



Ed Creighton's \$100,000 Loan to Brigham Young

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Full Citation: Dennis N. Mihelich, "Ed Creighton's \$100,000 Loan to Brigham Young," *Nebraska History* 94 (2013): 120-123

Article Summary: Whether or not Omaha businessman Edward Creighton loaned Mormon leader Brigham Young a sum of \$100,000 has long remained historically contentious. We can now verify the loan's existence, the culmination of a long-term business relationship between the future namesake of a Catholic university and the president of the Church of Jesus Christ of Latter-day Saints.

Cataloging Information:

Names: Edward Creighton, John Andrew Creighton, Mary Lucretia Creighton, Brigham Young, Alfred Sorenson

Place Names: Salt Lake City, Utah

Keywords: transcontinental telegraph line, Church of Jesus Christ of Latter-day Saints (Mormons)

Photographs / Images: Edward Creighton, Brigham Young c. 1870, Mary Lucretia Creighton, page from "Inventory of Notes and Securities & Belongings to the Estate of E. Creighton"

Brighton



Brigham Young, about 1870. Wikimedia Commons

Ed Creighton's \$100,000 Loan to Brigham Young

BY DENNIS N. MIHELICH

Whether or not Omaha businessman Edward Creighton (1820-74) loaned Mormon leader Brigham Young (1801-77) a sum of \$100,000 has long remained historically contentious. In 1942, Raymond P. Nielson, chair of the history department at Creighton University, wrote an article about the school's namesake, claiming the existence of the loan and citing references both pro and con. He sought confirmation of the repayment plan from the Mormon archive, but an unidentified member of the staff informed him that the institution had no record of the arrangement.¹ Nonetheless, by looking at Creighton family records we can now verify the loan's existence, the culmination of a long-term business relationship between the future namesake of a Catholic university and the president of the Church of Jesus Christ of Latter-day Saints.

Creighton met Young during a stop at Salt Lake City in December 1860, as he surveyed the route for a proposed transcontinental telegraph line. They had several business dealings during the years that followed.

Alfred Sorenson (1850-1939), city editor of the *Omaha Daily Bee* and the author of three histories of Omaha (1876, 1889, 1924), arrived in the city in 1871, three years before Edward Creighton's death. Given the differences in age and socioeconomic status, the two Omaha residents probably did not socialize. Yet Sorenson occupied a position from which he acquired much information, and gossip, about the Creighton clan. In a 1936 biographical article about Edward, he claimed that during his Salt Lake City stopover, Creighton "made the acquaintance of the great Mormon ruler—Brigham Young—who became his lifelong friend."² However, the veracity of the statement remains in doubt

because the sketch contained several historical errors that diminish its credibility. One involved the repetition of the myth that Creighton helped raise the first pole of the transcontinental telegraph on July 4, 1861. Choosing Independence Day for the start of a piece of technology binding the United States together as the Civil War tore it apart, became a powerful symbol. However, the diary of Charles Brown, Creighton's secretary during construction of the telegraph, identified July 2 as the correct date.

While the nature of the "lifelong friendship" remains questionable, undeniably Creighton and Young forged a business relationship. As to his mid-December sojourn in Salt Lake City, the *Deseret News* reported on Creighton's carrot-and-stick negotiation method—join my venture and profit or I will choose a different route:

Edward Creighton, esq., the agent of the Pacific Telegraph line, arrived here by last mail stage, on Saturday, and is still in the city seemingly puzzled whether to carry the line through Salt Lake City or by way of Santa Fe. He has visited Governor Young, but, I think, failed to particularly interest the gentleman in the enterprise. Mr. Creighton already learned that the Mormon chief's example as shareholder would influence the community, and without it few shares would be taken here. Unless some such encouragement is given, Mr. C. thinks it very doubtful that the telegraph line will pass through this city, for a time at least. He is receiving proposals for supplying poles for 400 east and the same west, but makes no contracts till further informed by his associate agent who went round by the Isthmus to California, as to matters there.⁴



Dennis N. Mihelich is a retired historian, past president of the Nebraska State Historical Society, and author of The History of Creighton University, 1878-2003 (Fordham University Press), and co-editor, with James E. Potter, of First Telegraph Line across the Continent: Charles Brown's 1861 Diary (Nebraska State Historical Society Books).

Despite the seeming lack of stock purchases, the wire did run through Salt Lake City, and Young and his Mormon brethren accrued benefits. Members of the church gained employment on Creighton's construction crews and obtained contracts to supply poles; one of Young's sons furnished the last complement to lead the line into Salt Lake City.⁵ Moreover, according to Sorenson, "Soon after the opening of the Pacific Telegraph, Mr. Creighton sold his oxen and wagons to Brigham Young and engaged in freighting on an extensive scale with an entirely new outfit."⁶

One season after the aforementioned sale, Creighton financed a thirty-five-wagon train, led by his youngest brother John Andrew, laden with 1,000 sacks of flour and herding about 500 head of cattle destined for the newly opened gold mines in Montana. However, heavy rains in the spring of 1862 made rivers impassible, and rumors of hostile Indians along the route combined to divert the enterprise to Salt Lake City. John Creighton proceeded to sell the goods to the Mormons, commanding \$20,000 for the cattle, plus \$10,000 in gold

and another \$10,000 in drafts on Ben Holiday's stage line for the goods. Thereafter, Creighton wagon trains from Omaha regularly stopped at Salt Lake City, where manufactured goods were exchanged for Mormon agricultural products, which in turn made their way to the mining camps in Montana.⁷

Thus, because of a longstanding business relationship and a possible "lifelong friendship" (thirteen years), Edward Creighton had sufficient confidence in Young to loan him an enormous amount of money on January 21, 1874. Numerous forms of calculation exist to convert that \$100,000 to current money equivalents. The purchase power calculator, obtained by multiplying the loan amount by the percentage of increase in the Consumer Price Index, equals \$2.4 million, while the income value would stand at \$25.3 million.⁸

The loan is one of scores listed in the "Inventory of Notes and Securities & Belongings to the Estate of E. Creighton."⁹ Most of those notes were for a few hundred or a few thousand dollars. They existed because of the nature of nineteenth century banking. Mortgages as we know them did not exist; personal loans demanded high percentages of money as collateral and were granted for short periods of time, with high interest. A late nineteenth century joke claimed that the only person capable of gaining a bank loan was a person who did not need one.¹⁰ Thus, borrowers commonly sought loans from wealthy individuals such as Edward Creighton, who also served as president of the First National Bank of Omaha.

The inventory of the estate of Creighton's widow, Mary Lucretia (1834-76), listed a \$416.67 advance interest payment and then a schedule of quarterly payments of \$2,500, which establishes that the "note" was indeed a loan and not a line of credit or a security.¹¹ Unfortunately, the documentation ended with the probating of Mary Lucretia's will in 1878. Without financial records from Brigham Young, one cannot determine the purpose of the transaction. Moreover, since Young died in 1877, if, when, and how the debt was paid remains a mystery. While the inventory of Mary Lucretia's estate listed how she distributed Young's quarterly payments to various relatives, John A. Creighton served as the will's executor and he lived until 1907, well beyond the scheduled ten-year amortization of loan. Thus, while the inventories of the estates of Edward and Mary Lucretia Creighton documented the existence of the loan, the purpose and ultimate repayment of the debt remain an enigma.

NOTES

I want to thank Pat Gaster, James Potter, John Carter, and David Bristow for their insightful comments, which improved the content and organization of this article.

¹ Raymond P. Nielson, "Edward Creighton and the Pacific Telegraph," *Mid-America: An Historical Review*, 24 (January 1942), 67, 73-74.

² Alfred Sorenson, "Biographical Sketch of Edward Creighton," *Nebraska History* 17 (July-September 1936): 165.

³ Dennis N. Mihelich and James Potter, eds., *First Telegraph Line across the Continent; Charles Brown's Diary* (Lincoln: Nebraska State Historical Society Books, 2011), 52.

⁴ Edward Creighton Clipping File, Douglas County Historical Society Library Archive Center, Omaha, Nebraska.

⁵ Mihelich and Potter, 24-25, 52; Robert Luther Thompson, *Wiring a Continent: The History of the Telegraph Industry in the United States, 1832-1866* (Princeton, NJ: Princeton University Press, 1947), 363-68; Barbara Sorensen, *A King and a Prince*

Among Pioneers: Edward and John A. Creighton (M.A. thesis, Creighton University, 1961), 55-69.

⁶ Sorenson, 167.

⁷ Sorensen, 73-78; William E. Lass, *From the Missouri to the Great Salt Lake: An Account of Overland Freighting* (Lincoln: Nebraska State Historical Society, 1992) 131-32, 165, 281n53; J. Sterling Morton, *Illustrated History of Nebraska*, 3 vols. (Lincoln: Jacob North, 1907), 1:629.

⁸ <http://www.measuringworth.com>.

⁹ "Warrant and Inventory," Estate of Edward Creighton, Filed June 16, 1875, Douglas County, County Court, Probate Division, Estate Record C, 134, Nebraska State Historical Society Archive.

¹⁰ Ben Haller, *History of Banking in Nebraska, 1854-1990* (Lincoln: Nebraska Bankers Association, 1990), 27; Federal Reserve Bank of St. Louis, "Were banks special intermediaries in late nineteenth century America?" at <http://www.thefreelibrary.com>.

¹¹ Estate of Mary Lucretia Creighton, Douglas County, County Court, Probate Division, Estate Record D, 19-37, Nebraska State Historical Society Archive.

Page from "Inventory of Notes and Securities & Belongings to the Estate of E. Creighton," showing the loan from Creighton to Young.

July 3 '74	H. Grebe	700	700
Jan 24 '74	" "	500	500
Aug 26 '72	J. M. Bridley	363	363
Feb 24 '71	W. H. Greenhow & Co	175	175
" " "	" " "	175	175
July 11 '72	Thos & Wm Grady	1500	1500
" 1. '73	Harris Taft & W.	1500	1500
" " "	" " "	1500	1500
July 15 '69	W. H. S. Hughes	2000	500
Sept 16 '67	J. K. Ish	12000	12000
July 1 '74	Kountze Bros	25000	25000
Jan 21 '74	S. C. Otter	455 40	455 40
	Brigham Young	100,000	100,000
	1st Nat. Bank Pick	40,000	60,000
	Mechs Club, Que bill	150	150