



## Why Did the C. B. & Q. Build to Denver?

(Article begins on page 2 below.)

This article is copyrighted by History Nebraska (formerly the Nebraska State Historical Society). You may download it for your personal use.

For permission to re-use materials, or for photo ordering information, see:  
<https://history.nebraska.gov/publications/re-use-nshs-materials>

Learn more about *Nebraska History* (and search articles) here:  
<https://history.nebraska.gov/publications/nebraska-history-magazine>

History Nebraska members receive four issues of *Nebraska History* annually:  
<https://history.nebraska.gov/get-involved/membership>

Full Citation: Richard C Overton, "Why Did the C. B. & Q. Build to Denver?" *Nebraska History* 40 (1959): 177-206.

Article Summary: In 1873 the Chicago, Burlington & Quincy was almost exclusively an Illinois railroad. The author analyzes the maneuverings behind the railroad's decision to build to Denver, with emphasis on the roles of Jay Gould and Charles E. Perkins.

### Cataloging Information:

Names: William Jackson Palmer, Jay Gould, Charles E Perkins, Robert Harris, John Murray Forbes, George Tyson, C K Garrison, John Evans, W H Vanderbilt, George Holdrege, T E Calvert, Alex Campbell, Henry Cabot Lodge, Julius Grodinsky

Keywords: C B & Q Railroad; Union Pacific Railroad; Burlington; Gregory Wagon Road Company; Colorado Central Railroad; Pacific Railroad Acts; Burlington & Missouri Railroad; Kearney Junction; Northwestern Railroad; Rock Island Railroad; Hannibal Railroad; St Jo Railroad; Denver Pacific Railroad; Kansas Pacific Railroad; Denver & Rio Grande Railroad; Denver, South Park and Pacific Railroad; *Iowa Pool*; Omaha Bridge; Kearney Gateway; Republican River Valley Railroad Company; Santa Fe Railroad

Photographs / Images: Officials of the B & M R R R Co taken in 1871 at Burlington, Iowa; Jay Gould; Charles E Perkins; Burlington Route, C B & Q poster/schedule; Schematic map CB&Q & Family Lines in 1869-1873; Schematic Map CB&Q +Wabash and other Gould RR properties 1879-1884; Schematic Map of Principal Railways Serving Denver in 1883

## WHY DID THE C. B. & Q. BUILD TO DENVER?

BY RICHARD C. OVERTON

### A. THE EQUATION AND ITS TERMS

IN THESE days when mathematics seem to have engulfed so many of our fellow social scientists, the economists, perhaps I should try to answer this question with a formula. Here it is: "Gould into Perkins equals C. B. & Q. into Denver." Like most formulae this one is deceptively simple. The first job is to find the terms.

#### "C. B. & Q."

Ever since October 11, 1861, when the Apex and Gregory Wagon Road Company obtained a charter to build up Clear Creek toward Berthoud Pass, Denver has figured in what is *now* the Burlington System.<sup>1</sup> Ever since Sep-

<sup>1</sup> R. C. Overton, *Gulf to Rockies* (Austin, 1953), p. 11.

*Dr. Richard C. Overton, formerly professor of business history at Northwestern University, now lives in Manchester Depot, Vermont, and as research consultant to the Burlington Lines, is devoting full time to the completion of a general history of that system. This article is a portion of a paper entitled "Highlights of Denver's Role in Burlington Strategy" delivered at the Annual Meeting of the Mississippi Valley Historical Association in Denver, April 24, 1959.*



tember 23, 1870, when the Colorado Central ran its first train into Denver, what is *now* the Burlington has served this city.<sup>2</sup> But it was a full generation before these Colorado companies found their way into the system. What we are concerned about is the parent Chicago, Burlington & Quincy as it stood in 1873, the year when the "action" of this story begins.

Strictly speaking, the C. B. & Q. in that year was almost exclusively an Illinois railroad whose main lines conformed exactly to its title. Its main stem ran in virtually an airline from Chicago to Galesburg whence one line extended almost due west to Burlington, Iowa, and another southwest to Quincy. Bridges across the Mississippi had been completed at both points late in 1868.<sup>3</sup>

Beyond the Mississippi the C. B. & Q. could conduct through business to three points on the Missouri River over what, for the sake of convenience, may be termed "family lines," since their stock ownership then rested with the same men who controlled the C. B. & Q. The oldest of these was the famous Hannibal and St. Joseph that had been completed a decade earlier; on July 4, 1869, the opening of the first bridge to span the Missouri River carried its trains into Kansas City. The second and younger family road was the Burlington and Missouri River which reached its terminal at East Plattsmouth, about seventeen miles south of Council Bluffs, at the very end of 1869.<sup>4</sup> At almost the same moment a third family road, the Kansas City, St. Joseph and Council Bluffs, was completed, thus neatly connecting the system's western terminals with each other and, incidentally, providing an entrance into Council Bluffs for business moving over the C. B. & Q. and its western connections.<sup>5</sup> This last point was important because the Burlington was now in a position to share, along

---

<sup>2</sup> *Ibid.*, p. 13.

<sup>3</sup> R. C. Overton, *Milepost* 100 (Chicago, 1949), pp. 10-11, 18, 20.

<sup>4</sup> *Ibid.*, pp. 16-20.

<sup>5</sup> W. W. Baldwin, *Corporate History of the Chicago, Burlington & Quincy Railroad Company and Affiliated Companies* (Chicago, 1921), opposite p. 233.

with the Northwestern and the Rock Island, the transcontinental business of the recently-completed Union Pacific.<sup>6</sup>

Had this been the extent of the Burlington's ambitions, there might never have been a story to tell about Denver. But such was not the case. When the Pacific Railroad Act was amended in 1864, the Burlington and Missouri River was authorized to extend its road from the mouth of the Platte to a junction with the Union Pacific at any point not further west than the 100th meridian. This line, like all other branches provided for in the Pacific Railroad acts, was specifically granted the power to unite on equal terms with the Union Pacific so that, so far as the public was concerned, the transcontinental and its branches should be operated as "one connected, continuous line." Finally, this extension of the B. & M., like the other branches authorized in the acts, was to receive federal lands to aid initial construction.<sup>7</sup>

As it turned out, the B. & M. in Iowa did not itself take advantage of this privilege, for in April, 1869, the principal stockholders of the C. B. & Q. obtained from Congress permission to transfer the Burlington and Missouri River's rights to a separate Nebraska corporation which they thereupon organized with the ungainly title of Burlington and Missouri River Railroad Company in Nebraska.<sup>8</sup> Ground for this new company was broken on July 4, 1869 at Plattsmouth and the entire main line of 194 miles was completed westward to the Union Pacific at Kearney Junction on September 18, 1872. Meanwhile the eastern end of the main stem was connected with Omaha.<sup>9</sup>

Right here two cardinal points must be made crystal clear: so far as I have been able to discover in the volumi-

---

<sup>6</sup> R. C. Overton, "Chicago Becomes the Nation's Railway Capital" in *Journal of the Western Society of Engineers*, 75th Anniversary Edition, December, 1944, pp. 15-18.

<sup>7</sup> U. S. *Statutes at Large*, XII, 489, Sections 9, 10, 12, 13, 14; *Statutes at Large*, XIII, 356, July 2, 1864, Sections 18-20.

<sup>8</sup> *Statutes at Large*, XVI, 54; W. W. Baldwin, *Documentary History of the Chicago, Burlington & Quincy Railroad Company*, III, 3-5.

<sup>9</sup> R. C. Overton, *Milepost 100*, p. 20.



nous records, the interests controlling the C. B. & Q. originally organized, financed, and built the B. & M. in Nebraska for two reasons and for two reasons only: (1) to obtain and colonize the land grant of some 2,400,000 acres so as to generate and control the traffic of that area, and (2) to participate in transcontinental business moving in both directions between Kearney Junction on the west and either Omaha or Plattsmouth on the east.<sup>10</sup> It is essential, as this story progresses, to bear these points in mind.

By the latter part of 1869, the Northwestern, the Rock Island, and the Burlington all served Council Bluffs. It was obvious that each company was determined to capture just as much of the transcontinental business interchanged with the Union Pacific as possible; it was equally obvious that unless some agreement were reached, competition would become not only cut-throat but ruinous. Accordingly, after the usual exchange of threats and bluster, the three companies in the fall of 1870 organized one of the most successful and durable pools in all railway history. Each of them was to retain 45 per cent of their passenger revenues and 50 per cent of their freight revenues to cover the cost of doing business; the balance was to be pooled and then divided equally among the three participating roads. Even though this famous Iowa Pool (sometimes called the Omaha Pool) was constantly subject to stress and strain, and in particular to vicious attacks from Gould later on, and even though its provisions were never reduced to writing, it maintained itself and carried out its primary function with amazing success for nearly fourteen years.<sup>11</sup>

As a corollary to the formation of this pool it was agreed that all transcontinental business to and from St. Louis would flow over the Council Bluffs and Hannibal and St. Jo, whereas all business to and from Chicago would travel over the Pool roads, including that originated on or

---

<sup>10</sup> R. C. Overton, *Burlington West* (Cambridge, 1941), pp. 281-282, 332.

<sup>11</sup> Julius Grodinsky, *The Iowa Pool: A Study In Railroad Competition, 1870-84* (Chicago, 1950), p. 17; Charles E. Perkins, "The Omaha Pool," undated memorandum in possession of the writer.



destined for points along the Council Bluffs. During the hectic 1870's, this agreement was sometimes more honored in the breach, but in general it was observed.<sup>12</sup> It should be added, incidentally, that in 1871 the principal stockholders of the C. B. & Q. lost control of the Hannibal and St. Jo, and although the two companies continued to exchange the bulk of their business with each other as before, the line was "out of the family" until its permanent return in 1883.<sup>13</sup>

Three more developments, all of which took place late in 1872, are pertinent to a definition of the C. B. & Q. in this period: (1) Like the B. & M. of Iowa, the Hannibal and St. Jo had obtained the right to make a connection with the Union Pacific. Also like the B. & M., it failed to exercise the privilege itself but instead transferred it to a railway then called the St. Joseph and Denver City. Owing to financial difficulties this line was completed only to Hastings, a point on the main stem of the B. & M. in Nebraska about forty miles southeast of Kearney. But by using trackage over the B. & M. it could theoretically offer a through route between the Union Pacific and Missouri River points. This company, incidentally, was at no time controlled by the men in charge of the Burlington. (2) In this respect the St. Joseph & Denver differed from a second railroad, the Atchison and Nebraska, which was built from Lincoln to Atchison where it connected both with the Missouri Pacific and the Rock Island. This road, controlled by James F. Joy of the C. B. & Q., was more or less in the Burlington family, yet to the extent that it could divert business between Nebraska and Kansas City away from the Council Bluffs, it was a potential trouble-maker.<sup>14</sup> (3) With all this new construction and opening of alternate routes in eastern Nebraska, it was clear to the managers of the C. B. & Q. that they would be in a much stronger position if they cemented relations with the Burlington and Missouri River of Iowa. Accordingly, late in 1872 the C. B.

<sup>12</sup> Grodinsky, *op. cit.*, p. 23.

<sup>13</sup> R. C. Overton, *Milepost 100*, p. 18.

<sup>14</sup> Grodinsky, *Iowa Pool*, pp. 30, 30-34.

& Q. leased the line and three years later purchased it outright. Hence the through route between Chicago and East Plattsmouth was legally, as well as in fact, a single property.<sup>15</sup> So much for the "C. B. & Q." What about "Denver" at this point?

### "DENVER"

Ever since 1870 the Mile-High City had been connected with the national railway network by way of the Denver Pacific to Cheyenne and the Kansas Pacific to Kansas City. Two years later General William Jackson Palmer completed his Denver & Rio Grande to Pueblo, and in the same year Governor John Evans organized the Denver, South Park and Pacific though all he was able to do in two years was to build a short line from Denver to Morrison. Meanwhile the Colorado Central, which had opened service between Golden and Denver in 1870, built a road between Golden and Longmont but there, during the panic of 1873, it rested.<sup>16</sup>

As yet, then, Denver hardly qualified as a railway center. Its importance lay rather in its potentiality as a gathering point for the rich minerals of the Rockies and as a distributing center. As such it was both a challenge and a goal for any of the several railways based on the Missouri River.

### "GOULD"

In 1873 Jay Gould at the age of thirty-seven was already a man to reckon with in railway circles. His buccaneering exploits on the Erie behind him, he began making large purchases of Union Pacific stock in 1873 and was in a position to dictate the policies of that road for the balance of the decade.<sup>17</sup> Gould, first, last, and always was

<sup>15</sup> R. C. Overton, *Milepost 100*, p. 20.

<sup>16</sup> George L. Anderson, *General William J. Palmer; A Decade of Colorado Railroad Building, 1870-1880* (Colorado Springs, 1936), pp. 39, 48, 68; R. C. Overton, *Gulf to Rockies* (Austin, 1953), pp. 13, 16, 19.

<sup>17</sup> Nelson Trottman, *History of the Union Pacific* (New York, 1923), p. 100; Julius Grodinsky, *Jay Gould* (Philadelphia, 1957), pp. 19-130.



a trader rather than a railroader, with an insatiable ambition, bordering on compulsion, to embark upon complicated, tricky deals. His delight was to outwit opponents, to confound his antagonists in the market, and to devise brilliant financial forays that left his enemies gasping and the railways he used as pawns often in ruins. Of his ingenuity there could be no doubt, yet by his constant overbuilding and overcapitalization of railways, his incessant rate wars and wretched labor relations, he was, both in the short and the long run, a destroyer of values. If, as Grodinsky says, he should be credited with lowering freight rates in the nation and mobilizing capital at a time when others held back then perhaps he should be entitled, if one is convinced by the evidence, to a more respectable niche in history than he has generally been accorded. But in the 1870's the C. B. & Q., and Perkins in particular, saw him as a threat, an enemy, and a disturber of the peace.<sup>18</sup>

#### "PERKINS"

What about this man Charles E. Perkins? Suffice it to say here that at the suggestion of John Murray Forbes of Boston, who for nearly half a century was the presiding elder statesman of the Burlington, he had taken a job as clerk with the B. & M. of Iowa in 1859 at the tender age of eighteen. The B. & M. was then indeed a country road, stretching only seventy-five miles west of Burlington, and Perkins simply grew up with it. Successively land agent and general superintendent, he literally took part in every phase of the company's activities. An untiring champion of extension across the state, he was the driving and eventually the dominant force on the property. When the Iowa company was leased to the C. B. & Q., Perkins, on January 1, 1873, was transferred to the vice-presidency of the B. & M. in Nebraska where, in the words of Grodinsky, he

---

<sup>18</sup> Grodinsky, *Jay Gould*, pp. 20-26, 85-88, 112-118, 159-160, 165-166, 418-423, 538-541, 595, 610; Robert E. Riegel, *The Story of the Western Railroads* (New York, 1926), pp. 248-251; R. C. Overton, *Gulf to Rockies* (Austin, 1953), pp. 126-127.



"brought to the management of that road the aggressive policies that were normally associated with his name."<sup>19</sup> And as Grodinsky says elsewhere, speaking of Perkins: "Once he recognized that a given policy was sound and necessary to the achievement of a particular objective, he no longer hesitated. His execution of the project was carried out without fear or compromise, and no threats could move him." This, then, was the man who was to serve not only as field general for the B. & M. in Nebraska but, after 1876, as a director and vice-president of the C. B. & Q. as well.<sup>20</sup>

Perhaps it is already clear what was bound to happen. When a seemingly irresistible force like Gould slammed into an apparently immovable object like Perkins, something had to give. Hence the original equation: "Gould into Perkins equals C. B. & Q. into Denver." Suppose now we factor it.

#### B. STALEMATE ON THE EASTERN FRONT, 1873-77

Like many a war, the struggle between Gould and Perkins began in a restricted theater—southeastern Nebraska—and was limited to what might be called specific border warfare characterized principally by negotiation and a cautious commitment of forces. Gould's objectives were clear enough: for one thing he sought continuously to divide and weaken the Iowa Pool so that he could either force its members to grant larger divisions to the Union Pacific on transcontinental business or achieve the same end by capturing one or more of the members. His ingenuity in the pursuit of these objects was marvelous to behold, and is a story that Grodinsky tells with gusto in his *Iowa Pool*.<sup>21</sup>

Secondly, despite the clear wording of the Pacific Railway acts, Gould flatly refused to interchange business at

<sup>19</sup> Overton, *Burlington West*, pp. 111-277, 518-526; Grodinsky, *Iowa Pool*, p. 34.

<sup>20</sup> Grodinsky, *Jay Gould*, p. 227; Thomas C. Cochran, *Railroad Leaders, 1845-1890* (Cambridge, 1953), p. 427.

<sup>21</sup> Grodinsky, *Iowa Pool*, pp. 39-87.

Kearney Junction with the B. & M. on a pro rata basis. In other words, the Union Pacific demanded just as much to carry goods from Ogden to Kearney as it did from Ogden to Omaha, thus effectually eliminating the B. & M. as a participant in transcontinental business. It may be said, for whatever comfort it provides, that the Union Pacific treated the Kansas Pacific at Ogden in precisely the same fashion.<sup>22</sup>

Finally, Gould was incensed by the fact that the B. & M. in Nebraska not only exchanged the bulk of its business directly with the C. B. & Q. at Plattsmouth rather than hauling it to Omaha for interchange with the Pool roads, but that, by means of the Atchison and Nebraska, it connected both with the Rock Island and Missouri Pacific at Atchison and persisted in pursuing a stoutly independent policy on business to and from eastern Nebraska. As Perkins bluntly stated it in a letter to Henry Cabot Lodge early in 1877, the B. & M. possessed the power "to cut the rate on a large amount of business done by the Union Pacific Road, especially livestock traffic. We can also cut the rates out of Omaha and force a reduction in the tolls of the Omaha Bridge which at present rates is the best-paying property Gould has, using the B. & M. and our crossing at Plattsmouth for this purpose. The B. & M. in Nebraska now gives the C. B. & Q. at the rate of about 18,000 carloads of business annually, and it is fast growing."<sup>23</sup> Small wonder Gould regarded the B. & M. in Nebraska as a thorn in his side!

On all these three issues Perkins, of course, took diametrically opposed positions. Even though his doughty independence sometimes embarrassed the C. B. & Q. and occasionally antagonized the other Pool members, Perkins fully realized the essential function of the Iowa Pool and

---

<sup>22</sup> Grodinsky, *Iowa Pool*, pp. 32-33; Grodinsky, *Jay Gould*, pp. 132-133; Overton, *Burlington West*, pp. 396-397; Trotman, *op. cit.*, pp. 119-121; D. & R. G. W., *Annual Report* for 1958, p. 8.

<sup>23</sup> C. E. Perkins to Henry Cabot Lodge, March 26, 1877, Personal Letter Book (Cunningham-Overton Collection), III, 262-267.



was a stout defender of it, particularly after he became a vice-president of the C. B. & Q.<sup>24</sup>

In the second place, from the moment Perkins arrived in Nebraska in 1873 he moved heaven and earth to open the Kearney Gateway. When direct appeals to the officials of the Union Pacific as well as to that road's influential stockholders bore no fruit, he actively supported Congressional action to force the gateway open and spent a good part of the winter of 1876-77 in Washington for that express purpose. But although Congress passed one such act in June, 1874, and the Senate Judiciary Committee later approved a more stringent measure, nothing would induce the Union Pacific to change its policy.<sup>25</sup>

Finally, the B. & M. in Nebraska firmly and consistently refused to disturb the profitable interchange of business it carried on with the C. B. & Q. at Plattsmouth and in 1874 and again in 1877 strengthened those arrangements by specific contracts.<sup>26</sup> Furthermore, Perkins continued to do business with the Atchison and Nebraska and with the St. Joseph and Denver in whatever way seemed to the interest of the B. & M. in Nebraska; in short, he acted as a free agent and made it clear he intended to remain one.<sup>27</sup>

Gould's fulminations at what he considered Perkins' impertinence led to rumors that Gould was seeking to acquire stock control of the B. & M. in Nebraska. That, in turn, prompted Perkins to write Forbes late in December, 1875, in a most revealing fashion. "I have never had a suspicion of such a thing, but," he said coolly, "I should think it not a bad scheme for him if he can swing it. B. & M. stock is low and the B. & M. is the most disagree-

<sup>24</sup> *Ibid.*; C. E. Perkins, Memorandum "The Iowa Pool," undated, C-O Collection.

<sup>25</sup> Grodinsky, *Iowa Pool*, pp. 32-33; Grodinsky, *Jay Gould*, p. 133; Trotman, *op. cit.*, p. 121; C. E. Perkins, Memorandum, "The Pro Rata Bill," July 24, 1902, C-O Collection.

<sup>26</sup> Grodinsky, *The Iowa Pool*, pp. 37-38; Grodinsky, *Jay Gould*, p. 133; C. B. & Q., Directors Minutes for April 2 and June 15, 1877, C. B. & Q. Record Book, II, 511, 521.

<sup>27</sup> Grodinsky, *The Iowa Pool*, pp. 39-52, 58-59.

able thorn in the side of the U. P. We are . . . trying to force a route via Kearney and he cannot help seeing the danger of our going to Denver someday—overestimating it perhaps—so all things considered it would not be a bad thing for him to get the B. & M. I don't think," he added emphatically, "the C. B. & Q. can afford to lose the B. & M. as a feeder . . . it would not be pleasant to wake up on Election Day and find that Gould held the control. . . ." <sup>28</sup>

This letter, incidentally, contains the earliest reference I have been able to find to the possibility of building to Denver, though it should be noted that Perkins characterized the danger as one that Gould might be overestimating. Nevertheless it was an idea, and it is fair to say that from then on, it was increasingly in Perkins' mind.

Needless to say, Gould did not succeed in acquiring any considerable amount of B. & M. stock. Although it was widely held, its holders generally looked to Forbes for advice, and there was little doubt as to what that advice would be. But Gould was undismayed. Early in 1877 he declared that even though it turned out to be his last official act, he was determined to defeat the Burlington and to smash the Pool by allying the Union Pacific with the Rock Island and Northwestern. For a brief moment it appeared that he might succeed, for early in 1877, taking advantage of a sharp drop in the stock market, he acquired large interests in both the Northwestern and Rock Island and, along with Sidney Dillon and Oliver Ames, entered the directorates of both roads. <sup>29</sup>

Typically enough, however, Gould made a sudden switch of policy and instead of trying to isolate the Burlington, offered to lease the B. & M. if only that road would give up its fight to open the Kearney Gateway. On March 24, 1877, the C. B. & Q. board, with Forbes and Griswold strongly protesting, voted to accept this proposal. The dis-

---

<sup>28</sup> C. E. Perkins to J. M. Forbes, December 28, 1875, Personal Letterbook, No. 2, pp. 424-425.

<sup>29</sup> Grodinsky, *The Iowa Pool*, pp. 67, 74; Grodinsky, *Jay Gould*, pp. 134-135.



cussion must have been warm, however, for before the meeting ended it was determined to lay the resolution on the table.<sup>30</sup> Undismayed, within a week Gould made another suggestion to the effect that the Pool roads and the Union Pacific among them lease the B. & M. which thereafter should deliver all its traffic to the Pool roads and give up its fight for a pro rata bill. In return, the Pool lines were to acquire \$1,000,000 of B. & M. bonds and guarantee a portion of the interest on B. & M. debt. Furthermore, Gould proposed that both the B. & M. and the Union Pacific should agree not to make any further extensions until 1884.<sup>31</sup>

When this proposal came before the board, President Robert Harris of the C. B. & Q. was in favor of naming a committee to give it further study. As might have been expected, Perkins was violently opposed, and even though Forbes was named on the committee, he flatly refused to serve on it. Indeed, he and Perkins doubted that any conference with the other parties would be in the interest of the C. B. & Q. "as a peace measure or otherwise."<sup>32</sup> What Perkins thought about the whole business is revealed in a letter he wrote to Lodge about the same time: "My judgment is that his [Gould's] attacks should be met by the C. B. & Q. with counter-attacks. If you yield now to his unjust and impudent demands, the same policy will be adopted by him whenever in the future the C. B. & Q. does not follow his bidding."<sup>33</sup>

Nevertheless, the committee Harris advocated was named and for several weeks negotiations were held both in the East and in Chicago. But it was Perkins, by deliberately demanding so much for the B. & M., who wrecked the prospects. Furthermore, Forbes was determined not to risk any interruption in the cordial relationships between the B. & M. and the C. B. & Q. Finally, Gould overreached

<sup>30</sup> Directors' Meeting, March 24, 1877, Record Book, II, 507-508.

<sup>31</sup> Overton, *Burlington West*, p. 398.

<sup>32</sup> Directors' Meeting, April 2, 1877, Record Book, II, 511.

<sup>33</sup> C. E. Perkins to Henry Cabot Lodge, March 26, 1877, Personal Letterbook, No. 3, pp. 262-267.



himself by trying to force agreement to the proposed Quintuple Contract by diverting Union Pacific traffic away from the Pool roads over the Council Bluffs and Hannibal and St. Jo as an indication of what might happen if his proposals were not accepted.<sup>34</sup> When, in mid-June, 1877, the C. B. & Q. and the B. & M. renewed their contract for traffic interchange at Plattsmouth, the Quintuple Contract was dead. As Grodinsky has summarized it: "Gould had lost his fight to break up the Iowa Pool, and it was the Burlington that had defeated him."<sup>35</sup>

Thus the struggle, begun in 1873, ended in a complete stalemate. The Kearney Gateway was still tight shut, but on the other hand the Pool was thriving, B. & M.-C. B. & Q. relations were better than ever, and Perkins was still free to do as he thought best in southeastern Nebraska. Indeed, relative peace reigned west of the Missouri River, for despite their other differences, the Union Pacific and B. & M. worked out a gentleman's understanding by which the B. & M. agreed to stay south of the Platte River, while the Union Pacific was to have a free hand to develop the region north of it.<sup>36</sup>

### C. MOBILIZING ON ALL FRONTS, 1877-81.

Among other things, this agreement with the Union Pacific left the B. & M. free to develop the Republican River Valley, and early in 1878 the management decided to do so. The company owned a broad expanse of granted lands in Webster, Franklin, and Adams Counties that were ripe for colonization. Thus on March 28, 1878, various officers of the B. & M. and of the C. B. & Q., including Perkins, organized the Republican Valley Railroad Company to build a line from Hastings on the main stem of the B. & M. to Red Cloud, and thence directly west through

---

<sup>34</sup> Grodinsky, *The Iowa Pool*, pp. 81-85; Grodinsky, *Jay Gould*, pp. 136-137.

<sup>35</sup> Grodinsky, *Jay Gould*, p. 137.

<sup>36</sup> Grodinsky, *Jay Gould*, p. 168; Thomas Milburn Davis, "George Ward Holdrege and the Burlington Lines West" (Ph.D. thesis, University of Nebraska, 1939), p. 98.



Franklin County.<sup>37</sup> On November 4, 1878, the forty-mile stretch from Hastings to Red Cloud was ready for business, thereby opening up no less than 250,000 acres for settlement. Meanwhile, on September 5, the company was leased to the B. & M. Construction was continued directly westward and service open to Bloomington, twenty-eight and one-half miles beyond Red Cloud, on March 10, 1879.<sup>38</sup>

Meanwhile, the Colorado railroad pot was bubbling merrily as usual, and in view of the fact that Gould quite understandably regarded the Burlington as his chief antagonist west of the Missouri, what was happening in Colorado was pertinent indeed to his own schemes.

In March, 1876, the Santa Fe reached Pueblo and within a month the Rio Grande extended its rails southward to El Moro, not far from Trinidad. Inevitably these two companies would clash for control of the traffic that was sure to develop, but that is another story. Pertinent here is the fact that for the moment, in 1877, the Union Pacific, Kansas Pacific, Rio Grande, and Santa Fe agreed among themselves upon the division of transcontinental traffic originating in Colorado and New Mexico. Pertinent, too, is the fact that owing to financial difficulties General Palmer was forced to lease his road to the Santa Fe in December, 1878.<sup>39</sup> Meanwhile, Gould helped the Colorado Central extend its road from Longmont to a connection with the Union Pacific just west of Cheyenne. Furthermore, by the summer of 1878, Evans' South Park Road was completed to within striking distance of Leadville.<sup>40</sup>

These developments, disconnected as they may seem, all had a bearing on Gould's struggle with the Burlington. As things stood in 1878, the Burlington could transact business with Denver by only three routes: by way of the Kansas Pacific, by way of the Santa Fe-Rio Grande, or

---

<sup>37</sup> Baldwin, *Corporate History*, p. 325; Overton, *Burlington West*, pp. 329-332.

<sup>38</sup> Baldwin, *Corporate History*, pp. 326, 328.

<sup>39</sup> Herbert O. Brayer, "History of Colorado Railroads" in *Colorado and Its People*, Leroy R. Hafen, ed. (Denver, 1948), pp. 647-656.

<sup>40</sup> Brayer, *loc. cit.*, pp. 646, 653.





OFFICIALS OF THE B. & M. R. R. R. CO.

TAKEN IN 1871, AT BURLINGTON, IOWA

R.S. Skinner

Geo. O. Manchester

D. Dorman

Wm. Irving

Geo. Challender

J.E. Vaughan

J.W. Ames

T.J. Potter

E.C. Brown

C.H. Smith

S.H. Mallory

C.E. Yates

E.E. Fayerweather

W.B. Strong

C.E. Perkins

Judge Rorer

A.E. Touzalin

Geo. S. Harris

Capt. Beckwith





Jay Gould





Charles E. Perkins



# BURLINGTON ROUTE

## CHICAGO, BURLINGTON & QUINCY R.R.

Between Chicago, White Cloud, Table Rock, Red Cloud, Bloomington, McCook, Akron and Denver, via Quincy and Kansas City.

No. 5.	No. 3.	Miles	In Effect Nov., 1883.		No. 4.	No. 6.
P. M.	P. M.		Lv.	Ar.	A. M.	P. M.
12.15	10.00	0	Lv. Chicago	Ar.	6.55	4.10
3.10	1.10	84	" Union Pass. St'n Lv.	"	3.55	11.05
6.35	4.35	168	" Mendota	"	12.35	8.00
10.35	8.35	268	Ar. Quincy	Lv.	6.45	4.30
10.50	10.50	298	Lv. Quincy	Ar.	4.45	4.10
3.35	3.40	366	" Brookfield	Lv.	12.05	11.50
6.30	6.35	433	" Cameron Junc.	"	9.30	9.30
8.35	9.05	487	Ar. Kansas City	Lv.	7.00	7.00
	9.55	497	Lv. Kansas City	Ar.	6.10	
	11.40	532	" Atchison	Ar.	3.45	
	12.54	566	" White Cloud	Lv.	3.27	
	1.36	585	" Falls City	"	1.45	
	2.35	614	" Table Rock	"	12.45	
	4.00	658	" Wymore	"	11.15	
	6.58	740	" Guide Rock	"	7.53	
	7.25	760	" Red Cloud	"	7.50	
	8.08	772	" Riverton	"	6.45	
	8.37	786	" Bloomington	"	6.18	
	8.58	800	" Republican	"	5.58	
	11.00	887	" Indianola	"	4.05	
	11.30	879	" McCook	"	3.45	
	11.50	890	" Culbertson	"	3.15	
	4.20	1022	" Akron	"	11.40	
	7.25	1135	Ar. Denver	Lv.	7.30	

Passengers by this Line going to

## KANSAS CITY

or to any point beyond, DO NOT FORGET to tell the Ticket Agent that you want your ticket to read

BY WAY OF QUINCY  
AND THE OLD RELIABLE

**HANNIBAL & ST. JOSEPH  
SHORT LINE.**

This has ever been the Popular Route with all classes of travel, because of their great

**THROUGH CAR SYSTEM.**

It is positively the only Western Line that runs

**Parlor Cars with Reclining Chairs,**

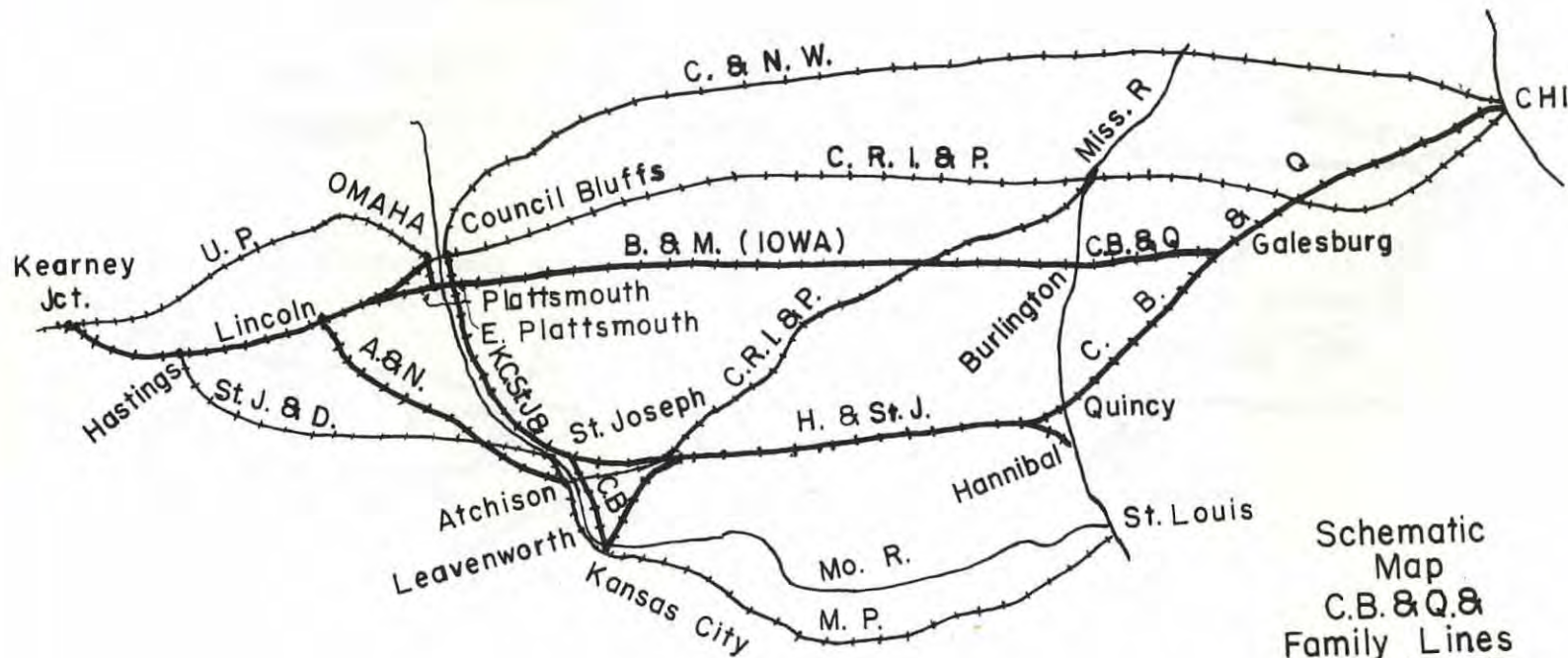
seats free, between Chicago and Kansas City, through without change, on both day and night trains, and makes direct connection in the Grand Union Depot at Kansas City with through trains for all points in the

**GREAT SOUTHWEST**

If service on the Burlington was not speedy, it was at least gracious.

BBY, General Agent, 20 & Larabee Sts., Denver, Col.

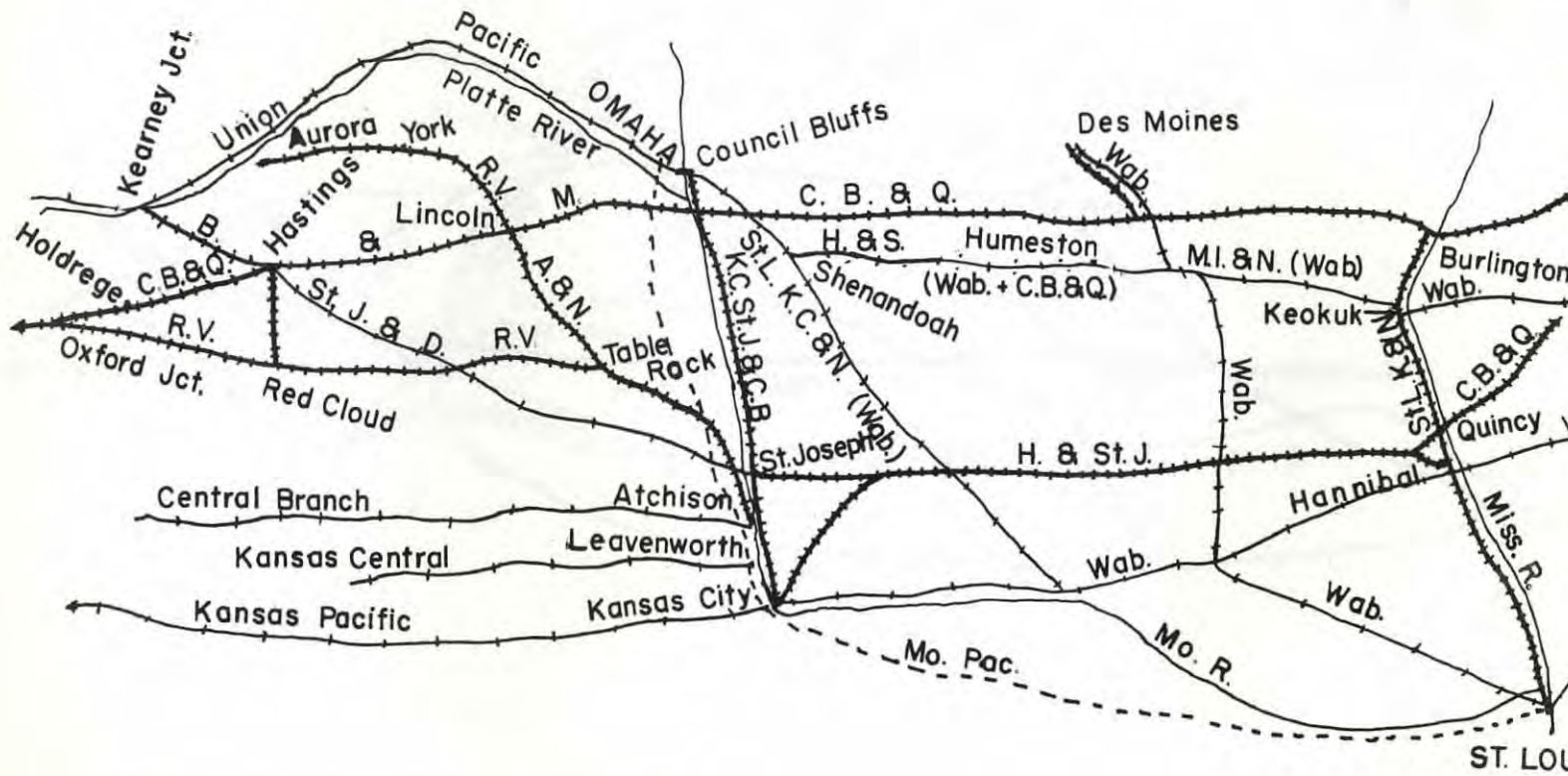
NAT. BROWN, Traveling Agent, Burlington, Iowa.

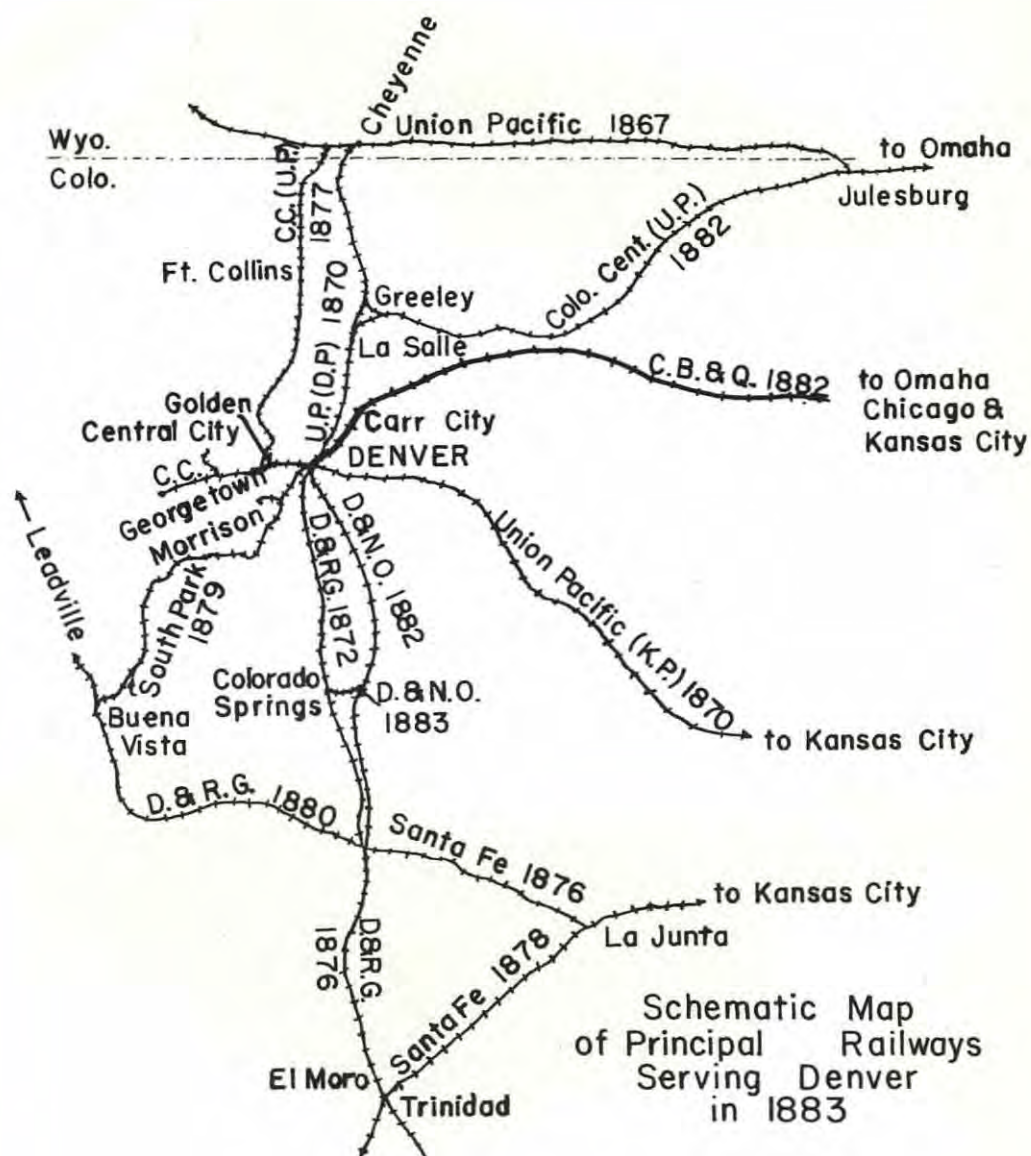


Schematic  
Map  
C.B. & Q. &  
Family Lines  
in 1869-73



Schematic Map  
C.B. & Q. & Family Lines + Wabash  
& other Gould R.R. properties  
1879-1884







over the Union Pacific itself and thence to Denver by either the Denver Pacific or Colorado Central. Since the Union Pacific was firmly in Gould's hands, he had nothing to worry about from the Burlington in that respect, and since the Santa Fe was standard-gauge while the Rio Grande was then narrow-gauge, the joint route those companies offered the Burlington hardly seemed attractive.

Thus by a process of elimination it was no surprise that both Forbes and Gould, in the spring of 1878, were investigating the possibility of acquiring the Kansas Pacific.<sup>41</sup> Suffice it to say that while Forbes was making his usual careful investigations, Gould stepped in, in the spring of 1878, and captured the Kansas Pacific.<sup>42</sup>

Perkins was not only fully aware of the implications of this move, but rightly worried about the local situation in Nebraska, for rumors reached him that Gould was preparing to break the gentlemen's agreement by invading the B. & M's South Platte territory. "In my judgment," he wrote on April 13, "the best use those interested in B. & M. and C. B. & Q. can make of their money in Nebraska after building the line from Hastings and the valley is to buy or control the Atchison and Nebraska and the St. Jo and Denver roads."<sup>43</sup> On May 6, his warning to Forbes was even more emphatic: "Gould's control of . . . Kansas Pacific and his movements in Nebraska raise the question whether we haven't let our opportunity go by. In his game for wealth and power it may be a question worth considering how much money he would probably be willing to invest for the sake of defeating an aristocrat like yourself. His social inferiority galls him and his great success as a gambler and organizer makes him bold. Your constituents are afraid of him, and now since the Kansas Pacific sur-

---

<sup>41</sup> Grodinsky, *Jay Gould*, pp. 167-170; C.B.&Q. Directors' Meeting, July 18, 1878, Record Book III, 557.

<sup>42</sup> Grodinsky, *Jay Gould*, p. 167; Trotteman, *op. cit.*, p. 149.

<sup>43</sup> C. E. Perkins to W. H. Forbes, April 13, 1878, Personal Letter-book No. 4, pp. 71-72.

render, we are about the only fighting enemies left against him. . . . In short, he is more dangerous than ever. . . ."<sup>44</sup>

Less than a week later, Perkins learned that the Union Pacific had amended the articles of incorporation of the Omaha and Republican Valley Railroad so as to enable them to build into virtually every county in southern Nebraska. Perkins realized that the U. P. had no intention of carrying out all aspects of this threat, but feared they might build to Lincoln where, from his standpoint, they would be most unwelcome. Hence he suggested that it might be well to survey the country between York and Grand Island. It was, he said, first-class land, "and were it not for keeping the peace with Gould, it would be a good thing for us to do on its merits. . . . I believe these demonstrations on our part would pave the way for some sort of friendly intervention which would result in a treaty. . . . We are in a position to hurt the U. P., and I don't know that we shall ever have peace until we convince Gould that we mean to do it if he hurts us."<sup>45</sup> This statement suggests that Perkins, like Forbes, preferred peace to war, but he was enough of a realist to understand that nothing would stop Gould except a threat of immediate retaliation. Equally significant was his brief postscript: "Parties in Colorado are anxious to talk with us and say there is a better route to Ogden than the U. P. How would it do to keep up that talk and perhaps send someone out there?"<sup>46</sup>

Throughout the winter and early spring of 1878-79 Perkins wrote several letters to his old friend of Iowa days, Henry Strong, asking his opinion of whether it was worth while for the B. & M. to build "through a wilderness" to Colorado; on March 19, 1879, he asked him bluntly: "Would you put money into a road from the end of the B. & M. to

---

<sup>44</sup> C. E. Perkins to J. M. Forbes, May 6, 1878, Personal Letter-book No. 4, pp. 78-80.

<sup>45</sup> C. E. Perkins to J. M. Forbes, May 12, 1878, Personal Letter-book No. 4, pp. 84-87.

<sup>46</sup> *Ibid.*



Denver with a B. & M. obligation of some kind behind it?"<sup>47</sup> Denver indeed was by now very much in Perkins' mind, and well it might be, for early in 1879 Gould had leased the entire Colorado Central on behalf of the Union Pacific, and was rapidly increasing his holdings as well as his influence in both the South Park and the Rio Grande.<sup>48</sup>

It was on the eastern front, however, that the danger was most acute. Despite Perkins' warnings, Gould captured the St. Joseph and Denver which cut squarely across the Burlington's rich South Platte territory. Under the circumstances, countermoves seemed in order without, if possible, bringing on a full-fledged war with the Union Pacific. Accordingly, the articles of incorporation of the Republican Valley Railway were amended on May 24, 1879, to permit that company to build to the west line of Red Willow County (just beyond the present city of McCook) and also, in line with Perkins' earlier suggestion, from Hastings to York "with such branches as may hereafter be determined." At the same time, the company secured authority to build eastward from Red Cloud to Wymore, Table Rock and Nemaha.<sup>49</sup> Construction did not start immediately, but the appearance of a Union Pacific survey party locating a direct route from Kearney to Orleans was enough to set the wheels in motion.<sup>50</sup> Consequently, building was started at once; the York-Aurora segment was completed in November, 1879, and on May 23, 1880, the westward extension reached Indianola, 107 miles west of Red Cloud. There, for the time being, the western terminus was established, pending further developments in the strategic warfare. Meanwhile, construction was under way on the east leg from Red Cloud toward Table Rock.<sup>51</sup>

<sup>47</sup> C. E. Perkins to Henry Strong, November 23, 1878, Personal Letterbook No. 4, p. 148; C. E. Perkins to Henry Strong, March 19, 1879, Personal Letterbook No. 4, p. 228.

<sup>48</sup> Brayer, *loc. cit.*, pp. 646, 657; M. C. Poor, *The Denver, South Park and Pacific* (Denver, 1949), p. 195; Trotzman, *op. cit.*, pp. 193-194.

<sup>49</sup> Trotzman, *op. cit.*, p. 151; Grodinsky, *Jay Gould*, pp. 168-169; Baldwin, *Corporate History*, p. 325; Davis, *op. cit.*, pp. 96-97.

<sup>50</sup> Davis, *op. cit.*, pp. 97-98.

<sup>51</sup> Baldwin, *Corporate History*, opposite p. 325; pp. 326-327.



It was against this broad background that Perkins concentrated on the Denver problem. To Forbes on May 30, 1879, he reported that it appeared likely that the Santa Fe's lease of the Rio Grande would be declared invalid, and that Palmer would be left a free agent. Furthermore, said he, Evans' South Park road had not yet been sold to Gould, but "he is after it, and will get it unless we or somebody else step in. If we were clear about going to Denver, it would be expedient to see Evans without delay. It does seem to me clear that sooner or later the B. & M. in Nebraska must work through there, and I don't know but we had better make up our minds to do it and push on. . . . I doubt if we can long depend on any business not controlled by our own line, and if that is what it is coming to, we ought perhaps to go through to the mountains."<sup>52</sup> Perkins was, of course, well aware of the poor condition of both the South Park and the Rio Grande, but he thought that it might be possible to make peace between Palmer and the Santa Fe, and then join with the Santa Fe in the ownership of Palmer's road.

Writing to George Tyson, president of the B. & M., on the next day, Perkins was more specific. The whole question, he thought, should be looked at from the standpoint of the C. B. & Q. as well as the B. & M. Of the three existing routes to Denver, both the Union Pacific and Kansas Pacific were in "unfriendly hands and liable to be used against the C. B. & Q., especially if the B. & M. in Nebraska, which is of course regarded by them as C. B. & Q., is seen to be approaching Denver even at a moderate rate."<sup>53</sup> On the other hand, the Santa Fe, with its strong ties through interlocking directors in Boston, could be presumed friendly to the C. B. & Q. Yet that was the long route to Denver, and involved a change of cars to the narrow-gauge Rio Grande at Pueblo. "I do not know what Gould is up to," continued Perkins, "but Boston is a pet aversion with him,

---

<sup>52</sup> C. E. Perkins to J. M. Forbes, May 30, 1879, Personal Letter-book No. 4, insert following p. 260.

<sup>53</sup> C. E. Perkins to George Tyson, May 31, 1879, Personal Letter-book No. 4, pp. 261-266.



and a Boston railroad seems to have the same disagreeable influence upon him that holy water is said to have on his great prototype. It seems natural, therefore, that Boston railroads should join hands to protect themselves against him."<sup>54</sup> Consequently he again suggested that the C. B. & Q. might arrange a new deal between Palmer and the Santa Fe which might even include the South Park, and provide for a fair division of Colorado business. If that could be done, said he, there could be "no question whatever as to the extension of the B. & M. at once." He wound up by showing that the B. & M. could provide a through Chicago-Denver route approximately 100 miles shorter than the Kansas Pacific, 125 miles shorter than the Union Pacific, and nearly 200 miles shorter than the Santa Fe.<sup>55</sup>

However intriguing Denver prospects might be, however, the immediate threat to the Burlington was still on the eastern front. In the fall of 1878, C. K. Garrison, then in control of the Missouri Pacific, became president of the Wabash as well. This energetic character also held a substantial stock interest in the St. Louis, Kansas City & Northern which operated a direct line between St. Louis and Kansas City. No sooner did Garrison become head of the Wabash than he revived a long-discussed project to extend the St. Louis, Kansas City & Northern from a point in northwestern Missouri to Omaha. This in itself would have been ominous enough for the Burlington, but when Gould purchased control of the Wabash in April, 1879, and then in the summer acquired control of the St. Louis, Kansas City & Northern as well, the situation became critical. Gould promptly consolidated the two roads into a new and enlarged Wabash, and in October finished the extension into Omaha, thus providing another direct outlet for the Union Pacific that constituted a most serious threat for the Iowa Pool roads.<sup>56</sup>

---

<sup>54</sup> *Ibid.*

<sup>55</sup> *Ibid.*

<sup>56</sup> Grodinsky, *Jay Gould*, pp. 192-199; Grodinsky, *The Iowa Pool*, p. 115.

Nor was this all. Extending westward 250 miles from Atchison lay the Central Branch Union Pacific which, despite its name, had no relation to the transcontinental. It had once hoped to build to a junction with the U. P., but when the Kansas Pacific had outstripped it to Denver, it had seemingly lost much of its value. In 1877, however, new management headed by R. M. Pomeroy took over, and two years later a subsidiary was organized to build into Denver. Thereupon both Garrison of the Missouri Pacific and Forbes of the Burlington as well as others appeared as potential buyers. But once again Gould moved more rapidly than anyone else, and at a fancy price gained control of the property.

Just south of the Central Branch lay the Kansas Central, stretching over one hundred miles due west from Leavenworth. This the Missouri Pacific acquired in the spring of 1879, thus posing a substantial threat to Gould, since the road could be built either northwest to a connection with the B. & M. or Union Pacific, or extended all the way to Denver. Under the circumstances there seemed but one course for Gould to follow, and with customary boldness he chose it: by late fall, 1879, he acquired control of the Missouri Pacific itself. Thus by the end of the year 1879, Gould had forged a ring around both the Union Pacific and the B. & M.; his control of the Wabash and Missouri Pacific in the East, along with the Central Branch and the Kansas Central gave new strength to his Kansas Pacific, while in Colorado his already strong position was improved when he acquired control of the Rio Grande in the latter part of 1879.<sup>57</sup>

To this menacing encirclement, both the Burlington and the Union Pacific reacted sharply, though in far different ways. Ever since September, 1879, special committees of the C. B. & Q. and the B. & M. had been meeting in an effort to agree upon a basis of consolidation, but progress was painfully slow because the Nebraska road simply

---

<sup>57</sup> Grodinsky, *Jay Gould*, pp. 175-178; Trottman, *op. cit.*, pp. 158-161; Brayer, *loc. cit.*, pp. 646, 657.



demanded more than the C. B. & Q. thought fair.<sup>58</sup> As time slipped by, Perkins, who was strongly in favor of the merger, grew increasingly restive. "If we succeed in first coming to terms with the B. & M.," he wrote Forbes on December 20, "and then making a *temporary* agreement with Mr. Gould not to go to Denver, the best use we can make of our time while the temporary agreement, if made, lasts, is to arrange terms with the Atchison, Topeka and Santa Fe for consolidation or its equivalent. When that is done we shall be ready to go ahead with the B. & M. . . ."<sup>59</sup> It is worth noting that Perkins referred to any agreement with Gould as temporary; elsewhere he referred to it as a "truce."<sup>60</sup> Indeed, Gould expressed his willingness to confer with the C. B. & Q. officials sometime in January, and Perkins successfully used this projected meeting to put pressure on the B. & M. committee to reach terms with the C. B. & Q. On New Year's Day, 1880, the B. & M. accepted the C. B. & Q. offer of consolidation. The stockholders of both roads ratified the proposed contract, so that by the middle of 1880, both the B. & M. and its controlled Republican Valley Railway became a part of the C. B. & Q.<sup>61</sup>

The reaction of the Union Pacific to Gould's encirclement was far different; Gould was now in a position to force the transcontinental to buy not only the Kansas Pacific, and its controlled Denver Pacific, but also the Central Branch, the Kansas Central, and the St. Joseph & Denver. By the end of January, 1880, the transaction had been completed, and Gould was paid off on a share-for-share basis in stock of the Union Pacific. All these roads then became, and have remained since, a part of the Union Pacific, al-

---

<sup>58</sup> C.B.&Q. Directors' Minutes, September 12, October 10, November 6, November 20, December 11, 1879, Record Book, III, pp. 602, 604, 605, 608, 611.

<sup>59</sup> C. E. Perkins to J. M. Forbes, December 20, 1879, Personal Letterbook, No. 4, pp. 384-385. Italics supplied.

<sup>60</sup> C. E. Perkins to George Tyson, December 27, 1879, Personal Letterbook No. 4, p. 394.

<sup>61</sup> C.B.&Q. Directors' Minutes, January 1, 3, 23, February 18, 28, 1880, Record Book No. 3, pp. 612-614, 618-627; C.B.&Q. to E. C. Wright, October 28, 1946, pp. 6-7.

though the Central Branch was promptly leased, but not sold, to the Missouri Pacific.<sup>62</sup>

Perkins, despite the C. B. & Q.-B. & M. consolidation, refused to be lulled by any false sense of security. "Gould is intoxicated with his extraordinary success," he wrote Forbes on February 11, 1880. "He is rich and can afford to gratify his dislikes, and his getting into position to rake our works strengthens him as against us west of the Missouri River where I fancy his personal interests mostly lie, and where we—that is the C. B. & Q. and its friends, the Boston people including the Santa Fe—are his only antagonists. My theory therefore is that Gould will buy anything that will help him to hold a sword over our heads. Each new acquisition brings him new followers and adherents, and he is not the first man whose thirst for power has increased with every new accession."<sup>63</sup>

The fact that Gould was busily making peace in Colorado was all the more ominous. There he encouraged Palmer and the Santa Fe to reach an agreement on February 2, 1880, by which the Santa Fe abrogated its lease of the Rio Grande and dropped all pending litigation. Palmer thereupon agreed to purchase from the Santa Fe all improvements that had been made on the Leadville line. He agreed also not to build east of the existing line between Denver and El Moro, or south of a point seventy-five miles south of Conejos in the San Luis Valley. For its part, the Santa Fe agreed not to build north or west of Pueblo for ten years.<sup>64</sup> In the very next month, the Union Pacific, Santa Fe, and Rio Grande made a tripartite agreement for the division of Colorado traffic.<sup>65</sup>

By these moves Gould freed himself to concentrate on the eastern front where, as Perkins fully expected, trouble

<sup>62</sup> Trotman, *op. cit.*, pp. 160-174; Grodinsky, *Jay Gould*, pp. 178-180.

<sup>63</sup> C. E. Perkins to J. M. Forbes, February 11, 1880, Personal Letterbook No. 4, pp. 463-468.

<sup>64</sup> Brayer, *loc. cit.*, pp. 657-658.

<sup>65</sup> Grodinsky, *Jay Gould*, p. 182; Overton, *Gulf to Rockies*, pp. 23, 42.



promptly developed. Gould was already buying into the Hannibal & St. Jo, and before long Perkins heard he was after the Council Bluffs as well. Perkins immediately warned Forbes, and this time the latter needed no further urging, for the strategic value of the Council Bluffs to the C. B. & Q. was indisputable.<sup>66</sup> Although the C. B. & Q. was forced to pay \$125 per share for its stock and income bonds, there was no alternative; by May enough securities had been obtained to keep the property out of Gould's hands and thus keep at least one gateway open to Kansas City.<sup>67</sup>

No sooner was this threat eliminated than Gould announced his intention to extend the Missouri, Iowa & Nebraska—which ran from a point just south of Keokuk to Humeston in mid-Iowa—all the way to the Missouri River, thus invading the home territory of the Burlington; the proposed line in conjunction with the Wabash would make a short route between Omaha and such points as St. Louis, Peoria, and Toledo.<sup>68</sup> Perkins promptly informed Humphreys, president of the Wabash, that if the latter's threat of construction in southern Iowa were carried out, the C. B. & Q. would build a parallel line. Humphreys as promptly retorted that in that event he would build roads in Nebraska.<sup>69</sup> "I conclude," Perkins wrote Forbes on September 16, "that Gould either can't or won't make peace. I don't believe he can't, and that leaves only the conclusion in my mind that he won't." Perkins thereupon outlined a compromise which he thought might save warfare and needless construction, namely that the Wabash and Burlington jointly build a line between Humeston and Shenandoah, a town on the Wabash's Omaha extension in western Iowa. The proposed company would be managed for the joint benefit of the two owners. At the same time, Perkins thought a general agreement should be made as to non-

---

<sup>66</sup> C. E. Perkins to J. M. Forbes, March 15, 1880.

<sup>67</sup> Grodinsky, *Jay Gould*, pp. 233-234; C.B.&Q., AR, 1880, p. 18.

<sup>68</sup> Grodinsky, *Jay Gould*, pp. 208, 228-231.

<sup>69</sup> Grodinsky, *Jay Gould*, p. 240.

invasion so as to stabilize the situation both in Iowa and west of the Missouri.<sup>70</sup>

At a peace conference in New York in October, 1880, attended by officials of the Burlington, Wabash, and Union Pacific, this is precisely what was agreed upon. The Iowa line was built as Perkins had suggested.<sup>71</sup> Far more important, however, was the general territorial understanding arrived at among the three railroads. For its part, the Burlington agreed to permit the Wabash to build a certain number of small branch lines in Iowa, and, of paramount importance, not to extend the B. & M. to Denver. In return, the Wabash promised not to build any main or through lines in southern Iowa, while both the Wabash and the Union Pacific solemnly agreed not to extend their roads into southern Nebraska.<sup>72</sup> There, for the precarious moment, matters rested.

It was late in January, 1881, that Governor John Evans wrote an enthusiastic letter to Perkins outlining his scheme for the Denver and New Orleans which, among other things, was to build a branch to meet the B. & M. somewhere along the Republican River Valley.<sup>73</sup> Perkins' reaction was cool to say the least. He thanked the Governor for his inquiry, but said he did not think he himself could raise any money for the scheme though he would pass it along to his friends in Boston.<sup>74</sup> In doing so, Perkins observed to Coolidge that the only important question was to whom the Governor might sell his road. "He and his crowd did so well in the South Park," commented Perkins, "that they want more of the same kind."<sup>75</sup> The reasons for Perkins' skepticism are

---

<sup>70</sup> C. E. Perkins to J. M. Forbes, September 16, 1880, Personal Letterbook No. 5, pp. 159-162; C.B.&Q., Directors' Minutes, October 9, 1880, II, 664.

<sup>71</sup> Grodinsky, *Jay Gould*, pp. 242-243; Baldwin, *Corporate History*, pp. 171-173.

<sup>72</sup> C.B.&Q. Directors' Minutes, October 23, 1880, II, 666 ff.; Grodinsky, *Jay Gould*, p. 243.

<sup>73</sup> John Evans to C. E. Perkins, January 25, 1881, Evans Letter Book (C&S Archives, Denver), pp. 215-18, 220.

<sup>74</sup> C. E. Perkins to John Evans, January 29, 1881, Personal Letter Book No. 5, p. 274.

<sup>75</sup> C. E. Perkins to T. J. Coolidge, January 29, 1881, Personal Letter Book No. 5, p. 275.



not hard to fathom. Late in 1880, Evans had sold out his South Park to Gould and the Union Pacific, and the implication was that he might do the same thing with the Denver & New Orleans. Obviously the prospect of the C. B. & Q. having a connection into Denver subject to Union Pacific control was unthinkable. Second, it was perfectly apparent that Evans was flying squarely in the face of the iron-bound tripartite agreement by which the Union Pacific, Santa Fe, and Rio Grande were happily dividing all Colorado traffic. Finally, Perkins was by now convinced that it was indeed poor policy to rely upon connecting lines; a feeder as essential as any Denver extension would be should certainly be controlled outright. Be that as it may, the precarious peace on the eastern front was about to be broken, and there, for the moment, Perkins' attention was riveted.

#### D. OPEN WARFARE AND VICTORY, 1881-83.

Taking advantage of the provision in the 1880 treaty whereby the Wabash could build local lines in Iowa, Gould, early in 1881, organized a north-south line into Des Moines directly across the main stem of the Burlington. Most certainly this was a violation of the spirit if not of the actual provisions of the peace treaty. Yet for the moment the Burlington elected to overlook the incident.<sup>76</sup>

What the Burlington could not overlook was Gould's decision in the late spring of 1881 to extend the Missouri Pacific from Atchison northward, on the west side of the Missouri River, to a connection with the Union Pacific at Omaha. When rumors of this move reached Perkins, he immediately wrote Gould directly for confirmation. Within a week Gould replied that this was indeed his plan, and that since the Burlington had recently acquired the Atchison and Nebraska over which the Missouri Pacific had formerly secured access to Omaha, and also the Council Bluffs road, the Burlington had no right to object.<sup>77</sup>

<sup>76</sup> Grodinsky, *Jay Gould*, p. 244.

<sup>77</sup> Grodinsky, *Jay Gould*, pp. 245-246; Baldwin, *Corporate History*, pp. 345-354.

For a brief moment Forbes and his Boston associates withheld action in the hope that a new peace treaty might be worked out. Perkins suffered from no such delusions. "Gould is building his Missouri Pacific into Nebraska notwithstanding his agreement last summer as head of the Union Pacific not to do so," he wrote General Palmer on June 26. "I do not know yet what we may do about it. The C. B. & Q. are strongly inclined in these times to conservatism. But," he went on, "if they won't build a road of their own to Denver, and if you want another string to your bow by having another outlet and should propose to me to raise half the money to fill the gap between the end of our Nebraska line and Denver—about 250 miles—I don't know but I could raise the other half and we could then perhaps build an independent road on joint account on the line which we have laid out or some other, and possibly lease it on satisfactory terms to the D. & R. G. and C. B. & Q. as tenants in common."<sup>78</sup> Perkins, at least, was ready even on his own to rescue the Burlington from its excess of conservatism. Thereupon he left for Boston.

What he said to Forbes and others when he got there is unfortunately not a matter of record. But the fact is that on July 20, the directors authorized Perkins to notify the Union Pacific that the C. B. & Q. regarded the building of the Missouri Pacific line into Omaha as an abrogation of the agreement of October, 1880.<sup>79</sup> As might have been expected, this brought a storm of protest not only from the Union Pacific, but from W. H. Vanderbilt who at the time held a very large interest in both that road and the Burlington. Dillon, president of the transcontinental, stoutly maintained that the Missouri Pacific's proposed construction had been undertaken without his consent and against the protest of the U. P. directors in Boston. It would, he said, be unfair of the Burlington to hold the Union Pacific responsible "for action taken which it could not and cannot

---

<sup>78</sup> C. E. Perkins to W. J. Palmer, June 26, 1881, Personal Letter Book No. 5, pp. 402-403.

<sup>79</sup> C.B.&Q., Directors' Minutes, July 20, 1881, III, 4; Grodinsky, *Jay Gould*, p. 247.



prevent, and which it did not and does not favor."<sup>80</sup> Meanwhile Vanderbilt dispatched a letter to Forbes expressing the same sentiments.<sup>81</sup>

But the day for compromise had passed. In a vigorous letter reflecting Perkins' views, Forbes told Vanderbilt that agreements must depend "not on their legal or technical validity, but upon the honest purpose and determination of the persons participating in their formation to live up to them." One more sharp exchange took place between the principals in the controversy. Aware at last that the Burlington meant business, Gould resorted to his familiar tactic of making even further threats. If the Burlington should extend its line to Denver, said he, he would not only transfer Missouri Pacific business between Hannibal and Chicago to competitors of the Burlington, but would build an independent Missouri Pacific line to Chicago, and extend a series of lateral lines in Nebraska. "We wish peace," he said, "but we are ready for war if you insist on making it. Carrying out your menace of extending your line to Denver means war."<sup>82</sup>

Perkins not only refused to budge an inch, but defied Gould to do his worst. If there were to be war, said he, it was solely because Gould and his associates were building a railroad where the October, 1880, agreement specifically intended that none was to be built. Of course, he said, if the Burlington took no notice of the Missouri Pacific extension, there would be no conflict, but this was true of all threatened railroads when one party submitted. The responsibility for this war, he stoutly maintained, could hardly be charged to the party attacked if it refused to submit. "As to who has been the peacemaker in the past,

---

<sup>80</sup> Dillon to Perkins, July 28, 1881 and Dillon to Bartlett, July 28, 1881, quoted in Grodinsky, *Jay Gould*, pp. 246-251.

<sup>81</sup> W. H. Vanderbilt to J. M. Forbes, July 26, 1881, quoted in Grodinsky, *Jay Gould*, pp. 246-251.

<sup>82</sup> J. M. Forbes to W. H. Vanderbilt, July 30, 1881; Jay Gould to C. E. Perkins, August 4, 1881, quoted in Grodinsky, *Jay Gould*, pp. 247, 251.

and who is responsible for the present difficulty," he concluded, "the record speaks for itself."<sup>83</sup>

Thus, in no uncertain terms, the battle was joined. And once war was declared, action came thick and fast. On August 19, on motion of Forbes, the C. B. & Q. board authorized the Denver extension.<sup>84</sup> On September 5, the articles of incorporation of the Republican Valley Railway were amended to permit it to build to the western boundary of Nebraska and on the same day the Burlington & Colorado Railroad was incorporated in Colorado to carry the line into Denver.<sup>85</sup> All these steps were ratified by the C. B. & Q. stockholders at a special meeting held on September 28.<sup>86</sup>

Meanwhile a most significant change took place in the Burlington organization. On September 14 Forbes announced his determination to retire from the presidency and a committee was named to consider his successor.<sup>87</sup> On September 29 this committee recommended that Charles E. Perkins become president, effective October 1, and that Forbes become chairman of the board. Both proposals passed unanimously.<sup>88</sup> If Gould needed any further assurance that from now on the Burlington would pursue an aggressive policy, this was it.

Actual construction into Denver began in the fall of 1881, and thanks partly to an exceptionally mild winter, and to the vigorous leadership of George Holdrege, T. E. Calvert, and Alex Campbell, proceeded even faster than planned. By early spring, grading was started eastward from Denver as well, and it is worth noting that the first

---

<sup>83</sup> C. E. Perkins to Jay Gould, August 8, 1881, quoted in Grodinsky, *Jay Gould*, pp. 247, 251.

<sup>84</sup> C.B.&Q. Record Book, III, 10.

<sup>85</sup> Baldwin, *Corporate History*, pp. 325, 331.

<sup>86</sup> C.B.&Q., *AR*, 1881, p. 18.

<sup>87</sup> C.B.&Q. Directors' Meeting, September 14, 1881, Record Book, III, 13.

<sup>88</sup> C.B.&Q. Directors' Meeting, September 29, 1881, Record Book, III, 19-21.



steel rails ever rolled in Colorado were laid on this section of the line.<sup>89</sup>

At four o'clock in the afternoon on Thursday, May 24, 1882, George Holdrege drove the last spike at Carr City, about eleven miles east of Denver. The road was opened to the public for through business between Chicago and Denver on May 29.<sup>90</sup> No less than 247 miles of railroad had been completed in 229 working days! Small wonder that the grateful C. B. & Q. directors increased the salaries of Holdrege and his two associates, and sent them each checks for \$500 at Christmas.<sup>91</sup>

Even though the main line to Denver was thus complete, including the brand new division point town of McCook, Holdrege was dissatisfied because from Hastings to Oxford the road traversed two sides of a triangle. Even though it would require sixty-one more miles of construction to build the hypotenuse, it would save seventeen miles on the through route and open up excellent territory in the bargain.<sup>92</sup> Consequently Perkins approved the cutoff in 1883, and it was completed the following summer; appropriately enough, Calvert named the principal town on it Holdrege in honor of his superior.<sup>93</sup>

Emphasis on the Chicago-Denver line should not obscure the fact that while the railhead was moving toward the Rockies, construction was carried on vigorously east of Red Cloud. The through line was opened to Table Rock—the junction with the Atchison and Nebraska—late in 1881, thus providing a through route to Kansas City.<sup>94</sup> When the Hannibal and St. Jo finally returned to the Burl-

---

<sup>89</sup> Baldwin, *Corporate History*, p. 331; Davis, *op. cit.*, pp. 110-113.

<sup>90</sup> *Arapahoe Pioneer*, June 2, 1882, quoted in Davis, *op. cit.*, pp. 112-113; C.B.&Q. *AR*, 1882, pp. 16-18.

<sup>91</sup> C.B.&Q. Directors' Meeting, August 23, December 28, 1882, Record Book, III, 61, 67.

<sup>92</sup> Davis, *op. cit.*, pp. 116-117.

<sup>93</sup> Baldwin, *Corporate History*, pp. 333-334 and opposite p. 333; Davis, *op. cit.*, p. 118.

<sup>94</sup> Baldwin, *Corporate History*, opposite p. 325 and opposite p. 349.

ington family to stay in 1883, this route assumed even greater importance.<sup>95</sup>

By present-day standards, of course, passenger service in those early days was leisurely to say the least. In 1895, for example, the premier westbound train from Chicago made the journey to Denver in thirty-four hours flat, while its eastbound companion required just half an hour less. The fastest time between Kansas City and Denver was twenty-one hours and five minutes, and between St. Louis and Denver, thirty-two hours and twenty minutes. But all these trains carried Pullman sleepers, reclining chair cars, and diners. If service was not speedy, it was at least gracious.<sup>96</sup>

Of course, the arrival of the Burlington as a strong competitor in Denver in the spring of 1882 was a blow to the Union Pacific. Faced with the prospects of another war, however, it could do nothing but admit the newcomer into the hitherto iron-bound tripartite pact. Not only that, but the U. P. was forced to give its Pool connections at Omaha, including the Burlington, more eastbound business, for in that way only could it secure a share of the westbound traffic of the Burlington and the other Pool roads. In sum, the Burlington gained and the Union Pacific lost by Jay Gould's deliberate breaking of the treaty of October, 1880.

"Gould into Perkins equals C. B. & Q. into Denver!"<sup>97</sup>

---

<sup>95</sup> C.B.&Q. Directors' Minutes, April 8, 1883, May 9, 1883. Record Book No. 3, pp. 81-83, 89.

<sup>96</sup> *Travelers Official Guide of the Railway and Steam Navigation Lines in the United States and Canada*, XXVIII, No. 7 (December, 1895), 570-571.

<sup>97</sup> Grodinsky, *Jay Gould*, pp. 248-249.