

**THE CENTRAL PACIFIC RAILROAD
CO. ITS RELATIONS
TO THE GOVERNMENT. ORAL
ARGUMENT OF CREED
HAYMOND**

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The Central Pacific Railroad Co. Its Relations to the Government. Oral Argument of Creed
Haymond by Creed Haymond & James L. Andem

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CREED HAYMOND & JAMES L. ANDEM

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ARGUMENT OF
CREED HAYMOND**

THE
Central Pacific Railroad Co.

+

ITS RELATIONS TO THE GOVERNMENT.

+

IT HAS PERFORMED EVERY OBLIGATION.

ORAL ARGUMENT

.....OF.....

CREED HAYMOND

ITS GENERAL SOLICITOR.

MADE BEFORE THE

SELECT COMMITTEE OF THE U. S. SENATE,

*Consisting of SENATOR FRYE, Chairman, and SENATORS DAWES, HISCOCK,
DAVIS, MORGAN, BUTLER and HEARST.*

MARCH 17TH AND 26TH AND APRIL 7TH, 1888.

REPORTED BY

JAMES L. ANDEM,

Stenographer of the Committee.

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INTRODUCTION.

On March 3, 1887, an act of Congress—the culmination of a long series of debates—was approved, “authorizing an investigation of the books, accounts and methods of railroads which have received aid from the United States, and for other purposes.” Under authority of this Act, President Cleveland, on the 15th day of April following, appointed a Commission, consisting of Robert E. Pattison of Pennsylvania (Chairman), E. Ellery Anderson of New York, and David T. Littler of Illinois. Accountants were appointed by this Commission, and instructed to make “a complete examination from the very inception to the present date” of the accounts of the Union Pacific, Central Pacific and other aided roads, with their auxiliary lines. The first meeting of the Commission was held in New York, April 27, 1887; and thereafter meetings took place in Boston, Omaha, San Francisco and other places. All the leading men connected with transcontinental roads appeared before the Commission; and their testimony and related matter fills ten volumes, and more than five thousand six hundred pages.

A majority report (signed by Messrs. Anderson and Littler) and a minority report (signed by Mr. Pattison) were made to the President, and on January 18, 1888, were sent, with a special Presidential message, to Congress. The matter was referred by the Senate to a Select Committee, composed of Senators Frye, Dawes, Hiscock, Davis, Morgan, Butler and Hearst. This committee met early in March, 1888.

INTRODUCTION.

Mr. Creed Haymond, General Solicitor of the Central Pacific Railroad System, was then engaged at Washington in legal business of the Company. The California railroad tax cases, which had been the cause of much litigation and local political excitement, were on appeal by the State before the United States Supreme Court; and Mr. Haymond had made a thorough and successful argument, involving questions of State and Federal jurisdiction then for the first time to be determined. His oral argument before the Senate Select Committee (here presented) was made not long after this,— its delivery, without notes and with little special preparation, taking place during three days in March and April. It dispelled many deep-seated illusions. As a review of the most romantic period in the history of railroad building, and a clear statement of the relations of the Pacific roads to the government, it has excited great interest. A stenographic report of this argument was made by Jas. L. Audem, official stenographer of the Commission, but the printed edition of this report was soon exhausted. The present volume is, as nearly as possible, with some verbal and typographical changes, a reprint of the argument as it first appeared.

THE EDITOR.

PACIFIC RAILROADS.

FIRST DAY.

THE CENTRAL PACIFIC RAILROAD HAS PERFORMED
EVERY OBLIGATION.

MR. HAYMOND said:

Mr. Chairman and Gentlemen of the Committee: I appear as general counsel for the Central Pacific Railroad Company, not to address the committee for or against any specific measures, nor at this moment to suggest any settlement based solely upon a moneyed consideration.

Two honorable men may, after having made a contract with each other, differ as to its construction; and they may with propriety sit down together and discuss matters and attempt to reconcile their differences. If they cannot reach an amicable adjustment, they may refer the matter to arbitration or to the courts. If, in addition to differences of opinion, one should charge the other with having violated the rules which are recognized by civilized man as governing the relations between honest people, then, so long as these charges were insisted upon, settlement made upon a moneyed basis between the two would be dishonorable to both.

For years charges have been loosely made against the directory of the Central Pacific Railroad Company—charges involving the honor of the men comprising that directory.

The majority report of the United States Pacific Railway Commission, which the Senate has referred to you for consideration, and which you now have before you, when closely analyzed, vindicates, in the main, the integrity of the directors. It shows that the Central Pacific Railroad Company has faithfully kept all of its obligations, public and private; that toward the United States it has discharged, to the letter and in the spirit, every duty imposed upon it by the Government, while, on the other hand, the Government has violated many of the obligations on its part to be performed. But the Commissioners seem to have been surprised that these things were so, and running through the majority report there is a vein of apology for having to state these truths; and to the casual reader of that report it does not constitute the vindication which, perhaps, the Commission intended it should.

MINORITY REPORT.

The minority report of the Commission, with a few exceptions, is made up of glittering generalities, and places upon the record the slanders which have for twenty years been repeated by irresponsible parties. Until every impression which these charges may have made upon your minds

has been removed, the directors could not, with credit to themselves, nor could you, consider any terms of adjustment.

The men who projected and carried into execution a work which Senator Bogy, of Missouri, from his place in the Senate, characterized as "the greatest achievement of the human race on earth" have no propositions to make looking to a purely moneyed settlement of the question. Their ultimatum, here and now and for all time, is complete vindication.

But three of the original projectors of this great work are living. They are old men who have nearly reached the allotted limit of three-score years and ten. The other projectors rest in honored graves. If their survivors should consent to any adjustment of the present dispute which would leave a stain upon the memory of the dead or tarnish in the slightest degree the honor of the living, they would neither have nor deserve the respect of mankind.

I have listened attentively to the proceedings of this Committee since its organization. I have heard the able argument made by Mr. Anderson, one of the Pacific Railway Commission, in favor of the bill which the Commission present. He has argued from the stand-point of an avaricious creditor, who worms himself into all the affairs of his debtor, and, without regard to favors received in the past or justice to be done in the future, cruelly calculates how much of the blood of the debtor he may safely take in addi-