

# Edward A. Whitney's greatest gifts – Part I

**T**hough a somewhat gentle, quiet and solitary man, Edward A. Whitney proved he could go to battle when battle was needed.

Whitney arrived in Sheridan in 1885. He bought J.D. Louck's building on the corner of Loucks and Main, and turned it into Sheridan's first bank. He moved into the living quarters upstairs, and though the building moved a number of times, he did

not. When he died in that same room in 1917, 32 years later, he had no wife or children and it was said he did not own a car or even a horse and buggy. Though he traveled the world, he lived frugally in Sheridan.

Whitney's obsession seemed to be his will and trust, which he spent most of his years in Sheridan writing and revising. He said "My estate belongs to the people and I dare not be careless with it." He knew what he wanted and he was determined to get it. First, his money was to be used to help educate the young people of the area, primarily through the granting of interest free loans for educational purposes. And secondly, he wanted to create a nonprofit, tax-free, educational trust in Wyoming.

The problem he battled for years was that Wyoming had no provision for such a tax-free entity. Thus it would require legislative action to create a special charter to make that possible. As historian and author Samuel Western wrote in his book,



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"The History of Whitney Benefits," Whitney wants a "special charter from the state of Wyoming. Historically, tax-exempt charters came from either the federal or state government. They were often associated with education but were not, by most accounts, common. Local governments never showed much enthusiasm for this loss of potential revenue."

Western writes, "We think of tax-exempt entities as common...but, like the idea of charities, it took the public awhile to buy into the concept of tax-free corporations or foundations..... It was not until 1914 that Congress obliged Rockefeller (Foundation) with a tax-free status."

Finally, Whitney served notice that no one would benefit from his proposed corporation until the state delivered this tax free charter. He said, according to Western, that if the Wyoming Legislature did not provide a law that would accommodate this, he would "establish a benefit corporation organized in the town of West Union, Iowa," (where Whitney lived and worked before coming to Sheridan.) Furthermore, if West Union would not accommodate his desires, his money would go to a benefit corporation offered to any other town or city willing to carry out the provisions of said trust.

Apparently, the threat of the loss of Whitney's estate got the attention of the Wyoming legislators, and, in 1915, just two years before Whitney's death, they passed, without a nay vote, a special Charter for Whitney Trust to allow it tax-free status. The bill enabling the Whitney Trust (House Bill 54) was introduced by Rep. Robert E. McNally of Sheridan and was signed by an old friend and business part-

ner of Whitney's, Gov. John B. Kendrick.

When the issue came before the Supreme Court it was approved by the justices, including Whitney's old attorney Fred Blume from Sheridan who recused himself from the vote as he had played a large role in writing the will and trust. (Blume would serve for 42 years on the court, three times as Chief Justice.)

Actually, this was not the end of the battle. Through some very difficult years when the county coffers were suffering, there were major efforts made to tax the corporation, but the tax-free designation held, to the benefit of thousands.

In addition, Whitney made two other decisions with greater positive consequences than he could have possibly imagined. At a time when he was selling off most of his land and ranches, he decided to hold the mineral rights to a piece of land known as the Ash Creek Dry Pasture, as he thought "there might be coal underneath." He acquired and held the water rights and land of the Adams Ranch south of Sheridan. Those stories are coming up in Part II of "E.A. Whitney's Greatest Gifts."

Two outstanding books, "The History of Whitney Benefits" and "Solace in Numbers," Whitney's biography, are available to purchase from Sheridan Stationery and the Sheridan County Museum. They are both researched and written by author-historian Western, and published by Whitney Benefits.

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