

## David H. Moffat, Jr.

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**July 22, 1839** David Halliday Moffat, Jr. was born in Washingtonville, New York. He was the youngest of David and Eleanor Cutter Moffat's 8 children. His father owned a grist mill and mercantile. The Scots-Irish Moffat family migrated to New York from Ireland in 1729. Grandfather Samuel Moffat founded Washingtonville after participating in the American Revolution.

**1851-55** At age 12, Moffat went to New York City and started as a messenger boy with the New York Exchange Bank in the burgeoning commercial and financial district of the city. He gained valuable experience and rapid promotions, the last being to Assistant Teller.

**1855** Older brother Samuel moved to Des Moines, Iowa; David followed. David went to work for A. J. Stevens and Company as a teller for the private banking firm involved in farm lending and speculation. The slightly speculative style Moffat learned with this firm became the mark of his later career in Omaha and Denver.

**1856** B. F. Allen, head of another Des Moines banking house, hired Moffat. Allen brought in new partners at the Des Moines operation. Allen and Moffat went to Omaha to establish the Bank of Nebraska. By the end of 1857 Moffat held property valued at over one million dollars.

**1858** Panic of 1857 reached Omaha and the real estate bubble burst. Moffat and the bank went broke. He spent a year trying to untangle the financial chaos of the bank. He did manage to pay off most of the creditors by liquidating assets, but first he distributed a profit to stockholders. Many depositors were paid in Bank of Nebraska notes that continued to haunt Moffat after he went to Denver. One depositor threatened court action. The case was settled out of court and Moffat avoided a blow to his reputation.

### Moffat and Woolworth Stationers

Brothers C. C. and S. B. Woolworth operated book and stationary stores in Omaha, St. Joseph, and Leavenworth. They also conducted an express business with U. S. mail contracts to Pikes Peak region. Moffat became a junior partner in Moffat and Woolworth Stationers in Denver. The winter of 1859-60 was spent in preparing for the new venture. Moffat headed west in mid-February and arrived in Denver Saturday March 17, 1860. Moffat and Woolworth Stationers first opened for business on Ferry Street in Auraria. Later the store was located on Larimer Street, between 14<sup>th</sup> and 15<sup>th</sup>.

Demand for reading material was nearly as great as that for liquor. Moffat charged whatever the market would bear. In addition to books, paper, and other writing sundries, stock soon expanded to include wallpaper, stateside newspapers (contracted in advance), and even the newsprint used by the *Rocky Mountain News*. Express service started carrying supplies for others and some general merchandise. Express wagons returned to the Missouri River with bullion and other commodities. Moffat acquired the telegraph agency for Denver and served as Western Union's first representative in Colorado. The store became the first post office (space in the back of the store) in Denver in 1860. Postmaster Samuel S.

Curtis appointed Moffat as his assistant. The post office remained in the store until a separate building was built in 1866.

**1860** Moffat moved to Denver in the excitement of the Gold Rush. An old Omaha acquaintance, William Newton Byers, was already there publishing the *Rocky Mountain News*. Moffat publicly stated that his goal was to stay in Colorado as long as it took him to make \$75,000 before he returned East to farm.

**1861** In November Moffat returned to New York to marry his childhood sweetheart Frances A. Buckout in Mechanicsville, New York. The wedding took place December 11. During this time his business enterprises were left in the hands of George B. Kassler, whom Moffat had hired in 1860.

**1862** The new Territorial Governor, John Evans, appointed Moffat to be the Adjutant General of the Colorado Militia with the rank of Brigadier General. The main task was to straighten out the existing disorder in procuring supplies for the Colorado Volunteers and Colorado Militia. Reports indicate he discharged his responsibilities ably and held the post until 1865. The real significance of this job was to establish a close working relationship with John Evans.

**1863** Fire destroyed much of the Denver business district April 19. Moffat immediately sent applications to Eastern insurance companies to be their representative for property insurance in Denver. The Home Insurance Company of New Haven, Connecticut named him the company's agent in Denver. The Moffat and Kassler Agency was probably Denver's first property insurance office. It ran out of the stationary shop for several years.

National Banking Act enacted requiring stockholders to raise \$50,000 in capital to obtain a bank charter from the Comptroller of the Currency.

**1864** Moffat worked with John Evans as a founder of the Colorado Seminary, later renamed the University of Denver. He was the Seminary's first treasurer and an active fund raiser.

#### **First National Bank of Denver**

This was the first national bank in the Rocky Mountain West. Shortly after receiving its charter, First National absorbed Clark and Company (Gruber retired the previous year). Chaffee wanted the bank to be soundly run and at the same time to be a pool of ready capital to exploit new discoveries of Colorado's mineral wealth. A few months after opening, the bank was made depository for public monies. The bank was constantly involved in the utilization of Colorado's resources. Much of this work was speculative and would not be allowed under modern banking regulations. After Moffat became president, the bank mirrored his enterprises. By the time of Moffat's death nearly all the bank's lendable funds were tied up in his projects, most of which were in precarious straits. Officers and directors of the bank were a "who's who" of early Colorado business and political leaders. Horace Tabor, Walter Cheesman, Henry Wolcott, John Routt, Eben Smith, Charles J. Hughes Jr., and Moses Hallett were among those involved.

**1865** First National Bank of Denver received its charter in December, opened May 10. Initial request in 1863 by Henry J. Rogers, John S. Filmore, George T. Clark, Gordon H. Wilcox, and David Moffat was denied. The original group added John Evans, Jerome B. Chaffee, and Ebenezer Smith and submitted a new request in 1864. Chaffee and Smith were owners of the rich Bobtail mining property in Central City...meeting the capital requirement was no longer an issue.

**1866** Bank President Jerome Chaffee appointed David Moffat as cashier of the First National Bank effective October 1. Cashier duties were similar to those of general manager.

**1867** Local interest in attracting a railroad caused local businessmen to form the Denver Board of Trade. A public meeting was held in November at which local citizens subscribed \$300,000 worth of bonds and established the Denver Pacific Railway and Telegraph Company. Bela Hughes was elected president and David Moffat treasurer. John Evans was the driving force and became president in 1868. Moffat did a good job getting subscribers to fulfill their obligations and helped Evans to persuade Arapahoe County voters to issue county bonds for the company. After the Union Pacific failed to assist as promised, Evans obtained help from the Kansas Pacific Railroad in exchange for Denver Pacific stock.

**1870** Denver Pacific Railway commenced operations June 23 when the locomotive *David H. Moffat* pulled the first train into Denver.

### **Mining**

Moffat became a mining financier and promoter. Business associates handled the operation of mines while Moffat funneled capital for property development. He learned from Chaffee, who may have been the best at mine promotion. Moffat started as a junior partner in Central City.

Jerome Chaffee, David Moffat, and Eben Smith participated in their first venture together at Caribou in Boulder County. First National Bank provided the capital. Moffat and Chaffee put money into some properties at the camp, improved the mines made them produce enough to attract outside capital. Dutch financiers invested in 1873, eventually spending \$3 million, paying dearly to have a Colorado town named Nederland. Chaffee encouraged rumors that the mines were dry holes. Moffat called the loans. The Dutch lost interest and allowed the property to be sold at a sheriff's sale. Moffat purchased Caribou for \$70,000 in July, 1876. Within two years the investment was returning excellent dividends. Moffat and Chaffee sold as the stock peaked.

Moffat and Chaffee accumulated significant wealth from their investments in the Little Pittsburg and Maid of Erin mines in Leadville starting in 1879. Moffat's later mining investments, often times with Eben Smith, at Leadville, Aspen, Creede, Rico, and Cripple Creek added to his wealth and reputation as a *Bonanza King*. Moffat and his associates became involved in smelting with their ownership of the Bi-Metallic Company in 1892. At Cripple Creek he owned 20 mining claims, controlled one of the town's railroads, controlled the two major banks, was deeply involved in a reduction works as well as other businesses.

**1872** After three failed attempts to organize a railroad to build from Denver through Georgetown and further west, Moffat and Evans with the support of the Kansas Pacific chose another route. The group founded the Denver, South Park and Pacific. The initial goal was to serve the quarries at Morrison and mines at Fairplay. The line was reorganized June 14, 1873 to increase its capital. The new charter included plans to build through the San Juan Mountains and then on to the Pacific. In November 1880 Moffat and Evans sold to Jay Gould who already controlled the Kansas Pacific. The next January the South Park became part of the Union Pacific after Gould forced that company to purchase the Kansas Pacific.

**1874-76** Served as Territorial Treasurer. Moffat and Chaffee had advance information on the proposed extension of the Kansas Pacific Railroad near Las Animas. Moffat had entrymen falsify statements in claims to acquire land near the line of construction. After claims were registered with the land office, Moffat purchased them at minimal cost and then waited for the railroad. This became known as the Las Animas Land Grab and involved Territorial Governors Elbert and McCook. The trouble arose when settlers complained that parts of their land ended up in Moffat's hands. General Land Office sought to regain the land and send Moffat to prison, courts decided to abrogate the land claims but Moffat did not go to jail.

The GLO investigator in the Las Animas case also uncovered some evidence of additional questionable dealings. Moffat and Chaffee were contract suppliers of beef for the Upper Ute Agency. There were accusations that they billed the government for top grade beef and supplied the Indians with lower grade cattle.

These issues may have kept Moffat from never seriously considering public office in later years.

**1880** Chaffee resigned as president of the First National Bank to devote time to mining and politics. Moffat became president, moved some of the general manager duties from cashier to the president. George Kassler became cashier.

Moffat founded the Denver, Utah and Pacific to run west from Denver. He received support from Cheesman, Wolcott, and Tabor. John and William Gray Evans gave moral support but no investment. Evans was involved in launching the Denver and New Orleans Railroad. The Denver, Utah and Pacific never built a mainline but did lay 9.5 miles of track and did some grading near Rollins Pass.

**1884-91** President Frederick Lovejoy appointed Moffat to the Denver and Rio Grande Railroad Board of Directors. This was done so Colorado interests would feel represented in company affairs. In 1886 the company was foreclosed upon and sold at public auction to its stock and bond holders. Receiver William S. Jackson was the first president of the new Denver and Rio Grande Railroad Company. In 1887 Moffat became president of the D & RG and served in the position until 1891. He was responsible for standard gauging the D & RG, agreement with the Colorado Midland to jointly build a line from Rifle to Grand Junction (the Rio Grande Junction Railway), and plans for a direct line west from Denver. When the Board balked at further investment, Moffat resigned.

**1886** Jerome Chaffee died.

**1901** Denver and Northwestern Railway was incorporated. This was to be an electric system with lines projected from Denver to Greeley, Louisville, Boulder, Golden, and Littleton. Incorporation papers were amended in 1902 to include provision for an electric line to South Boulder, Rollinsville, Middle Park to Hot Sulphur Springs via Rollins Pass. First construction was a line from Arvada to the coal fields at Leyden.

**1902** Denver, Northwestern, and Pacific Railroad (Moffat Road) incorporated. The plan was to build west from Denver to Salt Lake City and connect with William Clark's Salt Lake, Los Angeles railroad. Moffat arranged financing through a group of Providence capitalists headed by Marsden Perry and a wealthy family from Holland. Sylvester T. Smith was president, A. C. Ridgway was vice president and general manager.

**March 1903** New Century Light & Power Company (possibly a Harriman creation) filed upon Gore Canyon as a reservoir site. The company later assigned its rights to the Bureau of Reclamation. The U. S. Land Office then ruled in favor of the Reclamation Service. President Theodore Roosevelt became aware of the conflict and called the parties to the White House in November, 1905. The president ordered the Secretary of the Interior to relinquish all government claims in favor of the Moffat Road.

**October 2, 1904** First train reached the summit of the Continental Divide at Corona on Rollins Pass.

**September 14, 1907** First train through Gore Canyon.

**1907** Moffat had exhausted his fortune of \$9 million. There was a financial depression and the line was still a long way from the Routt County coal fields. Colonel D. C. Dodge, who built the original Denver & Rio Grande Western for General Palmer, stepped forward at age 70. He invested \$100,000 and encouraged others to do the same. \$1.5 million was quickly raised to take the railroad to Steamboat Springs.

**December 13, 1908** Railroad reached Steamboat Springs. Total cost to reach this point was \$14 million or \$75,000 per mile. Fewer than 10,000 people lived in the area served and the railroad was yet to turn a profit.

**1909** Moffat Mansion at 808 Grant Street, Denver was completed. The demolition of this home in 1972 gave strong impetus to the local historic preservation movement.

**March 18, 1911** David H. Moffat died in New York City. He was in New York seeking additional financing for \$4 million of notes coming due. Moffat had personally endorsed these notes. There were no funds available for payment. In his final days he said, "I had no ideas of greatness when I undertook the building of the Moffat Road. I wanted to do it for the good of the state and nothing more."

**1911** William G. Evans succeeded Moffat as president of the Moffat Road. Senator Charles J. Hughes, another influential backer of the railroad, died January 11.

**1912** Failure to meet principal and interest payments on trust notes threw the Moffat Road into receivership under the administration of Lawrence C. Phipps Sr. and Charles Boettcher.

**1913** Bondholders thought it necessary to have a practical railroad man in charge of operations. A reorganization was effected May, 1913. Newman Erb was named president. The name of the railroad changed to the Denver & Salt Lake Railroad Company. Erb agreed to furnish half the funds necessary to extend the line to Craig...only provided \$500,000 while Colorado investors came up with the remainder (about \$2 million).

Craig extension was completed. The Moffat Road showed its first profit by starving maintenance, leaving the roadbed and equipment in deplorable condition.

**1918** Moffat Road once again went into receivership. W. G. Evans and Receiver William H. Freeman were persistent in efforts to get the U. S. War Board to take control of the railroad and provide funds. The Moffat Road was placed under control of the Burlington. The government purchased \$1 million of receiver's certificates to meet immediate requirements of the railroad.

Local owners formed a voting pool with a majority pledging not to sell their stock for 10 years.

**1921** June 3 flood devastated Pueblo killing at least 100 (actual total unknown), 600 houses destroyed, 350 badly damaged and later condemned. \$16 million property loss.

**1921-25** Receiver Freeman was successful in these years moving the railroad from a \$1 million annual operating deficit to a \$500,000 surplus. At the same time he implemented improvements in roadbed, equipment, and methods of operation. One of the most significant was an ice machine which broke up and scooped from the track ice caked between the rails and over the balls of the rails.

**1924** William G. Evans died October 12.

**1925** Gerald Hughes led a reorganization committee to bring the railroad out of receivership. After agreement was reached with bondholders with stipulation that no further financing would be requested from New York, \$2.5 million additional investment was required. Major subscriptions came from Senator Phipps, Gerald Hughes, Frederick H. Prince of Boston, and Alexander Berger of Virginia.

**1926** The reorganized railroad, Denver & Salt Lake Railway, was established with William R. Freeman, president and Gerald Hughes, chairman of the board.

**1932** Reconstruction Finance Corporation, a New Deal agency, provided financing to the Denver & Rio Grande Western Railroad for construction of the Dotsero Cutoff. This was part of a larger agreement that the D&RGW would purchase the stock from all willing shareholders of the Denver & Salt Lake Railway. Cutoff construction began in November.

**1934** Opening celebration for the Dotsero Cutoff took place June 16, 1934.

Reconstruction Finance Corporation provided financing for the D & RGW to complete its purchase of Denver & Salt Lake stock. The stock would be held in trust by the RFC until such time that the D & RGW repaid money owed to RFC.

**1935** D & RGW received bankruptcy protection in federal court and would not emerge as a reorganized corporation until 1947 at which time the Denver & Salt Lake became part of the D & RGW.

### **Moffat Tunnel**

State Tunnel Construction Bill passed the state legislature in 1911. Governor John F. Shafroth, a Democrat, did not sign the bill. It was automatically referred to a vote of the people in 1912. It failed by a 10,000 vote margin.

February 14, 1913 Denver voters approved a charter amendment which extended the 15 year limitation on bonds to 50 years and established a Tunnel Commission to determine the city's share of construction costs and submit a bond proposal to voters. Voters approved the \$3 million bond issue May 7, 1913. The Colorado Supreme Court ruled the bond issue invalid on the grounds that the state constitution prohibited a city from lending its credit to a private corporation.

Denver Mayor Dewey C. Bailey called a meeting of Colorado mayors at City Auditorium. The mayors launched the Tri-Tunnel campaign on March 1, 1920. The proposed \$18.5 million bond issue would finance Continental Divide tunnels at Monarch Pass, Cumbres Hill, and Rollins Pass. The issue was offered as a constitutional amendment. November 2, 1920 the proposal failed by 10,000 votes while passing in Denver 3 to 1.

Governor Shoup called a special session of the legislature following the Pueblo flood for April 8, 1922. The session adopted a bill creating flood conservancy districts allowing Pueblo the opportunity to develop flood control. The session also approved the Moffat Tunnel Improvement District bill providing for the construction of water and rail tunnel.

The first official train went through the tunnel February 26, 1928.

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