RELATIONS BETWEEN THE CENTRAL PACIFIC RAILROAD COMPANY AND THE UNITED STATES GOVERNMENT: SUMMARY OF FACTS, 1889

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Relations Between the Central Pacific Railroad Company and the United States Government: Summary of facts, 1889 by Various

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VARIOUS

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Trieste

RELATIONS

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CENTRAL PACIFIC RAILROAD COMPANY

AND THE

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SUMMARY OF FACTS.

1889.

SAN FRANCISCO:
H. S. CROCKER & CO., STATIONERS AND PRINTERS.
1889.

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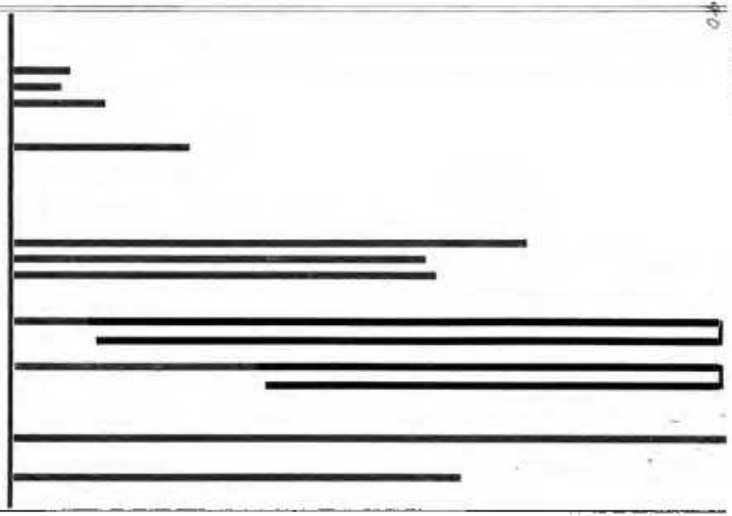
View of Saving to Government in Transportation Charges on Central-Union Pacific Railroad, from completion of road to December 31, 1885:

Charges to United States for transportation of:	
Freight, supplies, munitions of war, etc. .	$ 5,740,753
Passengers and troops	4,616,053
United States Mails	10,606,507
Total charge for railroad transportation	$ 20,963,313
Amounts for same service at rates paid prior to railroad:	
Freight, supplies, munitions of war, etc. .	$ 61,161,307
Passengers and troops	49,178,967
United States mails (see Note)	49,970,780
Total cost at ante-railroad rates	$160,311,054
Amount saved for United States, 1869–1885 .	$139,347,741
United States bonds and accrued interest to date, less amounts repaid by companies	$ 86,685,907
Amount saved in excess of bonds and interest	$ 52,661,834



NOTE.—The charges for transportation services rendered by the railroads have not been paid by the Government, but are retained to apply on the bonds and interest.

The weight of mails carried by stages just prior to the completion of the railroad amounted to about 1,000 pounds daily. On the railroad this has increased to 30,000 pounds. In the sum stated above, no estimate is made for this increase in weights to show the amount saved.

LETTER OF THE HON. LELAND STANFORD.

CENTRAL PACIFIC RAILROAD COMPANY.
OFFICE OF THE PRESIDENT.

SAN FRANCISCO, CAL., September 1, 1889.

G. L. LANSING,
Secretary and Controller,
Southern Pacific Company,
San Francisco,

Dear Sir: From the records to which you have had access during your long connection with the Central Pacific Railroad and its affiliated lines, and from the public documents of the Government, will you please prepare a summary of facts as to the relations between this company and the United States, particularly on the following points:

FIRST—As to the obligations of both parties under the several Acts of Congress comprising the contract between the Government and the company, and whether they have all been observed.

SECOND—As to the benefits to both the United States and the company which were to follow on the completion of the road, and how they have been realized.

The affairs, records and property of this company have annually, since 1878, been examined by the United States Commissioner of Railroads, assisted by his engineers and accountants; and the Pacific Railway Commission, appointed under the Act of Congress approved March 3, 1887, have made an exhaustive examination into the company's entire history and affairs. The reports of these Government officers conclusively show that all of the legal obligations to the Government, arising out of the loan of bonds or otherwise, have been fully kept and discharged

on the part of the company. The reports also show that the legal obligations of the Government to the company have not been fully complied with.

But beyond these obligations on either side, which were named in the Contract Acts and in the laws relating thereto, there were certain implied promises or benefits to be received on either side, *on which the terms of the contract as to the loan of bonds, as well as the manner and time of their payment, were based.* The facts as to these promises and the way they have been fulfilled must receive full consideration in any fair plan that may be proposed looking to the settlement of the affairs between the company and the United States. A summary of these facts taken from official sources will furnish desired information in a convenient form for the purpose of considering any such arrangement.

Yours very truly,

LELAND STANFORD,
President.

SAN FRANCISCO, October 15, 1889.

HON. LELAND STANFORD,
Pesident, Central Pacific Railroad Company,
San Francisco,

Sir: In conformity with the request contained in your letter of September 1st, I beg to hand you herewith a summary of facts compiled from official sources, as to the relations between the Central Pacific Railroad Company and the United States Government.

Very truly yours,

G. L. LANSING,
Secretary and Controller.

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II. The Benefits Promised and how they have been Realized.

The Central Pacific Railroad Company

—AND—

The United States Government.

SUMMARY OF FACTS,

Showing all Obligations on the part of the Company fulfilled, and all Benefits expected by the Government realized.

I.

THE LEGAL OBLIGATIONS AND THE MANNER IN WHICH THEY HAVE BEEN OBSERVED.

The relations between the Central Pacific Railroad Company and the Government are twofold. There are legal obligations on either side, which are specified in the several Acts of Congress; and there are equitable considerations which are evident only on an examination of the history and the causes which led to the passage of the Acts. The legal obligations have recently been fully examined into and reported on by the United States Pacific Railway Commission, which was appointed by the President, pursuant to the Act of Congress approved March 3, 1887. Their report and the testimony on which it is based comprise nine printed volumes octavo, which, by its size, precludes its ready use. A summary of this report as to the Central Pacific will furnish in brief form a view