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THE POLICY  
OF  
EXTENDING GOVERNMENT AID  
TO ADDITIONAL  
RAILROADS TO THE PACIFIC,  
BY  
GUARANTEEING INTEREST ON THEIR BONDS.

REPORT OF THE MAJORITY OF THE SENATE COMMITTEE ON PACIFIC RAILROAD,  
FEBRUARY 19, 1869.

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IN THE SENATE OF THE UNITED STATES.

FEBRUARY 19, 1869.

Mr. STEWART made the following

REPORT.

[To accompany bill S. No. 899.]

The undersigned, a majority of the Committee on the Pacific Railroad, beg leave to say, that when it was determined in committee to report to the Senate, bill No. 899, granting aid to the Northern Pacific and other railroads, it was not understood that the bill should be presented with a report. The majority of the committee would now be content to let the bill rest upon its intrinsic merits, unaccompanied by an explanation of its provisions and a demonstration of its policy and necessity, were it not for the unexpected appearance, first in the newspaper press, and afterwards in the Senate, of a most extraordinary paper, entitled "Views of the Minority"—a paper unsound in theory, unfair in its inferences, and ungenerous and unjust in its imputations.

To justify the action of the majority of the committee, they now beg leave, *first*, to report to the Senate the considerations which induced them to adopt the policy of aiding at the present time, with the government's credit, the construction of two additional lines of trunk railway to the Pacific coast; and, *second*, to vindicate the provisions of the bill which have been criticised by the minority of the committee in their published "views." In preparing this report, the undersigned have been embarrassed by a want of time, in the pressure of business just at the close of the session, but with such labor as they have been able to bestow on the subject, and with such assistance as they could command, they are willing to stand on the following arguments and facts as a justification of their action in regard to the general railroad policy of the bill and a defence of its leading provisions:

ROADS THE MEASURE OF CIVILIZATION.

The highways of nations are the measure of their civilization. Without roads there cannot be society, government, commerce, or intelligence. In exact proportion to the abundance and excellence of highways are the exchange of services between men, the communication of thought, the economy of labor, the augmentation of wealth, the growth of comfort, the development and consolidation of the civilized state.

No higher proof of the grandeur and wisdom of the Roman rule of the world need be sought, than the wonderful system of arched roads, ditched on both sides, and raised above the surrounding level, paved with stone upon beds of rubble or concrete, with elevated walks for foot passengers, running always in straight lines and on uniform grades, tunnelling mountains and spanning rivers with cut-stone arches, which



radiated from Rome and traversed Italy, Spain, Gaul, Britain, Germany, Macedonia, Asia Minor, the principal islands of the Mediterranean, and all of northern Africa. These highways, built and maintained at the government's expense, tied the provinces to the capital, and bound Asia, Africa, and Europe to Rome. They made smooth and swift the movement of infantry and cavalry. They cheapened to Italy the spices, silks, and cloths of Asia, the wheat and linen of Egypt, the tin and copper of Britain, the iron, wool, and oil of Spain, and the furs, leather, and timber of Germany. Without these roads the conquests made by the Romans could not have been maintained. The care of them was a civil office which conferred high honor and power, and was sought by ambitious men of the noblest and wealthiest families.

Transportation upon the backs of animals is an incident of barbarism. The mule trains of South America are the machinery of commerce among peoples whose exchanges are few, whose wants are almost purely animal, and who are enslaved by superstition and ignorance. The future histories of the civilization of Spain and Portugal will have to chronicle the substitution of turnpikes for mule-tracks, and the displacement of pack-animals, first by wagons and afterwards by locomotives. Even enlightened England had her "dark ages" in respect to roads. They endured with infinite waste and hindrance from the evacuation of Britain by the Romans in 448 down to near the year 1700. The necessity of getting at the Scotch with infantry and cavalry marched frequently from London, to suppress the chronic rebellions of the Highlanders, forced the government to construct turnpikes. For over 1,200 years the sole means of internal transportation the English possessed were strings of pack-horses picking their way through lanes of mud. British civilization, and the development of British industry and commerce, and the wonderful accumulation of wealth in Great Britain, have kept pace, first, with the building of turnpikes; second, with the construction of canals and slackwater navigation as better highways than earth roads; and third, with the founding of the marvellous system of railways which now covers England as with a network. Before the "Rocket" locomotive was perfected England had built 2,600 miles of water communication, at an outlay of \$250,000,000. The 12,000 miles of railway which were created by Stephenson's engine did not supplant the use of these artificial rivers. On the contrary, the traffic upon them grew. In like manner the New York Central and the New York and Erie railroads have not lessened the business of the Erie canal. That has grown, while the traffic of the two roads has been created by them, did not exist before them, and was impossible without them.

THERE IS NO OBJECT TO WHICH GOVERNMENT CAN SO PROFITABLY APPLY THE EXPENDITURE OF MONEY AS THE BUILDING OF HIGHWAYS.

In England, in the pre-railway times, the rates of tonnage by earth-roads averaged 26 cents per ton per mile. The stage-wagons charged \$30 for hauling a ton of goods from London to Birmingham, a distance of 113 miles. From London to Leeds, 190 miles, the enormous sum of \$65 a ton was charged. The freight charge by canal for the general bulk of goods was 8 cents per ton per mile. The railroads came and carried a ton of goods 25 miles the hour for 2½ cents per mile, and carried passengers for the same price against an average charge by the old coaches of 10 cents a mile. The journey by mail from Doncaster to London, 156 miles, cost \$10 inside and \$6 outside, and consumed 20 hours of time. The railway

now carries passengers between those two cities in 4 hours' time, at a cost of \$6 87 first class, and \$5 22 second class. Parliamentary returns of the railway traffic of England from 1843 to 1865 furnish evidence that the transportation of passengers and goods by rail has been six times greater than it was before the introduction of railways, and that the saving effected by the railways in cheapening fares and freights in a single year, 1865, was \$360,000,000!—*a sum larger than the entire taxation of the United Kingdom.* This result, very imperfect because it does not include the value of the time saved to 252,000,000 of passengers who travelled by rail that year, is amazing. Accepted and applied as a measure of the worth of a system of steam highways that shall cover the United States, it must be seen at a flash that within the scope of federal action there is no use of the public money or property so profitable and so economical and so beneficent as that which aids the construction of railroads—national by their length and cost; national by their passage through the public domain; national as avenues to distant States and Territories; national in their benefits; national as a part of the military defence of the United States; and more than national in their relation to the commerce of a third of the world.

The value of a wagon load of wheat is consumed by the cost of hauling it on common earth roads 300 miles. Indian corn will bear profitable transportation on the ground only 100 miles. Before the construction of the Erie canal, and only 43 years ago, the city of New York was almost wholly cut off from the trade of the State of New York. The wheat and potash of the centre and west of the State were floated down the Delaware and Susquehanna rivers to Philadelphia and Baltimore. The canal finished terminated the rivalry of cities on the Atlantic coast. It made New York the commercial emporium of the nation. It not only seized the products of the earth and forest up to the foot of Lake Erie, but mortgaged the labor of the armies of emigrants that poured through it into the wilderness where now are northern Ohio, Michigan, northern Indiana, Illinois, and Wisconsin. The property owners of New York city resisted the construction of the Erie canal. It has long been manifest that they could profitably have taxed themselves for the cost of the work if the State had not borne the expense.

All of the native residents of the State of New York above 52 years old, who live on the line of the Central railroad, have seen the six-horse, eight-horse, and nine-horse teams attached to the vast Conestoga wagons which maintained commerce between Buffalo and Albany before the existence of the Erie canal. The canvass-covered vehicles rolled and pitched over the clay roads like ships in a swell, and consumed 20 days in the westward trip. With such machinery of transportation, at once insufficient and most costly, it was not possible for the farmers of the new country to market the products of their labor. They were a very poor people. The return trips of the wagons were generally made empty. The commerce from Philadelphia west over the Allegheny mountains had the same unreciprocal and wasteful character of freights in only one direction, consisting of manufactured articles principally essential to the support of human life and the subjugation of the wilderness. The economy of water navigation first, and afterwards of the railroad, vitalized the industry of the two great States and much of the region west of them. Labor found a market, and men became free. The amount of western products that reached tide-water by canal in 1843 was 419,000 tons. In 1851, when the Erie railroad was opened, and the restrictions in favor of the Erie canal on the carriage of freight by the New York Central railroad were removed, the tonnage of western products on the



canal rose to 965,993 tons. In 1867 the united "through" tonnage of the five great highways between the east and the west, the Erie canal, the New York Central, the Erie, the Pennsylvania, and the Baltimore and Ohio railroads, amounted to 6,000,000 tons, whose value was \$1,200,000,000. The Pennsylvania railroad, built upon the line over which 50 years ago the commerce of the State crawled in wagons, moved in the year 1857, of local freight alone, 901,226 tons, and 1,412,214 tons in 1861, and 2,906,205 tons in 1866. When the Erie road was opened, and the New York Central was authorized to carry canal freight, there were 10,000 miles of railway in operation in the United States. The total of merchandise moved over them could not have exceeded 5,000,000 tons, of the value of \$150 the ton, and of the aggregate value of \$750,000,000. In January, 1868, the mileage of American railroads had increased to 39,000 miles. The weight of the merchandise transported over them was 50,000,000 tons, of the estimated value of \$7,500,000,000. In the short span of 17 years the mileage of American railroads grew nearly 400 per cent., and their tonnage 1,000 per cent., with a corresponding increase in the value of the property carried. The population of the country, in the meantime, grew from 24,000,000 to 36,000,000, or at the rate of 50 per cent. *So that the astounding fact is evolved that railroads have increased the commerce of the country 2,000 fold more than the increase of its population!* In 1851 the freight moved upon all of our railroads equalled 417 pounds per head of population, and was worth \$31 per head. In 1868 the tonnage equalled 2,777 pounds per head, and had a value of \$210 per head. In 1851 the cost of the 10,000 miles of railway in operation in the United States was \$200,000,000. In 1868 the cost of the 39,000 miles in operation was equal to \$1,600,000,000. Consequently the investment since 1851, of \$1,400,000,000, has been the means of annually creating a commerce five times greater, amounting to \$6,750,000,000. *Every dollar invested in American railroads creates five dollars yearly.*

Can there be a doubt about the policy of aiding with a loan of the government's credit and grants of the public land the construction of these wealth-creating highways through regions rich in soil and richer in minerals, though poor in the absence of a population able in numbers and accumulated means to provide itself with the machinery of transportation and development? To legislators who approach this subject free from the prejudices of traditional system or habits of thought, certainly it will appear to be the highest duty of government to construct such works at its own cost; and it will appear equally manifest that *the claim of such enterprises, as being of the highest importance and most beneficent character, should take precedence over any and all other objects of legislative endowment.* But in the cases of the railroads seeking extension to the Pacific, endowment in money is not asked of the government. What is asked is simply a loan of the public credit for a limited period, with sure and unquestionable guarantees that the interest and principal of the loans will be paid by the borrowers.

Many members of this Congress saw the infancy of the grain trade of Chicago when there was not a railroad in Illinois, and when the wheat sold in her lake port was hauled in wagons by ox-teams over the prairies which were travelled by compasses, and on which the teamsters camped with their cattle at night—a wasteful transportation which consumed from one to two weeks of time to get to market, and in which corn in the ear was burned as fuel to cook and warm by. Illinois now, developed by the magic power of steam, is a splendid and unanswerable argument in behalf of the policy of national railway-building. That State in 1851

had only 250 miles of railroad, which cost \$7,500,000, and the freight over which did not exceed 100,000 tons, which was not worth over \$15,000,000. At the end of the year 1867, Illinois had 3,250 miles of railroads, whose traffic was 5,000,000 tons, the value of which was \$750,000,000. It cost \$130,000,000 to build these roads. The worth of the property transported over them in one year equalled very nearly six times their cost. In 1851 the products transported by these roads was at the rate of 200 pounds per head of the population. In 1867 the tonnage transported exceeded 4,000 pounds per head. The value of the tonnage per head in 1851 was only \$15. In 1867 its value per head was \$330. The result is astounding. To be fully appreciated it must be borne in mind that the railway traffic of Illinois is unlike that of Pennsylvania and New York, a mixed one of the products of the soil, the forest, the mine, the loom, the forge, and the shop. Her products as yet are almost exclusively wheat, corn, and cattle. Her railroad tonnage has consisted principally of those agricultural products which bear transportation but short distances over earth roads. It is the locomotive which has enabled that great State to market her wheat, corn, beef and pork, 1,200 miles away from home. It is the locomotive and the iron rail above her garden soil which have given her one-fifteenth of the population of the United States; which give her the power to bear one-fifteenth of the burdens of the general government; which enable her to pay annually \$24,000,000 of national taxes, beside sustaining in the most liberal manner the cost of her own enlightened and progressive government.

There are between Lake Superior and Puget sound and the mouth of the Columbia-river 500,000 square miles of territory, upon the larger portion of which the United States government can impress the prosperity, wealth and power of Illinois. It is the winter-wheat region of this continent. It is a region of alternate prairies and pine forests. It is a region rich in coal, iron, gold, silver, and copper. It is a region the salubrity of whose climate has made it the sanitarium for consumptives from the Atlantic slope. It is a region whose Rocky mountain section, broken down in its formation so as to be passable by loaded ponies, is blessed with a temperature so mild that countless herds of cattle range and fatten through the winter upon the natural grass within ten miles of the summit. It is a region in all whose valleys peaches, apples, pears, plums, cherries, grapes, and sweet potatoes have rapid growth and complete maturity. It is a region so rich in grass and so blessed in climate, that it has ever been the home, in winter as well as summer, of the buffalo, the elk, and the antelope. It has timber, water-power, and stone. It has a population of 1,410,000 people. Illinois possessed no such endowment. Her inheritance so amazingly developed by railroads was a garden soil, deeply underlaid with a thin seam of coal and a deposit of friable sandstone. She had nothing else. But every element of wealth, every condition of social growth and prosperity, exist in superabundance and beyond exhaustion in the territory between Lake Superior and Puget sound. For this immense region, embracing Minnesota, Dakota, Montana, Idaho, Oregon, Washington, and a part of Wisconsin, railroads can do more than they have done for Illinois. If it is desirable, therefore, to add to the national population, the national industry, and the national wealth—if it is desirable to increase the taxable resources of the country, to add to its revenues, and to lessen the burden of the public debt, by extending it financially over 32 degrees of longitude in addition to the area it now covers—if it is desirable to provide cheap bread in perpetuity for the nation from winter wheat to be grown with unfailing regularity, and



in crops of from 30 to 60 bushels to the acre, between the 46th and the 50th parallels of latitude, the government of the United States will surely aid the construction of the North Pacific railway, and do for the region between Lake Superior and the Pacific ocean what the people of Illinois have done for the State of Illinois. It was not necessary for the government to do the work performed by the people of Illinois, otherwise than to aid them with grants of public lands—neither was it lawful. The people of Illinois owned most of the soil of their State, and the improvement of their property was a personal obligation to which they felt equal and were equal. But the United States owns the country between the Pacific and Lake Superior. The work of developing it is for the government to do. The population of the country is too thin and too poor to even undertake it. The work, moreover, is of such magnitude as to be wholly beyond the compass of private capital. It is of absolute necessity that the government shall undertake and help it through—and this it can do without the expenditure of a dollar in money, or an increase of the public debt.

In like manner it is manifestly a public duty to utilize the enormous national capital that now lies idle in the southern region between the western boundaries of Kansas and Arkansas and the Pacific coast of California. There is a vast national domain of corn, wheat, wine, cotton, and grass lands too distant from market to be profitably cultivated save for local consumption, and that is prevented by hostile Indians. Coal and timber abound in this region. Southern Colorado, New Mexico, Arizona, southern Utah and Nevada, and southern California are as rich in gold, silver, copper, and lead as any other known portions of the world. This wealth is unavailable to the nation by reason of the cost of moving machinery and materials to it, or of moving the ores to machinery. The pasturage of these Territories, pre-eminently fitted for fine-wool sheep and cattle which graze out the winters through, is lost to the country for want of cheap and easy access to it.

#### A DEBTOR GOVERNMENT BOUND TO IMPROVE ITS ASSETS.

Regarded as assets, as available resources of a government heavily in debt, this vast public property and these possibilities of vast national wealth should be employed to reduce the debt in the only way in which it can be reduced—by filling up the country with population, and covering it with the products and profits of industry which tax assessors can find and tax collectors can levy on. The trustees of a debtor's estate, who, with power to do so, should refuse to give value to drowned lands by draining them, would certainly be charged with violation of duty. The improvement of a trust estate, so as to increase its worth and its saleable quality, is an obligation of economy as well as morality implied by the order of courts of law and equity invariably granted on application for authority to do so. The government is supreme, and possesses the authority.

#### OBLIGATION TO GIVE THE DISTANT TERRITORIES RAILROADS.

Its obligation to improve results not only from its relation of debtor at home or abroad, but from its relation as guardian and governor of the people of the Territories of Colorado, Arizona, and New Mexico, which it organized by solemn acts of law. The organization of those Territories invited emigration and promised government. Government, typified either by a judiciary system, a postal service, or military protection, is

the doing of something of vital necessity to the governed which they are unable to do for themselves. But what need is so vital to a people situated as are those of Colorado, New Mexico, and Arizona as the prime necessity of highways into and out of their Territories? Their existence depends on them. Laws and courts of justice are for the protection of property. But property cannot be acquired without roads. Troops are for the protection of persons and property. But property cannot be accumulated without markets in which to sell the products of labor, and markets cannot be reached without adequate highways. To the gold and silver miners and the wool-growers and stock-breeders of Arizona, Colorado, and New Mexico, "adequate" highways are precisely those which enable the farmers of Illinois to feed the manufacturers of Massachusetts. *They are railroads and nothing but railroads.* Surely that is not government which persuades population into the organized Territories and leaves them there, isolated and physically disabled to accomplish the objects of civilized life. The United States have organized immigration from Europe, wisely seeking to increase the power of the country by increasing its population, and to augment its wealth by augmenting its stock of labor. Immigration follows parallels of latitude. Our government seeks to attract population from Sweden, Norway, Holland, and North Germany, to the congenial climate and better soils of the region between Lake Superior and Puget sound. We persuade southern Germans, English, French, and Italians to cross the ocean to the great republic, and tell them that, on the plains of Kansas, in the State of Arkansas, and in southern Colorado, New Mexico, and Arizona, life can be made happy, easy, and prosperous in a climate so mild that snow endures only on the mountain tops, and cotton can be grown, and wine of the finest quality be made. But how shall the immigrants upon the northern and southern parallels of latitude respectively reach their promised lands? And having painfully and at immense cost got to them, in the almost nakedness of enforced "light-marching order," how shall they reap the promised fruits of their labor, and realize the inducements which drew them from their homes in Europe? The government, in good faith to foreign laborers, should either abandon its system of immigration, or it should honestly carry it out by aiding the construction of railroads to the public domain which it is its policy and its desire to have occupied. But the United States cannot annul its engagements with the citizens of the United States. Territorial governments were set up in New Mexico, Colorado, and Arizona. This was proclamation to all Americans, so disposed, to go there, and to grow into States, and to enter the Union. It was a covenant to aid and protect them in the development of their growth. This covenant is as completely broken, by refusing them the means of getting to market, as it would be by permitting the Apaches and Comanches to rob and scalp them. The obligation to save their lives and property from Indian violence is acknowledged, and troops are posted in the Territories, and maintained at an enormous expense. But the obligation to enable them to sell that property is fully of as high a sanction, otherwise territorial government in portions of the United States would doom men to hopeless poverty. Not for that was government ordained among men.

#### INFLUENCE OF RAILROADS TO INCREASE DOMESTIC AND FOREIGN COMMERCE.

If the demonstration which the majority of your committee have sought to make of the paramount importance of railways to nations as



sources of wealth and power is not already complete, a statement of their influence upon the trade and commerce of England, France, Belgium and Holland, of the growth and diffusion of riches which they have caused in those kingdoms, will leave no doubt as to the policy and duty of the United States in respect to the two proposed additional railroads to the Pacific.

The following table from the British parliamentary returns (except for 1865) shows the receipts from passengers and goods on the English railways for the years named:

## INCREASE OF TRAFFIC.

	Total receipts.	Average annual increase.	Average of whole 22 years.
1843.....	£4,535,000	£1,070,000	£1,423,000
1848.....	9,993,000		
1855.....	21,507,000		
1860.....	27,766,000		
1865.....	35,890,000	1,619,000	

The average annual increase for the whole 22 years was £1,423,000 per annum, and the increase was largest in the latest years. The traffic of 1864 and 1865 was thus made up:

	1864.	1865.
Passengers .....	£15,684,000	£16,572,000
Goods .....	18,381,000	19,318,000
Total receipts .....	34,015,000	35,890,000

And the things carried, exclusive of animals and carriages, were:

	1864.	1865.
Passengers .....	229,272,000	251,863,000
Tons of goods .....	110,400,000	114,593,000

Being six times as many as before the introduction of railways.

The increase in the money receipts from this new business was extraordinary:

	1864 over 1863.	1865 over 1864.
Increase from passengers.....	£1,163,000	£888,000
Increase from goods.....	1,696,000	986,000
Total.....	2,859,000	1,874,000

The increase in things carried was:

	1864 over 1863.	1865 over 1864.
Increase in passengers.....	24,637,000	22,590,000
Increase in tons of goods.....	9,800,000	4,233,000

An increase in 1864 equal to five-sixths of the whole number of passengers carried in 1834, and to five-twelfths of the total goods tonnage of 1834, according to the parliamentary returns for that year.

See the effect of English railways on the commerce of Great Britain. Before 1833, the date of the railway system, the English imports and exports were almost stationary. Since that time they have grown as follows:

## INCREASE OF BRITISH EXPORTS AND IMPORTS.

One year.	Total exports and imports.	Per cent. increase.	Per cent. per annum increase.
1833.....	£85,500,000	36	4
1842.....	116,000,000		
1850.....	171,000,000	47	6
1855.....	260,000,000		
1860.....	375,000,000	52	10.4
1865.....	490,000,000		

Though freedom of trade, steam vessels, improvements in machinery and other influences contributed to this increase, unquestionably it was principally due to the railway system of the country. Indeed the increase could not have taken place without the railways. It would have been physically impossible to have moved the quantity of the goods that entered into the trade, still less to have done so with the rapidity which the trade required.

And we would now call particular attention to a fact of the highest significance and value. The above-stated increase of the British imports and exports was in strict proportion to the development of the railways, as will be shown by the following table:

## Proportion of British exports and imports to railways and navigation.

Year.	Miles of railway and navigation.	Total exports and imports.	Exports and imports per mile.
1833.....	4,000	£85,500,000	£21,375
1840.....	5,200	119,000,000	22,884
1845.....	6,441	135,000,000	20,959
1850.....	10,733	171,800,000	16,006
1855.....	12,334	260,234,000	21,098
1860.....	14,433	375,052,000	25,985
1865.....	17,289	490,000,000	28,341

France, in 1837, had but 85 miles of railway in operation. To stimulate their construction a law was passed in 1842, by which the government agreed to assume and pay for the earthwork, masonry, and stations of roads undertaken, and pay one-third of the cost of the land required, and bound the departments to pay for the other two-thirds, and required of the constructing companies only to lay down the rails, maintain the road-bed, and stock and work the road. The government adopted and declared the wise policy that three-fifths of the total cost of railways should be borne by the state and the departments, and two-fifths by the companies. In 1852 the Emperor, in order to still further stimulate the construction of railroads, gave the government guarantee of four and five per cent. interest upon investments in them. Capital flowed in rapidly, construction proceeded with vigor, and at the end of 1857 France had 4,475 miles of railway. The empire was exceedingly prosperous. The exports and imports increased from \$510,000,000 in the year 1850 to \$1,065,000,000 in 1857, or more than 100 per cent. in seven years! The six great railway lines paid 10 per cent. dividends, and the government guarantee had never been called for. But the Emperor was not satisfied; he felt that France needed more roads. He persuaded the six



great companies to undertake the construction each of about 1,000 miles additional line by guaranteeing four per cent. interest on debenture bonds to the amount of \$620,000,000, the estimated cost of the works, and .65 of 1 per cent. as a sinking fund to pay the bonds in 50 years. He also authorized departments and communes to construct railroads at their own expense, and to aid them with subventions to the extent of one-fourth, one-third, and in some cases one-half of the cost. The result can be anticipated. In 1865 France had 8,134 miles of railroad in operation, and the growth of her trade, as created and developed by railroads, is shown in this table:

*Increase of French exports and imports.*

Year.	Total exports and imports.	Increase per cent.	Increase per cent. per annum.
1840.....	£82,520,000	—	—
1845.....	97,080,000	15	3
1850.....	120,204,000	5	1
1855.....	173,076,000	50	10
1860.....	232,192,000	34	6.8
1865.....	293,144,000	26.25	5.25

The proportions which the exports and imports bore to the growth of the new system of swift and cheap communication is shown as follows:

*Proportion of exports and imports to railways and navigation.*

Year.	Navigations (7,700 miles.) and railways.	Exports and imports.	Exports and imports per mile open.
1840.....	8,264	£82,520,000	£9,985
1845.....	8,547	97,080,000	11,358
1850.....	9,507	102,204,000	10,750
1855.....	11,015	173,076,000	15,712
1860.....	13,286	232,192,000	17,476
1865.....	15,830	293,144,000	18,518

When Belgium separated from Holland, in 1830, the latter state possessed a much larger commerce than Belgium, and much superior means of communication with other nations by sea and by canal. Five years later, in 1835, this inequality endured—the exports of Belgium amounting to only £10,800,000, while those of Holland were over £21,000,000. But the scale was turned in 1833 by a resolution of the Belgian government to adopt the system of railways which had done such wonders for the commerce of England. The great engineer, George Stephenson, was employed to plan railroads between all the principal towns of the kingdom. The law authorizing their construction *at the expense of the government* was passed in 1834, and not an hour was lost in carrying it into effect. In 1839 Belgium had 185 miles of railway open. Trade received a new impetus. In 1864 there were 1,350 miles in operation. The effect upon the little country, only one-tenth as large as Great Britain, was magical. *Her industry was doubled and quadrupled, and her trade, internal*

*and external, grew more rapidly than in any other nation in Europe.* Here are the figures of this remarkable effect of railways:

*Increase of Belgian exports and imports.*

Year.	Exports and imports.	Increase per cent.	Increase per ct. per annum.
1835.....	£10,760,000	45.72	11.43
1839.....	15,680,000		
1845.....	26,920,000	71.4	11.9
1853.....	47,760,000	77.41	9.67
1860.....	72,120,000	51	7.3
1864.....	97,280,000	35.88	9

In thirty years, from 1835 to 1864, Belgium increased her exports and imports almost ten-fold, while England increased hers in the same period only five fold. The harmonious growth of the commerce of Belgium with the growth of her means of communication is seen in the following table, and, taken in connection with the same result witnessed in France and England, must be accepted as establishing the new and great law in political economy, that *the imports and exports of a nation are precisely in proportion to the development of its railway system:*

*Proportion of Belgian exports and imports to railways and navigation.*

Year.	Canals (910 miles) and railways open.	Exports and imports.	Exports and imports per mile open.
1838.....	1,055	£15,680,000	£14,862
1845.....	1,205	26,920,000	22,340
1853.....	1,590	47,760,000	30,037
1860.....	1,907	72,120,000	37,818
1864.....	2,220	97,280,000	42,919

Americans can now understand how Belgium so rapidly became the principal workshop for the continent of Europe, and how she can sell locomotives and rails in England, and how she can underbid the English on marine and mining engines and heavy iron work for architecture.

The "slow Dutch" of Holland woke up in 1850 to a consciousness of the truth that they were losing the German trade. In alarm they went to work making railroads. But they were too late. Their condition was this: In 1839 the Dutch exports and imports were £28,500,000, nearly double those of Belgium. In 1862 they were £59,000,000, while those of Belgium, thanks to her railroads, were £78,000,000.

TRANSCONTINENTAL RAILROADS WILL GIVE US WHAT RAILWAYS CAN NOT GIVE ENGLAND OR FRANCE—INCREASE OF POPULATION BY IMMIGRATION.

It can be shown by official records that the Eastern Division Pacific road, (of Kansas,) the Union Pacific, and the Central Pacific, have been instru-



mental in adding hundreds of thousands to the population of the States of Kansas, Colorado, Iowa, Nebraska, California and Nevada. Minnesota owes to the rapidity and cheapness of transportation by rail, her best population of over one hundred thousand Germans, Norwegians, and Swedes. Every foreign laborer landing on our shores is economically valued at \$1,500. He rarely comes empty-handed. The superintendent of the Castle Garden Immigrant Depot has stated that "a careful inquiry extending over a period of 17 months, gave an average of \$100, almost entirely in coin, as the money property of each man, woman, and child" landed at New York. From 1830, the commencement of our railway building, to 1860, the number of foreign immigrants was 4,787,924. At that ratio of coin wealth possessed by each, the total addition to the stock of money in the United States made by this addition to its population was \$478,792,400! Well may Dr. Engel, the Prussian statistician, say:

Estimated in money, the Prussian State has lost during sixteen years, by an excess of 180,994 emigrants over immigrants, a sum of more than 180,000,000 thalers. It must be added, that those who are resolved to try their strength abroad are by no means our weakest elements; their continuous stream may be compared to a well-equipped army, which, leaving the country annually, is, after having crossed the frontier, lost to it forever. A ship loaded with emigrants is often looked upon as an object of compassion; it is, nevertheless, in a politico-economical point of view, generally more valuable than the richest cargo of gold dust.

The Union Pacific Railway, eastern division, has organized immigration to its lands. It has agents in Europe who tell of the resources of Kansas, and induce people to seek a home there, aiding them if necessary to cross the Atlantic, and to reach that State by rail, and selling them the lands on long credit. This liberal and wise example will be followed. Let the Northern Pacific and Southern Pacific railroads and the homestead law go together across the continent, and in less than ten years we will see upon the lines of those roads and their outlets at least three millions of the best population of northern Europe—farmers, graziers, mechanics and miners. Reckon up their worth at \$1,500 a head; add to the product the quantity of coin they will bring, \$100 each person; then say if in \$4,800,000,000 added to the wealth of the country, our government cannot find authority and courage to guarantee the interest of the bonds issued to assist in building the roads.

#### TWO ADDITIONAL TRUNK RAILWAYS TO THE PACIFIC NECESSARY.

The majority of the committee having thoughtfully considered the condition of the United States in relation to its finances, and its trade and commerce, present and prospective, declare their belief that two additional lines of railway to the Pacific ocean are necessary.

#### ONE LINE INSUFFICIENT.

1. They are necessary because one line is not sufficient. Your committee believe that with the present population and business of California, Utah, Colorado, Nebraska, Oregon, Nevada, and Dakota, the single-track railroad from Omaha to San Francisco will be wholly incapable of performing the service that will be required of it. The increase of population and industry and traffic that will be effected in those States and Territories by the operation of the road will be enormous. The local traffic upon the road will immediately be large. The through domestic traffic will be immense. When to both of these is added the trade from China, Japan, and India, not only by existing steamship lines, but by others certain to be put on the route by the English, it is clear to us that a single-track railroad cannot possibly do the busi-

ness that will be crowded upon it. The road will clog. What service will be performed will be done under such disadvantages as to damage the character of the new route from India to Europe, to injure property, discontent shippers, and make wide-spread trouble. The calculations of the adequacy of a single line to the Pacific have been based on the overland trade and the business of the Panama route. These will prove utterly fallacious. The Union Pacific railroad will not only take the larger part of the traffic of both these routes, but it will create a wholly new business which did not exist before, and whose growth will parallel that of the Pennsylvania road and the New York Central. The single track of the Pennsylvania trunk line, between the Ohio valley and the Atlantic, had to be doubled. There are four powerful rivals to the road—the Erie canal, the New York Central, the Erie and the Baltimore and Ohio. Notwithstanding the division of the trade of the Ohio valley between these five competing lines, the volume of that trade is so enormous that the Pennsylvania road is unequal to carrying its share upon its two tracks, perfectly built and perfectly equipped, and is now building a third track over the Alleghany mountains. The majority of the committee feel sure that the most experienced railroad operators in the United States will agree with them in saying that within a year after the Union Pacific is opened it will be unequal to the traffic that will be crowded upon it.

In addition to this the gradients and curves of the line at its passage of the Sierra Nevada present difficulties of the most serious character. Some of these gradients are 116 feet to the mile, and many of the curves are from 500 to 700 feet radius. Six locomotives will be required at these points to do the work of one elsewhere. A double track cannot be built except at a duplication of the cost of the road. These engineering obstructions, as they may be termed, will of themselves and alone necessitate other railway connection with the Pacific. No single-track road that crosses the Sierra Nevada will be able to do the duty required of a transcontinental railway. It is a suggestive fact, and one that should be admonitory to us, that while on the whole length of the Northern Pacific railroad, 1,725 miles, not over 250 miles will have an elevation exceeding 3,000 feet above the sea, 1,100 miles out of the total length of the Union Pacific's line (1,657 miles) are more than 4,000 feet above the sea, and more than 500 miles of it have an elevation of 7,500 feet above the sea.

#### A SINGLE LINE WILL BE A MONOPOLY.

2. Two additional lines are necessary to avoid the danger of a monopoly certain to be established by one and the only line. This evil might be cured by another evil, the intervention of the government in the business of the road, and its prescription of fares, freights, and time-tables; but it had better be cured by avoidance. With three lines across the continent, there would be competition that would keep down charges to living rates and fair profits; there would be an effort to make fast time and punctual running; attention would be given to the comfort and safety of passengers; care would be taken of freight, and an unrelaxing struggle would exist to win the favor and patronage of travellers and shippers.

#### THE SOUTH IS ENTITLED TO A LINE.

3. The southern States are in the Union. They have the same rights that the middle States have, or the northern States. They have the right



of access to the Pacific, on their parallels of latitude. They have a right to their share of the trans-continental commerce between Asia and Europe—Norfolk, Charleston, Savannah, Mobile, and New Orleans can justly complain of a middle State monopoly which pours all this intercontinental traffic into New York and Philadelphia. The States lately in rebellion are ruined and impoverished. Their peculiar products of cotton, sugar, rice, and tobacco, are of the utmost value to the nation. It is sound public policy to aid the restoration of the annual production of this wealth, which is confined by the laws of climate to the south. To the extent that a southern Pacific railroad will stimulate the growth of the peculiar southern agricultural products, the northern and middle States have each a large and direct interest in having it constructed, and the prosperity of the foreign commerce of the United States demands that it shall be constructed.

#### THE NORTH IS ENTITLED TO A PACIFIC ROAD.

4. There is no argument that had weight to determine the construction of the Union Pacific road from Omaha west, that will not support the claim of the extreme northern States and Territories to have a connection with the Pacific at Puget sound and the mouth of the Columbia river, and a share of the trade that is to be diverted from the Cape of Good Hope across the United States. Washington and Oregon object with reason to go 700 miles south to get 1,700 miles east, and the people of Georgia, Alabama, and Mississippi justly will insist on starting at their own homes for the Pacific, instead of going up to Nebraska to commence the journey. No answer can be found to the argument, sure to be urged by the inhabitants of the northern tier of States and Territories and the southern tier of sugar and cotton States and Territories, that they have a right to be exempted from the loss of time, loss of increased expense, damage to freight and enhanced risks, inseparable from a commerce which sends them and their property long distances up and down lines of longitude, in order to get on a latitude of travel. The feeling north that the north is entitled to a Pacific road is honest and earnest. The feeling south that the south is entitled to a Pacific road is equally sincere and strong. In both cases the feeling is founded on a conviction of the local necessity and national importance of the two roads. *This feeling, if combated and thwarted, will inevitably run into sectional passion, and into politics.* That result, the majority of the committee think, had better be avoided.

#### ADDITIONAL LINES NECESSARY TO HAVE UNINTERRUPTED COMMUNICATION.

5. It is an undetermined problem if the Union Pacific railroad between Omaha and Sacramento can be operated throughout the year. Of the elements to solve this question there are: 1st, the known effects of drifting snow upon the railway lines of central Illinois, and of the hilly districts of New England and Pennsylvania; 2d, the known depths to which snow falls and packs in portions of the Rocky Mountain region; 3d, the extraordinary height of the grades, and sharpness of the curves, in the passage of the Sierra Nevadas. Trains in Illinois have often been snowed under, and travel and traffic in and out of Chicago have been completely embargoed. Railroad communication in Massachusetts, New York and Pennsylvania, is often suspended in winter. These vicissitudes take place in States where labor is abundant, where the stations on the lines are very near together, where fuel and food, draught animals

and tools, are plentiful and accessible. But the line between Omaha and Sacramento is at present almost a continuous wilderness—portions of it never will be settled. Population is scarce—help in trouble cannot be had outside of the train—the stock of accessible fuel may be limited to the supply on the cars. In the deep cuttings, and in some of the cañons of Dakota, Utah, Nevada and California, snow is well known to drift chock full to the top and to pack hard. The depth of snow in places travelled by the overland stage-sleighs has been credibly reported at from 30 to 50 feet, and it was not melted till June. Granting the efficacy of roofing, granting the adequacy of machinery to accomplish as much on the Union Pacific's line as on the Chicago and Northwestern, or the Albany and Boston, there remains a risk, which must be constant with the recurrence of winter, that the operations of this Pacific road may experience long and serious interruptions, accompanied occasionally with shocking misfortunes. If such interruptions should take place, the effect upon the new trade from Asia to Europe, across the United States, would be very damaging. They would characterize the route as one not to be relied on by international commerce. But there is no doubt that a railroad on the 35th parallel of latitude could be operated to San Francisco 365 days in the year. Nor is there any doubt that a line between Puget's Sound and Lake Superior could be operated without serious obstruction by snow. Its grades through the mountains are all comparatively low, and its line is within the isothermal line of mean annual temperature of 50 degrees.

#### TWO MORE ROADS A MILITARY NECESSITY.

We have shown that two additional lines of railway to the Pacific are necessary to the internal and external commerce of the country. We believe that they are necessary to the government as a part of its military system. They are necessary to move troops and supplies at the minimum cost and greatest speed into the Indian country. War with the Indians will endure for years and years. It is not in Indian nature to meekly accept the loss of hunting grounds and a forcible change of their traditional life. It is not in the nature of the American to abstain from new and unoccupied soils; he will have them. The causes of war will continue while the large game lasts, unless sooner the Indians learn their inferiority and submit to its destinies. Indian cavalry, perfect in horsemanship, unattached to fixed abodes, and free from the ties of accumulated or fixed property, deadly with the arrow, and armed with the best breech-loaders, are slow to learn that they cannot with impunity scalp and rob white borderers and travellers to the gold regions. Indeed, till General Sheridan came, their teaching had all been the other way. This Parthian cavalry roam, hunt, pillage and murder, from the British possessions to the boundary of Mexico. They attack trains, camps and ranches, with a suddenness that is generally a fatal surprise. They come unseen. They are out of sight and beyond pursuit in a moment. Our warfare upon them is a tardy pursuit of vanishing trails. To fight them with infantry and cavalry in the season of grass is to fight shadows.

#### PACIFIC RAILROADS WILL SETTLE THE INDIAN QUESTION.

They can only be permanently conquered by railroads. *The locomotive is the sole solution of the Indian question*, unless the government changes its system of warfare and fights the savages the winter through as well as in summer. The railroads will settle the country as they progress. The water stations and freight stations built on the lines imme-



diately become the germs of towns and the centres of military operations. Farms follow the roads, and a column-front of self-sustaining settlements moves slowly but surely towards the Rocky mountains. As fast as the roads go by military posts and forts, these become useless and are abandoned. The roads push the border farther west every day. *As the thorough and final solution of the Indian question, by taking the buffalo range out from under the savage, and putting a vast stock and grain farm in its place, the railroads to the Pacific surely are a military necessity.* As avenues of sudden approach to Indians on the war-path, and of cheap and quick movement of supplies to troops, they are equally a military necessity.

#### TESTIMONY OF OUR MILITARY COMMANDERS.

General Grant, in his report as Secretary of War, said that "the completion of the Pacific railroads will go far to a permanent settlement of our Indian difficulties." General Sherman testified last summer before a congressional committee that "the extension of the Kansas Pacific railroad is a military necessity." General Sheridan wrote to General Grant last May urging the completion of the Kansas road, for the reason that "it would end, almost substantially, our Indian troubles by the moral effect it exercises over the Indians, and the facility it gives the military in controlling them." General Hancock wrote in June last to the Secretary of War that the extension of the Kansas Pacific railroad, "in respect to the transportation of troops and supplies, was a necessity." Quartermaster General Meigs, advocating the construction of the North Pacific road in April, 1866, said, "as a military measure, contributing to national security and defence alone, it is worthy the cost of effectual assistance from the government." General Ingalls recorded his opinion in the same year, that "from an experience of many years in the quartermasters' department in the west and northwest, it is of the utmost importance to the nation that this road be constructed at the earliest moment possible."

And what is the cost of our Indian wars as compared with the cost of the Pacific railways, which will speedily end the Indian wars? A compilation from the official records of the government shows that these wars for the last 37 years have cost the nation 20,000 lives and more than \$750,000,000. In the years 1864, 1865, the quartermasters' department spent \$28,374,228 for military service against the Indians infesting the country upon the lines of the proposed northern and southern roads to the Pacific, money spent in hauling supplies. The chairman of the House Committee on Indian Affairs estimated recently that the present current expenses of our warfare with the Indians was \$1,000,000 a week—\$144,000 a day. Nine weeks of it consume the interest of the sum that would build the additional railways to the Pacific provided by this bill; consume it without leaving anything whatever behind, save an increase of the pension list.

#### THE SAVING TO THE TREASURY THAT TWO MORE ROADS WOULD EFFECT.

The annual saving to the government that would be effected by these two additional trunk lines of railway to the Pacific would far exceed the entire sum guaranteed to aid their construction.

There are 60 different posts in Kansas, southern Colorado, New Mexico, Arizona and southern California, at which there are permanently kept 105 companies of infantry and cavalry. The annual cost of an infantry regiment in those distant regions is over \$1,000,000—of a cav-

alry regiment about \$2,000,000. Rations, forage and general supplies for these troops and posts have to be transported immense distances by wagons and at the very highest known rates of freight. At the last session of Congress the point was made before a committee of the Senate that if the Kansas Pacific road, commonly called the Eastern Division, was complete to Albuquerque, the larger part of the cost of this military service and maintenance could be saved to the government. General Sherman came before the committee and testified that if that road was in operation to the point named, one-half of the troops could be dispensed with, and \$3,500,000 a year be saved to the country. Also at the last session of Congress the Committee on Military Affairs of the House of Representatives reported, that on the basis of the cost to the government of transportation in 1867 over the portion of the Kansas Pacific railroad then finished, (which was \$511,908,) if the military supplies had been wagoned, and the mails carried by stage, and the troops marched on foot, the cost, calculated at the average contract price of that year, would have been \$1,358,291, and that the road saved the government in 1867 the large sum of \$846,383.

That committee also reported that *at that rate of saving the United States bonds thus far issued in aid of the road would be paid and extinguished in less than four years.* This was the actual result in one year, in which no extraordinary movement of troops or supplies took place, the force on this route not having been increased by reason of Indian outrages.

Having considered the subject of the southwestward extension of the road beyond the terminus of its subsidy, (near Fort Wallace,) the committee reported that nearly all the supplies for the three regiments in New Mexico were wagoned from the end of the Kansas Pacific road at a cost of \$1 28 per 100 pounds per 100 miles; and that if the road were in operation to Albuquerque the saving in transportation on these supplies to that point, at the road's published freight rates, would amount to \$851,880 a year. The committee also found that there would be an additional saving to the government in the transportation to Albuquerque of troops, munitions, mails, and treaty supplies for Indians of \$231,922 a year.

The total annual saving, therefore, to the treasury of the United States by the use of a section of the Kansas Pacific railroad, only 466 miles long, from the end of its subsidy in western Kansas southwestward to Albuquerque, would amount to the immense sum of \$1,083,872.

By a provision of the Pacific railroad acts 50 per cent. of the compensation for service to the government is retained by the Secretary of the Treasury to be applied to the payment of the interest and the principal of the bonds advanced in aid of the roads. In addition to the facts above set forth the House Military Committee found that the annual saving of \$1,083,872 would not only keep down the interest of the bonds then asked for to build the Kansas Pacific road from Fort Wallace to Albuquerque, but would provide an annual sinking fund, which, in connection with the retention of 50 per cent. of the government transportation dues, *would wipe out the whole loan, principal and interest, in six years—twenty-four years before it would fall due.*

The House Military Committee, moreover, found that a proportional saving in the public service, quite as large if not much greater than that above set forth, would be effected by the extension of this road along the 35th parallel all the way west of Albuquerque to the Pacific. And well they might come to this conclusion upon evidence like the following, which was placed before them: The surveyors of the Kansas Pacific road in November, 1867, bought of the United States quartermaster at



Fort Bowie, in Arizona, under General Grant's order, 200 pounds of pork and 84 pounds of salt, at the cost price at Fort Yuma of \$47; but had to pay in addition the cost of transporting the salt and pork by wagon from Yuma to Bowie, which was \$133, nearly three times the first cost of the articles, and five times what the freight would have been by rail all the way from San Francisco if the road had been in operation. And at that time every pound of rations and every pound of forage consumed by the government at Fort Bowie cost the treasury 23 cents *in coin* for transportation.

Bear in mind that the House Committee on Military Affairs reported on the figures and results of a year on the Kansas Pacific railroad in which there was no unusual movement of troops or supplies. Vastly more striking and conclusive would be a comparative statement made up from the extraordinary movement of supplies and troops by General Sheridan this winter. He has about 5,000 cavalry in the field campaigning and fighting in snow. His transportation of necessity is immense. Yet the successful battle of Wichita could not be followed up for want of supplies. Both horses and men had to be marched back temporarily to Fort Hayes. That battle was fought on the winter camping grounds of the Cheyennes, through which the line from Fort Smith in Arkansas and Shreveport in Louisiana will run to connect with the Kansas Pacific road at Anton Chico, or Albuquerque, the two to run thence as one road on the 35th parallel to the ocean. We have no doubt that the accounts of the War Department to be made up next June will show that the cost of this winter's campaign, against but a part of the hostile Indians, will amount to a sum which would construct the entire line to the Rio Grande.

A similar necessity for a railroad to avoid the enormous expense of wagon transportation of military supplies exists in the region between Lake Superior and Puget sound. Within it are 100,000 Indians. Of United States military posts there are 28. There are of cavalry, artillery, and infantry 76 companies permanently stationed. The stores required to supply them amount to 22,995 tons per annum. The cost of transporting these stores, estimated on the basis of contracts reported by the Secretary of War in 1867, and the distances declared by the Quartermaster General in 1866, is the enormous sum of \$6,158,972. Well might General Grant say in his report as Secretary of War:

During the last summer, and before I caused inspections to be made of the various routes of travel and supply through the territory between the Missouri river and the Pacific coast, the cost of maintaining troops in that section was so enormous that I desired if possible to reduce it. This I have been enabled to do to some extent from the information obtained from these inspections; but for the present the military establishment between the lines designated must be maintained at a great cost per man. *The completion of the railroads, to the Pacific will materially reduce this cost, as well as the number of men to be kept there. The completion of these roads will also go far towards a permanent settlement of our Indian difficulties.*

Quartermaster General Meigs was certainly prophetic when he said in 1866:

The same course of events which has led to the immense expenditure for transportation upon the routes to Utah and to New Mexico, is *certain to come in the near future* on the routes to Idaho, Montana, and the valley of the Columbia.

There will be an immense conflict to determine the question, which no philanthropy and no policy can avoid, whether the northern region of the United States, between the lakes and the ocean, shall be kept as an antelope park and buffalo range for the use of Indian hunters, or whether it shall be cut up and occupied in farms by white men. And when that conflict comes the cost of military transportation, above officially stated at over \$6,000,000 a year, will be trebled and quadrupled, unless the

North Pacific railroad is built. The government surely ought not to wait till that war breaks out to make its economical choice between the locomotive that exerts upon the railway the power of 2,000 horses, and the heavy plains-wagon, which drawn by ten oxen, and loaded with 5,500 pounds, crawls but sixteen miles a day. The charge for military transportation over the Kansas Pacific road in 1867 was 10 $\frac{5}{10}$  cents per ton per mile. The average rate paid by government for wagon transportation on the plains in 1867 was \$1 28 per 100 pounds per 100 miles from April to July; \$1 56 $\frac{1}{2}$  in July, and \$2 16 $\frac{1}{2}$  from August to December, inclusive; being an average for the year of \$1 79 per hundred pounds per 100 miles, or 35 $\frac{8}{10}$  cents per ton per mile. This difference in favor of steam power over cattle power amounts to over 230 per centum, and should on principle be availed of by the administration of a nation out of debt, and should be snatched at by a nation in debt. The economy of rail over wagon transportation for the army on an average use of 153 $\frac{17}{100}$  miles of the Kansas Pacific railroad in 1867, as reported by the Military Committee of the House, has been tabulated thus:

	Wagon transportation.	Rail transportation.	Saving in favor of rail transportation.
Government freight .....	\$1,143,462 03	\$368,310 02	\$775,152 01
Government troops .....	163,135 65	108,757 10	54,378 55
Government mails .....	51,693 38	34,841 12	16,852 26
Totals .....	1,358,291 06	511,908 24	846,382 82

A similar exhibit, showing a saving to the government of nearly twice the whole cost of rail transportation for the year, the North Pacific road, when completed, can also make for the entire length of its main and branch lines, 1,975 miles.

#### HOW ADDITIONAL LINES WILL OTHERWISE PAY THE NATION.

These additional lines of railroad to the Pacific, besides reducing the annual expenditure, will pay the nation:

I. By bringing into market hundreds of millions of acres of good land which are now dead property to the United States—by adding millions of population to the present number of its producers and tax-payers of the country—by doubling, trebling, quadrupling and, indeed, indefinitely increasing the annual yield of the precious metals in the United States—by a vast increase of our customs revenue to be derived from importations from Asia into the harbors of Puget sound, San Francisco, and San Diego—by the general stimulus of production, manufactures and trade in all the States east of the Mississippi, to supply the wants of the settlers in the new regions to be traversed by the roads—by all that diversified good in pursuit of which England, France, Belgium, Holland and Austria have spent such enormous sums of money, pledged without stint their public credit, and found their reward in doing so, to the first named nation, in the control of the trade and commerce of the world, and to the others not only an astonishing increase of wealth, commerce and revenue, but the sure means of paying their several national debts out of sinking funds for that purpose made a part of their railway systems respectively. Our reward for the construction of these



two additional lines to the Pacific will, upon the English system we have unfortunately been copyists of, be in any event immense.

#### THESE RAILWAYS CAN PAY THE NATIONAL DEBT.

But if we should engraft upon our Pacific railway system the feature that so wisely characterizes those of France, Holland, Belgium, Austria, Spain, Portugal and Italy, to make every person who travels or traffics by rail contribute, without knowing it, a fractional sum towards the discharge of the public debt, and to make the railways the agents of collecting and funding this tax, infinitesimally small in amount, and unaccompanied by any show of revenue machinery, and of handing it over to the state as a sinking fund to pay off the national obligations, we would confer one of the greatest boons within the scope of legislation upon ourselves and our posterity. Among its blessings would be a settlement of most of the financial and currency questions which vex our politics and unsettle our trade. By means of this railway sinking fund, France will, in less than 90 years, be relieved of the entire burden of her national debt of \$2,500,000,000. By means of it Belgium will pay off, in 1884, the \$40,000,000 she borrowed to construct her first 352 miles of railway, and she will then have a net annual revenue from her entire system of roads of \$4,700,000, sufficient to pay the interest on her national debt of \$130,000,000. By means of this railway sinking fund improvident Spain will pay off \$200,000,000 of her debt of \$820,000,000; and Austria will get relief from \$325,000,000 of her financial burden of \$1,250,000,000. On the continent of Europe it is now an accepted maxim among financiers and statesmen that *the railway is the true sinking fund for the payment of national indebtedness.*

#### THE NORTH PACIFIC ROAD WILL ACQUIRE FOR US THE BRITISH POSSESSIONS.

II. The line of the North Pacific road runs for 1,500 miles near the British possessions, and, when built, will drain the agricultural products of the rich Saskatchewan and Red river districts east of the mountains, and the gold country on the Frazier, Thompson, and Kootenay rivers west of the mountains. If we do not build this railroad the English surely will build one through their territory so soon as the proprietary rights of the Hudson's Bay Company have been determined and disposed of. To save to the Crown the province west and north of Lake Superior the home government will undoubtedly construct the line, unless it shall be made unprofitable by being forestalled by the North Pacific. From Canton to Liverpool, on the 49th parallel of latitude, it is 1,500 miles nearer than by the way of San Francisco and New York. This advantage in securing the overland trade from Asia will not be thrown away by the English, unless it is taken away by our first building the North Pacific road, establishing mercantile agencies at Puget sound, fixing mercantile capital there, and getting possession on land and on the ocean of all the machinery of the new commerce between Asia and Europe. The opening by us first of a North Pacific railroad seals the destiny of the British possessions west of the 91st meridian. They will become so Americanized in interests and feeling that they will be in effect severed from the new dominion, and the question of their annexation will be but a question of time. An evidence of the feeling that already impels them towards us will be found in a petition to the home government, exten-

sively circulated in British Columbia last year, in which the memorialists prayed her Majesty:

Either to relieve us immediately of the expense of an excessive staff of officials, assist the establishment of a British line of steamers to Panama, so that emigrants from England may reach us, and also assume the debts of this colony, or that your Majesty will graciously permit the colony to become a portion of the United States. That every feeling of loyalty and cherished sentiments of our hearts prompt us to cling to our present connection with our mother country, and to count as our best inheritance our birthright as Britons; but all our commercial and business relations are so intimate with the neighboring American population that we see no other feasible help out of our present difficulties than by being united with them, unless your Majesty's government will help us as aforesaid.

#### THE SOUTHERN PACIFIC ROAD WILL ANNEX NORTHERN MEXICO.

III. In like manner the Southern Pacific railroad, on the 35th parallel of latitude, will so intimately relate us by trade, mining operations, and other enterprises with the northern states of old Mexico, from which branch roads will soon be built to the main trunk, that they will be Americanized, and eventually absorbed into our Union without the cost of purchase or the crime or expense of conquest.

#### THE GUARANTEE OF THE INTEREST UPON THE ROADS' BONDS PERFECTLY SAFE.

The guarantee by the government of six per cent. interest upon the bonds of the roads to the extent of \$30,000 a mile is perfectly safe.

1. The two trunk roads will earn the money to pay the interest. The Southern Pacific goes in large part through a settled country long under cultivation, and which now possesses abundantly the elements of a freight traffic in wheat, corn, barley, wool, hides, wine, cattle, horses, sheep, timber, coal, and ores of gold, silver, lead, and copper. The North Pacific will start from the western edge of what has been truthfully called the "continental wheat garden," and will traverse a succession of rich grain and grazing districts the whole length of its line. Each of the roads will carry immense amounts of machinery and supplies to the mining regions.

2. There was never exacted by capitalist from borrower such comprehensive security against loss as the government has taken in this bill. First, it takes every acre of land the roads own; second, it takes the whole of their earnings for transportation for the government; third, it takes ten per cent. of the entire gross receipts of the roads; fourth, on default it takes the roads themselves! There cannot be a question about the fullness of the security to the government for its guarantees. There may be a question, however, if roads thus dealt with and divested of their resources can ever be built.

3. The experience of the government with the eastern division, or Kansas Pacific road, demonstrated that *one-half* of the charges arising from services to the government in moving troops, supplies, and mails, is more than sufficient to meet the accruing interest on the bonds to be guaranteed. We have elsewhere shown that the retention of the 50 per cent. under the existing Pacific railroad laws was more than enough to keep down the interest on the bonds issued to that road, and to provide a sinking fund to redeem them before they matured. It is of departmental record, and wholly incontrovertible, that such has been the result. This result will characterize the relations of the government to the road in New Mexico and distant Arizona more fully than it did in Kansas. The business done for the government by the eastern division in Kan-



sas in 1867, as shown by the accounts of the quartermaster's department, presented the following results:

Transportation of freight.....	\$368,310 02
Transportation of troops.....	108,757 10
Transportation of mails.....	34,841 12
Total.....	511,908 24
Fifty per cent. retained by the government.....	\$255,954 12
Total interest on bonds issued in aid of the road, (paid by the government, as certified to by register of the treasury).....	201,234 55
Leaving an excess in the hands of the government of.....	54,719 57
Which is sufficient to provide a sinking fund that will extinguish all the bonds at maturity, and still leave a balance in the hands of the government of....	11,204 77

This was the result of the first year's operation of the road, paid in cash into the treasury by the road, without any reference to the economy and advantages of rail over wagon transportation. Instead of the road being in debt to the government, the government came in debt to the road.

What is thus demonstrated to be true of the Kansas Pacific road will prove to be equally true in the case of the North Pacific road.

We fully believe that the experience of the United States in its aid of these additional Pacific railways will be that of Napoleon's government in assisting the establishment of the railways of France. He without hesitation guaranteed five per cent. interest on the capital that would be invested in building 2,351 miles of new railway. *The roads completed paid 10 per cent. dividends, and the government guarantee was never wanted and never called for.*

#### THE OBJECTION OF UNTIMELINESS OF PRESENT AID ANSWERED.

The objections urged to a grant of government aid to two additional trunk lines to the Pacific concede the importance and necessity of the lines, but insist on the untimeliness of present aid. It is said that the country is in debt, that the treasury cannot afford the burden, that the national indebtedness ought not to be increased, and that these two enterprises should await the restoration of specie payments. These objections might have a show of force if the government aid asked was a gift of money, or an advance of bonds, the interest and the principal of which the government was expected to pay. But that is not what is asked. The roads apply for a loan of the public credit, without any issue of bonds, and furnish evidence that they can and will protect it so that nothing will have to be paid by the government.

The objections on this score then being without substance, the question recurs—what time is the best time for the United States to aid these two vastly important enterprises? Certainly the best time to begin the reduction of military expenditures of the government, the cost of its postal service, and of maintaining territorial governments in the western half of the continent, is the present time and not any future. Certainly the best time to begin to acquire the commerce, the population, the wealth, and the increased revenues which the two additional roads will give us is now, and not hereafter. If the roads are to be profitable to the country, it is manifest that the sooner they are built the better. If they will accomplish the good which their obstructors admit they will accomplish, postponement of their construction certainly is national loss and damage on a gigantic scale.

ENGLAND AND FRANCE GUARANTEED COSTLIER RAILWAY UNDERTAKINGS, THOUGH LESS ABLE TO DO SO THAN THE UNITED STATES ARE.

Great Britain has guaranteed the interest on \$60,000,000 loaned to construct railways in Canada, and on \$440,000,000 advanced to build the cotton railways in India. Her ability to meet a liability of six per cent. interest upon \$500,000,000 is not as great as that of the United States. The debt of Great Britain in 1863, the time she began to aid with her credit the developments of her colonial railway systems, was \$3,915,000,000, resting upon a population of less than 30,000,000, with a distributive burden per capita of \$130 40 to every man, woman, and child. She then had a standing army of 198,518 officers and men, and 27,331 horses. The expenses of her government that year were \$469,000,000.

France within the last 11 years has loaned her credit to private companies to stimulate railroad construction to the extent of \$620,000,000, the government guaranteeing four and five per cent. interest and 0.65 per cent. for a sinking fund to pay off the debenture debt in 50 years. Her public debt in 1862, the year in which she most boldly ventured on this wise career of improvement, was \$2,206,000,000; her population was 37,000,000; the distributive share of each person's load of the debt being \$59 65. The standing army of France in 1863 was, "peace establishment," 404,195 men and 83,368 horses; "war establishment," 757,725 men and 143,238 horses. The expenses of her government that year were \$515,900,000.

The public debt of the United States on the 1st of January, 1869, was \$2,540,707,201 25. Our population then was about 41,000,000; the burden of the debt was \$61 97 per capita. The regular army of the United States does not contain over 40,000 men. The expenses of the government for the current fiscal year are officially estimated at \$336,000,000, including the payment of interest on the public obligations.

Which of the three countries is in the best condition to embark in a career of developing wealth and acquiring power through an increase of commerce and industry? Beyond all question the United States. Presently she is in the best condition; prospectively she is in a better condition than either France or England ever can be. See our growth in population, and "*that tells the story.*" Since the first national census in 1790 the increase of population in the United States has been so uniform that its future can be predicted with certainty. The following shows the percentage of growth for each 10 years:

	Per cent.		Per cent.
1790 to 1800.....	35.02	1830 to 1840.....	32.67
1800 to 1810.....	36.45	1840 to 1850.....	35.87
1810 to 1820.....	33.01	1850 to 1860.....	35.46
1820 to 1830.....	33.49	Average for seventy years.....	*34.57

At this rate of increase the population of the United States in 1870 will be 42,322,710; in 1880 will be 57,966,368; in 1890 will be 76,676,731; in 1900 will be 103,205,880.

If our present public debt shall be maintained, like that of Great Britain, the principal of which no Englishman dreams will ever be paid, this great increase of our population would reduce it by distributing its burden per capita, so that it would scarcely be felt; but it will be paid. We have already commenced to pay it at a rate of speed which would strain the resources and business of any other country on the globe. When the war ended, less than four years ago, our debt, liquidated and unliquidated, amounted to over \$3,300,000,000. On the 1st of September

\*In each ten years.



last it was in round numbers only \$2,500,000,000—a reduction by actual cash payment in three years and a half of \$800,000,000. The debt of Great Britain, on the other hand, which in 1816 was \$4,200,000,000, was in 1863, in round numbers, \$3,900,000,000. It took her 47 years to reduce it \$300,000,000.

But the increase of population in the United States will be accompanied by a more than proportional increase of wealth. We have the authority of five of the most eminent statisticians in England for the statement that during the period of 25 years, from 1833 to 1858, the increase of wealth in Great Britain was 66 per cent. In the 20 years from 1840 to 1860 the increase in the United States was over 330 per cent. Nor is this an isolated fact in the comparative progress of the two countries. From 1800 to 1858, (58 years,) Great Britain's increase in wealth was 233 per cent.; from 1800 to 1860, (60 years,) our increase was 1,400 per cent. During the 40 years from 1793 to 1833 the growth of wealth in Great Britain was 151 per cent.; during substantially the same period the increase of the United States in wealth was 253 per cent. From 1833 to 1858 Great Britain's increase was 69 per cent.; from 1830 to 1860 the increase in the United States was 508 per cent.

These facts and figures authorize the declaration that there is no nation on the earth so capable of undertaking and carrying through great enterprises, to develop a country's resources and increase its trade and commerce, as is the American republic. If England—with a debt much larger than ours, increasing in population, wealth, and annual production in a far less ratio than we do, with a costly standing army five times greater than ours, with a wasteful navy four times greater than ours—if she, without hesitation, guarantees \$500,000,000 of bonds to aid the construction of railroads in two of her colonies, can we not find the courage to help build two additional trunk lines to the Pacific by guaranteeing the interest on thirty year bonds to one-third of that amount? If France—with a public debt almost as large as our own, with a population that in 60 years has increased only one-twentieth as fast as ours—with a standing army ranging from 400,000 to 750,000 men to support—if she welcomes railway extension on its first coming from England, and promptly grants her credit to the amount of \$620,000,000 simply to develop her domestic and foreign trade, shall we with cowardly stupidity sit down till our national notes and bonds are all paid, and refuse to lend the government's endorsement of the interest alone on \$150,000,000 of perfectly responsible and safe paper, to accomplish the building of railroads which will be channels for the world's commerce, and will populate and develop 500,000 square miles of the richest mineral and agricultural territory on the globe, nearly every acre of which is public property?

FOUR HUNDRED AND FORTY MILLIONS OF BONDS GUARANTEED BY ENGLAND SIMPLY TO DESTROY THE UNITED STATES' MONOPOLY OF COTTON.

The sagacity and courage with which the British government carried out their determination to procure a supply of cotton from India, that should make them independent of the United States, merit special mention, and should serve to stimulate us to some form of rivalry.

British India covers an area 1,800 miles long and 1,500 miles broad. It is a country of vast and almost impassable jungles, huge forests, mighty rivers, chains of mountains, and extensive plains, all combined with an extraordinary luxuriance of vegetation, which obstructs progress and almost prevents passage by man or beast. The most favorable cot-

ton districts were inaccessible for want of facilities of communication. To get the staple to market it was necessary to carry it on the backs of men and animals, through regions of wooded wilderness, across gorges and ravines, over mountains, and to ferry it across rivers. The breaking out of our civil war was seized on as the favorable moment for inaugurating a vast system of railways, which should enable the English to get this cotton cheaply to tide-water, and consequently to stimulate its continuous production throughout India to the extent of a new and independent supply. It was determined to build 4,600 miles of railroad. The estimates of their cost presented the formidable sum total of \$440,000,000! Without hesitation the imperial government granted its credit in aid of the works. It offered to guarantee 5 per cent. interest on all capital that should be invested in Indian railroads. What has been the result? The East Indian railroad company have now under its management 1,310 miles of railway which cost \$100,000,000. The Great Indian Peninsular road was in operation last year for 1,233 miles of its unfinished line. From Calcutta to Bombay, a distance of 1,458 miles, there is unbroken railroad communication. The branch lines connected with the main stems are of vast extent, and will cost as much money as the stems have cost. India has now 4,200 miles of railway in operation, almost wholly the fruit of government aid. It is only 15 years ago that she had her first mile of railroad. What have these wisely conceived and bravely undertaken improvements accomplished for Great Britain's present monopoly of the manufacture and trade in cotton goods? More than one-half of the cotton spun and wove in England is derived from India. The United States have lost their monopoly of supplying Europe with this prime staple of necessity. The Indian railroads have removed the chief obstacles to the production, by the English, of an almost unlimited supply of cotton.

The guaranteeing of interest to the investors in the Indian railroads was a splendid act of statesmanship on the part of the British ministry. Financially it has proven as safe as in policy it was wise. For the roads were so remunerative as commercial roads alone, that in 1867 the earnings of several of them exceeded the 5 per cent. guaranteed interest. During the half year ending in December, 1867, the East Indian and Great Peninsular companies declared surplus dividends. Half the amount of surplus income was devoted to the repayment of the government's advances for interest, and the other half was divided among the shareholders. And, as might have been foreseen, the amount of guaranteed interest which the government pays diminishes every year. In 1865 the amount was £1,450,000; in 1866 it was £800,000; in 1867 it was only £600,000. The great earnings and profits of the roads make the government guarantee yearly less and less necessary.

Surely, what the British government has profitably done for a single article of British industry and commerce, the United States can afford to do for two additional trunk railroads to the Pacific, that will develop almost one half of our country and give us overland the trade of Asia with Europe, besides causing a direct saving to the government in transportation, and in maintaining and protecting our western Territories.

SO PROFITABLE ARE RAILROADS THAT THE GOVERNMENT COULD HAVE AFFORDED TO BUILD ALL IN THE UNITED STATES.

So impressed are the majority of your committee with the importance of these projected highways to the Pacific, that they do not hesitate to say that if the existing railroads throughout the United States could have



been constructed in no other manner, it would have been the soundest policy for the government to have assumed their construction, even without the expectation of deriving a dollar of income from them. The actual cost of these works would have been about \$1,200,000,000. The interest on this sum is \$72,000,000. The roads have created a commerce worth \$10,000,000,000 annually. That commerce has enabled the people to pay yearly \$400,000,000 into the public treasury with far greater ease than they could have paid \$100,000,000 without them. Without these roads it would not have been possible for the people to maintain the war against the rebellion or sustain the financial burdens it imposed. With the roads they bore them with comparative ease. No railroad line of ordinary importance was ever constructed that did not from the wealth it created speedily repay its cost, although it may not have returned a dollar to its shareholders or bondholders. If this be true of local and unimportant works, how much more so must it be true of great national lines like the Northern Pacific and the Southern Pacific, which will open the central continental domain now unoccupied, but abounding in every element of wealth, and will save the necessity of lingering voyages around Cape Horn and the cape of Good Hope.

#### THE GUARDED PROVISIONS OF THE BILL ATTACKED BY THE MINORITY OF THE COMMITTEE.

In regard to the bill which has been unwarrantably criticized by the minority of the committee the majority would say that though it designated by name six roads to be aided, there were in reality but three: the Northern Pacific, from Lake Superior to Puget's Sound; the Southern Pacific railroad, on the 35th parallel, with connections, to give the Southern States some outlet to the western ocean; and a branch to Oregon up the Humboldt valley, connecting the northwest with the central line from San Francisco to Omaha. Unavoidably mentioned and treated in detail simply because they were separate interests or independent organizations, four of the roads named in the bill served to weight it down arithmetically, though they were but a part of a single and connected system, as the delta outlets of the Mississippi are but the distributing channels of its current. The Atlantic and Pacific railroad, and Little Rock and Fort Smith railroad, forming together a continuous line from Little Rock in Arkansas to Anton Chico, or Albuquerque, in New Mexico, and the extension of the Kansas Pacific railway southwestward from its present stoppage in the middle of the plains to a junction with the Atlantic and Pacific at or east of Albuquerque, in connection with the trunk-line westward along the 35th parallel to the Colorado river, to be constructed jointly by the Kansas Company and the Atlantic and Pacific Company, all constituted, with the Southern Pacific railroad of California, in reality, but one line—the United States Southern Pacific railroad.

The six roads named in the bill are all parts of a general system of transcontinental railway, which had its origin in the first railroad surveys and explorations made by the government, with a view to attaining speedy communication between the Atlantic and the Pacific—a system which acknowledged the equal rights of the southern, central, and northern portions of the republic, and which from the beginning was understood to be and accepted as the policy of the government, since repeatedly confirmed by legislation. The central line from Omaha to San Francisco has received all the aid it asked for in land and bonds, and is nearly completed. The Northern Pacific has been chartered and endowed with lands. The Atlantic and Pacific has been chartered and endowed with lands. Some of the lines constituting its eastern delta have been incorporated and

endowed. No policy of the government has been more defined or determined than the construction by public aid of three trunk lines of railway from the Atlantic to the Pacific States, one of them flanking and two of them crossing the Rocky mountains.

The endeavor, by two of the minority of the committee, to cast a stigma upon the bill by calling it an "omnibus," into which have been thrown "distinct measures having no relation to each other for the too apparent purpose of combining strength for the whole that might not be obtained for the separate parts," is unjust. The measures are kindred, far more so than are the separate appropriations for improving harbors in a general river and harbor appropriation bill, or the appropriations for fortifications, for the increase of the cavalry force, and the support of the West Point Academy, in a general military appropriation bill. These railroads, with the Union Pacific, belong to and constitute a single system. There cannot be a just objection to the combination of them in a single act. The provisions in favor of each of the roads in the bill were as accessible to criticism, amendment, and even motions to strike out, as if they had singly come before the Senate in separate bills. Special care was taken in framing the bill to so draw it that eliminations of portions should not affect the residue, and that the bill could be easily modified in respect to any one of the roads without involving the rest, or introducing confusion. To embrace them all in one act certainly had the merit of simplifying action on them in the two branches of Congress, and of economizing time and labor. If strength was got by this union, it was only the legitimate strength of the several parts. The measures separately were entitled to the favorable action of Congress. Put together, they certainly did not lose their merits and their claims.

But the most remarkable "view" of the minority of the committee is their declarations that "if Congress is to continue the policy of granting the credit of the government for the construction of railways it would be far better to adhere to the plan of granting directly the bonds of the government." This is so utterly in conflict with the determination to which the Pacific railroad committee unanimously came not to repeat the costly errors in the endowment of the Union Pacific road, that the majority of the committee can not forbear the expression of their astonishment that a preference for the bond-subsidy plan should be publicly avowed by two of the minority, after it had been repudiated by the entire committee, as it had been previously stigmatized by officers of the government and repudiated by the people. One of the minority of the committee, from his official connection with the Union Pacific road, certainly was in a position to know that for the government it was *not* "better to adhere to the plan of granting bonds directly" in aid of new roads. It has been, in effect, charged by government officials authorized to inquire, that that road has been built with the proceeds of its own bonds, and that the bonds and lands granted in aid of it by the government have been put into the pockets of its constructors. This is accepted as true throughout the country, and it has not only created a scandal discreditable to the federal legislation, but has produced an angry prejudice against governmental aid of any kind to public enterprises, which does wrong to many projects of the greatest merit and retards the development of the country.

The committee, anxious to avoid the repetition of the error which marred the initial legislation of Congress on transcontinental railway aid, unanimously agree to substitute the plan of guaranteeing interest in lieu of the plan of issuing bonds—and of fixing a uniform maximum per mile of the entire length of their lines, to which the roads to be aided



should issue their bonds, instead of subsidizing them with cumulating aid of \$16,000, \$32,000, and \$48,000 per mile to meet imaginary difficulties of work and hypothetical cost of construction. More, the committee was determined that abuse of the government aid should not be possible in any bill they reported to the Senate, and that the aid they recommended should go wholly to the construction of the lines, and none of it to the unearned benefit of the parties contracting to build them. The bill they framed, therefore, so jealously guarded the interests of the people that it is perhaps open to the complaint that it is oppressive if not destructive to the roads. It took from the roads all of their lands—all the money derived from transportation done for the United States—took ten per cent. of all their gross receipts—required them to pay the interest on their bonds before it fell due—applied the principles of the homestead law to all of their lands—and in case of default to perform any of the conditions imposed upon them, declared the roads bankrupt and handed them over to the government. If better security for the United States could be got, it is difficult to be imagined how it could be devised. The more important question is, if the roads could possibly be built under such severe restrictions, and if the country under this form of governmental aid would not lose the benefits aimed at in the construction of these national highways?

THE PROVISIONS OF THIS BILL INTENDED TO BE A FINALITY OF THE  
PACIFIC RAILROAD SYSTEM.

The applications for aid to railroads which have from time to time been referred by the Senate to this committee were very numerous. The majority deemed it wise to select from them the lines that would most advantageously place the several geographical sections of the country in connection with the Pacific—which would penetrate those portions of the public domain in the central and western parts of the continent that were best adapted to agriculture and the rapid production of mineral wealth—in which the government has the largest direct interest by reason of its lines of military posts, and in which costly transportation and maintenance of troops has for many years existed, and will continue to exist, until the country is settled by railroads and becomes self-protecting. The bill, instead of being "dangerous," as charged, by opening the door indefinitely for future railroad grants, *was expressly designed to be the finality of Pacific railroad legislation.* Under its provisions no section of the country can, with a shadow of justice, complain that it has not been provided with its best line of communication to the great harbors of the Pacific ocean. On the contrary, had the measures thus combined in the bill been taken up separately, the result would be that the country would drift into an inferior system, and long and expensive lines would be required where short branches have been made to answer in this bill.

THE BILL WOULD EFFECT AN ANNUAL SAVING TO THE GOVERNMENT  
GREATER THAN THE ENTIRE AMOUNT GUARANTEED BY THE GOVERNMENT.

The majority of the committee have carefully investigated the cost of maintaining troops in the public domain, of the government and support of the Indian tribes, the transportation of the mails, and the maintenance of civil government in seven Territories, and are satisfied that

that cost will be annually reduced by the construction of this system of railroads to a much greater amount than the entire sum to be guaranteed by the United States under the provisions of this bill. More than this, *these roads, if constructed, would effect an immediate and continuous economy in the outlays of the government, even if every dollar of the guaranteed sum had to be paid by the United States.*

The amount of guarantee asked for by the bill is \$9,000,000 per annum. During the next five years, in which the roads will be in course of construction, the government's obligation will nominally average \$4,500,000 per annum—about the equivalent of the sum which for the last five years has been yearly expended in making unavailing Indian treaties and maintaining Indian agencies.

Our conviction of the economy of the guarantee is founded on these facts:

I. The Secretary of War, in compliance with a resolution of the Senate of February 6, 1868, reported the cost of maintaining troops in New Mexico and Arizona for the years 1865, 1866, and 1867. The amount was \$16,627,922 47—more than \$5,500,000 yearly. This amount does not include the cost of Indian agencies and supplies, of transporting the mails, or of supporting the territorial governments of New Mexico and Arizona. It includes the sheer military outlay in two Territories only of the vast region traversed by the southern line named in the bill, leaving out southwestern Kansas, southern Colorado, the Indian territory, northern Texas, and southern California. The length of the Kansas Pacific and Atlantic and Pacific roads traversing these two Territories would be 950 miles, on which the interest guaranteed by the United States under this bill would amount to \$1,710,000 annually at and after the expiration of five years. *This is less than one-third of the military outlay now made in those two Territories,* while the cost of government transportation would be reduced at once two-thirds by substituting rail for wagons, and the number of troops required to be kept in those Territories could, as General Sherman has testified before this committee, "be reduced one-half, owing to the greater mobility of the remainder and the growth of self-protecting settlements along the line of the road."

In the Territories penetrated by the north Pacific road equal results would take place, as the statements of General Grant and Deputy Quartermaster General Ingalls prove.

II. The Military Committee of the House, in the first session of this Congress, reported that the actual saving to the government in 1867, in the use of the finished portion of the eastern division, or Kansas Pacific line, an average distance of 210 miles, was \$867,382. At less than one half of this rate for 2,500 miles, (the total length of the southern lines to be aided by this bill,) and for 2,500 miles of northern lines to be so aided, making 5,000 miles in all, the saving annually would exceed by \$1,000,000 the entire amount of expenditure to be guaranteed by the United States.

In reply to the objection that the government would have to meet the liabilities assumed by its guarantees under this bill, the majority of the committee fortunately have the actual experience of one of the lines embraced within its provisions—the eastern division, or Kansas Pacific railway—which has now in operation 405 miles of road.

The amount of government transportation performed by this line from the time it commenced doing business, October 16, 1866, to January 1, 1869, during which the government's use of the line averaged less than 220 miles, has been exactly \$1,033,569 94. The whole amount of



interest incurred and paid by the government on the bonds issued to this road to January 1, 1869, inclusive, has been \$639,305 56. Had this road been aided under the plan of this bill, the whole sum guaranteed would have amounted to exactly \$1,198,697 93—very nearly the amount of its transportation for government alone (all of which would have been retained under this bill) during the same period. The result above stated was attained, let it be borne in mind, while the road was in course of construction.

The gross earnings of the eastern division, or Kansas Pacific railway during its construction from October, 1866, to January, 1869, have been \$3,906,285 99. This amount was earned without a pound of "through freight" and with the line in an unfinished condition.

Ten per cent. of those gross earnings, to be retained by the United States under the provisions of this bill, would be \$390,628 60.

The entire sales of lands belonging to this company during the same period amounted to \$337,606 33, all of which the government would have retained under this bill.

Summing up the above items—

Government transportation.....	\$1, 033, 569 94
Ten per cent. of gross earnings.....	390, 628 60
Proceeds of land sales.....	337, 606 33

We have a total of..... 1, 761, 804 87  
as security for a guarantee amounting in that period of time to exactly \$1,198,697 93, over half a million more than sufficient.

The majority of the committee have had satisfactory evidence presented to them that, by reason of the greater cost of maintaining troops in the more distant Territories of New Mexico and Arizona, and the large amount of commercial business that would be thrown upon the line if it were extended to the Pacific ocean, results greater than the above would have been attained throughout.

#### A WARNING INCIDENT IN THE HISTORY OF THE WAR.

The second year of the war presented a memorable case, which covered the questions at issue between the minority and majority of your committee, which we beg to recall to the attention of the Senate. The War Department was disabled by act of Congress from building a railroad from Kentucky to Knoxville, in Tennessee, the construction of which had been ordered as a military necessity. It was feared that somebody would make money out of the work. Of course it was stigmatized as a "railroad job." Its cost was estimated at \$10,000,000. It has been repeatedly stated by the most eminent commanders in the western army that had that road been built it would have saved to the government in the three subsequent years of the war twenty times its cost; that it would have shortened the war in the west one year, and have saved the lives of 20,000 soldiers. But Congress was persuaded to believe that it was "a railroad job."

The majority of the Pacific Railroad Committee, in conclusion, beg leave to say that they believe that the people of the United States demand the roads provided for in this bill; that the people clearly understand the advantages of them, and do not participate in the recently raised outcry against government railroad aid. They also believe that the credit of the nation and the market-value of its securities will be

enhanced and not diminished by our entering immediately upon the execution of our avowed policy of trans-continental railways, and steadily pursuing it to the end.

The majority of the committee earnestly recommend the passage of the bill.

W. M. STEWART.  
CHAS. D. DRAKE.  
JOHN CONNESS.  
ALEXANDER RAMSEY.  
J. C. ABBOTT.  
B. F. RICE.



