DEFENCE

OF

OAKES AMES

AGAINST THE CHARGE OF

Selling to Members of Congress Shares of the Capital Stock of the Credit Mobilier of America, with intent to bribe said Members of Congress.

Read in the House of Representatives Feb. 25, 1873.

Before the House proceeds to the consideration of the resolution reported on Tuesday last by the special committee charged with the investigation of alleged transactions with certain members of this body, in the disposition of shares of the capital stock of the Credit Mobilier of America, I desire to submit the following statement:

The charges on which said resolution is based relate to events so intimately connected with a portion of the history of the construction of the Union Pacific railroad that I shall ask the indulgence of the House while I proceed to trace such history in greater detail than would otherwise be necessary.

On the 1st day of July, 1862, was passed and approved an act of Congress, authorizing and providing for the construction of a railroad and telegraph line from the Missouri river to the Pacific ocean. The practicability and importance of such a measure had long been urged by our most sagacious public men, but it failed to receive the sanction of the Government, until a great civil war threatened to result in the withdrawal of the States and Territories of the Pacific coast from the authority of the Federal Government. For a variety of reasons, then long before the public, but chiefly to avert the calamity indicated, this act was passed. It was universally esteemed not only a measure of sound policy, but a scheme appealing to the patriotism and loyalty of the capitalists of
the United States, as the instrument whereby a future separation of the Pacific from the Atlantic States would be rendered forever impossible.

The meeting of commissioners named in the act to carry the same into effect by the organization of the corporation was held pursuant to act of Congress on the first Tuesday of September, 1862. Though composed of a great number of the leading capitalists of the country, and in addition to the ordinary inducement of pecuniary advantage, acting under the stimulus of patriotic ardor, the meeting failed to accomplish anything beyond the opening of books of subscription. Not a dollar of stock was subscribed or promised, and it was not until about the 27th of October, 1863—and then only with the explicit understanding on the part of the subscribers that in case of failure to secure future legislation the project must be abandoned—that a sufficient subscription was obtained to authorize the election of a board of directors. On this subscription was the name of no recognized capitalist. Parties known to the country as wielding large capital in railroad enterprises had studiously avoided all apparent association with the enterprise, and in their place appeared a class of comparatively unknown men, whose names, when rising to the surface, had been chiefly connected with enterprises involving speculative and extra-hazardous risks. Until the passage of the law heretofore mentioned, nothing was done under this organization beyond such acts as were necessary to preserve the existence of the corporation.

Then came the act of July 2, 1864. Its principal features were as follows: It authorized a redemption of the par value of the shares from one thousand to one hundred dollars, with a corresponding increase in number; it enlarged the land grant from a ten to a twenty-mile limit; it authorized the company to issue first mortgage bonds on its railroad and telegraph, to an amount per mile equal to the amount of United States bonds authorized to be issued to the company in aid of the construction of the road, and made the mortgage secure the same a lien prior to that of the United States; it declared that only one-half of the compensation for services rendered for the Government should be required to be applied to the payment of the bonds issued by the Government in aid of construction. While thus strengthening the company by these changes, Congress at the same time and in the same act dealt it two well-nigh fatal blows, from the effect of which complete recovery is impossible. It authorized the Kansas Pacific, which was required to effect a junction with the Union Pacific not farther west than the one-hundredth meridian of longitude—a distance of about 247 miles west of the Missouri river—to make such connection at any point westwardly of such initial point deemed practicable or desirable. The result is a rival parallel road connecting with the Union Pacific at a point 516 miles west of the Missouri river—being one-half the length of that road—and claiming equal advantages and facilities in all running connections and interchange of business. It likewise provided that in case the Central Pacific should reach the eastern boundary of California before the Union Pacific should be built to that point, the former company should have the right to extend its road 150 miles eastward, and this power was afterwards enlarged by Congress by act of July 2, 1866, so as to authorize such extension indefinitely, until the two roads should meet. Thus by act of Congress these two corporations were sent forth upon a race across the continent, which finally culminated in the construction of fifty hundred miles of road by each company in a single season, through a desert country, upon a route beset by unparalleled obstacles, and at a necessary cost largely in excess of the most extravagant estimates.

It is in testimony before a committee of the House that after the impracticability of building the road under the first act had been demonstrated, when it had become apparent that additional aid was necessary to induce capitalists to embark in the enterprise, the late President Lincoln was urgent that Congress should not withhold the additional assistance asked, and that he personally advised the officers of the company to go to Congress for such legislation as would assure the success
of the enterprise, declaring it a national necessity, and recommending them to apply for additional concessions, ample to place the construction of the road beyond a peradventure.

Notwithstanding this favorable legislation, no capital was attracted, no additional stock subscribed. On the 8th of August, 1864, a contract for building one hundred miles west from the Missouri river was let to H. M. Hoxie, the only contractor offering to undertake so hazardous a venture. Six months demonstrated his inability to perform his contract, and with the experience of the company in dealing with individual contractors, no course seemed open except to seek a consolidation of personal means into a corporate body, whereby the pecuniary ability of a large number of persons might be made available to the task of constructing the road, while at the same time enjoying the shelter of corporate liability only. Accordingly, by a contract made March 15, 1865, the Credit Mobilier of America, a corporation created by and organized under the laws of Pennsylvania, in substance, assumed the obligations of the Hoxie contract and entered upon its performance. It was soon manifest that even this organization, as then constituted, would be unable to accomplish the work for which it was created. The state of the country and the peculiar local conditions surrounding the enterprise were exceedingly unfavorable to a successful prosecution of the work. Gold was one hundred and fifty; there was no market for the first mortgage bonds; and the Government bonds, payable in currency, were of uncertain value and of difficult sale. No eastern railroad connection existed whereby the vast amount of material essential to construction could find reasonable and rapid transportation to the line of the road; it was compelled, instead, to follow the long and tedious route of the Missouri river, at an extraordinary cost for transportation, and without insurance against the perils of the hazardous navigation of that treacherous stream. All materials were high, and all classes of labor scarce, and only to be obtained in limited quantities at extravagant prices. Add to this the universal distrust in financial circles of the ultimate completion of the road, and the general conviction that when completed it would fail to prove remunerative or profitable, and it is easy to anticipate the result which speedily followed, viz: the practical failure of the new organization to carry forward the work until reinforced by a new class of capitalists, bringing with them larger means and a more powerful influence in the financial world.

Early in September, 1865, it became manifest that the contract could not be performed, and that the work must stop unless additional strength could be imparted to the corporation. Accordingly, after urgent solicitation and long consideration, myself and others associated with me for the first time took an interest in the organization. Its capital stock was increased, additional money was raised, and the work went forward. Under this arrangement two hundred and forty-seven miles of road were built, when on the 16th day of August, 1867, it was superseded by the Oakes Ames contract, so called, and this contract was on the 13th day of October, 1867, assigned to seven persons as trustees, and under it six hundred and sixty-seven miles of road were built.

The alleged corrupt transactions imputed to me are all charged to have been initiated in December, 1867. Glance for a moment at the situation of the Union Pacific Company and my connection with it at that time. After a long and nearly ineffectual struggle, the final construction of the road had been assured by my intervention in its affairs. No one doubted that it would be rapidly pushed to completion. Congress had long before, and not at my instance, enacted the laws tendering inducements to the capitalists of the country to embark in the construction of the road, and I and my associates accepted its offers and undertook the work. The company had no reason to apprehend unfriendly or hostile legislation, for every department of the Government manifested a friendly attitude, and the whole country was loud in demonstrations of approval of the energy and activity which we had infused into the enterprise. Heads of departments and Government officials of every grade whose duties brought them in contact with the affairs of the company were clamorous for increased speed of
construction, and never lost an opportunity of expressing approval of the work and urging it forward. It had never entered my mind that the company would ask for or need additional legislation, and it would have been difficult to find a man so reckless of popular opinion as to have lent himself to a crusade against an organization whose praises everywhere filled the press and were on the lips of the people.

As a matter of history, no legislation at all affecting the pecuniary interests of the company was asked for or needed for three years and a half after the date of the alleged sales by me of Credit Mobilier stock, and then only in settlement of a purely judicial question suddenly and without warning sprung upon it, in a critical period of its fortunes, and in relation to which no controversy had ever before been made. Under no other state of affairs and in no other attitude of the Government could I for a moment have been induced to assume the enormous responsibility entailed by a contract involving a liability of forty-seven millions of dollars. To undertake the construction of a railroad at any price for a distance of nearly seven hundred miles, in a desert and unexplored country, its line crossing three mountain ranges at the highest elevations yet attempted on this continent, extending through a country swarming with hostile Indians, by whom locating engineers and conductors of construction trains were repeatedly killed and scalped at their work—upon a route destitute of water, except as supplied by water trains hauled from one to one hundred and fifty miles to thousands of men and animals engaged in construction—the immense mass of material, iron, ties, lumber, timber, provisions, and supplies necessary, to be transported from five hundred to fifteen hundred miles—I admit might well, in the light of subsequent history and the mutations of opinion, be regarded as the freak of a madman, if it did not challenge the recognition of a higher motive, namely, the desire to connect my name conspicuously with the greatest public work of the present century. It is by no means strange that my credit with conservative financiers like Governor Washburn should have been shaken, and that he should have hastened to call in loans which in his judgment this contract proved to be in unsafe hands.

Under these circumstances, with all legislation sought granted, and no future action of Congress to be asked for or feared, it is charged that I "have been guilty of selling to members of Congress shares of stock in the Credit Mobilier of America for prices below the true value of such stock, with intent to influence the votes and decisions of such members in matters to be brought before Congress for action."

If this charge is true, it is predicated upon three facts, all of which should be shown to the satisfaction of this body, in order to justify the extreme measures recommended by the committee.

First. The shares must have been sold at prices so manifestly and palpably below the true value as to conclusively presume the expectation of some other pecuniary advantage in addition to the price paid.

Second. The shares must have been of such a nature as that their ownership would create in the holder a corrupt purpose to shape legislation in the interest of the seller.

Third. Some distinct and specific matter or thing to be brought before Congress, and on which the votes and decisions of members are sought to be influenced, should be alleged and proved.

It is by no means clear from the testimony that the stock was sold at a price less than its true value. It was not on the market; it had no market value. Unlike an ordinary marketable commodity, it had no current price, and the amount for which it could be sold depended upon the temperament of the buyer, and his inclination to assume extraordinary risks on the one hand, or his tendency to conservative and strictly solid investments on the other. It is in proof before a committee of this House, by witnesses largely interested in railroad construction and operation, and of great financial ability and strength, that when this stock was offered to them at par, it was instantly declined by reason of the enormous risks involved in the enterprises on which its value depended.
These capitalists believed that all the capital invested in the stock was jeopardized, and the venture was declined on the rule that no promise of profit justifies a prudent man in embarking in any enterprise in which all the capital invested is liable to be sunk. Apart from some proof that a small amount of this stock changed hands between persons addicted to speculation at about one hundred and fifty, nothing is shown in reference to its value except that it was not on the market, and had no ascertained price. To overturn the presumption of innocence and substitute the conclusive imputation of guilt from the simple fact of such a transaction occurring between men who had long maintained the most friendly personal relations—of whom nothing was asked, and by whom nothing was promised—is to overturn all the safeguards afforded person and property by the common law, and in lieu thereof establish an inquisitorial code, under which no man's reputation is safe.

It has been assumed that the ownership of Credit Mobilier stock necessarily created in the holder a personal and pecuniary interest in procuring Congressional legislation favorable to the Union Pacific Railroad Company, or preventing legislation adverse to it. At the date of the alleged distribution of Credit Mobilier stock, the Oakes Ames contract had been made and was in progress of execution. It was completed, and the road covered by the contract turned over to the company about the close of the year 1868. Not until two years after was any legislation asked for by the company, and then it was such as arose out of exigencies presented by the action of the Government in reversing a long-continued and uniform previous policy, which could not, by any possibility, have been foreseen or anticipated. The stock depended for its value upon the connection of the Credit Mobilier with the Oakes Ames contract, which was simply in the capacity of a guarantor of its execution, whereby a certain class of its stockholders became entitled to participate in the profits of that contract in money. There is no provision of the Oakes Ames contract, the assignment thereof, or of the triplicate agree-

ment, whereby a stockholder became entitled to any of the securities of the Union Pacific Railroad Company, or in any way interested in their value. The profits derived, if any, were to be, and were, in cash. When the Oakes Ames contract was completed, and the consideration thereof divided in cash to the several parties entitled, in due proportion, the interest of a holder of Credit Mobilier stock in the Union Pacific Railroad Company, and everything pertaining to it, was at an end. In other words, the stipulations of that contract and the cash profits derivable therefrom were the end and the beginning—the centre and circumference—the absolute measure of the pecuniary interest of a holder of Credit Mobilier stock in 1868. To say that the Washburne bill, which professed to deal exclusively with the operation of the road in the hands of the company after it had been built and turned over by the contractors, was a measure feared, and to protect the railroad company against which the stock in question was sold to members of Congress, seems to me to invoke the last extreme of credulity.

It is impossible to impute to me the purpose to corruptly influence members of Congress by conferring upon them pecuniary benefit without adequate consideration, unless the benefit conferred is of such a character as to necessarily create an inclination to aid the donor to the detriment of the public. There is but one escape from this position, and that leads to a lower deep. It may be said that the giving by any person and the receiving by a member of Congress of any gratuity whatever, or, what is identical therewith, selling and buying at an inadequate price, imports corruption in both the giver and receiver, the buyer and seller. Whoever proclaims this doctrine should instantly set on foot the inquiry how many railroad presidents and superintendents have presented to members of Congress the value of transportation over their respective railroad lines, and by whom the same have been received, to the end that justice may be done, and the one presented for indictment and the other for expulsion. The dimensions and value of the gratuity have nothing to do with the question. There is no middle ground on which to stand.
For the first time in the history of any tribunal this body has before it an alleged offender without an offence. Any person accused in the courts of the country, under like circumstances, might well, when called upon to plead to the indictment, insist that it failed to charge a crime. I am charged by the committee with the purpose of corrupting certain members of Congress, while it, at the same time, declares said members to have been unconscious of my purpose, and fails to indicate the subject of the corruption. In other words, the purpose to corrupt is inferred, where the effect of corrupting could not by possibility be produced, and where no subject for corruption existed. No lawyer who values his reputation will assert that an indictment for bribery could stand for an instant in a common law court without specifically alleging who was the briber, who was bribed, and what precise measure, matter, or thing was the subject of bribery. There can be no attempt to bribe without the hope and purpose of corruptly influencing some person or persons in respect to some particular act. Until, therefore, it is alleged and shown not only who tendered a bribe, but who accepted or refused it, and what was the specific subject-matter of the bribery, any conviction which may follow the alleged offence must rest upon the shifting and unstable foundation of individual caprice, and not upon the solid rock of justice administered under the restraints of law.

I shall not enter upon a discussion of the jurisdiction of this body over offences alleged to have been committed during a previous Congress, leaving that question for such additional comment as the lawyers of the House choose to make. The position, however, that the fault—if such exists—is a continuing offence, is so extraordinary and fruitful of such fatal consequences that I cannot forbear a reference to it. Since the Credit Mobilier stock sold by me passed into the hands of the several members of Congress referred to in the report, I have been in the judgment of the committee a perpetual and chronic offender against the dignity and honor of the House, and so far as my own volition is concerned, must so continue to the end of the world. So long as a single share of this stock shall not be restored, but shall remain in the hands of the several receivers, or either or any of them, my offence goes on, and I am bereft of the power to stop it. And yet, notwithstanding the world is now apprised of my alleged corrupt intentions—and no member of Congress can be ignorant of them—the parties who alone have the power but fail to release me from the necessity of continuing my offences by return of the stock, are themselves without blame, and in no way obnoxious to the sins laid upon me. The committee declare that want of knowledge alone of the corrupt intention of the seller exceeded the buyer, while holding and owning the proceeds of the sale. Now that such knowledge is everywhere and among all men, how can this, in the absence of a restoration of the stock or its proceeds, be a living, continuing, perpetual crime in the seller and not in the buyer?

I beg to be correctly understood; I allude nothing against those members of the House who purchased Credit Mobilier stock. I am simply following the reasoning of the committee to its logical results. I make no assault upon any man or class of men, but I most earnestly protest against being chosen the victim of a line of reasoning and assertion, in my judgment, unjust, partial, unsound, inconsistent, and inconclusive—calculated, if endorsed, to bring this body into disrepute, and repugnant to the sense of justice and fair play imbedded in the hearts of the American people.

Reference is made by the committee to the act of February 26, 1863, and after setting out the same, the following language is used: "In the judgment of the committee, the facts reported in regard to Mr. Ames and Mr. Brooks would have justified their conviction under the above-recited statute and subjected them to the penalties therein provided." I beg gentlemen to note the entire section carefully and critically, and verify the assertion I now make that every penalty denounced upon him who shall "promise, offer, or give, or cause or procure to be promised, offered, or given" * * * "any valuable thing" * * * "to any member of Congress" * * * "with intent to influence his vote on any matter pending or
to be brought before him,” is alike launched with impartial severity against any member, officer, or person who shall in anywise accept or receive the same, not knowingly, wilfully, or feloniously receive the same, but in anywise accept or receive the same. Mark the language: “And the member, officer, or person who shall in anywise accept or receive the same, or any part thereof, shall be liable to an indictment as for a high crime and misdemeanor, and shall, upon conviction thereof, be fined not exceeding ten times the amount so offered, promised, or given, and imprisoned in a penitentiary not exceeding ten years.”

Again I protest against the conclusion of the committee, which makes this unequal, partial, and discriminating allotment of the penalties of a statute designed by its framers impartially to strike or shelter all to whom it applies. Whatever result may be reached here, none can doubt that in the courts of the country there will be one law for all.

Aside, then, from the letters addressed to Mr. McComb, it is impossible to infer the motives attributed to me by the committee. Mr. McComb claimed that about $20,000 of the $25,000 of stock voted me to fulfill my obligations to my friends should be given to him for distribution to his friends, and the letters to him were written to show that I was selling the stock in small quantities to my friends, and could not give his friends the entire amount they desired. A perfect understanding of the circumstances under which these letters were written, and a candid consideration of their object and purpose, must, I think, carry to any unbiased mind the conviction that my motives were very far from those ascribed to me. Mr. Durant, Mr. McComb, and myself, were each anxious to secure as large a portion as possible of the shares of Credit Mobilier stock, and professedly for the same purpose, namely: for disposition to those persons with whom, from past favors or personal friendship, we were willing to share opportunities of profitable investment. I had no desire or expectation to further enrich myself, for my sole object was to get and retain as much of this stock as possible to be used in redeeming obligations of the character named. These obligations had been incurred not only to members of Congress, but to many private citizens in no way connected with official life; they had been contracted early in the year 1867, when the stock could not be sold above par, and it was to meet these contracts that I made special efforts to obtain the stock. In doing so, I took it, not for my individual use, but as trustee, for the sole purpose of conveying it to the parties entitled, and it would have been a breach of faith in me to have asked or taken a price in excess of the par value, notwithstanding it may have in the meantime advanced. No distinction was made between members of Congress and unofficial friends, and in performing the obligations I had incurred I sold to both alike stock at its par value, in accordance with my agreement. When, therefore, Mr. McComb objected to my receiving so large an amount, and entered upon a struggle to prevent it, I naturally addressed to him such arguments and considerations as in my judgment would make the deepest impression upon his mind. It so happened that, in the prosperity and success of the Union Pacific Railroad Company, Mr. McComb and myself had a common and identical interest, and I therefore urged upon him that I had so disposed of the stock as to enhance the general strength and influence of the company, for whose welfare his solicitude was not less than my own. It is no sufficient answer to this to say that the statement contained in the letters on which I most relied to influence his mind I now concede contained expressions liable to be construed against the purity of my motives. Tried by the test of casual and confidential letters, often written hastily and under circumstances and surroundings entirely different from those in the light of which they are interpreted—framed for a specific purpose, and to accomplish a particular end—their collateral and incidental bearings not reflected upon and deliberately weighed, but flung off hastily in the instant press of business and the freedom of that personal confidence ordinarily existing between parties jointly concerned in financial schemes or enterprises
of public improvement, he would, indeed, be a cautious, a prudent, a wise, and almost perfect man, who could emerge from such an ordeal completely free from the suspicion of fault.

I wish, therefore, to declare, in the broadest sense of which language is capable, that in writing the McComb letters I had alone in view the objects above enumerated; that I never for an instant imagined that from them could be extracted proof of the motive and purpose of corrupting members of Congress—motives and purposes which I solemnly declare I never entertained. The insignificant amounts of stock sold to each member with whom I had dealings; the proven fact that I never urged its purchase, and the entire lack of secrecy—ordinarily the badge of evil purposes—in these transactions, ought, in my judgment, to stand as a conclusive refutation of the offences charged. And above and beyond this, I submit that a long and busy life spent in the prosecution of business pursuits, honorable to myself and useful to mankind, and a reputation hitherto without stain, should of its own weight overcome and outweigh charges solely upheld by the unconsidered and unguarded utterances of confidential business communications.

A vast amount of error has been disseminated and prejudices aroused in the minds of many by incorrect and extravagant statements of the profits accruing from the different contracts for the construction of the road, and especially that commonly known as the Oakes Ames contract. The risk, the state of the country, the natural obstacles, the inflation of the currency and consequent exorbitant prices of labor and material, the Indian perils, the unparalleled speed of construction and the clamorous demands of the country for speedy completion, seem to be forgotten, and the parties connected with the Credit Mobilier and the construction of the road are now to be tried by a standard foreign to the time and circumstances under which the work was done. It is said that when the failure to secure the necessary amount of cash subscriptions to the stock was proved, and it became manifest that the only medium through which the work could go on was by a constructing company, which would undertake to build the road and take the securities and stock of the company in payment, when the whole enterprise had come to a complete halt and was set in motion by my individual credit and means and that of my associates, the enterprise should have been abandoned. Were it possible to present that question to the same public sentiment, the same state of national opinion, which existed at the time the exigency arose, I would willingly and gladly go to Congress and the country on that issue. But I am denied that justice, and the motives and transactions of one period are to be judged by the prejudices of another, at an hour when the fluctuations of opinion are extreme and violent, beyond the experience of former times. The actual cost in money of building the road was about seventy millions of dollars, and all statements of a less cost are based upon mere estimates of engineers who never saw the work, and utterly fail to grasp the conditions under which it was prosecuted. The actual profit on this expenditure, estimating the securities and stock at their market value when received in payment, was less than ten million dollars, as can be demonstrably established in any court. It is in testimony before a committee of the House by witnesses who have spent their lives as contractors, as well as those who have been builders, owners, and operators of some of the great trunk lines of the country, that for twenty years past the ordinary method of building railroads has been through the medium of constructing companies; that few, if any, roads involving a large outlay of capital are built in any other way; that a profit of from twenty to thirty per cent. is not unreasonable in any case, and that upon the construction of the Union Pacific railroad, estimating it with reference to the magnitude of the work and the risk incurred, no man could reasonably object to a profit of fifty per cent. The like evidence is given by a Government director long intimately acquainted with the manifold difficulties and embarrassments encountered, and who has not yet outlived the recollection and realization of them.

So far as I am pecuniarily concerned, it would have been better that I had never heard of the Union Pacific railroad.
At its completion the company found itself in debt about six millions of dollars, the burden of which fell upon individuals, myself among others. The assumption of the large portion of this liability allotted to me, followed by others necessary to keep the road in operation until there should be developed in the inhospitable region through which it runs a business affording revenue sufficient to meet running expenses and interest, finally culminated in events familiar to the public, whereby losses were incurred greatly in excess of all profit derived by me from the construction of the road.

What, then, has the Government received as the fruits of the connection of the Credit Mobilier with the Union Pacific Railroad Company and the transactions now under consideration? By the terms of its charter it agreed, among other things, to loan the company for thirty years its bonds to certain amounts per mile, and until their maturity one-half the earnings on account of Government transportation should be retained, to be applied in repayment to the Government of whatever interest might in the meantime be paid on the bonds by the United States. The company in turn, by acceptance of the charter, agreed to pay the United States the amount due on the bonds at their maturity and to perform certain services. Without asking additional legislation, or being called upon to resist obnoxious legislation, except wherein this contract had been disregarded and ignored by the Government, the road has been completed and successfully operated throughout its entire line now nearly four years.

No complaint has ever come up from any quarter of any failure to faithfully perform its obligations to the Government, both in respect to transportation services and its pecuniary obligations. In the only instance in which it has differed from any department of the Government, the variance has been upon a purely judicial question, upon which the courts have been open to the United States, but closed to us. The Government made itself the creditor of the Union Pacific Company, tying its debtor hand and foot with a multiplicity of stipulations, and then refused to submit their interpretation to its own courts. That it has so far reaped the principal benefit of the bargain cannot be denied. Official statements of the Postmaster-General are before the House, which show that for the six years ending June 30, 1872, the saving to the Government upon the transportation of postal matter alone by reason of the construction of the Union Pacific railroad, assuming the amount carried to be equal to that transported previous to its construction, has been $643,579.55. But the amount of postal matter has been over six times greater by rail than by stage, so that the real saving is not less than $3,861,477.30. Even this result fails to represent the increased speed of carriage and convenience of handling and distribution afforded by postal cars to the employees of the department accompanying the mails, thus insuring safety and regularity in delivery. A like statement from the War Department shows the saving upon military transportation for the same time to have been $6,507,282.85. No official estimates are before the House for the saving upon transportation of Indian goods, for the Navy Department, or of coin or currency, but they may be safely aggregated at not less than $2,500,000. This gives a total saving for the six years ending June 30, 1872, of the sum of $12,868,760.15. The Secretary of the Treasury in a communication to the House, bearing date May 20, 1872, in answer to a resolution calling for such information, estimates the amount of interest and principal which will be due from the Union Pacific Railroad Company at the maturity of the Government bonds, at the present rate of payment, at $58,156,746.98. Assuming that the saving to the Government of all the different classes of transportation in the future will be the same as in the past, (a supposition entirely on the side of the United States, for it will in fact increase in almost geometrical progression,) and the result is a total saving at the date of the maturity of the bonds of $64,343,880.75, a sum in excess of the principal and interest due at that time to the amount of $6,187,053.77. In other words, if at the maturity of the bonds not one cent of interest or principal was paid, but on the other hand was entirely lost, the Government would be the gainer in money to the amount of $6,187,053.77.
All this is solid gain, involving no consequential element, and susceptible of exact computation. To attempt to grasp the national benefits which lie outside the domain of figures, but are embodied in the increased prosperity, wealth, population, and power of the nation, overtasks the most vivid imagination. When the rails were joined on Promontory Summit, May 10, 1869, the Pacific and the Atlantic, Europe and Asia, the East and the West, pledged themselves to that perpetual amity out of which should spring an interchange of the most precious and costly commodities known to traffic, thus assuring a commerce whose tide should ebb to and fro across the continent by this route for ages to come. Utah was then an isolated community, with no industry but agriculture, and those manufactures necessary to a poor and frugal people. In 1872 it shipped ten millions of silver to the money centres of the world, and is now demonstrated to be the richest mineral storehouse on the continent. An institution repugnant to the moral sense of the Christian world is fast yielding to the civilizing contact of the outer travel made possible by the construction of the railway. Many believe it has already substantially solved the perplexing problem of polygamy. A vast foreign immigration, bringing with it from Europe an immense aggregate sum of money, has already been distributed far out on the line of the road, and its means and muscle are fast subjecting the lately sparsely-peopled Territories of Colorado, Wyoming, Montana, and Idaho to the uses of an enterprising and rapidly-increasing population. A steady and copious flow of British capital is pouring into the mines of Colorado and Utah. The Indians have been pacified; fruitless and costly hostile military expeditions, frequent elsewhere, have ceased in the vicinity of its line, and the facility and speed of communication afforded by the railroad enables the Government to offer adequate protection to the frontier with a handful of troops, and, at the same time, dispense with large garrisons and fortified posts, hitherto maintained at fabulous cost. The countless herds of Texas are moving up to occupy the grazing grounds of the

buffalo in the valleys and canons shadowed by the Rocky Mountains. A region of boundless natural resources, lately unknown, unexplored, and uninhabited, dominated by savages, has been reclaimed, hundreds of millions added to the wealth of the nation, and the bonds of fraternal and commercial union between the East and West strengthened beyond the power of civil discord to sever.

Does any one, yearning with solicitude lest the United States, which has made this fortunate bargain, should fail to receive each cent due at the precise moment it may be demanded by its officers, doubt the ability of the company to perform its obligations and pay the last dollar due, long before the maturity of the bonds? Four years ago the road was opened, without local business, with no considerable through traffic, and in the dawn of the friendly relations between the United States and those Asiatic nations which now bid fair to prove the source of its largest and most lucrative business. The conservative capitalists of the country believed it would bankrupt any organization which undertook to operate it. Four years have reversed that opinion, and now the same men are putting forth their best efforts to secure the benefit of a close traffic connection, and perhaps ultimate ownership. Twenty-four years ago there was scarcely a mile of railroad west of Lake Erie, and no connecting line west of Buffalo. Let him who would rightly estimate the future of this company go back to the year 1848, and, thenceforward to the present time, trace the growth and development of that portion of the United States lying west of the great lakes, and he will be able to approximate the coming history of the region through which this road stretches for a thousand miles, and of the trade and products and commodities of which it is to be the great commercial artery. There is but one power that can destroy its ability to perform all its obligations to the Government; there is but one agency that can render it incapable of paying all its indebtedness to the last dollar—namely, the Congress of the United States. It alone can so cripple, weaken, or destroy the company, as to make the loan of the Government to it a total loss.
These, then, are my offences: that I have risked reputation, fortune, everything, in an enterprise of incalculable benefit to the Government, from which the capital of the world shrank; that I have sought to strengthen the work, thus rashly undertaken, by invoking the charitable judgment of the public upon its obstacles and embarrassments; that I have had friends, some of them in official life, with whom I have been willing to share advantageous opportunities of investment; that I have kept to the truth through good and evil report, denying nothing, concealing nothing, reserving nothing. Who will say that I alone am to be offered up a sacrifice to appease a public clamor or expiate the sins of others? Not until such an offering is made will I believe it possible. But if this body shall so order that it can best be purified by the choice of a single victim, I shall accept its mandate, appealing with unaltering confidence to the impartial verdict of history for that vindication which it is proposed to deny me here.
[1873-02-25; 20-page brochure, “Defence of Oakes Ames Against the Charge of Selling to Members of Congress Shares of the Capital Stock of the Credit Mobilier of America, with Intent to Bribe said Members of Congress; Read in the House of Representatives, Feb. 25, 1873.]