail himself immediately of the terms of the Pacific Railroad acts can be attributed directly to the caution of his directors in risking more money in western railroad expansion while the Civil War was still in progress, and to the fact that the B. & M. in Iowa was itself completed only as far west as Ottumwa and further construction on the line had been temporarily halted. As late as 1866, President James F. Joy of the B. & M., upon the insistence of Forbes, came west to look over the prospects for extending his road from Ottumwa, and returned to proclaim to his directors that any western extension beyond the present site of Chariton would be very ill-advised inasmuch as the territory of western Iowa would not support a railroad.⁶ When his directors, at the insistence of young Charles E. Perkins, vice-president of the road and nephew by marriage to Forbes, outvoted him, Joy resigned and Perkins and Forbes took over the task of extending the B. & M. to the Missouri River.⁷ This project was to take three years to complete.

³C. E. Perkins to Pacific Railroad Committee of the Federal Congress, June, 1876.

⁴Hale Holden, Address at Albia, Iowa, 1925.

⁵Henry Greenleaf Pearson, *An American Railroad Builder* (Boston and New York, 1911), pp. 68-69.

⁶Holden, *op. cit.*, p. 5.

⁷Pearson, *op. cit.*, pp. 74-75.

In February of 1869, long before his Iowa line had reached the Nebraska border, young Perkins, flushed with his success in getting the necessary capital to complete his Iowa road, wrote a memorandum to Forbes suggesting that the company take the land grant that had been offered them in 1864 and start construction of a road in Nebraska. Forbes received the memorandum coldly and replied that, so far as he was concerned, the land grant could lie dormant forever.⁸

In a second exchange of memoranda Perkins pointed out that "Ft. Kearney would make a suitable terminus for this road, it being fifty miles east of the 100th meridian . . . while the land is not as productive as that of western Iowa, if it gets the proper moisture we should have little trouble getting enough out of land sales to more than offset the cost of construction, particularly, if George Harris [land commissioner of the Hannibal & St. Joseph] were transferred and put in charge of it."⁹ Forbes replied by pointing out that the Union Pacific had selected the most practicable and profitable route through the state and that he doubted if Nebraska could support two railroads:

I do not wish to criticise your judgment, but has it occurred to you that an extension of the B & M, as you propose, would have to rely entirely on local hauls for its revenue, and if my figures do not mislead me, the road is to be constructed through territory which is at present without many inhabitants. What local traffic might develop in the future I feel confident can be handled by the Union Pacific. This road (Union Pacific) as I understand it, is relying mainly upon its through traffic for its profit. A director of that road with whom I recently conversed, scoffed at the idea of any local traffic of appreciable size developing before fifty years.

To show that he hadn't entirely discarded the idea, however he added, "Your suggestion regarding Mr. Harris is a good one."¹⁰

Later that year when Perkins left Iowa for an extended visit in Boston, his enthusiasm for the proposed road so

⁸Letters in headquarters building of C. B. & Q. Railroad in Chicago.

⁹*Ibid.*

¹⁰*Ibid.*

convinced the directors that they were willing to guarantee the necessary capital for the construction of a line from Plattsmouth, on the Missouri River, to Lincoln, the new state capital, an estimated distance of 55 miles, with the possibility of later extending it to Kearney, 172 miles away.¹¹

The necessary steps were then taken by forming a new company, the Burlington and Missouri River Railroad Company in Nebraska, under a Nebraska state charter. On April 10, 1869, was approved a joint resolution of both houses of Congress authorizing the B. & M. Company, an Iowa corporation, "to transfer its land grant, with all rights and privileges, to a corporation under the laws of Nebraska".¹² Although no provision had been made for connecting the new road with the Union Pacific, actual construction was begun westward from Plattsmouth toward Lincoln in July, 1869. The occasion was celebrated in Lincoln by the formation of a procession in Market Square at high noon on July 1, 1869. Headed by Governor David Butler and including important local dignitaries and Engineer Lee Thielsen of the B. & M., the group marched to the fill-in at the Salt Creek bottoms; then, after prayer, Governor Butler turned the first spadeful of earth at the selected site for the depot.¹³

Construction proceeded very slowly for the first few months and at times the officials despaired of ever getting their road to Lincoln. Their chief problem was that all supplies had to come from the east, and the B. & M. in Iowa, their most direct route, was completed only as far as Red Oak, forty miles from the Nebraska line. Therefore, to get their equipment into Nebraska, the B. & M. had to send it by stage from Red Oak to Plattsmouth, a very expensive process which proved inadequate, or send it south

¹¹*Ibid.*

¹²Perkins to Pacific Railroad Committee, June, 1876.

¹³T. E. Calvert to General C. F. Manderson, August 4, 1898, in author's private collection. (Unless otherwise indicated, all letters cited are in possession of the author.)

to St. Joseph from Chicago and then up north again on the Council Bluffs-Kansas City line, also very expensive and circuitous. Hence, it was not unusual in that year of 1869 to find entire working crews idling away company time in Plattsmouth because of some new delay on the eastern end of their supply route.¹⁴ It was not until the spring of 1870 that the first rails for this road were brought across the Missouri River and were laid along the route that had been surveyed the year before.¹⁵

On May 6, 1870, Congress authorized the B. & M. to change the location of its route so as to connect with the Union Pacific somewhere "east of the hundredth meridian."¹⁶ In June of that year, Cyrus Woodward, vice-president of the company, wrote a letter stating "it is doubtful if it will pay to build the road beyond where Hastings now is."¹⁷ Hastings, unfortunately, offered no connection with the Union Pacific, and eventually Fort Kearny was chosen as the connecting junction, "probably", as Doane, the engineer for the company, stated, "because it was the only point west of the Big Blue river having a name and being shown on the maps of that vicinity."¹⁸

Thomas Doane, chief engineer, pushed his crews hard and on June 5, 1870, the B. & M. completed its first telegraph line into Lincoln. Six weeks later, on July 20, the rails themselves reached the capital city, merging Lincoln and the Burlington into a tie that has steadily developed.¹⁹ There was a great celebration in this city of 2,000 when the locomotive, "the Hurricane," purchased six months before from the Michigan Central, pulled into the still-uncompleted station, drawing two coaches behind it filled with state and local dignitaries. Governor Butler, on this occasion saw "a new chapter of progress being written in

¹⁴Interview with G. W. Loomis, May, 1939. For forty years, Loomis was Holdrege's chief clerk.

¹⁵J. R. Hickox, *Memorandum of Holdrege's Life*, 1938.

¹⁶Calvert to Manderson, August 4, 1898.

¹⁷O. O. Waggoner, *Western Agriculture and the Burlington*, p. 5.

¹⁸Calvert to Manderson, August 4, 1898.

¹⁹*Nebraska State Journal* (Lincoln), November 12, 1925.

our state," and Woodward replied, "this is the happiest day of my life."²⁰

None of the engineers of the B. & M. were present at these festivities, for on the 4th of July Doane and the rest of the Burlington operating officials had struck off from Lincoln in a southwesterly direction as an advanced scouting party to plot the route that their line would follow.²¹ Heading due west from Crete, the party passed through the second tier of counties along the south line of the state to Adams City, a small community situated south of the Platte in Adams county, which was the westernmost fringe of settlement in the state. "At Fort Kearney," Doane recorded in his diary, "we obtained a military escort. We drove southwest to Turkey Creek making a passage of fifty miles without water. We saw tens of thousands of buffalo. No Indians, however. Saw a few men on the Republican river who our escort told us were horse thieves."²² Doane was skeptical of building into this wilderness, but at the insistence of the road's officials he continued to direct his crews so that by the spring of 1871 the grading for the entire line was completed although the tracks extended only as far as Crete.²³

One of the problems facing Doane in his westward expansion was that of locating town sites, where he would lay side tracks. Fearful lest settlers into the area might later disregard these, he felt obligated to insure the expense of these side tracks by giving these "towns" some development. Therefore, at each site where Doane had placed side tracks he arranged to have the railroad company erect four small two-story frame houses.²⁴ These buildings, though quite small, appeared immense in the mirage on hot summer days and could be seen for many miles, "ghost towns" waiting to receive settlers. There were ten of these stops, and to each Doane gave a name,

²⁰Calvert to Manderson, August 4, 1898.

²¹G. W. Holdrege letter in author's collection.

²²Thomas Doane to Perkins, September 8, 1870.

²³Doane to Perkins, April 12, 1871.

²⁴Manderson to W. W. Baldwin, a memorandum, 1902.

the naming problem being solved by proceeding through the alphabet in regular order: Crete, Dorchester, Exeter, Fairmont, Grafton, Harvard, Inland, Juniata, Kenesaw and Lowell. Having been given names on the map, Doane felt not only that his side tracks took on an air of permanency, but also that Nebraska would not look so barren of development to the uninitiated easterner.²⁵

While Doane was pushing construction in the West, the B. & M. was expanding in the East through the acquisition of branch lines. One of these was the Omaha and Southwestern which had been authorized by the state legislature in 1869 to construct a line from Omaha, via Beatrice, to Ft. Riley, Kansas. The early construction was carried on with a single purpose in view, to complete the first ten miles by February 1, 1870, and thus get the land grant of 30,000 acres that the state had guaranteed if these conditions were met. In the next year only thirteen more miles were completed, bringing the road to the south of the Platte River where it made connections with the B. & M.²⁶ From that point it leased track rights from its competitor into Lincoln and further construction was stopped. Beatrice, which had promised local subsidization to the company if it would build an extension to that city, had meanwhile voted to go into debt \$75,000. The company, however, was not interested in further expansion, already reaping huge profits from its Omaha-to-Lincoln traffic, and in May, 1871, the directors came to Forbes with an offer to lease their road.²⁷

In presenting the offer to his directors, Forbes explained:

It is quite common for a president (of a branch railroad) to come from the West with a plan for a hundred or two miles of road, which means about \$30,000 of seven or eight per cent bonds per mile. I want to relate a story about my Naushon

²⁵Calvert to Manderson, August 4, 1898.

²⁶Albert Watkins, *History of Nebraska* (Lincoln, 1905), III, 347-348.

²⁷W. W. Baldwin, *Corporate History of the Burlington Railroad* (Chicago, 1920), III, 4-6.

experience. We had been troubled with cats which destroyed our birds, and so we put a bounty on killing them of so much for every cat's tail brought in, which amount proving insufficient we raised the price until we found that they were raising cats to bring in to sell us. Now I am convinced that the contractors and speculators are building roads merely to sell to us and the more we buy of them the more cats' tails will be brought to us.

This story got around Boston circles where, henceforth, all C. B. & Q. branches were known as C. B. & Q. "cats' tails".²⁸

Nevertheless, on this particular cat's tail, the directors, on the advice of Perkins, leased the Omaha and Southwestern for 999 years, giving the B. & M. a much needed connection into Omaha, and, at the same time, preserving its monopoly into Lincoln.²⁹ Almost immediately there was a public outcry against the B. & M. in all of the state press, which looked upon the lease as an attempt by the B. & M. to establish a monopoly over a vast area, putting the population "at the mercy of a giant corporation."³⁰

Meanwhile, construction on the Kearney extension proceeded slowly and it was not until September 20, 1872 that train service from Plattsmouth to Kearney was fully inaugurated.³¹

The depression of 1873, which reached its crescendo with the failure of Jay Cooke and Company, hit the B. & M. in Nebraska hard. At the June meeting of the Board of Directors in Boston, Forbes was chagrined to learn that mismanagement and extravagance had been rife in the B. & M., and that the road could not pay the interest on its bonds. The directors of the C. B. & Q. saved the company from bankruptcy by voting the sum necessary for this payment from the funds of their company. Forbes then set to work to get the bonded indebtedness of his Nebraska road into shape. He arranged for a large issue of mortgage bonds with Baring Brothers in London and

²⁸Pearson, *op. cit.*, p. 142.

²⁹Baldwin, *op. cit.*, p. 7.

³⁰Beatrice *Express*, July 23, 1870.

³¹B & M Annual Report for 1872, not printed.

drastically reorganized the operations department.³² He installed Perkins as vice-president, Charles Fessenden Morse as superintendent and George W. Holdrege as assistant superintendent.³³ Two members of this team eventually supervised construction of the main line to Denver.

At this time the vice-president of the Union Pacific and leader of its forces in Nebraska was Thomas Kimball, a shrewd railroader and operations manager. When the B. & M. came into the state and started pushing its rails for a connection with his road, Kimball became alarmed, for he saw that the U. P. might be forced to share the rich traffic which his company had previously enjoyed as a monopoly. To combat this menace, even at the risk of violating the federal statute of 1864, Kimball had informed the officials of the B. & M. that he would not allow their road to connect with his at Kearney.³⁴ If any shipper along the B. & M. route wished to send his goods to the West Coast, Kimball demanded that he send them all the way through via Union Pacific. His road would refuse to pick up goods from the B. & M. at Kearney unless the shipper would pay the additional Omaha-to-Kearney rate.³⁵ Furthermore, the Union Pacific would refuse to pro rate any eastbound traffic with the B. & M.³⁶

As Kimball had anticipated, this action greatly incensed the B. & M., but instead of discouraging those officials from building into Nebraska, as he had hoped, it challenged them to find other means of making their railroad pay. The B. & M. attitude was summed up in a letter from Perkins to Kimball in 1876, "In the absence of a connection at Kearney we should be better off had the B. & M. built further to the South, through its own lands, instead of through those owned by the Union Pacific Company."³⁷ Kimball agreed and lamented the fact that the B. & M.

³²Pearson, pp. 241-242.

³³*Nebraska State Journal*, December 3, 1873.

³⁴Thomas Kimball to Perkins, August 7, 1875.

³⁵Perkins in a written appeal to Congress, 1876.

³⁶*Beatrice Express*, December 9-12, 1875, in a series of editorials.

³⁷Perkins to Kimball, September 9, 1875.

had felt obligated to connect with the Union Pacific. He assured Perkins that it was the choice of Congress, not his company, that the B. & M. make the connection, and, until ordered by Congress to do so, the Union Pacific would not recognize it.³⁸

In the light of recent evidence it appears that Kimball hoped, by his tactics, to limit the B. & M. in its construction, to force it into bankruptcy if the management persisted in continuing expansion and then to purchase it for the Union Pacific, convincing Forbes and the rest of his eastern capitalists that Nebraska could not support two railroads.³⁹

In a desperate measure to convince Kimball that he should alter his policy, Perkins sent Holdrege to Omaha in 1874 to deal with Kimball personally. Kimball was impressed enough with Holdrege that he granted him several interviews, but all that Holdrege was able to get out of him was the offer of a job with the Union Pacific.⁴⁰ In 1875, and again in 1876, Holdrege made application to Kimball by letter to make arrangements for the connection between the two roads. Both of these requests were refused.⁴¹

Finally, in 1876, Perkins, through T. M. Marquett, the road's attorney, made application to Congress which resulted in a favorable report by the House Judiciary Committee, after Perkins had made the stand of the B. & M. clear by stating:

I think it is clear that it was intended by Congress in 1864 that the B & M should, for the purpose of commerce, be a part of the Pacific Railroad system and should have the right to connect with the Union Pacific under Section 15 of the Act of 1864. 'To connect with' the Union Pacific means nothing unless it means that passengers and freight go by that route upon fair terms.

To show you how the embargo at Kearney practically affects us . . . the B & M, by means of its Omaha branch,

³⁸Kimball to Perkins, September 18, 1875.

³⁹Holdrege, letter cited.

⁴⁰Interview with Mrs. E. A. Holyoke, Holdrege's daughter, May 5, 1939. Holdrege married Kimball's daughter, Frances.

⁴¹G. H. Watson to the author, April, 1941.

in conjunction with the Atchison and Nebraska and Missouri Pacific roads forms a through line which is now in operation between Omaha, Kansas City and St. Louis, for both passenger and freight business. A passenger going via this route from St. Louis to San Francisco is, when he reaches Lincoln, 136 miles from the Kearney Junction. But connection by that outlet being barred, he must go to Omaha, 68 miles from Lincoln, and then from Omaha on the Union Pacific to reach the common point, Kearney. He travels, therefore, (68 plus 195) 263 miles instead of 136, or 127 miles out of his way. But was it not one of the objects of Congress in promoting the construction of branch lines converging at or near the 100th meridian to save this time and expense to the traveller?⁴²

Evidently Congress thought it was, for the result of Perkins' testimony was the introduction by Lorenzo Crouse, Nebraska's representative in Congress, of a pro rata Bill strongly tinctured with B. & M. flavor.⁴³ The purpose of this bill was to require the Union Pacific to pro rate all eastbound traffic with the B. & M. or to ship a certain percentage of all eastbound traffic over the B. & M. on through to its destination. This bill further provided that the Union Pacific would not only have to make a connection with the B. & M. at Kearney, but that it had to pro rate with that road on westbound traffic in proportion to the amount of transcontinental traffic originating on the B. & M.⁴⁴

Kimball, alarmed, turned loose all the weapons he could muster against this proposal. The citizens of Omaha joined him in his crusade against the passage of this bill. The Omaha press came forth with articles timed to embarrass the B. & M. officials, such as:

Where is the provision for the Union Pacific to pro rate over the B & M? Will you give this privilege all to one road? The B & M has swallowed up 1,200,000 acres of the best land in Nebraska. Will you allow it to swallow this privilege and discrimination?⁴⁵

Kimball further used his influence in the dominant Republican party; in the Republican state convention of

⁴²Perkins to Pacific Railroad Committee, June, 1946.

⁴³Beatrice *Express*, January 9, 1876.

⁴⁴*Ibid.*, January 10, 1876.

⁴⁵Omaha *Herald*, February 7, 1876.

1876 he skillfully maneuvered through a resolution calling for the right of the Atchison & Nebraska and the St. Joe & Denver City to pro rate over the B. & M.; thus publicly embarrassing B. & M. officials for their refusal to comply with the pro rata rule in their own territory.⁴⁶

The *coup de grace*, however, was delivered by the Union Pacific forces during the Nebraska legislative session of 1877 when both railroads established strong and well-financed lobbies in an effort to get the state legislature to take action favorable to their side on the Crounse issue, to come up soon for action by Congress in Washington.⁴⁷ For three weeks neither side could gain any positive advantage. Then, on January 24, 1877, came the final showdown between the roads when State Senator Samuel M. Chapman of Plattsmouth, strangely enough a Union Pacific man to the end, arose and introduced a resolution which he declared was a fair compromise:

Resolved, that we hereby respectfully request our representatives in Congress to oppose all legislation on the subject (of pro rating) discriminating in favor of any railroad in the state of Nebraska and against any other railroad connecting therewith, and that they favor and urge upon Congress such legislation, within the limits of this state, as will conform to the following. . . . All business originating in the state of Nebraska and produced and situated on the lines of the railroads connected with the Union Pacific, in shipment and transportation over said Union Pacific, is entitled to equal advantages and facilities without discrimination of any kind in favor of the business of any or either of such railroads, or of said Union Pacific Railroad; that, to effect that end, said Union Pacific, ought in equity and justice, to carry such business over its line at a pro rata of its own through tariff on similar business, and that all railroads connecting with said Union Pacific ought in equity and justice, to grant all other railroads which may now or hereafter connect with such connecting railroads all the rights, privileges and immunities in respect to rates, time and transportation possessed by themselves, or either of them, in respect to the Union Pacific.⁴⁸

The motivating force back of this resolution was John M. Thurston, Counsel of Union Pacific and later United

⁴⁶*Ibid.*, July 13, 1876.

⁴⁷*Beatrice Express*, February 1, 1877.

⁴⁸*Senate Journal*, 14th session, 1877, pp. 237-238.

States Senator, who hoped that it would pass and, hence, as a display of public displeasure against the B. & M. in its home territory convince Congress that the Crouse Bill was unfair.⁴⁹ The resolution caught the Burlington lobbyists off guard, and was so cleverly worded that it was hard to combat effectively.⁵⁰ As it was painted in this resolution, the Union Pacific stood as an obliging public servant willing to take steps for the public service while the B. & M. was controlled by a scheming group of opportunists unwilling to extend to others the privileges sought for themselves. So effectively had Thurston organized his forces that after fifteen minutes of debate, the resolution was passed.⁵¹ The psychological effect of the passage of this resolution upon the adherents of the Crouse Bill in Washington was to break their morale completely, and all attempts thereafter to push the measure through met with defeat.⁵²

When news of the legislature's activity reached Perkins, he wrote to Holdrege, one of the leading B. & M. lobbyists, "I fear that this obvious victory for the Union Pacific will prove more costly to them, and, perhaps to us, than any other obstacle that either road has had to meet."⁵³ Kimball realized this, too, for the significance of his victory far surpassed the simple issue of whether the B. & M. should connect with the Union Pacific at Kearney. Both railroads had seen what an organized political force was capable of doing. From this moment on, railroads in Nebraska were destined to play the costly game of politics.⁵⁴

The defeat of the Crouse Bill by these tactics of the Union Pacific was only one of several disappointments that plagued Perkins during the early years of B. & M. history. In 1874 came the great grasshopper migration

⁴⁹*Nebraska State Journal*, January 25, 1877.

⁵⁰*Ibid.*, January 26, 1877.

⁵¹T. M. Marquett to Perkins, February 1, 1877.

⁵²*U. S. Pacific Railway Commission*, VII, 3826 (Testimony of J. M. Thurston).

⁵³Perkins to Holdrege, February 18, 1877.

⁵⁴Calvert to Manderson, 1898.

which laid waste everything in its path.⁵⁵ In 1875 grasshoppers were replaced by floods which were an equal menace to the road.⁵⁶ The year 1876 brought severe drouth to Nebraska.⁵⁷ All the elements seemed to conspire against the promoters of the B. & M., so that a policy of watchful waiting was adopted. "Wait and see," became the standard answer of all B. & M. men when questioned about what their next maneuver would be.⁵⁸

While further construction was temporarily abandoned, the road did expand its operations in 1876 by acquiring the Nebraska Railway Company, originally chartered as the Midland Pacific.⁵⁹ This road extended south from Lincoln to the populated and well developed areas of Bennet, Palmyra, Syracuse, Nebraska City and Brownville, and north from Lincoln to Seward. The original management had hoped eventually to build on to Kearney and to connect with the Union Pacific.⁶⁰ They had been encouraged in this endeavor by Kimball who would have pro-rated with them at the expense of the B. & M.⁶¹ Extravagant mismanagement in 1874 had led the original company to forfeit its Nebraska land grant, with the road being sold under foreclosure.⁶² The new management, inexperienced and discouraged by general conditions, decided to sell the road and the first company they approached was the B. & M.⁶³ Perkins reported the purchase of the road to his stockholders as follows:

In the spring the property of the Nebraska Railway Company, whose road, 105 miles long, crosses yours at Lincoln, was offered to your directors on what seemed to them terms advantageous to your interests. After some months of negotiations, an arrangement was concluded by which the road

⁵⁵Waggoner, *op. cit.*, p. 13.

⁵⁶B. & M., *Annual Report*, 1875.

⁵⁷B. & M., *Annual Report*, 1876.

⁵⁸Holden, Address in Omaha, July 14, 1928.

⁵⁹B. & M., *Annual Report*, 1876.

⁶⁰*Nebraska State Journal*, June 16, 1876.

⁶¹Loomis interview.

⁶²B. & M., *Annual Report*, 1876.

⁶³Perkins to Touzalin, June 1, 1876.

passed, on August 1, 1876, into our hands, the cash necessary to the transaction being advanced by the C B & Q Railroad Co., on the first mortgage bonds of the Nebraska Railway guaranteed by the B & M. . . the line passes through a rich territory and gives us an outlet at Nebraska City as well as Omaha and Plattsmouth. . . In Seward and York counties we have a considerable quantity of land and the road will be extended as far as York this year. . . that portion between Nebraska City and Brownville is built along the river and is in bad condition. . . from Nebraska City to Lincoln it is in fair condition. From Lincoln to Seward it is practically new.⁶⁴

The Nebraska railroad scene, then, in the spring of 1877 was one of comparative serenity. The B. & M. officers could continue to watch and wait. With them rested the initiative. Prosperity was returning to the plague-ridden territory. Nebraska that year produced 5,640,000 bushels of wheat and 38,500,000 bushels of corn.⁶⁵

With this return of prosperity demands arose from many quarters for more railroads, more outlets for local products. The B. & M., as the second largest line in the state, came in for its share of these demands. The *Beatrice Express* most vociferously pointed out that with the drouth apparently broken it would be an excellent plan for the B. & M. to forget westward expansion and build south for a connection with the Kansas, Missouri and Texas Railroad, a line running north from the Gulf of Mexico for two hundred miles.⁶⁶ This sentiment was echoed by J. Sterling Morton, the state's leading Democrat, who declared that Nebraska needed another outlet to the seaboard and urged a route from Lincoln to Galveston.⁶⁷ The *Omaha Herald* followed these up by publishing several lengthy articles on the importance of Galveston as a port for the exportation of central western goods and the importation of South American articles.⁶⁸

⁶⁴B. & M., *Annual Report*, 1876.

⁶⁵A. E. Anderson, comp., *Nebraska Agricultural Statistics, 1923-1924* (United States Department of Agriculture and Nebraska State Department of Agriculture), pp. 58, 60.

⁶⁶*Beatrice Express*, October 31, 1877.

⁶⁷*Ibid.*, September 11, 1877.

⁶⁸*Omaha Herald*, December 11, 14, 1877.

Perkins, operating head of the B. & M., lived in Burlington, Iowa from where he directed the activities of the Nebraska road. His decisions regarding Nebraska policy were based primarily upon the advice of his subordinates living in the state—A. E. Touzalin, T. M. Marquett, William Irving, G. W. Holdrege and T. E. Calvert.⁶⁹ When these men disagreed among themselves, Perkins journeyed to Nebraska himself to observe the problem first-hand, and then render a decision. Upon one point, however, his Nebraska team of advisors were particularly in unanimity; namely, the future of the B. & M. lay in establishing firm East-West rather than North-South connections.⁷⁰ Immediate financial benefit to the company partially strengthened this decision, for the company possessed vast land holdings in western Nebraska which, with the great migration brought about through returned prosperity, promised tremendous revenue when sold. Consequently Perkins ignored the pleadings of southern Nebraska towns for immediate B. & M. connections. As added justification for his stand, his advisors supplied him with colonization figures of western Nebraska which showed that that area had increased from a population of 42 in 1870 to 22,412 by 1878.⁷¹ As early as 1877 the *Omaha Herald* recorded, "Young thriving towns have sprung up as if by magic along the Republican River, prominent among which might be mentioned Bloomington, Red Cloud, Republican City, Alma City and Arapahoe—if immigration continues as it has since 1871 I doubt if there will be one foot of vacant land left in this valley to be had."⁷²

It was true that the Republican valley was producing 764,705 bushels of corn and 307,970 bushels of wheat, but there was no way to get these goods to market.⁷³ Hastings

⁶⁹Loomis interview.

⁷⁰C. D. Wilbur, *Nebraska and the Northwest* (Omaha, 1881), p. 3.

⁷¹*Biennial Report of the Secretary of State of Nebraska*, November 30, 1876.

⁷²*Omaha Herald*, August 15, 1877.

⁷³L. D. Burch, *Nebraska As It Is* (Chicago, 1878), p. 62.

was the nearest railroad center and Hastings was one hundred miles away. The situation was such that the valley had to have railroad connections if the settlers were to remain.⁷⁴

The Union Pacific first took the hint offered by valley enthusiasts and in August 1876 organized the Omaha and Republican Valley Railroad Company. Kimball stated at the time, "We have no immediate plans to build through to the valley but we do plan to build to the western boundary of Polk county—unless, of course, we hereinafter extend it."⁷⁵ He got a further head start on his rivals by starting construction in the Fall of that year. His new line reached Wahoo in December, and at a meeting of directors of the company on April 17, 1877, the articles of incorporation were amended to permit the road to build up the valley to the Nebraska-Colorado line with a capital stock of \$5,000,000.⁷⁶

Thus challenged by their arch rival, Perkins and his staff, in 1877, decided that further construction in the direction of the Republican Valley was necessary, but, skeptical as to the advisability of building through uninhabited country, decided that their line should extend into the valley only as far as it would render immediate returns.⁷⁷ Cautious directors sitting in Boston delayed for some time giving a decision but finally, on March 28, 1878, Perkins, Marquett, Irving, James D. MacFarland and Touzalin, having gained complete clearance from Boston, organized the Republican Valley Railroad Company for the purpose of constructing a line up the valley. The plan was that the "eastern terminus of its railroad shall be a point on the B. & M. Railroad in Nebraska, at or near the town of Hastings; then shall pass southward through the counties of Adams and Webster in the Republican Valley at or near

⁷⁴M. O'Sullivan, "Early History of Franklin County," *Franklin County News*, February 12, 1920.

⁷⁵*Omaha Herald*, August 15, 1876.

⁷⁶*Biennial Report of the Secretary of State of Nebraska*, November 30, 1876, p. 50.

⁷⁷Perkins to Touzalin, April 9, 1877.

Red Cloud, and thence through Franklin County.”⁷⁸ The certificate as first drawn up stipulated that the capital stock of the company should be \$2,000,000, but before signing it the amount was changed to \$1,000,000.⁷⁹

Republican Valley citizens at first had not been particularly pleased that the B. & M. was considering providing their link to the terminals they sought.⁸⁰ This discontent revolved around the question of unpaid taxes which the railroad company owed to Webster and Franklin counties, taxes which had remained unpaid on railroad lands. Although the railroad skillfully had avoided settlement of these claims for a number of years, some satisfactory compromise would have to be worked out if local aid was to be forthcoming. The dispute was not one-sided. The B. & M. believed that it was not obligated to pay taxes on its federal land grant, basing its decision on the opinion of Judge Elmer S. Dundy of the U. S. District Court at Omaha in November, 1873, and the decision of the U. S. Supreme Court of January, 1875, which declared railroad lands were exempt from taxation.⁸¹

In the Fall of 1877 the B. & M. had taken definite steps to clear up this problem and on February of 1878 a satisfactory compromise was worked out in Franklin County. In return for cancellation of its back taxes for 1873 to 1877, the B. & M. promised to build a \$3,000 court house at Bloomington and a \$1,000 immigration house at Riverton. In addition, the company proposed to give 320 acres of its land to Franklin County for a poor farm and to settle two hundred families in the county before June 1, 1879.⁸² When this last provision was made known publicly, eastern editors commented, “The B. & M. are now using four coaches instead of two on westward trips”⁸³ and, “Prairie

⁷⁸*Blue Valley Record*, October 13, 1872.

⁷⁹Baldwin, *op. cit.*, p. 325.

⁸⁰*Red Cloud Chief*, April 1, 1878.

⁸¹Addison E. Sheldon, *Land Systems and Land Policies in Nebraska*, Publications of the Nebraska State Historical Society (Lincoln, 1936), XXII, 98, 103.

⁸²*Nebraska State Journal*, February 27, 1878.

⁸³*Ibid.*, March 8, 1878.

Schooners are now navigating the Republican River in large numbers".⁸⁴

A settlement was also reached in Webster County early in 1878.⁸⁵ As reported by the *Red Cloud Chief*, the company agreed to pay all taxes after 1877 and to settle four hundred families in the county in 1878 and give aid to some internal improvements. The county was to waive tax claims of 1873-1876. The B. & M. agreed to build a 40' x 50' court house with a court room and offices and to give 320 acres for a poor farm.⁸⁶ In this manner the B. & M. was able to dispose of \$150,000 in taxes in the South Platte counties and lay the groundwork for construction.

In January, 1878, great quantities of iron were collected in the Lincoln railway yards. The proposed extension was still publicly a secret, and the *Lincoln Journal* reported, "at least 50 carloads of railroad iron have been received in this city. This means business but in what direction we are unable to say."⁸⁷ The Hastings press did not guard the secret so well. "The B. & M. is filling its yards with iron," it dutifully reported, "and it is believed it will be used to build into the Republican Valley."⁸⁸ Hastings was desirous of becoming the eastern terminus of the valley line and observed with great enthusiasm the stockpiling of materials in the Hastings yards; it was not until May 17, 1878, that the Directors of the road formally announced that construction of their road would proceed from that city.⁸⁹ Until that time Juniata had been hopeful of wresting the terminal from their larger eastern neighbor.⁹⁰

Activity hummed in the Republican Valley with the definite pronouncement that the B. & M. contemplated immediate construction. On July 13th, Franklin County voted \$30,000 worth of bonds if the B. & M. would agree

⁸⁴*Beatrice Express*, March 5, 1878.

⁸⁵Holden, *Address at Albia*, 1925.

⁸⁶*Red Cloud Chief*, February 7, 1878.

⁸⁷*Nebraska State Journal*, February 6, 1878.

⁸⁸*Adams County Gazette*, February 20, 1878.

⁸⁹*Juniata Herald*, May 22, 1878.

⁹⁰*Nebraska State Journal*, May 22, 1878.

to complete its road from Red Cloud to Bloomington by October 1, 1879.⁹¹ Construction started at once. The contract was let to John Fitzgerald, who immediately put in a call for men and teams.⁹² Grading began on June 12th and on that date twelve carloads of ties were unloaded.⁹³

The Hastings yards were filled with supplies arriving from the East. Most of the laborers were local farmers, who could spare the time from their fields, and Russian immigrants imported from the East.⁹⁴ Dissatisfaction among local laborers over the low wages accepted by the Russians brought on a strike during the second week of July. The strikers, immediately dismissed, went to Hastings, secured a plentiful supply of whiskey, and returned to "clean up" on the Russians. The Russians fled but shots followed them, and, in the ensuing melee, one man was seriously injured.⁹⁵

By the middle of July grading had been completed to within three miles of the Blue River, where a sidetrack was located and the town of Ayr was laid out.⁹⁶ Work progressed slowly through the summer. As their crops demanded increasing attention, farmers turned from the railroad to their homes and Fitzgerald had to advertise frequently for more men and horses. Crews of laborers came from eastern lines to keep up the necessary labor force. Wages for these men were good—\$3.00 per day for a man with a team, \$1.00 to \$1.50 for single handed laborers.⁹⁷

On August 19th, enough of the road had been graded so that the track laying crews were able to start work. As a result of one day's work, 3,300 feet of track were laid.⁹⁸ By September 9, the track had been laid to Ayr and by the

⁹¹Franklin County Commissioners, Ms. Records, Book A, p. 174.

⁹²Hastings *Journal*, June 6, 1878.

⁹³Red Cloud *Chief*, June 14, 1878.

⁹⁴Juniata *Herald*, July 17, 1878.

⁹⁵Nebraska *State Journal*, July 16, 1878.

⁹⁶Adams *County Gazette*, July 31, 1878.

⁹⁷Nebraska *State Journal*, August 4, 5, and 9, 1878.

⁹⁸Adams *County Gazette*, August 7, 1878.

14th the grades were within one mile of Red Cloud.⁹⁹ The track layers began functioning at an ever increasing rate. On Monday, November 4, 1878, the Republican Valley Railroad, covering a distance of 40.84 miles from Hastings to Red Cloud, was declared officially completed and on that day the company put into effect the first time-table for the route.¹⁰⁰ Jubilant citizens of Red Cloud heralded the event with comments like "This is clearly the most important movement of any railway in the State" and "Red Cloud will be the coming city of the valley".¹⁰¹

The company officials didn't pause to participate in the local celebration for they wished to drive through to Bloomington as rapidly as possible. Track laying was resumed from Red Cloud on November 19 and by December 5 had advanced seven miles.¹⁰² The track layers reached Inavale on December 16, advancing at the rate of a mile a day. When Riverton was reached on January 10, cold weather had slowed them down to one half mile daily.¹⁰³ Meanwhile the grading had not stopped at Bloomington but continued on to Naponee. The track layers reached Bloomington on February 15.¹⁰⁴

After completing sidings and other minor construction, the road was declared completed and opened for service on March 10, 1879. Trains left Hastings at 7:25 P.M., and arrived at Bloomington at 1 A.M. The return trip was begun at 2 A.M. and reached Hastings at 7:25 A.M.¹⁰⁵ This was soon changed to daylight service. The work that had begun in the heat of the preceding summer ended two days before a blizzard. In the nine months elapsing since the first dirt began to fly forty rods west of the Hastings depot, seventy miles had been graded, bridged, tied and laid.¹⁰⁶ The B. & M. easily had fulfilled its promises to

⁹⁹Track Record, p. 100 (C. B. & Q. headquarters, Chicago).

¹⁰⁰Hastings *Journal*, November 9, 1878.

¹⁰¹Red Cloud *Chief*, November 7, 1878.

¹⁰²Hastings *Journal*, December 12, 1878.

¹⁰³Track Record, pp. 100-101.

¹⁰⁴Hastings *Journal*, February 27, 1879.

¹⁰⁵Juniata *Herald*, March 26, 1879.

¹⁰⁶Hastings *Journal*, August 15, 1879.

the counties, meeting the bond stipulations, and was able to lay claim to \$150,000 of local aid.¹⁰⁷

From March until May, 1879, there was a halt in further construction, but on May 6th track laying started again west of Bloomington and continued for the next month until the rails reached Naponee.¹⁰⁸ This was as far as the tracks were to go for the time being—Naponee was virtually at the Harlan County line, and Harlan County had taken no action toward inviting the railroad into its region. Bloomington, as the terminus of the line, became a boom town, outstripping Kearney as a shipping center for the B. & M. As Touzalin phrased it, "Our main line now extends from Omaha to Bloomington, with a branch line leading off to Kearney."¹⁰⁹

On May 31, 1879, General Manager Touzalin appeared before the county commissioners of Harlan County, submitting to them a proposition for a bond election to aid his company—\$27,000 payable in twenty years, provided the company had trains running east to west through the county by April 1, 1880. The commissioners agreed to call a special election for July 7 and submit his proposition to the voters.¹¹⁰ As a prelude to this development, the company's directors, at their May meeting, had adopted amendments calling for the company to "build from the west line of Franklin county, through Harlan, Furnas and Red Willow counties to the west line of the last named county." To accomplish this the capital stock of the company had been raised from one to six million dollars. This action had received considerable notice in the state and Republican Valley press.

To the considerable surprise and consternation of the railway officials, their request for local aid met with great opposition by a large segment of the Harlan County populace. Orleans and Republican City almost unanimously

¹⁰⁷Red Cloud *Chief*, July 10, 1879.

¹⁰⁸Track Record, p. 100.

¹⁰⁹Nebraska State Journal, June 6, 1879.

¹¹⁰Harlan County, Commissioners' Record, Book A, p. 170.

favored voting for the bonds.¹¹¹ However, Alma, the county seat and largest town, was almost unanimously against the proposal. The editor of the *Arapahoe Pioneer*, from a neighboring county, analyzed the hostility of Alma thus: "One from the fact that the B. & M. will not assure Alma of a depot and thus she might lose her county seat position, and the other that the stage company must be the power behind the throne in Alma."¹¹² The *Alma Standard* gave another version of the apathy of its town for the bond measure: "Why vote bonds for the railroad when we know very well that the railroad wants to get to Denver and the only reasonable way to get to Denver is to go through our county?"¹¹³

The bond struggle reached its height in Harlan County on election day. Both sides resorted to every measure to "get out the vote". Special trips were made into the county to bring in all possible voters, even to getting those under age to the polls. Many voters voted at several places. Both sides resorted to fraudulent measures, but when the final count of the ballots had been made, the railroad, although receiving a majority of 539 to 473, lacked 135 votes of the necessary two-thirds required. The bond issue had been defeated.¹¹⁴

Anticipating the outcome of the bond fight, Perkins and Touzalin long before the election had decided to do nothing more on the Republican Valley front in 1879. By holding off for a while they thought they could reopen negotiations and have no trouble in carrying a second bond election. For the time being, as long as they had the materials for further construction, they decided to proceed on other fronts in the South Platte territory. The man they selected to supervise all future constructions in Nebraska was George W. Holdrege, who was named as Nebraska Superintendent, and it was explained to him that henceforth he

¹¹¹*Juniata Herald*, June 27, 1879.

¹¹²*Arapahoe Pioneer*, July 3, 1879.

¹¹³Reprinted in *Red Cloud Chief*, July 3, 1879.

¹¹⁴Harlan County, Ms. Abstract of Elections, Book A, pp. 49-50.

would be given a free hand in planning and carrying out all future construction and would be answerable directly to Perkins for his decisions. T. E. Calvert was named as Chief Engineer and Holdrege's assistant. Touzalin was to remain as General Manager for the Nebraska line, but most of his activities were to be confined to broad policy matters.¹¹⁵

For the rest of 1879 Holdrege supervised construction on the line northwest of York to Aurora, an extension of the old Nebraska Railway. Still south of the Platte river, this extension carried the B. & M. to the approximate center of the state. The distance from York to Aurora was 21.8 miles and Holdrege put this line into operation on November 3rd. From Aurora, Holdrege continued on due north for 19.2 miles to Central City making a total of forty miles of new road for the year. This was an important forty miles, for at Central City the B. & M. crossed the Platte and established another connection with the Union Pacific.¹¹⁶

The Central City line was in partial retaliation to the Union Pacific for what the latter had been doing in the Republican Valley. After the failure of the first bond election in Harlan County, Touzalin had resumed negotiations with pro-railroad forces in the county with the result that another election had been called for October, 1879.¹¹⁷ Two weeks before this second election he toured Harlan County and found complete apathy toward the election. In fact, the general manager was told by the pro-railroad people that they despaired of getting as many votes as they had in the previous voting. Touzalin was confident the Union Pacific was back of this B. & M. opposition. Rumors had been circulating for some time that the Union Pacific was going to forestall the B. & M. by building a line from Kearney to Harlan County. In fact, it was reported, a survey-

¹¹⁵Calvert to Deweese, 1887.

¹¹⁶B. & M., *Annual Report*, 1879.

¹¹⁷Harlan County Commissioners' Record, Book A, p. 178.

ing party of the Union Pacific already had been seen in the territory.¹¹⁸

It was evident to the B. & M. officials that Jay Gould was determined to prevent their road from continuing west and establishing a possible connection with Denver, thus breaking his eastbound transportation monopoly in that area. The bond squabble in Harlan County played directly into Gould's hands, for, by promising a Union Pacific extension there in a short time, and asking no compensation for his railroad, he was certain to convince enough of the voters of the foolishness of bonding themselves for a B. & M. extension. Holdrege suggested that the Gould threat be met in the valley by, "building as much line as we can in the shortest space of time."¹¹⁹ The other B. & M. officials concurred and decided that, rather than risk another defeat in Harlan County, the road would cancel the second bond election and start immediate construction.¹²⁰ This was done over the protests of Forbes who was mollified to some extent by the assurance that the company would not build into Colorado but merely as far as Indianola.¹²¹

The B. & M. renewed construction in earnest. On October 17, the contract was let for the first one hundred miles west of Naponee and by November 15th, 175 teams were at work.¹²² By January 1, 1880, while only eleven miles of new track had been laid, the work had become so accelerated that the crews were laying 3,500 feet of track per day.¹²³ On January 10, Alma was reached and the *Alma Standard* described the arrival of the first train by stating, "Our citizens, old and young, male and female, assembled to give a hearty welcome to the first iron horse. A national salute was fired which reverberated through the grand old hills south of the Republican in a voice of gladness."¹²⁴

¹¹⁸*Arapahoe Pioneer*, September 12, October 3, 1879.

¹¹⁹Holdrege to Perkins, October, 1879.

¹²⁰Touzalin to J. K. Keyes, October 5, 1879.

¹²¹B. & M., *Annual Report*, 1879.

¹²²*Arapahoe Pioneer*, October 31, 1879.

¹²³Track Record, pp. 101-103.

¹²⁴*Alma Standard*, January 18, 1880.

On January 25, 1880 the company declared the road officially open to Republican City and a depot, 20' x 40', two stories high, was erected there. By this time the track layers were laying over 4,000 feet a day.¹²⁵ A month later this was stepped up to 5,500 feet and by the end of that month the grading was completed all the way to Indianola. Anxiously the citizens of Arapahoe watched the rails creep closer. When the first construction train made its appearance there, the editor of the *Pioneer* compared it to the crossing of the Rubicon.¹²⁶

By this time the Union Pacific had become thoroughly alarmed. Also alarmed were the ranchers living west of Arapahoe for they saw their grazing land being swallowed up in a wave of homesteaders. In their cause they enlisted the citizens of Arapahoe who readily fell in with their scheme of making that town the terminus of the line.¹²⁷

The Union Pacific sought, by peaceful compromise, to halt its potential rival from building through to Denver. Included in the terms with which Gould, through his agents, approached the B. & M., were the following proposals: 1) the B. & M. would stop further construction in the valley; 2) an understanding would be reached between the two roads whereby they would divide the traffic of Nebraska by establishing certain areas of monopoly for each; 3) B. & M. territory would include everything in Nebraska south of the Platte River and east of Arapahoe; 4) in return for halting construction on the B. & M.'s Denver line, the Union Pacific would agree to stop any anticipated expansion into B. & M. territory; and 5) the B. & M. would be cut in on the "Denver Pool" without having to build there.¹²⁸

Unfortunately for the Union Pacific, news of this offer leaked out to the press where it was immediately

¹²⁵Red Cloud *Chief*, February 19, 1880.

¹²⁶Arapahoe *Pioneer*, March 12, 1880.

¹²⁷*Ibid.*, March 5, 1880.

¹²⁸Omaha *Herald*, March 7, 1880; Fairbury *Gazette*, April 3, 1880.

condemned, in blazing headlines, as "another Union Pacific curse."¹²⁹ Though the press blast alone would have been enough to stop any agreement, B. & M. officials already had decided not to agree to any terms Gould might put forth. The motivating force back of their building the Republican Valley line in 1878 had been to become completely independent of the Union Pacific, and nothing could have swayed them from that decision.¹³⁰

Their answer, then, to Gould, and to the ranchers, was disclosed on April 2nd, one day after the road was unofficially opened to Arapahoe, by beginning the survey to Cambridge. One week later the track was laid into that city. Construction was speeded up as the road went west, and on April 20, 1880, the Republican Valley tracks reached their destination, Indianola.¹³¹ As it was thought that Indianola would remain as the western terminus for some time before the final spurt to Denver was taken, three sidetracks were laid there.¹³² Early in May, Perkins, in an interview with a *Chicago Tribune* reporter, stated that his company had given up all intentions of building beyond Indianola for the present season.¹³³

Meanwhile, Holdrege, anxious to cement all of the South Platte territory firmly to the B. & M., urged Perkins and his directors to acquire two branch lines in the eastern part of the state, and in 1880 the company took over the Lincoln and Northwestern, connecting Lincoln with the Union Pacific at Columbus; and the Atchison and Nebraska Railroad Company, extending from Lincoln 146 miles southeast to Atchison, Kansas. These acquisitions caused Edward Rosewater, editor of the *Omaha Bee*, to wonder if "the monopolistic tendencies of the B. & M. are not as vicious as those of Jay Gould."¹³⁴ Public opinion failed to substantiate this, and Omahans, formerly hostile

¹²⁹*Nebraska State Journal*, March 7, 1880.

¹³⁰Loomis interview.

¹³¹Track Record, p. 102.

¹³²*Arapahoe Pioneer*, May 7, 1880.

¹³³*Omaha Herald*, May 5, 1880.

¹³⁴*Omaha Bee*, April 8, 1880.

to the B. & M. and the source of much of the public pressure against that road, rejoiced when, on January 1, 1880, the B. & M. was officially taken over by the Chicago, Burlington and Quincy Railroad Company and the Nebraska headquarters for the road were moved from Lincoln to their city.¹³⁵

The Burlington's earnings held up well in 1880 although a severe drouth had struck again in the South Platte, leaving a trail of devastation behind it. During the preceding winter the Burlington had planted hundreds of homesteaders on lands west of Arapahoe in its effort to develop both the country and a profitable freight traffic. Most of these settlers came from Scandinavia and Russia where Burlington foreign agents were working with great efficiency in enticing immigrants. The entire wealth of most of these settlers was represented by the crops they planted in 1880—crops now ruined by drouth and grasshoppers. These people were confronted with the possibilities of starving in Nebraska or leaving their farms.¹³⁶

It was Holdrege who took on the burden of these immigrants and conceived the idea of additional expansion as a device for keeping these people in Nebraska. In a letter to Perkins he wrote, "I know you have privately reached an agreement with Gould since the formal acquisition of our lines by the C B & Q [outlined above]. . . I also know how hard it is to get additional capital to build further extensions. . . However, let me stress that the only way *our* settlers can survive through the coming winter is through wages they will receive from our company for their labor on a new extension."¹³⁷ So emphatic was Holdrege's appeal that Perkins was induced to come west and view personally the desolation of the people living there.¹³⁸

Perkins privately agreed with Holdrege but hesitated

¹³⁵B. & M., *Annual Report*, 1880.

¹³⁶B. & M., Land Commissioner, *Annual Report*, 1880.

¹³⁷Hickox, *op. cit.*

¹³⁸Omaha *World Herald*, July 25, 1925.

to sanction such a proposal as an extension in the light of agreements just reached with the Union Pacific by Burlington directors. While he and his directors debated, the press of the valley cried out for action.¹³⁹ Many people started packing their belongings preliminary to leaving.¹⁴⁰ Holdrege made a hurried trip to see Perkins and explain this latest course of events. Perkins finally consented to his proposal for an extension as far as Culbertson. Holdrege returned to announce the glad tidings.

Valley residents were jubilant. Editors wrote, "It will enable many a family to remain;"¹⁴¹ "hundreds of our destitute families will feel relieved;"¹⁴² "the Burlington has commenced a move that must and will commend itself to all."¹⁴³

Grading from Indianola to Culbertson began at once. Wages were as low as \$2.50 a day for a man and a team, but practically every farmer in the region was working for the company. They were not driven hard as speed was not important. Gould took a dim view of these actions. No amount of explaining would satisfy him. As a countermove he extended his Missouri Pacific to the banks of the Missouri River in Iowa, opposite what had been regarded as Burlington territory.¹⁴⁴ To head him off, Holdrege urged further B. & M. construction directly east from Hubbell to a connection with the Atchison at Table Rock which already had a connection with the Missouri at Rulo. This would give the Burlington a route directly across Nebraska through the southernmost tier of counties. The advantage of this construction, in addition to heading off Gould, was that it would take place in territory already acknowledged as the Burlington's and thus Gould could take no offense.

¹³⁹*Arapahoe Pioneer*, October 11, 1880.

¹⁴⁰*Alma Standard*, July 20, 1880.

¹⁴¹*Ibid.*, October 13, 1880.

¹⁴²*Juniata Herald*, October 13, 1880.

¹⁴³*Nebraska State Journal*, October 20, 1880.

¹⁴⁴*Ibid.*, August 24, October 31, 1880.

Altogether these plans called for 138 miles of track to be laid in a single year.¹⁴⁵

No time was lost. On May 28th track laying was begun on the thirty mile extension west of Indianola. Work proceeded rapidly in the East. In June, the Burlington publicly declared any pact it might have had with Gould was now terminated, and the Directors voted to build their line through to Denver. Gould countered by announcing his Missouri Pacific was starting at once to build to Lincoln.¹⁴⁶

In July Perkins came to Nebraska to discuss plans with Holdrege. "You've got to do it in a year," Perkins told him. "Speed is essential."¹⁴⁷ On August 1st the contract was let to the E. P. Reynolds Company to construct the first 150 miles west of Culbertson. On August 24th, that company shipped 40 carloads of wagons, scrapers, horses and men to the new job under Holdrege's direction.¹⁴⁸

Holdrege had his headquarters ten miles west of Culbertson and sent out the order immediately for 1,000 more teams and 500 more men.¹⁴⁹ On September 26th, track laying crews were able to start work. With the high wages offered by the company, farmers from miles around sought employment. One editor caustically commented, "If we have a light vote this Fall, it will be because our voters are railroading."¹⁵⁰ The road was aiding the farmers in other ways than wages. Hay rose in price from \$20 to \$40 a ton due to the increased demand. Corn rose from 50c to \$1.50 a bushel.¹⁵¹

The track layers reached Trenton October 17th, laying a mile and quarter of track per day.¹⁵² By November

¹⁴⁵B. & M., *Annual Report*, 1881.

¹⁴⁶*Nebraska State Journal*, June 13, 15, 1881.

¹⁴⁷*Omaha World Herald*, July 25, 1925.

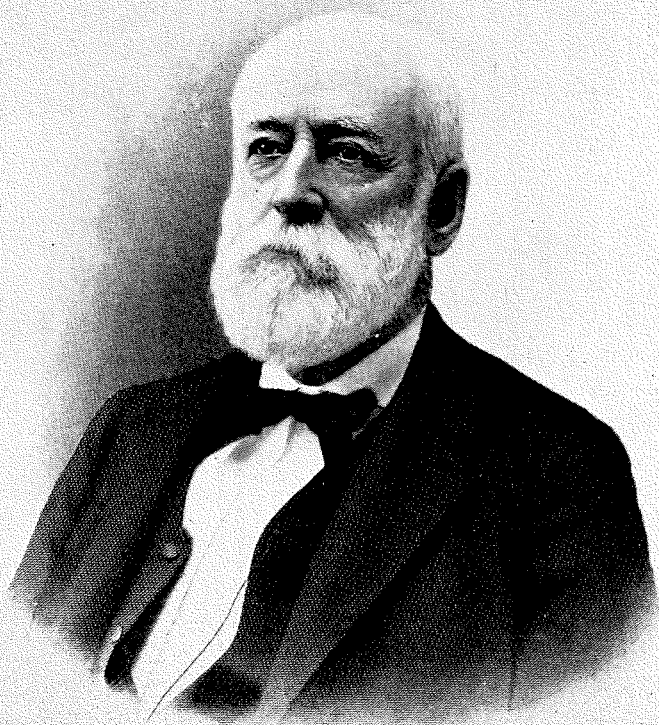
¹⁴⁸*Arapahoe Pioneer*, August 26, September 2, 1881.

¹⁴⁹*Nebraska State Journal*, September 2, 1881.

¹⁵⁰*Arapahoe Pioneer*, October 7, 1881.

¹⁵¹*Nebraska State Journal*, December 6, 1881.

¹⁵²Track Record, p. 102.



ENG. BY H. W. CO. CHICAGO

Thomas Doan

13th, track was laid past Benkelman, almost to the state line, and Holdrege was commanding a force of 1,000 teams and 2,500 men.¹⁵³

On December 1st, Mrs. Holdrege, in ill health in Omaha, was sent to Denver at her doctor's insistence. Worried about his wife but not in a position to leave his work, Holdrege solved his dilemma by joining her and started another crew working east from there, leaving Calvert to superintend the work in Nebraska.¹⁵⁴ The exceptionally mild winter allowed the crews on both fronts to continue work at a rapid pace. Calvert's crews reached Brush, Colorado on April 7th, laying track at the rate of two miles a day, and by May 17th all the grading had been completed.¹⁵⁵ The track layers from Denver began work on May 15th, with steel rails that had been rolled in Pueblo, the first ever rolled in Colorado.¹⁵⁶ The two crews, now operating at the rate of three miles a day, soon closed the gap between them, ultimately joining forces at Carr City, Colorado.¹⁵⁷

The meeting of these rails was a cause for great celebration by Burlington officials. An eyewitness account describes it as follows:

At exactly 4 p.m. on Thursday of last week (May 24) the Denver extension of the B & M was completed. . . when the last spike was driven at a point eleven miles from Denver by General Superintendent Holdrege, and a special train having on board several high officials of the road passed over bound for Denver, the metropolis of the Rockies.¹⁵⁸

Thus was marked the completion of 247 miles of railroad construction in 229 working days, the entrance of the Burlington into the Rocky Mountain area and the establishment of that road's final independence from the Union Pacific.

¹⁵³Hastings *Journal*, December 15, 1881.

¹⁵⁴Holyoke interview.

¹⁵⁵Track Record, p. 103.

¹⁵⁶*Nebraska State Journal*, May 18, 1882.

¹⁵⁷*Arapahoe Pioneer*, May 25, 1882.

¹⁵⁸*Nebraska State Journal*, May 26, 1882.