

**THE UNION PACIFIC RAILWAY,
(EASTERN DIVISION) OR
(KANSAS PACIFIC RAILWAY):
ECONOMY TO THE
GOVERNMENT**

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The Union Pacific Railway, (Eastern Division) Or (Kansas Pacific Railway): Economy to the Government by John D. Perry

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JOHN D. PERRY

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THE
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II

EASTERN DIVISION,

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(KANSAS PACIFIC RAILWAY.)

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ECONOMY TO THE GOVERNMENT.

Statement of JNO. D. PERRY, *President*, with Letters of Generals SHERMAN, SHERIDAN,
HANCOCK, RUCKER, and EASTON—Report of Military Committee, with
accompanying data showing saving to the Government—
List of Troops and their Distribution, &c.

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1868.

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THE
ECONOMY TO THE GOVERNMENT
OF THE
KANSAS PACIFIC RAILWAY,
(UNION PACIFIC RAILWAY, EASTERN DIVISION.)

WASHINGTON, June 10, 1868.

The great advantages to be gained by the country from the extension of the Kansas Pacific Railway to the Pacific Coast by a line running through New Mexico and Arizona, are admitted. But it has been supposed that these benefits could not be realized except at great cost to the Government.

It was natural that this view should be entertained prior to the opening of the Road for business, but now that it has been regularly in operation over a year for a considerable distance, and estimates have given place to experience, there is no excuse for ignorance of the fact that these results demonstrate *not only that there is no loss, but that the Government is an immediate pecuniary gainer by the aid which it has granted.* This arises from the fact this Road occupies mainly the route of military posts on the old Santa Fe trail across the Plains on which the extensive army transportation from the Missouri River to Southern and Middle Colorado, New Mexico, and part of Arizona has always gone.*

If any one will candidly go over the few simple facts and figures stated in the official reports and departmental certificates attached hereto, which relate to this Road, he must be satisfied of the truth of this statement.

* That the amount of transportation done by the Road for

* Nearly one-half of the entire military force between the Missouri River and the Pacific Coast inclusive, and from the British Possessions to Mexico, is stationed in Kansas, Southern Colorado, New Mexico, Arizona, and Southern California—and will be supplied from this Road. (See "Position and Distribution of Troops," &c., page 27.)

the Government during 1867 was not exceptionally large is sufficiently shown by the fact that its entire value for the year for mails, troops, military and Indian supplies, upon which the calculations of saving have been based, was but \$511,908²¹/₁₀₀.

It has also been thought, that as far as the investment of the Government in the work was concerned, it amounted to a virtual gift, with very little chance of its return, except by the indirect benefits it would confer upon the people. The facts appended, however, are convincing—

1st. That the Government is receiving directly into its treasury, by actual payments *from this Company*, (the Kansas Pacific,) more than the interest upon all the United States Bonds issued to it, added to a sinking fund that will extinguish the principal at maturity; *in other words, more than the entire outlay of the Government or its annual obligation arising from this aid.* This is altogether irrespective of the economy arising from the substitution of rail for wagon road in the transportation of the mails, troops, and supplies for the Government.

2d. That, *unless the law be changed*, it is simply impossible for the Government to lose a dollar of its investment, principal or interest, but that the whole must inevitably be returned through the channels of the Treasury, not by indirect advantages thereto, but by actual and direct payment from the Company. And that the power of the Government to enforce this repayment is ample against the Road, no matter into whose hands it may fall.

Surely a positive demonstration of the fact; that a vote for the aid required to extend this Road, is a vote to reduce the immediate demands upon the National Exchequer, not in the future, but *now*, at once, to *diminish the expenditures* of the Government, and thereby diminish taxation *this year and next, and continuously thereafter*, will remove any honest scruple that may exist against this measure as a principle, or in favor of its being delayed—when in addition it is shown that the Pacific Railroad act *ensures* the entire return of the investment of the Government, principal and interest.

But one other objection is urged: that these Roads, however necessary or beneficial, are schemes for personal aggrandizement.

To answer this, there might be recalled—the difficulty which every one understands of obtaining capital for enterprises in the far West, and the history of the numerous cases of railroads in that quarter which have passed out of the hands of their original owners, whose entire investments have thus been sacrificed; the fact that these Pacific Roads pass through a country that is practically uninhabited, where the Government owns all the land, and does, at present, a large portion of the business that is carried on, and the very great doubt whether *within a period that would benefit the present generation*, private capital, sensitive and unwilling to incur risks, could be enlisted to an amount sufficient to bear the whole expense of these Roads. But it is not necessary to fall back upon these arguments. It will answer to state two facts:

1st. That the cash cost of building and equipping this Road has thus far been more than double the amount of aid received from the United States Government, and that the estimates of the engineers show that this proportion will, to say the least, be maintained between the end of the track and the Pacific coast, allowing for the increased aid required in the mountain districts.

2d. That if *persons* are aggrandized by the results, no one should complain since *they run all the risks*, while the Government, which is aggrandized tenfold more than the most sanguine have ever predicted for the private capital invested, *does not and cannot*, from the nature of things, *run the risk of one dollar of its outlay*.

The application of the facts and figures contained in the annexed official certificates, reports and affidavits to the proof of the above statements is so obvious to those who will carefully examine them, that it is not considered necessary to do more than merely append them.

JOHN D. PERRY,

President Union Pacific Railway, E. D.

EXTRACTS FROM PACIFIC RAILROAD LAWS,

SHOWING CHARACTER OF LIEN OF GOVERNMENT, MODE OF ITS REPAY-
MENT, SINKING FUND. ETC.

