

THE DISPOSAL OF THE SUBSIDIES GRANTED CERTAIN
RAILROAD COMPANIES.

EVIDENCE

TAKEN BEFORE

THE JUDICIARY COMMITTEE,

UNDER

The following resolutions of the House of Representatives.

JUNE 7, 1876.—Ordered to be printed.

JANUARY 31, 1876.—Mr. Luttrell submitted the following resolution, which was agreed to:

“Whereas the several railroad companies hereinafter named, to wit, the Northern Pacific, the Kansas Pacific, the Union Pacific, the Central Branch of the Union Pacific, the Western Pacific, the Southern Pacific, the Sioux City and Pacific, the Northern Pacific, the Texas and Pacific, and all Pacific roads or branches to which bonds or other subsidies have been granted by the Government, have received from the United States, under the act of Congress of July 1, 1862, the act of March 3, 1874, and the several acts amendatory thereof, money subsidies amounting to over \$64,000,000, land-subsidies amounting to over 220,000,000 acres of the public domain, bond subsidies amounting to \$——, and interest amounting to \$——, to aid in the construction of their several roads; and whereas it is but just and proper that the Government and people should understand the status of such roads and the disposition made by such companies in the construction of their roads of the subsidies granted by the Government: Therefore,

Be it resolved, That the Judiciary Committee be, and are hereby, instructed and authorized to inquire into and report to this House, first, whether the several railroad-companies hereinbefore named, or any of them, have, in the construction of their railroads and telegraph-lines, fully complied with the requirements of law granting money, bonds, and land-subsidies to aid such companies in the construction of their railroads and telegraph-lines; second, whether the several railroad-companies or any of them have formed within themselves corporate or construction companies for the purpose of subletting to such corporate or construction companies contracts for building and equipping said roads or any portion thereof, and, if so, whether the money, land, and bond subsidies granted by the Government have been properly applied by said companies or any of them in the construction of their road or roads; third, whether the several railroad-companies or any of them have forfeited their land-subsidies by failing to construct and equip their road or roads or any portion of them as required by law; and, fourth, that, for the purpose of making a thorough investigation of the several Pacific railroads or any of them, the Judiciary Committee shall have full power to send for persons and papers, and, after thorough investigation shall have been made, shall report to this House such measure or bill as will secure to the Government full indemnity for all losses occasioned by fraudulent transactions or negligence on the part of said railroad-companies or any of them, or on the part of any corporate or construction company, in the expenditures of moneys, bonds, or interest, or in the disposition of land donated by the Government for the construction of the roads or any of them, or any portion thereof, and for the non-payment of interest lawfully due the Government, or any other claim or claims the United States may have against such railroad company or companies.”

MAY 2, 1876.—Mr. Tarbox submitted the following resolution, which was agreed to:

“Whereas it is publicly alleged, and is not denied by the officers of the Union Pacific Railroad Company, that that corporation did, in the year 1871 or 1872, become the owner of certain bonds of the Little Rock and Fort Smith Railroad Company, for which bonds the said Union Pacific Railroad Company paid a consideration largely in excess of their actual or market value, and that the board of directors of said Union Pacific Railroad Company, though urged, have neglected to investigate said transaction: Therefore,

“*Be it resolved*, That the Committee on the Judiciary be instructed to inquire if any such transaction took place, and, if so, what were the circumstances and inducements thereto, from what person or persons said bonds were obtained and upon what consideration, and whether the transaction was from corrupt design or in furtherance of any corrupt object; and that the committee have power to send for persons and papers.”

WASHINGTON, D. C., May 4, 1876.

BENJAMIN F. HAM SWORN and examined.

By Mr. HUNTON:

Question. State your name, age, residence, and occupation.—Answer. Benjamin F. Ham; 40 years old. I reside at Cranford, county of Union, State of New Jersey; secretary and treasurer.

Q. Secretary and treasurer of what?—A. Of the Credit Mobilier, for one institution, and two or three railroad companies, for others.

Q. Name them all.—A. Credit Mobilier, Chicago and Canada Southern, Toledo, Canada Southern, and Detroit.

Q. Have you ever had any connection officially with the Union Pacific Railroad Company?—A. I have, sir.

Q. What and when?—A. In January, 1867, I was appointed auditor of the Union Pacific Railroad, and remained so, I think, until 1870.

Q. Have you had no connection with the Union Pacific Railroad Company since 1870?—A. Not since I ceased to be connected with it as auditor; I think it was in 1870; it might possibly have been in 1871, but since that time I have had no connection with it.

Q. Tell the committee what is the connection, if any, between the Credit Mobilier and the Union Pacific Railroad Company.—A. There has been no connection whatever since 1867.

Q. What was the connection prior to 1867?—A. It was building the road to the one hundredth meridian.

Q. That embraces one hundred and sixty-six miles?—A. No, sir; it embraces two hundred and fifty-six miles; that was built before I came to New York.

Q. What was built?—A. The portion that the Credit Mobilier built was before I came to New York; the Credit Mobilier did no building of railroads after I came to New York in 1867.

Q. How did the Pacific Railroad pay the Credit Mobilier?—A. They built no railroad after I came to New York; I know nothing about the transactions previous to that.

Q. State, if you know, how the Union Pacific paid the Credit Mobilier for building the road.—A. The books show that they paid for it in cash.

Q. Do you know anything about the sale and issue of bonds by the Union Pacific Railroad Company?—A. I do, sir.

Q. How many bonds were issued by the railroad-company called first-mortgage bonds?—A. There were 29,000,000 of bonds issued and executed by the company.

Q. An even twenty-nine?—A. Yes, sir; just an even 29,000,000 signed and executed.

Q. What was done with those bonds?—A. The company sold the great bulk of them; some were retired by order of Congress, and surrendered and canceled.

Q. How much was retired by order of Congress?—A. I don't remember the number exactly; about 1,600, I believe.

Q. Sixteen hundred bonds?—A. Yes, sir; \$1,600,000.

Q. That was only one million six hundred thousand?—A. Yes, sir; I think it was a little more than that; I do not remember. All these things are on the company's books and show for themselves.

Q. Who has possession of those books?—A. The present officers of the company, the secretary, treasurer, and auditor.

Q. After the retirement of the \$1,600,000 what became of the \$27,400,000?—A. The books of the company would show that entirely. I couldn't tell from my memory; it is several years since this thing took place.

Q. Were they all sold?—A. There were some that were never disposed of.

Q. Where are those?—A. That I cannot tell.

Q. Did you keep the bond-account of the Union Pacific Railroad Company?—A. During a large part of the time I kept it.

Q. State, as near as you can, what amount of the \$27,400,000 was disposed of.—A. I think the books show there were about two hundred and fifty that were not disposed of.

Q. What became of those?—A. That I cannot tell; I don't know.

Q. Where are those bonds now?—A. They are in the hands of the general public; they are scattered everywhere.

Q. Those bonds that were not disposed of?—A. Yes, sir.

Q. How did they get into the hands of the general public?—A. That we can't tell; that I can't tell; I don't know how they did get out of the possession of the company.

Q. Why did you say they are in the hands of the general public?—A. Because the coupons are regularly paid.

Q. Whom to?—A. I don't know that. I have no connection with the company.

Q. Why do you say their coupons are regularly paid?—A. I am so informed by the officers of the company.

Q. What officers of the company so informed you?—A. The treasurer.

Q. Give his name.—A. E. H. Rollins,

Q. Did you ever have any talk with Mr. Dillon, the president of the company, on this subject?—A. Certainly.

Q. What does he say about these bonds?—A. He does not know where they are.

Q. Does he know that the coupons are regularly presented?—A. He does not know it of his own personal knowledge, except as Mr. Rollins tells him.

Q. Do you mean to say that the president of the company does not know what coupons are paid out?—A. I should judge he did not know it. I judge that the president of the road is not cognizant of every little thing that takes place. I don't know anything about it. I don't know what he does know.

Q. Do you call \$250,000 a "little thing"?—A. It is, in a sum of several millions in comparison. It would be a great deal for me individually.

Q. Mr. Dillon is the president of the company now?—A. Yes, sir.

Q. What is his name and residence?—A. Sidney Dillon, New York.

Q. You say you have had a conversation with him on this subject?—A. Yes, sir.

Q. State what he told you in that conversation.—A. I don't recollect anything about it only my impression is that he does not know anything more than what Mr. Rollins tells him.

Q. And that is that these coupons are regularly presented?—A. Yes, sir; presented and paid.

Q. Then I understand you to say that there are coupons presented on \$250,000 of bonds, the proceeds for the sale of which never reached the company.—A. Yes, sir.

Q. Has there been any effort made to find out who holds these \$250,000?—A. An effort has been made to find how they got out of the possession of the company.

Q. Has any effort been made to find out who sold these bonds?—A. I don't know.

Q. Is there any trouble in finding out who holds a bond when a coupon is presented?—A. I think not.

Q. Then if the company chose they could readily find out who holds these \$250,000 of bonds?—A. I should presume so.

Q. Do not you know as a railroad man used to handling coupons and paying them?—A. They could find out who they paid them to.

Q. Do not you know that the company does know who holds these bonds?—A. No, sir, I do not know. I have no connection with the company.

Q. You stated a while ago that they could find out who they paid the coupons to, that is not exactly my question; my question was when they paid the coupons could not they find out who held the bonds from which the coupons were taken?—A. I should presume they could.

Q. Can you state how these bonds to the amount of \$250,000 got out of the possession of the company?—A. No, sir, I cannot.

Q. Did you ever have the custody of these bonds?—A. No, sir; I never did.

Q. How long since the bond account of the railroad was found to be short \$250,000?—A. Since July, 1869. I would like to say that in paying these coupons the company would be compelled to pay them to innocent holders, without finding their names or anything else. It is customary to pay coupons. The company don't pay the coupons; the Union Trust Company of New York pays the coupons.

Q. I understand that. This is the question I desire to ascertain from you: If, for instance, I was forced to pay interest on \$250,000 semi-annually, and on which I had not received a dollar consideration, whether I would not use all means in my power to know who held those bonds and how they held them? Now, while the company could not refuse to pay the innocent holder, my desire is to get at the fact whether this railroad company ever undertook to find out who the holders were, of the bonds, not of the coupons.—A. The present officers of the company, I presume, are ready to testify as to what efforts they have made to get at it.

Q. I am examining you now.—A. I am ready to testify so far as I can, but the facts are not in my possession.

Q. I do not want any facts, of course, except what are in your possession. Did you

ever make out any list of the bonds?—A. I endeavored to keep track of the bonds to the best of my ability.

Q. What was your success in that direction?—A. My success was always good until a certain time.

Q. What time was that?—A. Until about the 1st of January, 1869.

Q. What was your failure at that time?—A. Then I was compelled to give my attention to paying coupons, and during that time, about six days, I was occupied all the time, and at the expiration of that time I found 130 bonds missing—one lot of 80 and one lot of 50, consecutive numbers the two lots were.

Q. Was that all that you ever found missing?—A. No, sir; in the month of March, 1869, the company's offices were taken possession of by the sheriff of New York, and I was told to go to New Jersey and remain there until I was sent for. I did so. I was not sent for until July, and then I came back to write up the company's books, and then I discovered another shortage in the bond account.

Q. What was that entire shortage?—A. About two hundred and fifty.

Q. The exact amount was \$247,000, was it not?—A. I don't remember the exact amount.

Q. You first missed one hundred and thirty?—A. Yes, sir.

Q. That was before you left the office in New York?—A. Yes, sir.

Q. When you first missed those one hundred and thirty bonds what did you do toward recovering them?—A. I could do nothing except to know where I had them last, where they were placed last.

Q. To whom did you report the shortage of the bonds?—A. To the assistant treasurer.

Q. Give his name.—A. Charles Tuttle.

Q. What explanation did he make; any?—A. He could make none; he did make none.

Q. Was there any effort made to find those one hundred and thirty bonds?—A. Yes, sir.

Q. Who made the effort?—A. He and I both did.

Q. What was the effort you made?—A. I can't remember distinctly; we made all the efforts we could.

Q. Just tell what you did do.—A. We asked the parties to whom we had a record of their being last with.

Q. Who were they?—A. I don't remember now; the books will show. They said they had been returned to the company upon the payment of the loans for which they were pledged as collateral.

Q. Returned to what company?—A. To the Union Pacific Railroad Company.

Q. This Credit Mobilier, then, holds these bonds?—A. No, sir; never had anything to do with these bonds.

Q. The Union Pacific had borrowed money on these bonds?—A. Yes, sir.

Q. And they had been returned to the company upon the payment by the company of the bonds for the loan of which they were pledged?—A. Yes, sir; they were borrowing money all the time on these bonds, and about that time, the 1st of January, were shifting loans to the extent of half a million a day, paying half a million of dollars every morning and borrowing it again in the afternoon.

Q. You were told when this effort was made to account for this shortage of the bonds that the loan that they had been pledged to secure had been paid up and the bonds returned to the company?—A. That is what the parties say.

Q. What parties said it?—A. I don't recollect who the parties were; I should have to refer to the books.

Q. Can not you recollect who told you that they had been returned?—A. No, sir, I cannot; it is seven years since these things took place.

Q. I should think you might recollect who you had a conversation with a little better than you could recollect the conversation?—A. No, sir.

Q. How much of these bonds in amount was pledged for the loan of this money?—A. I don't recollect that either.

Q. Did you communicate the loss of these bonds or the disappearance of these bonds to the president of the company?—A. I think I did.

Q. What efforts did he make to recover them, or what explanation did he give of their disappearance?—A. I don't recollect now.

Q. Did the president make any effort to recover them?—A. I cannot tell.

Q. Do you undertake to say that you do not know who holds any one of these \$247,000 of bonds?—A. Yes, sir, I mean to state that; that I don't know who holds them.

Q. Do not know who holds any one of them?—A. No, sir; not one of them.

Q. Please state to the committee the numbers of these one hundred and thirty bonds that were short upon your first examination.—A. I don't recollect the numbers of them.

Q. Do you recollect any of the numbers?—A. No, sir.

Q. Did not you see a memorandum of all these things upon an investigation of this matter in New York?—A. Yes, sir.

Q. What explanation did you give about them upon seeing that memorandum?—A. I don't recollect now.

Q. When was that investigation in New York?—A. These gentlemen can tell better than I can.

Q. I am not examining them.—A. I don't remember what month it was.

Q. What year was it?—A. I can't say whether it was last year or this year; the matter has entirely slipped my mind.

Q. You cannot tell whether it has been since Christmas or before?—A. No, sir; I cannot; I have forgotten entirely as to the time.

Q. Was it as long ago as last summer, the summer of 1875?—A. It might have been.

Q. But was it?—A. I don't remember; It has entirely escaped my memory.

Q. You cannot tell an occurrence of that sort, the time of it, within a year?—A. No, sir; I cannot.

Q. Where did it take place?—A. It took place in New York; I can tell you that.

Q. You cannot recollect whether it was in 1875 or 1876?—A. No, sir; my impression is that it was in 1875.

Q. Now give us your impression as to the month.—A. I have no impression about that.

Q. You cannot tell whether it was either one of the twelve months of 1875?—A. No, sir.

Q. What was the date at which you discovered the shortage of these one hundred and thirty bonds?—A. It was about the 1st of January, 1869.

Q. Then when did you discover a further shortage in the bonds?—A. In July of the same year, or August.

Q. You said a while ago you discovered on the first occasion a shortage of two lots of 80 and 50?—A. Yes, sir.

Q. How did you determine that they were two lots of bonds, one containing 80 bonds and the other 50?—A. Because at that time I made up the bond-account and discovered that those two lots were missing.

Q. What do you mean by "lots" of bonds?—A. Eighty consecutive numbers and 50 consecutive numbers; that is what I call a lot.

Q. Why not have 100 consecutive numbers?—A. Because there were 80 in one lot of consecutive numbers, and 50 in another lot, consecutive numbers.

Q. Why do you recollect that they were 80 consecutive numbers?—A. Because my recollection is good on that point.

Q. What consecutive 80 numbers were there?—A. That I don't remember.

Q. It is bad on that point?—A. Yes, sir; I could tell if I had the memorandum here that was in the Boston office. There are certain things that I remember, and certain other things that the memorandum would tell at once.

Q. Then you say to the committee that that company is paying coupon interest on two hundred and forty-seven thousand dollars' worth of bonds, and have received not a dollar consideration for those bonds?—A. Yes, sir; I so understand.

Q. That if a proper effort had been made it could have been discovered who holds these bonds, and, as far as you are advised, no such effort has been made; is that your testimony?—A. I think they could discover who the present holders are.

Q. How could they do it?—A. If a person goes and presents a coupon to the Union Trust Company and asks the payment of it, they pay it to him, and they don't ask him who he is or where he got it.

Q. They could ask him.—A. They could ask him; but suppose he should say, "My name is John Smith?"

Q. If Mr. Ashe brings me a coupon from a bond of mine that was gotten out of my hands fraudulently I ask Mr. Ashe where he got that coupon from, and he says he got it from Mr. Meguire; I ask Mr. Meguire where he gets it from, and he gets it from Mr. Spence; and Mr. Spence says he got it from you. Now, in that way I can trace it up to the man who cannot trace it out of his hands, and that man holds the bond. Now, it seems to me the road to the bonds is so plain that a man can hardly miss it.—A. That is a plan that I recommended to the company years ago, when Mr. Spence was with them; I recommended that then, when the thing was fresh, it should be done on the payment of the very next coupons.

Q. Did they adopt it?—A. That I don't know.

Q. Do you know anything about a shortage of the Government bonds?—A. Yes, sir.

Q. State that to the committee.—A. There is a shortage of \$110,000 in Government bonds.

Q. When did that shortage occur?—A. It occurred about the 1st of January, 1869.

Q. The same year?—A. Yes, sir.

Q. Did the whole of that shortage occur at that time?—A. Yes, sir; all at once.

Q. Is the Government paying its coupons on those one hundred and ten bonds?—A. Yes, sir.

Q. The Union Pacific Railroad Company got no consideration for those bonds?—A. No, sir.

Q. They were not sold?—A. No, sir.

Q. Has any effort ever been made to discover the holders of those one hundred and ten bonds?—A. Yes, sir.

Q. With what success?—A. With no success.

Q. What effort was made?—A. The company did not keep a record of the numbers of the bonds, and they are not coupon bonds, but registered bonds. These bonds were all indorsed by the treasurer in blank, and then they circulated like a certificate of stock; they were pledged by the company as collateral for loans, 110,000 for \$110,000 in money.

Q. Now, when they come to get the interest on those registered bonds, do not they bring the bonds with them?—A. No; they have to be transferred. The bonds are not necessary to be presented, but before the interest is paid they must be transferred into other names, and then those parties collect the interest the same as you would a certificate, a dividend on stock.

Q. But they have to present the bonds?—A. No, sir; they don't present the bonds at all.

Q. They present a certificate that they hold the bonds?—A. No, sir; nothing whatever.

Q. The Government pays the interest on those?—A. Yes, sir; the Government pays the interest upon them.

Q. When they go to the treasurer to get their interest upon these registered bonds, what do they bring to the treasurer to show that they hold those bonds?—A. The Government has a list; they make up a list of whom the interest is payable to from the books in the Treasury Department, and then the party who collects the interest must identify himself at the Treasury as being the party.

Q. Who is upon the Treasury books as the holder of the 110 registered bonds?—A. That cannot be traced out.

Q. Then who collects the interest on those 110,000?—A. We cannot separate these 110 from a large number of others; that is the difficulty in the way of the entire thing.

Q. Do you mean to say that there are 110 Government bonds upon which interest is not paid?—A. It is paid.

Q. Then somebody must appear upon the Treasury books as the owner of each one of these bonds?—A. Yes, sir; but these 110 bonds are out of a lot of 2,000,000, and it is impossible to tell which of the 110 are the ones.

Q. I can understand that, but the Government pays interest on these 110 bonds?—A. Yes, sir.

Q. The amount of the Government bonds is the same as the first-mortgage bonds?—A. Yes, sir.

Q. A little over 27,000,000, or about 27,000,000. Now, on the books of the Treasury Department there are bonds representing this \$27,000,000 and charged to different people, the holders of each one of those bonds put down on the Treasury book; is not that so?—A. Yes, sir.

Q. Now there must be 110 of those to which there is no owner?—A. O, no, the parties who have got them have had them transferred into their own names, or have sold them over and over again, and then finally been transferred.

Q. Then what is the trouble about finding out who originally got the 110 bonds?—A. We can tell where all the bonds that the company had were at a certain time; then we cannot tell anything further.

Q. Can you tell who got them from the company?—A. Yes, sir; we can show who had them as collateral at a certain date, about December 29, 1868.

Q. Collateral for loans?—A. Yes, sir; collateral for loans. There was about 4,000,000 that the company had on hand unsold, and these were pledged as collateral to loans.

Q. The whole 4,000,000?—A. The whole 4,000,000; yes, sir.

Q. Were those loans paid off?—A. Yes, sir.

Q. Then were the bonds returned?—A. The parties who held them say they returned them, but there was missing one hundred and ten bonds. The treasurer or the assistant treasurer, Mr. Charles Tuttle, paid the loans.

Q. What had Charles Tuttle to do with the company; anything?—A. He was assistant treasurer of the company.

Q. He had no other connection with it.—A. No, sir; none whatever; he received and paid out all the moneys.

A. Let me see if I understand it. The books of the Treasury show now the present holders of these bonds?—A. Yes, sir.

Q. If I understand aright, then, the Treasury books show that these bonds are now held by certain people.—A. Yes, sir.

Q. All of them?—A. All of them; yes, sir.

Q. The difficulty in accounting for that shortage is that you cannot tell which ones of all these bonds were the one hundred and ten that were not sold by the company?—A. That is the difficulty.

Q. Is there no way of overcoming that trouble?—A. I did the best I could to overcome it.

Q. With what success?—A. With none at all. I got from the books of the Treasury a list of whom these bonds had been transferred to and did everything I could at the time.

Q. Have these bonds passed through many different hands?—A. While they were in-dorsed they very frequently changed hands, a great many times, and then they would only be transferred whenever the dividend was to be paid.

Q. Did the name of each man appear on the bond?—A. No, sir; not at all until it was transferred.

Q. Up to what date did Charles Tuttle pay the interest on these bonds?—A. He paid only to the 1st of January, 1869; he never paid any interest after that.

Q. Has the Government paid any interest on them since?—A. O, yes; the Government has continued to pay the interest on these bonds.

Q. Who paid it? Do you say Charles Tuttle did?—A. No; he never paid the interest on these Government bonds; the Government pays it directly to the holders; it does not pass through the company.

Q. You said Charles Tuttle paid it?—A. I supposed you meant the first-mortgage bonds.

Q. No; I was talking about the Government bonds.—A. He never has paid any interest on the Government bonds.

Q. Who paid the interest?—A. The Government paid it.

Q. Charles Tuttle was the assistant treasurer?—A. No; he was the assistant treasurer of the company, not of the United States.

Q. There was a Tuttle that was assistant treasurer of the United States; that is another man?—A. That is another man. Mr. Tuttle was assistant treasurer of the Union Pacific Railroad Company, not of the Treasury.

Q. What was the Tuttle's name that was assistant treasurer?—A. I don't remember that.

Q. Up to what time did Charles Tuttle, assistant treasurer of the Union Pacific, pay the interest on the first-mortgage bonds?—A. The 1st of January, 1869.

Q. Who has paid it since?—A. They have been paid in Boston by the company.

Q. By the assistant treasurer?—A. By the treasurer in Boston; they have been paid by Morton, Bliss & Co. and by the Union Trust Company.

Q. What do you mean by the Union Trust Company?—A. Of New York.

Q. What is that company?—A. That is a company organized under the statutes of the State of New York.

Q. For what purpose?—A. I don't know whether it has a special charter or not.

Q. What connection had the Union Trust Company with the Union Pacific?—A. Not any whatever.

Q. Why did the Union Trust Company pay the interest?—A. Because it was a trust company organized to do banking business and to take trusts.

Q. It was merely a payment through the trust company?—A. That is all.

Q. Not by the company?—A. The money was deposited with them, and then they paid the coupons.

Q. I would like to understand something of the connection between them; did Mr. Tuttle, assistant treasurer of the Union Pacific Railroad Company, pay any loans of the company after January, 1869?—A. Yes, sir.

Q. Up to what time did he pay them?—A. Up to the 19th of March, 1869.

Q. Did he pay any after the 19th of March, 1869?—A. No, sir.

Q. Who did pay after that time?—A. I couldn't tell exactly. Mr. H. C. Crane paid some; Mr. C. S. Bushnell, Mr. Oakes Ames, Mr. William T. Glidden. On the 19th of March the company's office was taken possession of by the sheriff, and then the loans were taken care of the best they could do it. I went to New Jersey and remained at home.

Q. Who are these gentlemen that you have named that paid these loans after the 19th of March?—A. Mr. H. C. Crane was secretary of the trustees under the Oakes Ames contract. Mr. Oakes Ames is well known. Mr. William T. Glidden is a prominent Boston man, who was chairman of the committee of stockholders. Mr. C. S. Bushnell is a gentleman that is well known in New Haven, Connecticut, one of the directors of the company.

Q. They were trustees of the Oakes Ames contract, did you say?—A. Mr. Bushnell was.

Q. Who else?—A. No other, not of these gentlemen that I have named.

Q. Who were the other trustees of the Oakes Ames contract?—A. They were Sidney Dillon, Benjamin E. Bates, H. S. McComb, T. C. Durant, and Mr. Bushnell—five.

Q. Why did the Oakes Ames contract require trustees?—A. That is a difficult question for me to answer.

Q. Did he have to go into trust; did he fail?—A. O, no; Mr. Oakes Ames did not wish to execute the contract for so many millions himself, and he assigned it to these trustees.

Q. For what purpose?—A. That I don't know; I did not have anything to do with that part of it; I had no interest in it.

Q. I cannot understand why Oakes Ames should want trustees to carry on a contract. In our country when a man goes into trust and makes trustees, it is on account of embarrassment in business.—A. Mr. Oakes Ames's testimony is all given there, and he states the reason fully in his own testimony why he did it.

Q. This Mr. Crane you say was secretary of the trustees?—A. Yes, sir; secretary for the trustees.

Q. Was not he assistant treasurer of the trustees?—A. Yes, sir; he was assistant treasurer also.

Q. And these gentlemen took care of the loans from the time you left the office and went to New Jersey until you returned?—A. They took care of them ever after that.

Q. Ever after that?—A. Ever after; yes, sir.

Q. This was a sort of a flight of the company, was it not? Jim Fisk was after you.—A. Jim Fisk was after them; yes, sir; that is the thing. I locked up the safe on the 19th of March, and was told to go home and remain there until I was sent for.

Q. But before going home you had missed one hundred and thirty of these bonds?—A. Yes, sir.

Q. And when you came back you missed the balance, making two hundred and forty-seven or two hundred and fifty?—A. It was about two hundred and fifty; it might have been two hundred and forty-seven; I don't remember. If the Fisk raid had not taken place I should have made an effort at the time of the payment of the July coupons to trace the two hundred and thirty, because I should have paid the coupons myself, and I should not have paid them unless I knew whom I paid them to.

Q. When you came back in July, why did you not make the same effort?—A. Those July coupons have never been paid to this day.

Q. But you knew that some coupons had been paid?—A. I was not then an officer of the company; the company had moved its office to Boston, and I refused to go to Boston. I did go there for a time; sometimes once a week, and sometimes twice a week, but I severed my connection with them as soon as I could.

Q. Why?—A. Because I didn't wish to go to Boston; the salary was no compensation for me to remove to Boston.

Q. Why did the company move to Boston?—A. They were driven out of New York by the Fisk raid.

Q. Jim was too many for you?—A. Yes, sir; the corrupt judges were; take a lot of judges, they can drive a concern anywhere.

Q. Had you any connection with the company after the company moved to Boston?—A. Yes, sir; I still remained auditor of the company.

Q. Until how long?—A. Until 1870 or 1871, as I stated before.

Q. Can you state the exact date?—A. No, sir; I cannot state the exact date of my retirement.

Q. I wish you would try and be accurate about the dates; it seems to me a man could state accurately what time he severed his official connection with a great company?—A. No, sir; I cannot.

Q. You remained auditor of the company until 1870 or 1871?—A. Yes, sir.

Q. Did not you say in New York that you could find out where these first-mortgage bonds were?—A. No, sir; I may have said that I could find out where they were at present by the coupons. I might, if I were paying the coupons, find out where they were at the present time.

Q. Did you ever say to Mr. Dillon that you could find out where they were?—A. I don't recollect that I ever did.

Q. Who does pay those coupons now?—A. The Union Trust Company pay them in New York and the treasurer of the company pays them in Boston.

Q. Did you ever tell the treasurer or inform him that you could find out?—A. Who the present holders of the bonds were?

Q. Yes?—A. No, sir; I have no connection with the company, and have not had for years.

Q. Do you mean to say that the company did not know who the present holder was when these coupons were presented?—A. No, I didn't say anything about it, because I don't know anything about it.

Q. These bonds were lost in early 1869?—A. One hundred and thirty were lost in January, 1869.

Q. You remained auditor until 1870 or 1871?—A. Yes, sir.

Q. You paid the coupons?—A. No, sir; I never paid the coupons.

Q. What was the last coupon that you paid; what time?—A. January, 1869.

Q. You did not pay them after that?—A. No, sir; never subsequent to that. I never handled any coupon subsequently.

Q. Who did pay them after that; the treasurer in Boston?—A. Yes, sir; and by Morton, Bliss & Co. in New York, and subsequently the Union Trust Company in New York.

Q. Why did you not make the effort while you were auditor to find out the present holders of these bonds?—A. I did make every effort that I could make.

Q. Why could you not succeed? You say you could succeed now.—A. Because I didn't pay the coupons.

Q. You could learn from those who did pay them who they paid them to, could you not?—A. I could if they had paid them; Mr. Spence paid some of them.

Q. Could you not get from Mr. Spence the names of the parties to whom he paid them?—A. Couldn't I have obtained from him the names of the parties?

Q. Yes.—A. I could through the treasurer. I did what I could, but I don't recollect now.

Q. The person who paid these bonds had a list of the payments, of course?—A. Yes, sir; I presume so.

Q. When you take coupons in, is there any name on them to indicate to whom the coupons were paid?—A. My practice was to have the name upon the envelope, though a party might give a fraudulent name.

Q. Do not they put the name on the coupons?—A. No, sir.

Q. They just put the name on the envelope?—A. Yes, sir.

Q. And then, when you come to enter those transactions on the books of the company, did you state to whom the coupons were paid?—A. No, sir.

Q. How was the entry made?—A. On the 1st of January, 1869, we simply entered so many coupons paid; that is all.

Q. Nothing else?—A. Nothing else; no, sir; I don't know how it was done subsequently.

Q. Did you ever call upon Mr. Spence or any other person to give you the names of the persons who received the payment for these coupons?—A. No, sir; I do not recollect that I did.

Q. Do you know how those coupons are kept by the company now?—A. No, sir; I do not.

Q. You do not know whether they are still kept in the envelopes, with the names on the envelopes of the persons who received coupons?—A. No, sir; I do not.

Q. Do you know whether there is anything in the office of the company to indicate to whom these bonds were paid?—A. I do not.

Q. Did you ever ask Mr. Spence for the names of the parties to whom he paid these coupons?—A. I have no recollection. My duties as auditor during the time the company's office was in Boston were not the same that they were in New York, because I went to Boston sometimes only once in two weeks, and remained only three days.

Q. I understand that; but you were an officer of the company?—A. Yes, sir.

Q. And you stated a while ago that you could have found out the holders of the bonds if you had known who collected the coupons.—A. You could have found the present holders of the bonds.

Q. Why did not you as an officer of the company make that effort?—A. I did state to the officers of the company that that was the course to pursue.

Q. What were you informed by the officers of the company?—A. I don't recollect now.

Q. Did they make any effort themselves or instruct you to make any effort?—A. They did not instruct me to make any effort.

Q. Did they make any effort themselves?—A. I don't know.

Q. Did they say to you that they would make the effort?—A. I don't recollect.

Q. What reason did they give you for not instructing you to make the effort?—A. Because I should have told them I would resign my office then and there.

Q. For what?—A. Because I did not want to go to Boston. I wouldn't go to Boston to stay, and be compelled to stay there to attend to the business of the company.

Q. But you would have gone there to make this investigation?—A. No, sir; I would not have gone there to stay there all the time.

Q. I did not say stay all the time.—A. It would have required me to be there continually to make a proper investigation.

Q. No; there must be some end to an investigation. You would not have gone there to make an effort to find these bonds?—A. I did make several efforts to find the bonds, but not in that way.

Q. What was the way?—A. I tried to trace them out by numbers to the parties who had them.

Q. What was your success in that direction?—A. I was not successful.

Q. Did you find nothing at all?—A. In regard to the one hundred and thirty, I have stated that the books show where they were last placed.

Q. Did you find none of the missing bonds in that effort? You say you undertook to trace out these missing bonds by the numbers?—A. Yes, sir.

Q. Was that effort to trace out these missing bonds successful to any extent?—A. It was not successful in telling where they were.

Q. In what particular was it successful?—A. It was successful in telling where these one hundred and thirty bonds were, the last record of them on the books.

Q. Where were they?—A. That I don't remember; the auditor has a full list, made out since this investigation.

Q. Have not some of these missing bonds come to hand?—A. Come to hand in what respect?

Q. To the company. Have they not turned up?—A. I presume they may have; I don't know.

Q. Well, but do not you know?—A. No, sir; I don't know.

Q. And you cannot say whether the company have found out where any of these missing bonds are?—A. No, sir; I cannot. And what is more, I don't think it is possible for them to find out.

Q. It is not possible?—A. No, sir; I don't think it is.

Q. I thought a while ago it was entirely so.—A. It is possible to find out where they are at present; it is not possible to find out who got them from the company without paying for them. That is what I mean.

Q. What can be the trouble there? Because if they find out where they are now, and make the present holder account for where he got them, they can trace them back then until you get to some man who cannot trace them any more?—A. I will give you a little history. There is one bond now lying in the Safe Deposit Company—a bond that has been found; somebody in the Safe Deposit vaults has left a bond lying in one of those little pigeon-holes. This I am told by the president of the Safe Deposit Company; that bond has been found, and he has got it posted up that this bond is there—one of the first-mortgage bonds of the Pacific Railroad. I went to the company books and found out who the bond was originally sold to, then I went to that man's books and found out who he sold it to, and then I go to that man and ask him, and I want to trace that bond to its rightful owner. That man says, "I won't tell you anything about it." Another man, when you attempt to trace these other bonds back, and you come to a place where his books don't show, he says, "I didn't keep any record of my bonds."

Q. If a man refused to say where he got the bonds, would not you conclude at once that he got them fraudulently?—A. No, sir.

Q. Why?—A. Because all brokers do not keep a record.

Q. If a man says, "I don't know," you might not think so; but if he said, "I won't tell you?"—A. That is where a man refuses to tell; that is not a case of that kind; it was where we traced the bonds from the company to find who the present owners are.

Q. That man who refused to tell you, if he knew and refused to tell you, it must have been from some corrupt motive?—A. Yes; I should say so.

Q. Who is the present auditor that succeeded you?—A. H. B. Wilbur.

Q. Has he ever called upon you to help him trace out these lost bonds?—A. Yes, sir.

Q. What was your reply?—A. I have assisted him.

Q. What was the result?—A. The result was that he has a full list of where they were the last record we have of them.

Q. Where were they?—A. That I can't remember; he has the list himself; he made it up; he has it now in his possession.

Q. Would you recognize that list if it was shown to you?—A. Yes, sir.

Q. Whose handwriting is it in?—A. Mr. Wilbur's own handwriting. I don't think it will ever be shown to me, unless he shows it. That was made up during the present year.

Q. Did you ever see any of the original memoranda made by you last summer?—A. Yes, sir; I saw them since the 1st of January.

Q. What did you say about them?—A. Not the memoranda made last summer, but the memorandum that was made when I was tracing these bonds.

Q. Did you ever see the memoranda that you made last summer?—A. I don't recollect making any last summer.

Q. The memorandum that you made when you were tracing these bonds is the only memorandum you made?—A. Yes, sir; that is all I recollect of.

Q. What remark did you make about that memorandum when you saw it?—A. I don't recollect now.

Q. Did not you say they were original?—A. I presume I did.

Q. And important?—A. Yes, sir.

Q. And that they would trace the missing bonds?—A. Not exactly in that manner I didn't say it.

Q. State the manner in which you did.—A. I said that they were tracers of the bonds.

Q. And did not you refuse to trace them?—A. I refused to furnish any information to these gentlemen behind me, but I have since furnished the full information to the company which those papers indicated.

Q. Did not you refuse to trace them upon that occasion?—A. In the presence of these gentlemen I did.

Q. And to explain to them the reason, because Meguire would make money out of them?—A. Yes, sir; that was the only reason.

Q. And because he was to get a portion of the bonds you would not assist the com-

pany to get the balance?—A. Yes, I would. I did it cheerfully, at the request of the company subsequently; I went to Boston and did it.

Q. A while ago you said you would not go to Boston to trace them?—A. I wouldn't go to Boston to live.

Q. I did not ask you about going to Boston to live; it was about going to Boston to trace out these bonds.—A. To pursue the method that I spoke of would require my being there permanently. The method of tracing them out by coupons would have required a different method from this one.

Q. Was that your method?—A. This method was to take these memorandums which I delivered to Mr. Spence for safe-keeping, with the instruction that they were important memorandums and to be retained in Boston in his possession until I returned again a week or two subsequently, that I might pursue the investigation further. When I returned to Boston they could not be found, and subsequently Mr. Spence says they have turned up in the waste-basket. If so, I certainly delivered them to him as important memorandums to be kept.

Q. The memorandum turned up in the waste-basket?—A. There is where he says he found it. I took these memorandums when I was in Boston, and with Mr. Wilbur went through the books of the company, and Mr. Wilbur has now a full list of where these bonds were the last record the company has of them.

By Mr. ASHE:

Q. What is the date of the time that you ascertained where the bonds were?—A. The one hundred and thirty was about the 1st of January and the balance were the 19th of March, 1869.

Q. Do I understand you to say that those memorandums would show where these bonds were at that date?—A. Yes, sir; the one hundred and thirty.

Q. In whose hands they were at that time?—A. Yes, sir.

Q. One hundred and thirty in January and the balance in March?—A. Yes, sir.

By Mr. HUNTON:

Q. They were the only missing bonds on that date?—A. Yes, sir.

Q. When you came back to New York and found that there were other missing bonds, did you ever find out in whose hands they were at the time?—A. We have just traced them up from these memoranda that Mr. Wilbur had.

Q. So that you can by the assistance of those memoranda tell the committee into whose hands these bonds went when they first disappeared from the company's possession?—A. Yes, sir; Mr. Wilbur has a full statement of them already made up, and he has the original memoranda in his possession.

By Mr. ASHE:

Q. Do you recollect the date when those memoranda were made out by Mr. Wilbur?—A. No, sir.

By Mr. HUNTON:

Q. Since Christmas?—A. Since the 1st of January.

Q. Was it your duty as auditor to attend the meetings of the directors of this company?—A. No, sir.

Q. Do you know how often the directors met?—A. No, sir.

Q. Were you ever present at the meetings?—A. No, sir.

Q. Who were the Government directors on that road at the time these bonds were missing?—A. I have forgotten who they were.

Q. Can you name any of them?—A. No, sir.

Q. Was there no effort made on the part of the Government directors to find out where these bonds, either the first mortgage or the registered bonds of the Government, were?—A. I don't know.

Q. Was not one of these memoranda that you made placed in your hands by Mr. Wilson, of the investigating committee in Boston?—A. I don't recollect about that; it is about three years since that investigating committee.

Q. You do not recollect what you said to Mr. Wilson about these memoranda?—A. No, sir; I do not.

Q. Have these memoranda been in the hands of the company ever since then?—A. I don't know.

Q. Have you stated why you did not help, after making that memorandum, to find these bonds?—A. The memorandum was lost; it was delivered by me to Mr. Spence for safe keeping, and when I came back to Boston again it could not be found.

Q. When was it delivered to Mr. Spence?—A. In 1869, in the fall.

Q. When did you go back to Boston?—A. I went back in the course of a week or two.

Q. In that time it was lost?—A. That memorandum was lost.

Q. Did you ask Mr. Spence for it?—A. Yes, sir; I certainly did.

Q. What was his reply?—A. I have forgotten what his reply was.

WASHINGTON, D. C., May 13, 1876.

G. M. DODGE sworn and examined.

By Mr. HUNTON:

Question. State whether you are officially connected with any of the Pacific Railroads; and if so, which? and for how long you have been so connected, and in what official capacity.—Answer. I am a director in the Union Pacific Railroad Company; I have been connected with that railroad ever since its inception, with the exception of three or four years.

Q. State how.—A. I was chief engineer of the road during its construction; and after its completion I was a director until 1871 or 1872, I forget which, when I took charge of the Texas Pacific. I became a director in the Union Pacific again in 1874 or 1875, I forget which; 1875, I think.

Q. Have you had any connection with any other road than the Union Pacific Railroad?—A. Yes, sir; with many roads.

Q. State with which you have been connected officially.—A. I was connected with the Chicago, Rock Island and Pacific, and other railroads.

Q. Have you been connected with any other of the roads named in the resolution of the 31st of January, 1876, under which this investigation is now being made?—A. I think not. [After having examined the resolution.] Yes, here is the Sioux City and Pacific; I have been a director of that road.

Q. When and for how long?—A. I cannot tell you; I was a director in it one or two years. It is impossible for me to remember the years; it has been some time ago, however; my connection with that was merely incidental. I know nothing about it.

Q. State if you know whether the Union Pacific company complied with the requirements of law, granting money, bonds, and land subsidies to that company in the construction of their railroad and telegraph-line.—A. As far as my knowledge exists I think they have; I do not know of any place where they have not complied with it.

Q. Do you know whether the stock was paid in in cash or not?—A. I do not.

Q. Were your duties confined to the construction of the road in the early part of your connection with it?—A. Yes, sir; I was the chief engineer of the road for the company.

Q. From when until when?—A. From May, 1866, until 1870. My duties were to make all the surveys, locate the road, and see that the road was built in accordance with the law and to the satisfaction of the Government.

Q. During that period did you know anything of the affairs of said company except so far as pertains to your duties as chief engineer?—A. No, sir.

Q. Do you know whether the said company formed within itself corporate or construction companies for the purpose of subletting under such corporate or construction companies, contracts for the building and equipping of that road or any portion thereof?—A. I know that the road was constructed by a separate company from the Union Pacific.

Q. Was that separate company formed with the Union Pacific Company?—A. Well, I think there were people in the company that were in the Union Pacific Company, and those outside of it besides.

Q. Can you state whether the money, land, and bond subsidies granted by the Government have been properly used by the company in the construction of their road?—A. As far as my knowledge goes.

Q. How far does your knowledge go?—A. As engineer I had nothing to do with spending the money, outside of my department.

Q. Then you have no knowledge on that subject?—A. No, no knowledge on that subject outside of my department, except the general one.

Q. Do you know anything of the first-mortgage bonds issued by the Union Pacific Railroad?—A. I know of the bonds. I know that they were issued and the character of the bonds.

Q. Do you know whether there is any shortage in the bonds or not?—A. I know that there is said to be; that is, we think there is.

Q. To what extent?—I think it is two hundred and forty-three bonds, though I will not be positive about the exact number.

Mr. HUNTON. The exact number, I believe, is two hundred and fifty-four; there are two hundred and forty-seven in one lot and seven in another.

The WITNESS. I cannot state from my memory; it has been so long since I looked into it. I should say it was two hundred and forty to two hundred and fifty, or somewhere in that neighborhood.

By Mr. LAWRENCE:

Q. Are those first-mortgage bonds of the Union Pacific Company?—A. Yes, sir, of the Union Pacific Railroad.

Q. They are not the Government subsidy bonds?—A. No, sir.

By Mr. HUNTON:

Q. Is there any shortage in the Government subsidy bonds?—A. We think there is. I do not know that there is a shortage. I suppose you mean a loss.

Q. That is what we mean by a shortage, as I understand.—A. It is said there is a loss or shortage in Government bonds also. I do not know it with certainty. I am only speaking of my personal knowledge.

Q. To what extent?—A. I think there are about one hundred of them, or somewhere in that neighborhood.

Mr. HUNTON. The number is one hundred and ten.

The WITNESS. One hundred and ten are reported lost.

By Mr. LAWRENCE:

Q. Both the subsidy bonds and the first-mortgage-railroad-company bonds are bonds of \$1,000 each?—A. Yes, sir.

By Mr. HUNTON:

Q. Altogether there are three hundred and sixty-four bonds lost. State, if you can, how that loss or shortage occurred.—A. I can only state it from hearsay; I have no personal knowledge of it.

Q. State what effort has been made by the company to recover those lost bonds, if any has been made.—A. Since I have been connected with the company several committees have been appointed, and the company has also employed for nearly two years a thorough accountant to try to find them. I was on one of the committees myself.

Q. Name the committees and the accountant.—A. I cannot do that from memory. I remember that Mr. Hiram Price, a Government director, was connected with one of the committees, and gave it a long examination; after that it went into the hands, I think, of the executive officers; and Mr. Wilbur finally took charge of it, and I think he has been at work on it ever since. In 1875 Mr. Gould, Mr. Wilson, and myself were appointed a committee to examine it, and we spent a good while upon it, and turned over all the information we had to the company.

Q. What information did you get?—A. We did not get much.

Q. Tell us what you did get.—A. I gave the examination my personal attention for two or three weeks, together with Mr. Gould's secretary. We endeavored to find out the lost numbers. We came to the conclusion as to the number of bonds that were gone, but I was not able to get down to the exact numbers.

Q. You mean the number on each bond?—A. The number on each bond. I was taken sick, and could not give it any more attention. In fact, we carried it as far as we could ourselves, and then I turned it over to the executive officers or to the company in Boston, to verify as far as we had gone, if possible, from the information we had got. It was then taken up by another committee, and that is the end of my personal knowledge of the matter. It was taken up by a local committee in Boston, where the books were.

Q. If you had got the numbers of the missing bonds, could you not have traced them to the holders?—A. I do not think we could.

Q. Could you not have traced them to their present holders?—A. No, sir; because the numbers did not show on the bond-books.

Q. You do not understand my question.

The WITNESS. You mean the number on each bond?

Mr. HUNTON. Yes; if you had found that, could you not have found the holder?

The WITNESS. To-day?

Mr. HUNTON. To-day.

A. That we might have done.

Q. If you had found the present holder of the bonds, could you not have found the man who originally got them from the company?—A. Mr. Wilbur can probably answer that better than I, because he has followed it up.

Q. I want you to answer it as far as you can.—A. I could not tell, because I have not tried; but from the experience others have had, I should think not. You might find the man who had possession of the bond; he perhaps bought it on the market; you might go to the banker or broker from whom he bought it, but he will tell you that he does not know where he did get it.

Q. Do not brokers and bankers keep books?—A. Yes, they keep books; but they do not keep a record of the numbers of the bonds.

Q. Is it not most probable that many of these bonds are held as permanent investments and are not on the market, passing from hand to hand?—A. I think there are many of our bonds held in that way.

Q. Any bonds so held could be traced, could they not?—A. Into the hands of the present holders, but perhaps not back of that. That is only a matter of opinion, however.

By Mr. LAWRENCE:

Q. The bonds are all payable to bearer?—A. Yes, sir.

Q. And pass to purchasers without indorsement?—A. And pass without indorsement.

By Mr. HUNTON :

Q. They are coupon bonds?—A. Yes, sir.

By Mr. LAWRENCE :

Q. And the coupons are also payable to bearer?—A. Yes, sir.

Q. So that the holder of a bond may cut off the coupon and sell it, or pass it to a party for collection, without you being able to reach the holder of the bond?—A. Certainly; I could not tell anything about it. I know I hold bonds myself, but I cannot tell anything about from whom I got them.

Q. As a matter of fact, the holder of the bonds generally takes off the coupons, and carries them to the nearest banker, and has them placed to his credit or collected for his account?—A. Yes, sir. Let me suggest here in the case of the one hundred and ten Government bonds—

Mr. HUNTON. They are registered bonds?

The WITNESS. We collected the interest on the coupons to those and undertook to trace them back, but we utterly failed. I cannot go into a statement of these matters, because I have not investigated them. Mr. Wilbur and those men who have investigated them are competent to answer all those questions. I confined myself to the duty of attempting to ascertain the numbers on these bonds, and there my duty ended, and I turned my information over to the board.

Q. You did not find out the numbers?—A. No, sir.

Q. Then your investigation was a failure?—A. We did not succeed.

Q. You got nothing valuable?—A. No. They reported to me that they had known previously all the knowledge that we turned over to them. I turned over all the papers to the next committee.

By Mr. LAWRENCE :

Q. For the purpose of putting on the record a correct understanding of this, let me state what I understand you mean by loss or shortage of bonds. You mean, if I understand you, that there were a certain number of Government subsidy bonds issued to the railroad company, and a certain number of railroad first-mortgage bonds that were issued, which have passed into the hands of some person or persons, and the proceeds of which have never been paid into the railroad company.—A. That is what we think.

Mr. LAWRENCE. The railroad has received no consideration for those three hundred and sixty-four thousand dollars' worth of bonds?

The WITNESS. Now let me say that during my investigation of this matter I could see plainly where we might have received money for those bonds and it not appear upon the books.

By Mr. HUNTON :

Q. Tell us how?—A. It appeared during the investigation that a part of these bonds were lost during what was known as the Fisk raid upon us.

By Mr. LAWRENCE :

Q. State what the Fisk raid was.—A. Mr. Fisk commenced a suit against us in New York and served an injunction upon us, and closed up our safes and books, and drove us out of New York. We were not allowed to keep any books or anything else. We were enjoined from doing anything.

By Mr. HUNTON :

Q. An injunction would not drive any person out of New York.—A. It did drive us out. We had to go out and stay out, and we had to come to Congress in order to get the right to remove our office to Boston for the purpose of going on with our business. They took and sealed up our safes and books. During these times a portion of these bonds were lost, and a portion had been lost before. During that time money was borrowed on these bonds, and I could see plainly that in the way that matter was done that money might have been returned to us and the bonds, and no record kept of it; or that the bonds could have been sold for the money that was borrowed. That is what I gathered from the investigation that I had.

Q. That is all speculation on your part?—A. That is the idea that I got from it. I cannot say that it is true.

Q. It is the theory you formed?—A. It is the theory I formed. I could see why that might have been done. I have no doubt a portion of those bonds were lost or stolen, and I did think the company might have got the proceeds or a portion of them in that way.

Q. You stated a while ago that a portion of the bonds were lost during the Fisk raid. How could they have been lost during the Fisk raid? You stated that the money was borrowed during the Fisk raid, and it might not have been returned or may have been stolen. State how you could have borrowed money on those bonds when they were locked up in the safe?—A. They were not locked up in the safe; they took them out.

Q. Who got them out?—A. The officers of the company.

Q. The Union Pacific?—A. Yes, sir.

Q. How did they get them out after they were locked up?—A. They took them out before the safes were sealed up.

Q. Then there was nothing of the kind sealed up in the safe?—A. No.

Q. The Fisk raid did not interfere with you so far as the bonds were concerned?—A. It interfered with our transacting any business in the city; they had our books &c.

Q. It did not interfere with the custody of bonds?—A. I think not, any further than that the individuals got them and kept them.

Q. The company, through its officers, retained the possession of all these bonds during the Fisk raid?—A. I think they did, but I will not state that as a fact.

Q. State who had them, if you can?—A. I cannot.

Q. Do you know anything about the Little Rock and Fort Smith bonds that were owned by the Union Pacific Railroad Company?—A. No, sir; I only know the fact that we have them, that is all.

Q. You have them now?—A. Yes, sir.

Q. How many of them?—A. I forget. I know nothing about that matter.

By Mr. LAWRENCE:

Q. Have you any information which would lead to the supposition that any improper use had been made of these lost bonds?—A. I have not.

Q. Have you any information which would lead you to suppose that they had been used to influence legislation?—A. No; I had no information of that kind. My information is all the other way; that the bonds were lost or stolen from us.

Q. What officers of the company had charge of these bonds?—A. It would be impossible for me to tell you, for at that time I was not present.

By Mr. HUNTON:

Q. Had you any connection with the legislation resulting in the first enactment of the charter of the company, and with another act amending the charter of the Union Pacific Railroad Company?

The WITNESS. In 1862, 1864?

Mr. HUNTON. Yes.

A. No, sir.

Q. Had you any connection with any other legislation on the subject?—A. Yes, sir; I had connection with the amendment upon the interest question and Council Bluffs Bridge bill.

Q. When was that passed?—A. I think that was in 1871.

Q. Were you here in 1862 or 1864?—A. No, sir.

Q. Were you here in 1871?—A. Yes, sir.

Q. What part did you take in the procurement of that amendment of 1871?—A. I presented, for the company, to the Departments, our side of the question before the decision of Mr. Akerman and Mr. Boutwell upon it.

Q. What part did you take in the passage of that amendment through Congress?—A. I appeared here before the committees with our attorneys. I appeared before the Judiciary Committee of the Senate and others that had the matter under consideration.

Q. Was there any money used in the procurement of that amendment?—A. No, sir; none whatever.

Q. You did not pay out a dollar of money?—A. No, sir. I paid our attorneys.

Q. Who were they?—A. Mr. Poppleton was one, and I think we had Mr. Curtis, Mr. Cushing, and Mr. Blair, though I will not be certain about Mr. Blair. They were all paid by the company.

Q. Were any of them paid by you?—A. I do not think any of them were paid by me.

Q. Did you pay out any money to anybody in connection with that amendment?—A. None, except the expenses.

Q. What expenses?—A. My own, and whatever they were here.

Q. You paid out nothing except your own expenses?—A. No, sir.

Q. Was there not a large sum of money put into your hands at the time by the company?—A. No, sir.

Q. Was there any sum of money put into your hands by the company?—A. No, sir.

Q. Do you know of any money paid to influence legislation here either in 1862, 1864, or 1871?—A. I do not.

Q. In some investigation that has taken place in regard to this matter, was it not said that a sum of money, probably \$126,000, had gone into your hands?—A. No, I think not. I think you have reference to Mr. Bushnell, probably.

Q. Mr. Bushnell instead of you?—A. Yes, sir. You no doubt refer to the Wilson investigation.

Mr. HUNTON. Yes.

The WITNESS. If you had the Wilson report here you could see what connection I had with that matter.

Q. But you can state it now?—A. I suppose you refer to a check for about \$24,000 that was paid to me by Mr. Bushnell.

Mr. HUNTON. Yes; state your connection with that.

A. That is all the connection I had with it; he paid me that amount of money.

Q. What for?—A. Upon a call of Union Pacific stock. I had a call upon him of Union Pacific stock, and that was the amount that was due from him.

Q. What do you mean by having a call upon him for that stock?—A. I bought the call on him of the stock at about twenty-three, I think, or something like that; and when the stock went up, that was the difference.

Q. I do not understand what you mean by calling the stock?—A. The right to call at a certain price. For instance, I buy the right to call any amount of stock on you at twenty-three cents.

Q. Did you own any stock in the road?—A. Yes, sir. I bought the right to buy this stock of him at any time at twenty-three cents.

Q. What did you pay him for it?—A. Twenty-three, or that would be the price I would pay him for it.

By Mr. LAWRENCE:

Q. The stock went up?—A. The stock went up and I called on him, and he would pay me the difference between the price I bought it and the selling price.

By Mr. HUNTON:

Q. That is, you and he made a bet on the future price of the stock?—A. Yes, sir; that is all; it is done every day, and every hour, and every minute.

Q. That is a Wall-street operation?—A. Yes, sir.

Q. You won the bet?—A. I won the bet.

Q. How much did you win?—A. I think it was somewhere in the neighborhood of \$24,000; I cannot state the exact amount.

Q. Mr. Bushnell did not own any stock, did he?—A. Yes, sir; plenty of it.

Q. He did not transfer it?—A. It was transferred in that way. Instead of transferring me the stock, he gave me the difference. He sold the stock, and I took the difference. I think that matter is all set forth in Mr. Bushnell's testimony in the Wilson investigation.

By Mr. LAWRENCE:

Q. I have heard it said that the Union Pacific Company allows to some private parties who ship goods over their roads certain drawbacks, and that it does not allow any such drawbacks on Government freights, so that in that way they really charge the Government more on its freights than they do some private parties. How is the fact?—A. I do not think that is so. That question was put to us officially not long ago by the Senate committee, and the questions were answered officially by each of the heads of departments who transact all their business, our general passenger agent and general freight agent.

Q. The questions were propounded by the Senate railroad committee?—A. Yes, sir; the questions were put to us officially, and were answered officially by the President and by each one of the departments who had that in charge. I know that our instructions are positive on that.

Q. Is there no such drawback allowed to any of these coal companies or to parties who are transporting coal over the road?—A. No, sir, I do not think there is; the coal now on the Union Pacific belongs to the Union Pacific Company itself. It used to belong to a separate company, but it is now in their hands; they mine their own coal. They have had a long struggle to get it. There was a separate coal company, but it has been wiped out. We have had immense litigation in getting rid of it, but I think we have had the concern in our hands for some time.

By Mr. HUNTON:

Q. If I start a lot of freight from New York and the Government starts at the same time the same quantity of the same sort of freight to California, who would pay the most freight, the Government or myself?—A. Well, if the Government started freight to California it would not bill its freight to California at all.

Q. Just answer the first question.—A. They would both pay the same price if the Government started the freight through to California.

Q. Would I get a drawback or be entitled to a drawback?—A. None at all.

Q. When the Government ships freight from New York to California, does it go all the way through without a transfer?—A. No. The freight is transferred at Council Bluffs, Iowa.

Q. That is across the river from Omaha?—A. Yes, sir.

By Mr. LAWRENCE:

Q. Do private parties ship in the same way?—A. No, sir. The Government ships its freight from New York to Council Bluffs over one system of roads for cash, and from there it is reshipped over another system of roads for half cash. Private individuals ship through on one bill of lading. If the Government and a private individual ship through on the same bill of lading, they always pay the same price.

Q. Separate bills of lading cost no more than one bill of lading through?—A. No. For instance, if you are a private shipper, and ship from Council Bluffs to San Francisco, you would pay a different rate probably than from New York to San Francisco. The longer the distance the less price.

By Mr. HUNTON :

Q. The less price per mile?—A. Yes, sir.

By Mr. LAWRENCE :

Q. Does the Government pay more in shipping from New York to San Francisco and reshipping at Council Bluffs than a private party would in shipping the same things through?—A. Not if the freight was reshipped.

Q. If a private party can ship through from New York to San Francisco on one bill of lading without reshipping at a less rate than by reshipping at Council Bluffs or Omaha, why does the Government not adopt the same plan?—A. That is more than I can tell you. You will have to go to the Government to find that out. If you were a private individual and shipped a barrel of flour from New York to San Francisco, it would be billed right through. The Pennsylvania road, for instance, would take it to Chicago; there another road would take it and pay the Pennsylvania the back charges. If the Government would arrange its back charges on their bill of lading, probably it would go through the same as for a private individual. Of course, the Union Pacific would pay no back charges on account of the Government's freight, because they cannot reclaim it.

By Mr. HUNTON :

Q. You state, as a matter of fact, that the Government does transship at Omaha?—A. Yes, sir; I know they do. I do not think they ever bill any farther.

Q. And that private individuals do not transship?—A. They often do. Some do and some do not.

Q. And you state that the Government loses by the operation of transshipping at Omaha?—A. Yes, sir; I think so.

Q. What would be the difference between the freight shipped through without change at Omaha and that which was changed or transshipped at Omaha?—A. It would be impossible for me to say. I am not acquainted with the rate of freights enough to be able to say.

By Mr. LAWRENCE :

Q. Does the company own any considerable part of its first-mortgage bonds?—A. It does not own any at all.

Q. Is the interest being paid when it falls due upon those bonds?—A. Promptly.

Q. It is not permitted to accumulate?—A. Not at all.

Q. It is not permitted to accumulate so as to increase the debt of the road?—A. O, no; we pay our interest promptly every six months as it falls due.

Q. Does the company own any considerable part of the land-grant and mortgage bonds?—A. None, except those it has liquidated and canceled.

Q. Is interest permitted to accumulate on them?—A. No; it is paid promptly.

By Mr. HUNTON :

Q. Does the company or any of its members individually own these first-mortgage or land-grant bonds?—A. I cannot tell what individual members of the company own because I do not know. I will say that I do not think that is a matter that would concern anybody. I do not think they do though.

Q. Your stockholders, I suppose, are few in number?—A. No; we have upward of a thousand.

By Mr. LAWRENCE :

Q. Who owns the majority of the stock?—A. That is impossible for me to say. It is distributed among a great many.

Q. Do the present directors of the company, other than the Government directors, own a majority of the stock?—A. I think they do; I do not know it of my own knowledge. All the directors are very heavy owners in the stock.

Q. So that they can elect anybody they choose?—A. Yes, sir. I do not think they are large bondholders at all.

Q. First-mortgage bonds?—A. Yes, or land-grant bonds. This is mere guess-work, however. I do not know what any one of them owns or does not own. There is a list of our stockholders on file in the Interior Department which will show just exactly who owns the stock. We file a stock-list every year.

By Mr. HUNTON :

Q. What dividend has that company been paying?—A. I think it has paid at the rate of 8 per cent. for one year.

Mr. LAWRENCE. Their earnings on the capital stock amount to over 16 per cent.

The WITNESS. I guess not; not net earnings.

Mr. LAWRENCE. Yes, net earnings.

The WITNESS. I would like to be convinced of the truth of that.

WASHINGTON, D. C., May 15, 1876.

JOHN C. S. HARRISON sworn and examined.

By Mr. HUNTON:

Question. State your full name and residence.—Answer. John C. S. Harrison, Indianapolis, Ind.

Q. Are you the Mr. John C. Harrison, of Indianapolis, alluded to in the Cincinnati Gazette of April 26?—A. Yes, sir; I made that statement there under my own signature.

The following is the statement referred to:

“CINCINNATI, April 26.

“The Gazette to-morrow morning will publish an interview with Mr. John C. S. Harrison, of Indianapolis. Mr. Harrison makes the following statement: At the September (1872) meeting of the board of directors of the Union Pacific Railroad, at which I was present, the president of the board, Mr. Horace F. Clark, called the attention of the directors to a letter from the president of the Fort Smith and Little Rock Land-Grant Railroad with reference to some bonds of that road held by the Union Pacific company. Desiring to know something more about these bonds, I made a motion to appoint a committee of three to investigate and report before the adjournment of the board as to how they came into its possession, and all matters connected therewith. Thereupon E. H. Rollins, the secretary, took me to one side and told me that I must withdraw that motion for an investigation of the bond-transaction, as it would involve James G. Blaine. He said the fall elections were near at hand, and Blaine was a candidate for re-election to Congress in Maine. An exposure of the transaction just at that time would be sure to defeat him. With that I withdrew the motion. Subsequently I took J. H. Millard, of Omaha, who was and still remains a Government director, to Mr. Rollins, and in his presence asked Rollins if I understood him correctly in relation to the bond-transaction involving Mr. Blaine. He repeated that I did, and that an investigation would be sure to kill off Mr. Blaine at the approaching election. Afterward, when the investigating committee of which Jeremiah M. Wilson was chairman was in session, and E. H. Rollins was on the stand, I telegraphed Wilson to ask the witness certain questions concerning the Fort Smith and Little Rock bonds, but in noticing the daily reports of the committee afterward I saw that no such questions were asked. On the 3d of February, 1873, I wrote to Wilson, chairman of the committee, more fully about the matter, detailing the facts that I have just stated, but I did not mention Blaine's name. I stated that the transaction implicated a prominent member of the republican party. That letter was copied into my regular letter-book at Indianapolis, and can be referred to at any time. I never received any answer to the letter to Wilson, but on the 26th of February, just twenty-three days later, Mr. Delano, Secretary of the Interior, wrote a letter to a prominent republican official, saying it was deemed best on the part of the Government to change the entire board of directors of the Union Pacific Railroad, and that he therefore proposed to appoint some one from Indiana in the place of J. S. C. Harrison. This proposition of Delano met with such strong opposition that it was abandoned and none of the directors were removed. We were engaged at that time in making an active fight against the Wyoming Coal Company, which was swindling the United States out of \$500,000 or \$600,000 a year.

“If the committee want that letter of Delano's they can find a copy of it in the Interior Department. Bear in mind that this action on my part as a Government director, and the correspondence to which I have referred, and the effort on the part of Secretary Delano to have me removed from the board of directors occurred in 1872, and early in 1873, just about the time of the re-election of President Grant, and when neither Mr. Blaine nor any other man was spoken of in connection with the Presidency of 1876. It is therefore unreasonable to suppose that anybody at that stage of the proceedings was interested in defeating Mr. Blaine's presidential aspirations. This whole Little Rock bond-matter would have been investigated by the United States court at the time but for the killing off of the Credit Mobilier suits. I showed to Mr. Jenks, the Government's special attorney, who, with three others, was charged with investigating the affair, this order of the executive committee:

“NEW YORK, December 16, 1871.

“Ordered, That Morton, Bliss & Co. be authorized to draw on the treasurer of this company for \$64,000 payable at forty days from date, and hold as collateral security for the company seventy-five land-grant bonds of the Little Rock and Fort Smith Railroad Company's bonds, \$1,000 each.”

“He made a copy of it in my presence and would have entered suit upon it at once had not all these Credit Mobilier suits failed in the courts, being ruled out on demurrer. In conclusion I have to say that I am ready and willing at any time to go before the Judiciary Committee of the House and make oath to the facts in this statement.”

Q. Are you a Government director of the Union Pacific Railroad Company?—A. Yes, sir; I am.

Q. How long have you been Government director?—A. I was appointed in 1870, I think, to fill a vacancy for that year, and I was re-appointed last March.

Q. State what you know about an order entered upon the book of the executive committee of the Union Pacific Railroad Company, dated New York, December 16, 1871.—A. You are a little ahead of the hounds there. I will just state when I came in possession of the knowledge that the Union Pacific Railroad held any Little Rock and Fort Smith Railroad bonds, if that will satisfy you as well.

Q. I have no objection; state it in your own way.—A. It was September 11, 1872. Mr. Clarke, the president of the board at that time, stated that he had a communication from the president of this Fort Smith and Little Rock Railroad, saying that he would exchange seventy-five bonds held by this company, and give in lieu of the same fifteen other bonds. It struck me as very unusual for this company to be holding such bonds among its assets, so I immediately moved that a committee of three be appointed to investigate how these bonds came in possession of this road, and all matters connected therewith. Mr. Rollins, the secretary of the road, took me to one side and desired me to withdraw the motion. He said that the October election was near at hand, and the investigation of that matter would ruin Mr. Blaine and defeat his reelection to Congress. Well, I just withdrew it. The next morning I took Mr. J. H. Millard, Government director, with me, and asked of Mr. Rollins if I understood him correctly what he said before, and he there stated the same thing, that Mr. Blaine was involved in this matter. Then, when Mr. Jeremiah Wilson, chairman of the congressional committee, had Mr. Rollins on the stand in January, I telegraphed him at my own expense to ask Mr. Rollins in relation to these bonds, how they came in the possession of the road, and all about them. In looking over the daily reports of the investigation I saw that the questions were not asked him. I then, on February 3, wrote him fully about the matter, and told him that Mr. Rollins took me one side and informed me that it involved a prominent member of the republican party. I did not use Mr. Blaine's name; of course I would not write his name, because it was a serious charge and I did not want to put it on paper. No attention was paid to the letter. That was just about, in substance, what was in that letter; still I have the letter in my letter-book at the Ebbitt House, in my trunk there. I did not understand fully at that time the nature of this transaction.

By Mr. LAWRENCE:

Q. What was the date of this conversation with Rollins?—A. September 11, 1872, and September 12, 1872. He told me on the afternoon of September 11, 1872, that Mr. Blaine would be involved in an investigation of this kind and it would defeat his reelection; and on the next morning I took Mr. Willard with me to know if that was the case. Now, I found out that this whole thing was based on this resolution of the executive committee, which reads as follows:

"The committee met December 16, 1871, and passed this resolution:

"Resolved, That Messrs. Morton, Bliss & Co., are hereby authorized to draw on the treasurer of the Union Pacific Railroad Company for the sum of \$64,000, payable forty days from this date and hold as collateral security for the company seventy-five land grant bonds of the Little Rock and Fort Smith Railroad Company, with coupons attached, such bonds to be for \$1,000 each."

The following June, Mr. Jenckes, one of the three counsel appointed by the Government, was in the Union Pacific office at the time that I was there, and I took this executive committee book and called his attention to this unusual transaction, and told him that it was something that ought to be looked into; that I had tried to have it looked into through an investigating committee of Congress, but no attention was paid to it, and I asked him then as a Government director that when he investigated that credit mobiler suit they should be made a part of it, and he made a memorandum to that effect, that is, he copied that order. I guess that is about all I know.

By Mr. HUNTON:

Q. Did Mr. Rollins explain to you how Mr. Blaine was involved in that transaction?—A. Not at all, only he just said that the investigation would defeat him in his reelection, and ruin him.

Q. Was any effort made to remove you as a Government director after this occurrence between you and Mr. Rollins?—A. There was an effort made to change the whole direction of the road the following March.

Q. Are the directors of the road appointed annually?—A. The directors are appointed annually, about the 11th of March. There was quite an effort made during the latter part of February to remove the whole direction. I thought it very strange, too, because we were just at that time in a fight with the Wyoming Coal Company, (the Government directors were,) which was a corporation furnishing the road with coal at an enormous expense, and we were trying to have it abolished.

Q. I see in this interview to which we have both alluded, you speak of getting a letter from Mr. Delano?—A. I did not get any letter from Mr. Delano, but I have got the letter.

Q. Explain that.—A. I have had this letter in my possession from a week after it was written, and I filed it away, and thought it would be a good thing to file; it is addressed to Senator Morton. I can give you the letter; it belongs to me, and I have had it from a week from its date. My letter to Mr. Wilson was dated February 3, 1873; this letter is dated February 26, 1873:

DEPARTMENT OF THE INTERIOR,
Washington, D. C., February 26, 1873.

DEAR SIR: As I promised in our conversation yesterday I now write to say that it is deemed advisable to change the entire board of directors for the Union Pacific Railroad.

I shall therefore feel obliged if you will give me some name for Indiana in the place of John C. S. Harrison, against whom there is no personal objection whatever.

Very respectfully, your obedient servant,

C. DELANO, *Secretary.*

Hon. O. P. MORTON, *United States Senate.*

I presume that is a genuine letter.

Q. Has that transaction about the Little Rock and Fort Smith bonds ever been investigated by the Union Pacific Railroad Company?—A. Mr. Wilson has made some inquiries in relation to it, so he told me, but I know nothing myself.

Q. What Mr. Wilson?—A. Mr. James F. Wilson, Government director; but I went to headquarters and tried to get it cleared up, but did not seem to meet with much success.

Q. Can you make any explanation of this order of the executive committee of that road dated December 16, 1871?—A. There the order stands for itself.

Q. Can you make any explanation?—A. I don't know how it could be explained. It is certainly a very unusual and a very mysterious transaction, if not a very infamous one; but still it may be explained satisfactorily; I don't know anything about that; they may be able to explain it; it was never explained to me; the only explanation I ever got for it was what Mr. Rollins told me.

Q. Do you know anything more than you have stated to the committee in regard to this transaction?—A. Nothing at all, and I did not know that, only from Mr. Rollins and the order of the board there, and the bonds being in the possession of the road. I presume they were there; they said they were there.

Q. I understand you to say, then, that this account of the interview published in the Cincinnati Gazette of April 26 is true?—A. That is true, sir.

By Mr. LAWRENCE:

Q. You might state whether Morton, Bliss & Co. drew on the company in pursuance of that resolution.—A. They did, and Mr. Rollins showed me the draft.

By the CHAIRMAN:

Q. The draft was paid?—A. The draft was paid by Mr. Rollins.

Q. To whom was it paid?—A. I don't know. Mr. Rollins will have to say that.

Q. Does the Union Pacific Railroad Company own those bonds now?—A. I don't think they do.

Q. How many bonds were there?—A. Seventy-five, of a thousand dollars each.

Q. What has become of them; where are they?—A. I can only tell by hearsay, and I don't know whether what I say is correct. I understood Mr. Oliver Ames gave his check for \$25,000 and took the bonds; I don't know whether that is so or not.

Q. Who is Oliver Ames, and what connection had he?—A. He is a prominent stockholder and director in the Union Pacific road. I do not state that as a fact, for I don't know. I won't state only what I know, and that is just merely a rumor. I heard that.

Q. Do you recollect from whom you heard it?—A. No. I heard it from some of the board, I think.

WASHINGTON, D. C., May 15, 1876.

JOHN C. S. HARRISON recalled.

By Mr. HUNTON:

Question. Can you tell me, either accurately or approximately, the value of these seventy-five bonds of the Little Rock and Fort Smith Railroad Company?—Answer. I think the New York Sun reported them as being worth from seven to eight, ten, twelve, or thirteen cents on a dollar.

Q. At what period?—A. I don't know what period; I noticed the Sun made that statement.

Q. When?—A. Some weeks ago.

Q. Did the Sun make the statement of their value at the time of the statement?—A. I don't know; I don't know anything about their value myself, only I have heard them spoken of as valueless bonds. That was the general term used in speaking of them.

Q. When you made this motion before the board of directors did you or not believe at that time that they were altogether or about valueless?—A. I thought they were valueless, and I thought it very strange that they should be among the assets of the company.

Q. What was the condition of the Union Pacific road at that time as to money to invest in bonds?—A. I guess they were very large borrowers; very hard up financially. I don't think their 10 per cent. income bonds were worth more than fifty to sixty or seventy cents on a dollar, although I won't state positively.

Q. The income-bonds of the Union Pacific?—A. Yes, sir.

Q. Can you procure and furnish to the committee the approximate value of these Little Rock and Fort Smith bonds at the date of this transaction?—A. I can telegraph to New York and get it; that is the only way I can get it. I can do that if you desire.

By Mr. BLAINE :

Q. In your testimony this morning you said when you left the office of Mr. Rollins you asked Mr. Willard to put a pin there for future use.—A. No; the next morning I brought him in the presence of Mr. Rollins, and after we had the conversation we came in the hall, and I told him just to stick a pin right there, what Mr. Rollins said, that this investigation would implicate Mr. Blaine. That is what I said to him.

Q. You said something about "for future use"?—A. No, I said, "This thing may come up in the future."

Q. Where did you mean?—A. I meant in an investigation in Congress. I reported it promptly to Jeremiah Wilson without using Mr. Blaine's name, and called his attention to this transaction of a large amount of bonds, and when he had Mr. Rollins on the stand in January I telegraphed him to ask those questions and paid the dispatch myself. They were not asked, and on the 3d of February I wrote him fully and told him to ask these questions, and no attention was paid to it whatever. The next notice I got was Mr. Delano's letter that the whole board must be changed.

By Mr. LAWRENCE :

Q. Did you get any knowledge or information after that motion as to the actual ownership of the bonds?—A. The bonds were in the possession of the Union Pacific Railroad Company. By their desiring to make an exchange for them I supposed they owned them. They said they owned them. I didn't know they had any such bonds until Mr. Rollins called attention to this printed circular that was introduced here this morning.

Q. Who had the ownership of the bonds prior to the time they came into the hands of the Union Pacific Railroad?—A. I don't know anything about that only what Mr. Rollins told me, to withdraw the motion. He said that the State election, or the election was at hand and investigation would involve Mr. Blaine and defeat him.

Q. That was, it seems, after the Maine election was over?—A. That may be; it seems so; but that is what he told me.

By Mr. BLAINE :

Q. Was it your impression at the time that this was a transaction involving corruption?—A. Well, Mr. Blaine, I thought it was very strange that the Union Pacific road should have such assets, no matter who they came from.

Q. Your impression was, then, that there was some corrupt motive?—A. Yes, sir; corruption.

Q. Then you abandoned the investigation as soon as that was intimated to you by Mr. Rollins; you derived that impression from Mr. Rollins?—A. I withdrew the motion, as I say.

Q. As soon as you found there was corruption in it you backed out of the investigation?—A. I backed out from the investigation, but reported it to Congress, the proper place to investigate this thing.

Q. Did you do that officially?—A. I signed that as a Government director, and have got my letter now.

Q. But in your report; you have made four or five since then?—A. I took no notice of this in the report.

Q. You had annual communications with the Government in that way?—A. We had with the Secretary of the Interior.

Q. You made an annual report. The committee that Mr. Wilson was chairman of was an accidental circumstance; it might or might not have existed. Was that a regular official channel for you to report to? That committee might come and might not.—A. As soon as that committee was appointed I then reported this transaction, without using anybody's name.

Q. In your annual report to the Secretary of the Interior did you ever propose to your brother directors of the Government to make any mention of it?—A. No; I never did.

Q. You had a free communication with the Government there, did you?—A. We made a report generally about the condition of the road.

Q. And you dealt in anything that was irregular, like the Wyoming Coal Company?—A. Yes; that was a matter of record on the books. We knew all about that; but this is a mysterious transaction, according to the records of the company. They are assuming to be brokers, to loan money on uncertain securities.

Q. If this involved some irregular transaction leading up to corruption, do not you think it was the duty of the Government directors to call attention to it?—A. I think it was; yes, sir.

Q. You never proposed to do it?—A. No, sir; I only called attention to it through the committee that was appointed purposely to investigate it.

Q. But in the official report that you annually made to the Government you never did?—A. No, sir.

Q. You never proposed to do it?—A. No, sir; this report was to the Credit Mobilier Committee.

Q. If the Credit Mobilier Committee had not been raised, you never would have reported?—A. That may be.

Q. You did not, in other words, avail yourself of your regular official channel?—A. To the Secretary of the Interior? No, sir; I did not.

Mr. HUNTON. He did not state that he reported this to the Credit Mobilier Committee personally; he said that he reported it as a Government director.

The WITNESS. I signed my dispatch as Government director.

By Mr. BLAINE :

Q. You bore no official relation to Mr. Wilson's committee; not the slightest. You had an official channel in the annual report which you made to the Government.—A. I supposed Mr. Wilson would certainly take cognizance of a report made by a Government director where it simply desired him to ask the secretary and treasurer of the company certain questions.

Q. If you had reported it to the Secretary of the Interior, that report would have been laid before Congress?—A. I had no communication with the Secretary of the Interior on this question at all.

Q. You could have done it at any time during the last five years officially?—A. I presume I could; but I will say this: as far as the books and papers of the company are concerned your name is not connected with it in any way.

Q. In your own personal view of this matter, have you entertained the belief that I was connected with that transaction?—A. Only through Mr. Rollins.

Q. Only his statement?—A. Only his statement; the books of the company do not connect your name with anything.

Q. Have not you been in the habit of stating it very freely within the last five years in conversation?—A. No, sir; it didn't occur five years ago.

Q. Four years?—A. I have been in the habit of stating what Mr. Rollins told me. I mentioned it to several parties.

Q. Has not it been with you a matter of common conversation?—A. No; not as a matter of common conversation. When anything has come up, I have often stated just as I have stated now what Mr. Rollins told me. I made my Cincinnati statement just in self-defense.

Q. Have not you been in the habit of stating that you held something that would blow Mr. Blaine out of office any time that you chose to let it go?—A. No, sir; nothing of that sort. I have often stated Mr. Blaine's connection with this thing through Mr. Rollins's statement to me.

Q. Was it not generally accompanied with the idea that, as the phrase goes, it was a dynamite that would explode me?—A. O, no; nothing of that kind.

Q. Did you mention it in a friendly way or in an unfriendly way?—A. I always had a very friendly feeling for you, Mr. Blaine, and always a kind feeling for you, and I was sorry this thing could not be explained at the time, and hope you will come out of this matter clear and bright.

Q. You never gave me an opportunity to explain it.—A. If you had written me a letter—

Q. I never heard of it.—A. [Continuing.] I should have certainly given you the same kind of a letter that Mr. Rollins gave you: that the books of the company did not show your name connected with any transaction of this kind. That I could have given you truly. All the information that I have come from Mr. Rollins. He stated that an investigation of this thing would implicate you and ruin you and defeat your re-election to Congress.

Q. Where I had been elected two days before?—A. That may be; that is what he told me, anyhow. He might have told me that to have me withdraw the motion. I don't know anything about that; but that is just what he told me.

Q. Did you ever communicate to the editor of the Indianapolis Journal that it would be a very fatal thing to me personally?—A. No, sir; not the Indianapolis Journal. I have told the editor of the Indianapolis Journal some time ago in relation to this transaction that if Mr. Blaine was ever a candidate for the Presidency this thing ought to be explained beforehand and cleared up, because there was a mystery connected with this that was perfectly unexplained so far.

Q. You never communicated it to me for explanation.—A. Mr. Wilson says he communicated it to you.

Q. And I seem to have satisfied Mr. Wilson?—A. Yes, sir. No, I never communicated to you; I never had an opportunity of personal acquaintance with you; I never came in contact with you until this morning.

Q. We never met, I believe?—A. No, sir; we never met.

Q. You could not have given me a very great opportunity, you will observe, for you never brought it up in the board of directors.—A. No, sir; it never was referred to in the board of directors.

Q. You kept silent in the board ever afterward?—A. The board often talked about it; Wilson, Millard, and I often talked about it; it was common talk.

WASHINGTON, D. C., May 16, 1876.

EDWARD H. ROLLINS sworn and examined.

By Mr. HUNTON:

Question. State your full name and residence.—Answer. Edward H. Rollins, Concord, N. H.

Q. Are you connected officially with the Union Pacific Railroad Company; and, if so, in what capacity?—A. I am secretary and treasurer of the Union Pacific Railroad Company.

Q. How long have you been so?—A. I have been treasurer since April, 1871, and secretary since May, 1869.

Q. Were you present at the meeting of the board of directors in September, 1872?—A. I was.

Q. Were you acting as clerk and treasurer at that time?—A. Yes, sir.

Q. Did Mr. Harrison as one of the Government directors offer a resolution to investigate the ownership by the Union Pacific Railroad Company of the seventy-five bonds of the Little Rock and Fort Smith Railroad Company at that meeting?—A. I do not think he did, sir; I do not think that Mr. Harrison offered any formal resolution.

Mr. HARRISON. Just a motion, I said.

The WITNESS. To my recollection it was a simple informal motion.

Q. He made the motion?—A. Yes, sir.

Q. Are the motions made at these meetings of the directory entered of record?—A. Where there is any result reached. An informal motion of that kind if withdrawn would not be entered upon the records.

Q. Then he did make a motion at that meeting?—A. I think he did.

Q. State the exact character of the motion, if you please.—A. It would be impossible for me to give the phraseology.

A. Give the substance.—A. I think he made a motion to investigate this transaction relating to the Little Rock and Fort Smith bonds, or something of that sort.

Q. You say this transaction; I want you to state what the transaction was that he moved to investigate.—A. It related to the vote of the executive committee passed in December, 1871, authorizing the acceptance of a draft of \$64,000 and receiving the seventy-five Little Rock and Fort Smith bonds.

Q. Do you mean the order of the executive committee dated December 16, 1871?—A. Yes, sir.

Q. "Ordered that Morton, Bliss & Co. be authorized to draw on the treasurer of this company for \$64,000, payable at forty days from date, and hold as collateral security for the company seventy-five land-grant bonds of the Little Rock and Fort Smith Railroad Company, \$1,000 each." It was in regard to that order?—A. Yes, sir.

Q. Who called the attention of Mr. Harrison to that order?—A. I have no means of stating positively. I judge, however, from the record that his attention may have been called to it by a proposition of the Little Rock and Fort Smith Railroad which was submitted to the board for consideration.

Q. What was that?—A. Here is the document printed, [producing a paper.]

Q. It is spread upon the minutes there, is it not?—A. No, sir.

Q. This was a proposition, then, from the Little Rock and Fort Smith Railroad Company to the Union Pacific Railroad Company, as the holder of a portion of its bonds?—

A. Yes, sir.

Q. And this proposition, as I gather from reading a little of it, was a proposition to

the creditors of the Little Rock and Fort Smith Railroad Company to surrender the bonds and take a new mortgage?—A. Yes, sir. This is taken from our files, as you will see on the back.

The following is the proposition referred to:

LITTLE ROCK AND FORT SMITH RAILROAD.

Whereas the Little Rock and Fort Smith Railroad Company, a corporation existing under the laws of the State of Arkansas, for the purpose of providing—

First. For the redemption of all the first-mortgage and land-grant bonds issued and outstanding and the coupons matured upon the same;

Second. For the payment or redemption of bonds issued to said company by said State of Arkansas of the par value of \$900,000;

Third. For the payment of its floating indebtedness and liabilities; and

Fourth. For the completion and equipment of its said road—

Proposes that the mortgages heretofore executed shall be discharged and the first-mortgage and land-grant bonds issued thereunder, as well as those remaining in the treasury of the company, shall be surrendered and canceled, and that in lieu thereof said company shall execute to the New England Trust-Company of Boston, as trustees:

First. A new first-mortgage covering all the lands, railroads, equipment, property, rights, and franchises embraced and described in both said existing mortgages, to secure the payment in thirty years from October 1, 1872, of six millions of dollars of the gold-bonds of said company, bearing interest at the rate of 7 per cent. per annum, payable semi-annually in gold coin on the 1st day of April and October in each year, in the city of Boston, with a provision in said mortgage that all proceeds of the sales of land in each year, so far as the same may be necessary, shall be set apart, first, for the payment of interest and, second, for a sinking-fund for the payment or redemption of said bonds; and, if the proceeds from the sales of land should not be sufficient to meet the interest, the deficiency is to be made up from the net earnings of the road;

Second. A second mortgage covering all the lands and property embraced or described in said last-named mortgage to secure the payment of six million dollars of income bonds, payable forty years from October 1, 1872, which bonds shall be entitled to all the net earnings up to 7 per cent. per annum in currency, in each and every year not required for any deficiency in the payment of interest on said first-mortgage bonds and for the sinking fund, as before mentioned.

And whereas said railroad-company also proposes that the preferred and common stock of said company, heretofore issued, shall be surrendered and canceled, and that the capital stock of said company shall be fixed at the sum of five millions of dollars, all of one class and kind: It is understood that said new first-mortgage and income bonds and stock shall remain on deposit with said New England Trust-Company until all outstanding first-mortgage and land-grant bonds have been surrendered, or provision made for the same, satisfactory to the committee hereinafter named. It is also clearly understood that the aforesaid bonds and stock, old and new, are always subject to the order of the committee, and that the trust-company takes no other responsibility in the matter than the safe-keeping and accounting to the committee for the stock and bonds aforesaid.

Now, in consideration of the premises, and in order to effect the above objects—

We, the undersigned, promise and agree to and with Thornton R. Lothrop, John Gardner, and Thomas H. Perkins, a committee of said bondholders, that we will, upon ten days' notice, deposit with said trust-company, to the credit of said committee the amount of the existing first-mortgage and land-grant bonds of said company, with the coupons attached as stated in the annexed schedule, and the amount of preferred and common stock of said company set against our respective names, upon the terms and conditions following:

First. That for each and every first-mortgage bond with the coupons on, due after July 1, 1872, or land-grant bond with the coupons on, due after October 1, 1872, so deposited, one or more certificates shall be issued by said trust-company, setting forth the fact of such deposit, and that upon the performance of the conditions herein contained, of which notice shall be given by said committee to said trust-company, the holder of such certificate is, upon the surrender thereof to said company, entitled to 50 per cent. of the par value of said bonds so deposited in new first-mortgage bonds (bearing interest from October 1, 1872) and 50 per cent. in income-bonds, and that the two coupons first maturing on said new first-mortgage bonds shall be cut off at the time of delivery and an equal amount of said income-bonds at par given in lieu thereof.

Second. That for past-due coupons or unpaid interest on said existing first-mortgage and land-grant bonds so deposited, computed to October 1, 1872, said trust-company shall deliver to the holder thereof an equal amount at par in said income bonds.

Third. That for each and every share of preferred or common stock so deposited, said trust-company shall deliver to the holder thereof 50 per cent. in new stock.

But this agreement is upon condition that the holders of three-fourths of each of

said existing first-mortgage and land-grant bonds shall sign a like agreement to deposit their bonds, and that said bonds shall not be surrendered or canceled until the total amount of said first-mortgage and land-grant bonds are surrendered for cancellation, or the same provided for to the satisfaction of said committee; and it shall be the duty of said committee to see that the new bonds and stock remaining after the exchanges within mentioned have been made are devoted to the purposes named in this agreement. Said committee shall have power to fill vacancies in their board which may arise from time to time, by an appointment in writing, filed with said trust-company, and they are also duly authorized to limit the time within which the aforesaid deposits for exchange shall be made, and in their discretion to return the bonds deposited as aforesaid to the holders of said certificates upon surrender thereof.

To retire the preferred and common stock, and the first-mortgage and land-grant bonds issued and now outstanding, and the coupons of the same, and the two coupons first maturing on the new first-mortgage bonds, upon the terms and in the manner herein provided, it will require of the—

New stock	\$2, 234, 800
New first-mortgage bonds.....	3, 975, 500
New income bonds	5, 501, 500

This leaves in the hands of the committee, for the payment of the debts of the company (including the debt due the State of Arkansas) and for the completion and equipment of the road—

New stock	\$2, 765, 200
New first-mortgage bonds.....	2, 024, 500
New income bonds	498, 500

The estimated amount in money required—

To complete and equip the road.....	\$1, 000, 000
To pay the debts (including the State of Arkansas).....	600, 000

With other assets on hand, a sale of the remaining new first-mortgage bonds at eighty cents on the dollar will realize this amount and leave the company with a completed and equipped railroad, free from all debts excepting the new bonds proposed to be issued.

Name.	Address.	No. of first-mortgage bonds with all coupons on, due after July 1, 1872.	No. of land-grant bonds, with all coupons on, due after October 1, 1872.	Amount of coupons and unpaid interest on first-mortgage bonds, computed to October 1, 1872.	No. of coupons from land-grant bonds, due prior to, and including those due, October 1, 1872.	Shares of preferred stock, par, at twenty-five dollars.	Shares of common stock, par, at twenty-five dollars.

On the back of the paper is the following indorsement:

“Proposition of Little Rock & Ft. Smith R.R. in regard to the exchange of 75 of their land-grant bonds for new ones, etc.

“Ordered to be placed on file—proposition agreed to by directors Sept. 11, 1872.”

Q. This proposition was brought up at the meeting in September, 1872?—A. Yes, sir.

Q. And it was that fact that brought to the attention of Mr. Harrison the fact that the Union Pacific held these seventy-five bonds?—A. I judge so from hearing his statement and the records.

Q. What was the result of the negotiation between the two companies?—A. That negotiation fell through.

Q. Was it ever consummated?—A. The bonds were surrendered, I think, at one time to the New England Trust Company, but for some cause or other it fell through; I did not master the subject very thoroughly myself.

Q. The seventy-five bonds were surrendered to the New England Trust Company?—A. Yes, sir; they were at that time.

Q. As trustee?—A. As trustee, to be held for the purpose of carrying out that scheme. That is my recollection; I may be mistaken, but that is my recollection.

Q. What became of the bonds afterward?—A. The scheme fell through, and they came back into the treasury.

Q. Where are they now?—A. Some other plan has been carried out since, and the bonds have been surrendered.

By Mr. LAWRENCE :

Q. This printed proposition from the Little Rock and Fort Smith Railroad is indorsed on the back, "Proposition of Little Rock and Ft. Smith R.R. in regard to the exchange of 75 of their land-grant bonds for new ones, etc. Ordered to be placed on file. Proposition agreed to by directors Sept. 11, 1872?"—A. Yes, sir.

By Mr. HUNTON :

Q. You said a while ago that it was not agreed to?—A. I did not mean that they did not agree to it; I mean to say it was not finally consummated. The board agreed to it, but it failed through some other cause; I don't know what.

By Mr. LAWRENCE :

Q. Whose indorsement is that?—A. That is the indorsement of the clerk who made up the record.

By Mr. HUNTON :

Q. Turn to the record.—A. I have it: "At the meeting at Boston, Sept. 11, 1872, the treasurer was authorized to exchange the 75 Little Rock and Ft. Smith R. R. land-grant bonds for the new bonds to be issued in accordance with the printed proposition submitted by the Little Rock and Ft. Smith R. R. proposition on file."

Q. When this motion was made by Mr. Harrison, what occurred?—A. Do you mean to inquire what I did?

Q. Yes; what you and others did, too, if any others did anything?—A. I have no immediate recollection of anybody doing anything. I don't remember very distinctly with reference to this transaction.

Q. State all you do remember.—A. Do you want me to state all I know about the whole transaction?

Q. I want you to answer that question. What occurred when Mr. Harrison made this motion?—A. As near as I can recollect, prior to this meeting of the board of directors I had heard a report—I cannot now recall the source from which I heard it—that these bonds in question were the bonds of Mr. Blaine.

Q. From whom did you hear that?—A. It is impossible for me to say; I don't know.

Q. When you heard that, did it or not make an impression on your mind?—A. I presume it made some impression on my mind.

Q. Did not it make a decided impression on your mind?—A. Well, it made some impression; there is no doubt about that.

Q. Did not it make a decided impression? is the question.—A. Decided; that is a comparative term. Perhaps it did.

A. State to the committee, if you please, how it has escaped you from whom you received information that probably made a decided impression on your mind.—A. It is impossible for me to explain how; I can only state the facts, sir.

Q. That is all I want you to state, but we know that impressions are more or less decided when we consider the source from which they come. If this information had come from some sources it would have made no impression; is not that so?—A. It would not have made a very lasting impression from some sources.

Q. From other sources it would have made a more or less decided impression?—A. Yes, sir; that is true.

Q. That is all I am trying to get at. If this made probably a decided impression on your mind, how can you fail to recollect the source from which it came, as well as the information? I am only trying to refresh your memory.—A. I have tried with all the power I have to refresh my recollection, in good faith, and it is utterly and absolutely impossible for me to do it, sir.

Q. Go on with your statement.—A. When Mr. Harrison made his suggestion, or motion, or whatever it was, for an investigation, I remembered that the road and its management had for a long time been the subject of very severe criticism and abuse in the newspapers and elsewhere, and this was a transaction that had been closed up for some months, and I desired, if possible, to obviate any scandal with reference to it, whether the report was true or false.

Q. Those are the motives. Now what did you do?—A. I may have said to Mr. Harrison under those circumstances that the bonds in question were Mr. Blaine's bonds; or something equivalent to that; I would not undertake to swear to the precise language that I used on that occasion. It is a long time ago, and I was busy keeping the records of the meeting and attending to the many duties that devolved upon me at that time; and whatever I did I had to do very rapidly indeed.

Q. You may have told Mr. Harrison what, exactly?—A. That these bonds were Mr. Blaine's bonds. I do not undertake to give the precise language that I used.

Q. I understand that; and that the investigation would involve Mr. Blaine? I may have used the word involve, but not in that form.

Q. What form did you use it in?—A. I may have said that they were Mr. Blaine's

bonds, or that he may have been involved in the matter; I don't think I used both words; I may have used the word involve in connection with the matter.

Q. State now, as a matter of memory, what word you did use to Mr. Harrison?—A. As a matter of memory, I should say that I stated to him in substance that I had heard that these were Mr. Blaine's bonds, and that he might be involved in it.

Q. That is substantially what he has said?—A. Yes, sir; I think that is correct, and still I can't recall the precise words.

Q. Then, as a matter of memory, now you state that the occurrence between you and Mr. Harrison took place substantially as Mr. Harrison detailed it in his evidence a while ago?—A. No; I haven't quite gone to that extent.

Q. State the distinction.—A. I have given you my statement with reference to the matter. If you will call my attention to any portion of his statement that you want to ask me about—

Q. You can read this statement here, which he states is true. (Handing witness printed extracts.)—A. My friend Harrison, I think, will agree with me on reflection that I did not take him onside to do this. I think when he comes to refresh his recollection, he will agree with me. The room was a small room, about 16 by 22; within it a long table like this and my large desk, and our full board of directors; there are twenty of them, and it was absolutely impossible that I could have taken you out of your chair.

Mr. HARRISON. I got up out of the chair and went to the side of your desk, and you stood up and told me just what I have narrated.

The WITNESS. Did you come to me in the matter?

Mr. HARRISON. No, you came to me; you took me; called me onside.

The WITNESS. I could not have got you very far.

Mr. HARRISON. You got me two feet from the chair.

By Mr. HUNTON:

Q. Go on with your narrative.—A. (Reading from the printed slip.) "He said the fall election was at hand and Blaine was a candidate for re-election to Congress in Maine, and an exposure of the transaction just at that time would be sure to defeat him." This transaction occurred on the 11th day of September, and I hardly think Mr. Harrison will, on further reflection, confirm his own statement in that regard.

Q. You go on and state your recollection.—A. My recollection about it is that this was two days after the Maine election rather than before it. May I ask the question of Mr. Frye? (To Mr. Frye.) Was the Maine election on the second Monday?

Mr. FRYE. The second Monday.

The WITNESS. The election in Maine is the second Monday of September. This meeting was held on the 11th of September, which was Wednesday. Consequently the Maine election took place on Monday preceding this meeting, when Mr. Blaine had been triumphantly re-elected to the House of Representatives. Therefore I think Mr. Harrison is incorrect in that matter.

Mr. HARRISON. That is just my recollection of what you had told me.

The WITNESS. You see how liable we all are to be mistaken in these matters. As to any interviews with Mr. Millard and Mr. Wilson, I cannot recall the facts connected with them.

Q. Then you did interpose when this motion was made, and ask Mr. Harrison to withdraw his motion?—A. Yes, sir; I made the suggestion that I have stated.

Q. And you interposed and gave as a reason why it should be withdrawn that Mr. Blaine owned those bonds?—A. I did not say that he owned them. I said that it had been reported to me; that I had heard so.

Q. That you had heard that Mr. Blaine owned the bonds?—A. Yes, sir.

Q. And you may have said that an investigation would involve Mr. Blaine?—A. I may have said that; I don't undertake to say whether I did or not.

Q. State to the committee how an investigation of the ownership of those seventy-five bonds would involve Mr. Blaine.—A. I don't think it would involve him at all.

Q. How, in your opinion, at that moment?—A. If the report which reached me was true that he owned the bonds, of course an investigation of it would involve him.

Q. How?—A. If he had sold the bonds to the road, I should think it must have been a questionable transaction.

Q. How—in what respect?—A. I don't know why Blaine should sell Little Rock and Fort Smith bonds to the Union Pacific Railroad.

Q. Why not Mr. Blaine as well as anybody else?—A. I don't know why the company should buy them of anybody.

Q. Then you regarded the fact that the company had purchased these bonds as a questionable transaction?—A. It was a transaction that I did not approve. As treasurer of the company I felt in duty bound to protect its treasury against all comers, and I did not want to pay out \$64,000 or any other sum of money unless it was absolutely necessary.

Q. Then you considered the action of the executive committee in ordering these bonds

paid to have been a very improper and questionable transaction?—A. Well, now, you are going a little faster there than I think I warranted you in going.

Q. Very well; you may go just as fast as you want to go.—A. This meeting of the executive committee to vote the \$64,000 was held in the city of New York.

Q. You were present?—A. I was not present, and I know nothing of the transaction in any way, shape, or manner, except what I have gathered from the books and papers of the company.

Q. Where were you when this meeting was held?—A. I was in Boston, I suppose.

Q. The domicile of your company was in Boston at that time, was it not?—A. Yes, sir; I was probably at the office of the company; I know no reason why I should not have been. I do not undertake to say that I was absolutely there, but I know no reason why I should not have been.

Q. You state as a matter of fact that you were not at the meeting?—A. I was not in the city of New York on that day.

Q. When did you first know of this order of the executive committee to pay \$64,000?—A. The first intimation I had was from a letter addressed to me by Morton, Bliss & Co., I think, of New York, which, I think, was dated two or three days after the transaction.

Q. When you got that information did you come to the conclusion that it was a wrong, if not a questionable, transaction?—A. I didn't know anything about the transaction.

Q. You say you thought it was a questionable transaction if Mr. Blaine was concerned in it?—A. There may have been some considerations which induced the Union Pacific Railroad executive committee to vote this money which were not known to me.

Q. A little while ago you said you thought it would have been a questionable transaction for this company to have bought those bonds from anybody?—A. I don't mean to be understood as making that wholesale sweeping statement.

Q. You did make it. Now make whatever qualification you please about it.—A. I make this qualification, that there might be circumstances under which it might be vastly for the interest of the Union Pacific Railroad Company to buy these bonds, or other bonds.

Q. What was the value of these bonds at that time?—A. I don't know.

Q. State approximately.—A. I have inquired of Mr. Converse since I have received this summons, if he knew anything about the value of these bonds at the time of this transaction. He said that some time during the year 1871 he sold these Little Rock and Fort Smith bonds for 82.

Q. Then why did you think it a questionable transaction for the Union Pacific road to buy these bonds, 75,000 for 64,000?—A. I don't know that I have ever expressed an opinion that it was a questionable transaction.

Q. Yes, sir; unless my hearing deceives me.—A. Yes, but with the qualification I have just added.

Q. You state there might be circumstances which would authorize it.—A. Very well; I don't know but the circumstances existed in this case.

Q. But without special circumstances it would be a questionable transaction?—A. I think so.

Q. Now, why did it require special circumstances to take a purchase of these bonds out of the declaration that it was a questionable transaction to buy these bonds?—A. I don't think it would be a proper use of the money of the Union Pacific Railroad to buy the bonds of any other corporation, unless there was some special reason in the case which rendered it for the interest of the Union Pacific Railroad to make that purchase.

Q. Then you came to that conclusion as the treasurer of the company, and you wanted to protect the company from such a transaction, and you considered that the executive committee that had this matter in hand had grossly erred in determining to buy these bonds?—A. Have I said that, sir?

Q. That is the result of what you said, I think.—A. I beg your pardon, sir.

Q. State what you do mean.—A. I repeat again what I said, that it would be improper, in my judgment, for the Union Pacific Railroad Company to buy these bonds or the bonds of any other outside railroad corporation unless there were good and sufficient reasons therefor which would justify the taking of the money from the treasury. I don't know but what those reasons existed in this case. I am not informed.

Q. You don't know that there were any such?—A. I don't know.

Q. Were these bonds at that time salable on the market at all?—A. I only judge from what Mr. —

Q. I do not want you to answer from what he told you, but from your general knowledge of the subject.—A. I don't know anything about them.

Q. Then you first became acquainted with this transaction, the order of the executive committee of the 16th of September, 1871, by a letter from Morton, Bliss & Co.?—A. Yes, sir.

Q. Which occurred soon after the order was made?—A. Yes, sir.

Q. Morton was the active man of the firm, was he not?—A. Yes, sir.

Q. Were you apprised by information that the purchase of that lot of bonds involved Mr. Blaine, at the time you got this letter from Morton, Bliss & Co.?—A. No.

Q. Were you in possession of that information at that time?—A. No, sir.

Q. At what time did Morton, Bliss & Co. present their draft for the \$64,000?—A. Perhaps there will be no better way than to read their letter.

Q. I have no objection to it.—A. As they refer to a letter of mine in their letter, I will read my letter to them of the previous day:

BOSTON, December 18, 1871.

GENTLEMEN: We have your favor of the 16th instant with inclosures. Coupons found as stated. Earnings December 13, \$19,553.87.

Truly yours,

E. H. ROLLINS,
Secretary and Treasurer.

MORTON, BLISS & Co.,
New York.

NEW YORK, December 19, 1871.

DEAR SIR: We have your favor of the 18th instant, and now inclose you list of transfers made to date. In accordance with a minute signed by Mr. Duff, V. P., we beg to inclose for favor of acceptance and return to us our draft at forty days date from December 16 for \$64,000. The securities (seventy-five land-grant bonds of the Little Rock and Fort Smith Railroad Company) referred to in the minute, we are to receive from Mr. Carnegie. In the mean time we hold those which are already in our hands, and which are of the full value.

Yours, very truly,

MORTON, BLISS & CO.

Hon. E. H. ROLLINS,
Secretary and Treasurer, Boston, Mass.

Q. Carnegie was one of the Government directors?—A. No, sir; he was one of the executive committee.

Q. What did they mean by "In the mean time we hold those which are already in our hands"?—A. That is the only information I have in reference to it—what is contained in the letter.

Q. You do not know what bonds he referred to in that letter as holding at that period?—A. No, sir.

Q. When you transferred to him these seventy-five bonds in accordance with that resolution of the executive committee, did he surrender to you or to the company any other bonds that he had?—A. No, sir; on the payment of the draft of \$64,000 the seventy-five bonds came into our possession. We paid the draft. The draft came to Boston for acceptance. It was accepted and returned to New York. I suppose it was returned to New York. I do not remember that, but, at any rate, when it became due we paid it.

Q. I understand from that order that you were to accept his draft and he was to hold the seventy-five bonds?—A. Yes, sir; during the forty days.

Q. When you accepted the draft did you send him the bonds?—A. We didn't have the bonds.

Q. Where were they?—A. They were to receive them—so this shows—from Carnegie; that is all I know about it.

Q. Where were the bonds at the time the order was made?—A. In the hands of Mr. Carnegie, I presume from the letter.

Q. Mr. Carnegie was one of the executive committee?—A. Yes, sir.

By Mr. LAWRENCE:

Q. How were the bonds delivered, and by whom to you?—A. I couldn't tell without reference. Probably the draft was collected of us through some bank, and the bonds no doubt, accompanied the draft, and on the payment of the money the bank that held the draft, surrendered the draft and bonds. I can not recall the bank.

By Mr. HUNTON:

Q. You took Mr. Harrison aside and requested him to withdraw that resolution?—A. I can not agree to that, quite.

Q. I will modify that. I did not mean to state it except as you have stated it. When Mr. Harrison offered that resolution, or made that motion, you requested him to withdraw it?—A. Yes, sir.

Q. Upon the ground that Mr. Blaine was the owner of those 75 bonds, and probably upon the further ground that investigation might involve Mr. Blaine?—A. I answered that very fully, and gave my reasons. Would you like to have them repeated?

Q. That was the statement, as I understand, that you made, and I wanted to bring you back to that so as to go on.—A. I don't quite assent to your statement.

Q. State over again your original statement.—A. The company and its general management had been a subject of very severe attack and criticism in the newspapers and elsewhere all over the country, and for a long time, and this transaction had been closed up for several months, and I desired, if possible, to avoid the scandal, whether the reports that reached me in regard to this matter were true or false, whether they involved Mr. Blaine or not.

Q. Now I want from you again, what scandal did you want to avoid?—A. I wanted to avoid the discussion of this very matter.

Q. A discussion is not scandal, necessarily?—A. No, of course not.

Q. Now, answer the question. What scandal was it that you desired to avoid?—A. Well, the reported connection of Mr. Blaine with the bonds.

Q. In what was the reported connection of Mr. Blaine with these bonds a scandal?—A. I presume it would have been treated as a scandal then and so considered by the public, the same as now.

Q. Why? What was there about it?—A. It would be difficult for me to fathom the views of the people of this great Republic on that subject.

Q. If you will excuse me; I am not trying to fathom the feelings of the people of this great Republic, but I am trying to fathom what there was in your mind which made it at least an apprehension in your mind that if this motion of Mr. Harrison was adopted it would produce a scandal.—A. That was the point.—I wish you would state that a little more fully.

Q. I do not think I could state it more fully. I wish to ascertain from you what there was in your opinion connected with this motion of Mr. Harrison's which made it a scandal to adopt it and act upon it?—A. I think that any public discussion in the newspapers or elsewhere of the purchase of that number of bonds from Mr. Blaine, not accompanied by some satisfactory reason therefor, would be regarded by the people of this country as a scandal, and treated as such.

Q. Why?—A. I don't know that I can undertake to explain the reason why.

Q. If you say you had a thought of that sort you ought to give the reasons for the conclusion that your mind came to. I am not asking about the conclusions of anybody else, but I want to know why you in your opinion thought the purchase by the company of 75 bonds from Mr. Blaine would be considered by the public as a scandal?—A. I think the public judgment would be against him.

Q. Why?—A. Because they would think that it was not right.

Q. Why not right?—A. That would be their judgment.

Q. I am asking you for your judgment now.—A. I have explained to you distinctly, and I repeat again that I don't believe it is right and proper for the Union Pacific Railroad to buy Fort Smith and Little Rock bonds, or bonds of any other corporation in the world.

Q. From anybody?—A. From anybody, unless they have got good and valid reasons therefor.

Q. Then it was not because Mr. Blaine sold, but because of the purchase, without regard to whether it was Mr. Blaine or not, that you considered it a scandal?—A. Yes, sir; I considered it wrong for us to purchase the bonds of anybody unless there were good reasons for it.

Q. If this had been a purchase, according to your information from any other gentleman in the country, not connected with politics or office, would you have considered it a scandal?—A. I should have considered it wrong; yes, sir.

Q. Would you have considered it a scandal?—A. Probably if they had been purchased of some less conspicuous individual it would not have aroused quite so much talk in the community.

Q. Then it was because of the conspicuous position of Mr. Blaine that you considered it was a scandal?—A. Now, I beg your pardon, I didn't say that.

Q. I cannot come to any other conclusion at all. You say if the purchase had been from a man less conspicuous than Mr. Blaine.—A. I will say this; I think it would have been a greater scandal in the one case than in the other.

Q. Why?—A. Because one man is more notorious than the other.

Q. But the notoriety of a man does not make a transaction scandalous.—A. It does in the mind of the public.

Q. No, it is the transaction itself that is scandalous, and if the transaction is fair the highest in the land may indulge in it as well as the lowest.—A. Now, is that quite correct, Mr. Chairman?

Q. Yes, I think so. I think the highest in the land may engage in any transaction

that is fair and bona fide and honest.—A. So do I; I agree to that and so may the humblest.

Q. The fact that Mr. Blaine was in high position did not make this transaction scandalous or otherwise, did it?—A. Not of itself.

Q. Then there was something in the transaction which made it scandalous, was there not, in your opinion at that time?—A. I have stated my views in reference to that as fully as I possibly can.

Q. Have you any other reason for saying that the transaction itself apart from who was concerned in it was scandalous, except that it was wrong in your opinion for the Union Pacific to purchase the bonds of the Little Rock and Fort Smith Railroad Company?—A. Not that I am aware of.

Q. Then it was a mere matter of policy that you thought the executive committee had departed from in the purchase of these bonds?—A. I have not said that.

Q. Well, I want you to say now whether you do say it or not?—A. I don't know.

Q. You say there was nothing scandalous in it?—A. Pardon me. There may have been the best reasons in the world why the executive committee of the Union Pacific Railroad should have purchased these 75 bonds. *I don't know.*

Q. Then you think it was wrong, as a matter of policy, to have purchased these bonds without any specific and special reason, or peculiar circumstances attending the purchase?—A. Yes, sir.

Q. Do you know any peculiar or special circumstances attending the purchase?—A. I do not, sir; I don't know anything about it.

Q. Have you ever heard of any?—A. No, sir; I have told you what I have heard.

Q. Then, so far as your information and knowledge goes, there were no peculiar circumstances attending the purchase of these bonds, and therefore you think it was improper policy on the part of the company to purchase, in the belief entertained by you, that there were no special circumstances requiring it?—A. I say I don't know whether there were any special circumstances or not.

Q. I say, acting upon the idea that you don't know of any and never heard of any, do you believe that it was a matter of bad policy in the company to make this purchase?—A. Perhaps I ought to assume that the seven men or five men who acted in the matter, largely interested as they were in the Union Pacific Road, ought to know better what should govern their actions then and there than I, at the distance I was.

Q. I think you are entirely correct there, and it was because of that very fact that I asked you over and over again why you undertook to protect the company against the actions of this executive committee. You said you wanted to protect the company. Now, acting upon the idea that you have just now stated, that these gentlemen knew better than you what was for the advantage of the road, why did you interpose with the desire to protect the company against the action of its executive committee?—A. I thought it would be advisable that the investigation should not then be had.

Q. Then you undertook to act for these gentlemen who you say were better able to act for themselves than you were?—A. Yes, sir; they were better able to act for themselves than I; I agree to that.

Q. You asked Mr. Harrison to withdraw his motion; you said those bonds belonged to Mr. Blaine.—A. No; I have not said that.

Q. Very well; say what you did say.—A. I say I had heard.

Q. I am talking about what you told him as having heard, of course. I trust you won't understand me as trying to make you say what you did not.—A. I wish you would be careful not to put words into my mouth.

Q. I certainly don't want to make you say as a matter of your own knowledge that these bonds belonged to Mr. Blaine, for I don't understand so; but you had heard that these bonds belonged to Mr. Blaine?—A. I had heard it.

Q. And you may have said that the investigation would involve Mr. Blaine?—A. I may have said so.

Q. And thereupon Mr. Harrison did withdraw his motion?—A. Yes, sir.

Q. Now that was your opinion at that time, from what you heard?—A. Yes, sir; merely from this rumor, whose origin I cannot trace.

Q. Did you afterward, or do you now, remain of that opinion, that an investigation might involve Mr. Blaine?—A. I think the most thorough investigation of the matter would show that the bonds were not Mr. Blaine's.

Q. Now tell us how.—A. I judge from the testimony that I have listened to here this morning. I made a most careful examination at this meeting, or about that time, of the books and papers, and probably made some inquiry.

Q. Show us the books and papers that you examined which caused you to come to a different conclusion.—A. This very letter of Morton, Bliss & Co., which had passed from my recollection.

Q. What letter?—A. The letter that I have read to you, in your presence this morning. It shows that the bonds were to be received from Mr. Carnegie.

Q. Now, the question is what books and papers have you examined since Mr. Harrison's motion was withdrawn which have tended or caused a change of opinion that

this investigation might involve Mr. Blaine?—A. That letter was the first thing, and then I have carefully examined the records of the executive committee when the resolution was passed, and the action subsequently.

Q. Let us go on one step at a time. This letter is one thing. Now point out another.—A. Another letter?

Q. Another paper, or minute, or anything of the sort.—A. I have only examined such evidence as is on our records. I have made a careful examination of the resolution in 1871, in connection with the letter.

Q. Now state any fact or paper that came to your notice after this conversation with Harrison at the September meeting in 1872, which caused a change of opinion?—A. After examining these papers I am quite sure—

Q. Let us get to the end of these papers first.—A. First, the letter to which I have called your attention.

Q. What else?—A. The votes of the directors—of the executive committee.

Q. What votes?—A. The votes of 1871.

Q. Show us that, if you please.—A. It is the same one that has been read here; it is the \$64,000 resolution.

Q. You said the votes of the executive committee; you mean the order of the executive committee?—A. Yes, sir; the order. It's a resolution, the resolution of the executive committee, and the vote of the directors.

Q. The vote of the directors on that resolution?—A. No; the vote of the directors. I examined all these papers.

Q. Just tell us what you examined and found that produced a change in your mind. I don't want to know anything except those which operated upon your mind.—A. No other papers than those I have mentioned.

Q. Then there are no other papers than this letter which I hold in my hand, and that order of the executive committee of the 16th of December, 1871. Is there anything else?—A. No.

Q. Then those are the only two papers?—A. Yes, sir. Now, if you will let me go on—

Q. Certainly, I will.—A. The motion of Mr. Harrison naturally led me to investigate this matter further and see if I was right; and I inquired, I am quite sure, of members of the board with reference to it.

Q. State what members.—A. I cannot recall distinctly; and I was satisfied from information that I obtained thus that this was a transaction of Colonel Scott's.

Q. Now, state what information you did obtain from the members of the board with whom you talked.—A. I have stated it as distinctly as I can.

Q. My dear sir, I have not heard it at all, if you have stated any. You said you talked with them?—A. Yes, sir.

Q. But I want to know what information in that talk you obtained?—A. They said it was a transaction of Colonel Scott's.

Q. Who informed you that it was a transaction of Colonel Scott's?—A. I won't undertake to swear positively who the man was.

Q. State as near as you can, as a matter of memory, who it was in this board of directors that gave you that information?—A. Would you like to have me weigh the probabilities in the matter?

Q. I want you to state that from your own memory.—A. Judging from what I know of the man, I was most likely to have conversed with Oakes Ames in reference to it.

Q. He was one of the executive committee, I believe, was not he?—A. No, sir; I think not; I am not sure. [Referring to a book.] Yes, sir; he was.

Q. One of the executive committee?—A. Yes, sir; I had the other executive committee in my mind.

Q. Can you state any other member of the executive committee or the board with whom you probably talked?—A. Excuse me. He was not a member of the executive committee that passed the order. He was a member of the executive committee elected March 6, 1872, and this action of the board of directors was September 11, 1872. At the time that I talked with him he was a member of the board of directors.

Q. But he was not a member of the board at the time of this order of the executive committee, was he, the 16th of December, 1871?—A. I think not.

Q. Why did you talk with Ames, who was not one of the parties who had made the order, when others were accessible who did make the order?—A. I don't know.

Q. He was not one of the parties to the transaction, because he came into the board afterward.—A. That is true.

Q. Why did you talk with him, who had nothing to do with the transaction, and base your opinion upon the conversation with him, when there were others who were members of the board?—A. My long acquaintance with Mr. Ames would justify me in conversing with him about it.

Q. Yes; but when you talk with a gentleman for information on a specific matter, the probability is that a man ought to go to those who were parties to that matter rather than to a man who was not a party.—A. Here is a list of directors. The only gentle-

man present at that meeting, according to the records, who was at the New York meeting of the executive committee in 1871 was John Duff, then vice-president.

Q. Did you talk with him?—A. No, sir; I don't think I did.

Q. So that the only person accessible was John Duff?—A. Yes, sir.

Q. He was a party to the transaction as a member of the executive committee, and was a party with whom you didn't talk?—A. I do not think I did.

Q. And you got no information from him as to the peculiar circumstances attending this case, which might or might not have made this order of the executive committee proper?—A. No, sir; I don't think I had any information from Mr. Duff at all.

Q. Did you ever get any information from any of the members of that executive committee who were present at the meeting of this executive committee at the time the order was made?

The WITNESS. Up to this period?

Q. Yes.—A. No, sir; I think not.

Q. Then this talk with Mr. Ames, and this letter of Morton, Bliss & Co., and the order of the executive committee, constituted the information upon which you changed your opinion expressed to Mr. Harrison?—A. Yes, sir; that is substantially so.

Q. You were informed of the adoption of this order by the executive committee a few days after its passage?—A. Yes, sir.

Q. It passed December 16, 1871?—A. Yes, sir.

Q. Then when you had this conversation with Mr. Harrison you had known of this order from December, 1871, to September, 1872?—A. Yes, sir.

Q. Then you had a full knowledge of the existence of this order when you had the talk with Mr. Harrison?—A. Yes, sir.

Q. Then it was not this order that changed your opinion?—A. No, sir; not that alone.

Q. How could this have had any influence when you had known of it for nine months?—A. Well, that, coupled with the letter of Morton, Bliss & Co., which showed that the bonds were to be received of Mr. Carnegie; then information that I received verbally that the transaction was Colonel Scott's transaction; and knowing the intimate relations between Mr. Carnegie and Mr. Scott, I think it was perfectly natural that I should come to that conclusion.

Q. Then it was the information that the bonds came from Mr. Carnegie, or were to come from Mr. Carnegie?—A. Yes, sir; the letter so states.

Q. Mr. Carnegie was one of the executive committee?—A. Yes, sir.

Q. I am not a railroad man, and therefore my ignorance must be at least winked at; but I do not understand how the coming of these bonds from a member of the executive committee could have exculpated in your mind Mr. Blaine from the suspicion which you entertained before knowing that fact.—A. The fact that they came from Mr. Carnegie was perfectly consistent with the statement that it was Mr. Scott's transaction.

Q. As I understand this order, the executive committee of the Union Pacific ordered that Morton, Bliss & Co. were to draw on the treasurer of that company for \$64,000.—A. Yes, sir.

Q. And the company was to deposit with Morton, Bliss & Co. the seventy-five bonds as collateral?—A. No, sir; Mr. Carnegie was to deposit with Morton, Bliss & Co. seventy-five bonds.

Q. I am talking about the order, "Ordered, that Morton, Bliss & Co. be authorized to draw on the treasurer of the Union Pacific Railroad Company for the sum of \$64,000, payable forty days from this date, and hold as collateral security for the company."—A. Morton, Bliss & Co. were to hold as collateral security for the company.

Q. I am talking now about this order, and the construction of the order. The legal and natural construction of the order is, that this company was to accept the draft of Morton, Bliss & Co., for \$64,000 payable in 40 days, and to give security that that draft would be paid at maturity, by these 75 bonds. That is the construction of the order, if I understand it.—A. The 75 bonds were to be delivered to them by Andrew Carnegie.

Q. It don't say so. I am talking about the order.—A. It don't say so in the order.

Q. According to the order, the company was to accept this draft and secure the payment of the draft by the deposit of the 75 bonds?—A. That perhaps would be a reasonable construction.

Q. Wouldn't it have been just as reasonable a conclusion to say that Carnegie, who gave these bonds over to Morton, Bliss & Co., was acting for the Union Pacific, he being a member of the executive committee who passed that order?—A. No, sir; if it was in the power of the Union Pacific to deliver these bonds, I should suppose they would naturally be in the hands of the treasurer, or in his knowledge.

Q. Where were they?—A. I do not know, sir.

Q. When did you first see these bonds?—A. Not until the draft was paid.

Q. You never had seen them before?—A. Never.

Q. Turn to your books and show us the entry where that \$64,000 was paid, if you

please—the payment of that draft.—A. I have not got the books here, but I have got a copy of the entry.

Q. I should suppose that those trunks that you have there had every book that the company ever did have.—A. If you should see them all I am afraid you would be frightened. A subpoena was served upon me the 4th day of May, as near as I can remember, requesting me to bring all the books and memoranda relating to the lost bonds of the Union Pacific Railroad Company used last summer in New York. I think on the Monday following I received a telegram from the Sergeant-at-Arms of the House notifying me not to come to Washington until further notice. On Saturday last, as I was on my way to my home in New Hampshire, I received a telegram from him to be here on Monday morning at 10 o'clock.

By Mr. LAWRENCE:

Q. To-day?—A. To-day. Having a subpoena I thought it my duty to bring the books along that were called for in that, that being the only paper that has been served upon me.

By Mr. HUNTON:

Q. This is a copy?—A. This is a copy of the entry on the books of the company. The copy is as follows:

“BOSTON, Dec. 26th, 1871.

“Little Rock & Ft. Smith R. R. bonds.

“To Morton, Bliss & Co., for 75 land-grant 7 per cent. bonds of Little Rock and Fort Smith Railroad Company, Nos. 498-568, dated June 20, 1870, payable April 1, 1900.

“Coupons payable April and October. October, 1871, coupon attached, received by Morton, Bliss & Co., as collateral for draft on this company December 16, less balance of exchange loan remitted by Morton, Bliss & Co. per their account December 19, 1871.

Draft	\$64,000 00
Less remittance	188 69
	<hr/>
	63,811 31

Q. How did you pay this draft?—A. Through a bank in Boston, I presume.

Q. Upon what paper or authority did the bank in Boston pay this \$64,000?—A. I paid it. The check of the company paid it.

Q. You gave a check?—A. I gave a check, I have no doubt. I have not looked up the transaction, but I have no doubt I did.

Q. You have got the check which was paid, if it was by check?—A. Yes, sir.

Q. Explain what this means: “Less remittance \$188.69?”—A. I only know that they returned that amount of money.

Q. Why; on what account?—A. That is more than I can tell you.

Q. You are the treasurer of the company?—A. I am the treasurer of the company.

Q. You pay a large sum for the company, and get back a certain amount, and don't know upon what ground it was remitted—on what account?—A. I do not remember. I will furnish you with everything there is on the books, and the correspondence.

Q. I want to know what your books state.—A. I doubt if they explain it very fully; I do not think they do.

Q. Maybe I can explain it for you, or put you upon the way of explaining it.—A. I should be happy to have you do so.

Q. It says here “Less balance of exchange loan remitted by Morton, Bliss & Co.” Now, what did they mean by that exchange loan?—A. I do not know.

Q. Who made this entry?—A. The book-keeper.

Q. Who was the book-keeper?—A. Mr. Fisher.

Q. Made under your direction?—A. No special direction from me; no, sir.

Q. How did he get this entry?—A. From the papers and the statement that was sent.

Q. The papers came to you?—A. Yes, sir; and I turned them over to the book-keeper, and he made up the entry.

Q. You directed how the entry was to be made?—A. No, sir; the book-keeper was competent to make these entries.

Q. You took this memorandum from the books, but cannot explain it?—A. I cannot with the information I have now.

Q. I would be glad if you would explain it.—A. I will make my best efforts to explain it. There is nothing that I would not be very happy to explain about it, if I knew. I will give you all the information that I have. I will furnish you with all the evidence possible from our books and correspondence.

Q. Has there been any effort on your part, or on the part of the company, to investigate this \$64,000 transaction other than that you have already spoken of?—A. I never heard of any special effort—no formal effort, certainly.

Q. Was there any informal effort?—A. I do not know anything more than that

it has been suggested by the gentlemen who have testified here this morning that they have made some investigation. I presume other directors did likewise.

Q. No; I do not recollect that they made any investigation; if they said they made any, it has escaped my memory.—A. Well, I don't know of any investigation.

Q. You know of no investigation that has been made?—A. No, sir.

Q. And when you arrested the motion of Mr. Harrison upon the ground that you thought it might involve Mr. Blaine, and you subsequently, you say, changed your opinion, did you inform Mr. Harrison of that change of opinion?—A. I do not remember.

Q. If the opinion you held then was that it would involve Mr. Blaine and that opinion prevented investigation, wasn't it your duty, as an officer of the road, to remove that impression from Mr. Harrison's mind, that the investigation might go on?—A. Possibly; I do not know but what I did inform him; I do not undertake to say whether I did or did not inform Mr. Harrison.

Q. You cannot say you ever did?—A. No; but I ought perhaps to say, in justice to myself, that the investigation could be made by any member of the board, without any vote. A vote would not add anything to the power to investigate, particularly. The papers and books of the company have been open, and are open to all the directors.

Q. But it would add a great deal to the power to act after the investigation was had. There is a great difference between an unauthorized and an authorized investigation. Tell us why you wanted to stop this investigation on Mr. Blaine's account when you thought it might involve him.—A. I can give you no other statement than what I have already given you. I have said all I can say.

Q. I will give you the reason of my question. I want to know whether your motive was personal or political.—A. I do not think I could possibly state to you any more explicitly my views.

Q. I will tell you further. You seemed anxious at that moment to protect Mr. Blaine from an investigation that might involve him. Now, the object of my inquiry is to know why you wanted to protect him especially, and whether that motive to protect him was political or personal?—A. Mr. Blaine has for many years been a personal friend of mine. But you do not state the full reason why I opposed the investigation. You only state one branch of it.

Q. You can state the whole of it.—A. I have done that twice.

Q. I state as one reason, then, why you did not wish this investigation to go on, that it might involve Mr. Blaine, and then ask the question whether your motive for that was political or personal toward Mr. Blaine?—A. We are personal and political friends, both.

Q. The motive was both personal and political then, was it?—A. So far as any idea of Mr. Blaine was concerned.

Q. Suppose you had been in possession of information at that moment when Mr. Harrison made this motion, which would involve any other person than Mr. Blaine, would you have arrested the putting of the motion?—A. Well, I do not know. That is very difficult for me to say what I would have done.

Q. It depends upon who he was?—A. Somewhat.

Q. You would have protected some people, and some people you would not have protected. Am I so to understand?—A. Well, I think I should hardly have been in favor of the investigation, any way.

Q. Then you were opposed out and out to any investigation?—A. No, sir; I was not.

Q. You say you can hardly say that you would not have interposed?—A. In that formal matter I probably should have made the same suggestion. I might have. I do not say that I should have done it.

Q. My object in the questions I am putting is, whether you would have opposed an investigation, no matter who might have been involved other than Mr. Blaine.—A. That is a very difficult question for me to answer, sir.

Q. You can see where I am drifting.—A. Yes, I see where you are drifting.

Q. And that is to get at the motive which induced you to get a withdrawal of a motion that looked to an investigation of a transaction which you thought was very suspicious on its face and might be scandalous.—A. Whatever remark I made to Mr. Harrison was an impulsive remark, made without stopping to consider carefully the matter.

Q. Have you stated where those bonds are now?—A. The bonds have been exchanged under some new arrangement that I cannot explain without the documents, and the company has the proceeds—the results.

Q. What did the company get for the proceeds?—A. They got stock and other bonds.

Q. From the Little Rock and Fort Smith Railroad?—A. Yes, sir.

Q. State what bonds and what stock.—A. The Union Pacific Railroad now owns in Little Rock and Fort Smith Railroad securities, \$5,548.99 of first-mortgage bonds.

Q. You mean \$5,500?—A. Yes, sir; in bonds; \$38,986.50 capital stock; \$4,572.08 in receipt of E. Atkins, trustee, including interest, making \$5,534.75. That is what they hold in place of the original bonds.

Q. Were those bonds and that stock derived by the company in exchange for the 75 bonds?—A. Yes, sir.

Q. Why was the exchange made; why were these old bonds canceled and those new bonds and that stock issued in their stead?—A. The parties there in Boston took hold and furnished money to complete the road, and they made some new arrangement by which the old securities were to be surrendered and new ones issued.

Q. Is not that the agreement there?—A. No, sir; this is not the agreement. I could not give you the details of the agreement under which these were surrendered.

Q. State to the committee what is the present value of those bonds and that stock.—A. I can't tell you; it is impossible for me to inform you.

Q. Give us an approximate idea of it.—A. I have not the slightest means of information; I don't know.

Q. What are they worth on the market; what are their quotations?—A. I don't know whether there are any sales at all. I have not seen any, I believe.

Q. Have there been any sales made in the last 12 months?—A. In the market?

Q. Yes.—A. I don't know; I presume there may have been, but I have not kept track of them at all.

Q. Would the company have held these bonds if there had been any market-value for them? Are they worth anything in market? that is the question.—A. It is impossible for me to say what they are worth. I presume they have considerable value.

Q. Is there any interest paid on these bonds?—A. Not that I am aware of.

Q. How long have you had them?—A. These new bonds only a short time. The transaction took place, I think, some time in July last.

Q. When were these bonds issued by the company? Were they bonds that had theretofore been issued, or issued at that time?—A. These were new bonds.

Q. Issued at the time?—A. Yes, sir.

Q. In July last?—A. Yes, sir. I was mistaken; the coupons were paid on the first of last January.

Q. I want to see your books where that entry is made?—A. Cash entry?

Q. Yes, sir.—A. The books are not here. There is no doubt about the fact.

Q. I don't mean to imply any doubt by asking for the books; I want to see the entries.—A. I should be very glad to have you.

Q. Can you state to the committee whether these bonds are worth anything on the market or not?—A. I think they must be worth something; they paid their interest the first of January.

Q. You are a railroad man and deal in railroad stocks, I have no doubt?—A. Very small, indeed; I haven't got money enough to deal very largely.

Q. State, as a railroad man, and a man who occasionally deals in bonds then, what you supposed to be the value of these bonds.—A. In the first place, I don't know anything about the road. I have nothing on which to base a judgment as to the value of these bonds. I have heard various parties talk with reference to them, and I think they regard them as promising, but what they are really worth I don't know.

Q. What do you regard the stock of the company worth?—A. I don't know.

Q. Is it worth anything?—A. I don't know.

Q. Did they ever have any dividend?—A. It was only issued last July.

Q. New stock?—A. New stock.

Q. The old stock canceled and the new in the place of it, or is this what they call watering the stock?—A. I presume that stock was canceled. I am not familiar with the operation of the road at all.

Q. I am just seeing what you do know.—A. That is next to nothing.

Q. According to this statement of yours, the value of the securities that you took from the Little Rock and Fort Smith Railroad Company in lieu of the seventy-five bonds was \$33,729.95?—A. That is what they stand on the books. What fixes that value I don't know, but I will send a statement.

Q. Then the Union Pacific Railroad received in July, 1875, stocks, bonds, &c., of the Little Rock and Fort Smith Railroad Company valued at \$33,729.95, according to your statement, for seventy-five bonds of the same company for which they paid in 1871 \$64,000.—A. Yes, sir.

Q. Now, explain, if you please, what you mean here by the "receipt of E. Atkins, trustee."—A. I don't know. I am unable to say now, but I will furnish an explanation hereafter as a part of my testimony.

Q. Does the Union Pacific Railroad Company at this time own any other stocks or bonds or liabilities of the Little Rock and Fort Smith Railroad Company?—A. Not that I am aware of.

Q. Could they own them and you not be aware of it?—A. I think not.

Q. Did they ever own any of these bonds or obligations or stock of this Little Rock and Fort Smith Railroad Company other than the seventy-five bonds you have spoken of?—A. No, sir.

Q. I believe you have said you would make in your statement that you would furnish us a full explanation of why this arrangement was entered into in lieu of the seventy-five bonds.—A. Yes, sir.

Q. Was there not a suit out in Arkansas about all these matters?—A. I don't know sir; I will furnish a statement.

By Mr. LAWRENCE:

Q. Where was your residence in 1872?—A. Concord, N. H.

Q. Where is it now?—A. The same place.

Q. To what extent were you familiar with the politics of Maine?—A. About the extent that a good earnest republican would know about politics in Maine.

By Mr. FRYE:

Q. It was an adjoining State?—A. Yes, sir; I lived in a neighboring State, and was more or less familiar with the politics of the State, only in a general way.

By Mr. LAWRENCE:

Q. Is there any possibility of your being mistaken as to the time of the election in Maine?—A. I think not.

Q. What was the character of the contest that year—that is, was it exciting or otherwise?—A. My recollection is that the campaign in 1872 was rather a brisk campaign in Maine; what would be termed so.

Q. This meeting of the executive committee was on the 11th of September?—A. Yes, sir.

Q. Was it possible at that date that you could have been ignorant of the fact that the election had already been held?—A. No, sir; I took too much interest in the result in Maine that year to have overlooked that fact.

Q. Did you hold some position on the national republican committee?—A. No, sir.

Q. At any time?—A. No; I was not on the national republican committee.

Q. You were on the State committee, then?—A. I was not on the national committee; I was a member of the republican committee of New Hampshire.

Q. You said there was a rumor that Blaine had some connection with these bonds; was that a rumor which you derived from some individual, or general newspaper statement, or general rumor of that sort?—A. I don't know from what source I did derive it; it is impossible for me to tell.

By Mr. BLAINE:

Q. Has any circumstance happened within your observation since that day in any way whatever—I mean the question to be very comprehensive—that led you to suspect I ever had any interest in these bonds?—A. Since that September meeting?

Q. Yes.—A. Not any whatever.

Q. Then, when you were satisfied that I was not interested in them, you did not desire an investigation afterward when you found I was not?—A. No, sir.

Q. Then, the fact of that report that my name was mixed up with it was not your only motive for not desiring an investigation?—A. I have stated repeatedly it was not my only motive.

By Mr. LAWRENCE:

Q. Did you have any information or knowledge as to who was the owner of the bonds?—A. No, sir; all I heard was that it was a transaction of Colonel Scott's.

Q. You mean all you heard after your interview with Harrison?—A. Yes, sir; I do not say that is all, but that substantially.

By Mr. BLAINE:

Q. Did Mr. Harrison ever renew to you his request for an investigation?—A. No, sir; I have no recollection that he ever did.

By Mr. HUNTON:

Q. You stated something a while ago about Mr. Ames in connection with those bonds, and I have been troubled to recall what you did say. What did you say in regard to Oakes Ames in connection with these bonds?—A. I said that most probably I talked with him in regard to the matter, and learned from him what I have stated.

By Mr. LAWRENCE:

Q. After Mr. Harrison made this first motion, which was withdrawn at your instance, did he ever subsequently advise or ask for any investigation?—A. Not that I am aware of.

By Mr. HUNTON:

Q. Did Oakes Ames ever have any connection with these bonds that you are aware of?—A. Not that I know of.

Q. You stated a while ago that you were satisfied that the election was over in Maine at the date of this meeting in September, 1872?—A. Yes, sir.

Q. Wasn't it understood that Mr. Blaine, if elected, was to be renominated or be a candidate for Speaker of the House? Had he been Speaker of the previous House?—A. He had been Speaker of the previous House, I think.

Q. Was it understood that he was to be Speaker of the House then, if the republicans carried the House, and he was elected?—A. I should judge that would be the general expectation. I knew no reason why he should not be, certainly.

WASHINGTON, D. C., May 15, 1876.

JAMES F. WILSON SWORN and examined.

By Mr. HUNTON :

Question. State your full name and residence.—Answer. James F. Wilson ; Fairfield Iowa.

Q. Are you, and, if so, how long have you been, a Government director of the Union Pacific Railroad ?—A. I was first appointed a Government director of the Union Pacific Railroad Company in the summer of 1869 ; the precise date I cannot tell. I have been continued by annual re-appointment ever since, and am still a Government director.

Q. Did you know, or do you know, as Government director, of the possession by the Union Pacific Railroad Company, of certain bonds of the Little Rock and Fort Smith Railroad Company ?—A. I heard that there were such bonds there. My knowledge depends upon the record. I have seen the entry in the proceedings of the executive committee with reference to the transaction with Morton, Bliss & Company, concerning those bonds.

Q. That is the order of December 16, 1871 ?—A. Yes, sir.

Q. Was that the first information you had of the possession by the Union Pacific of those bonds ?—A. It was.

Q. Did you ever ascertain how the Union Pacific Railroad Company came to possess these bonds ?—A. Not definitely.

Q. Did you indefinitely ?—A. Yes, sir ; I ascertained by hearsay that the bonds came into the possession of the Union Pacific Railroad through Col. Thomas A. Scott.

Q. What relation did Thomas A. Scott bear to the Union Pacific Railroad at that time ?—A. Colonel Scott was president of the Union Pacific Railroad, I think, during the year 1871, but as to whether the bonds came into the possession of the company at that time I am not prepared to state, because the first date I have to go by with reference to knowledge is the entry in the executive committee record.

Q. State the precise time during which Colonel Scott was president of the Union Pacific Railroad ?—A. My impression is that he was elected at the annual meeting in March, 1871, and continued for one year.

Q. From March, 1871, to March, 1872, then, he was president ?—A. Yes, sir.

Q. Were you present at the meeting of the directors of that company when Mr. Harrison introduced a resolution to investigate the circumstances under which the Union Pacific became possessed of these Little Rock & Fort Smith bonds ?—A. I was present at the meeting at which Mr. Harrison says he introduced a resolution, but I have no knowledge of the introduction, or the proposed introduction, except what Mr. Harrison has told me.

Q. Can you state that no such resolution was offered ?—A. No, sir ; because I would not be willing to swear to a negative. I have no knowledge of his offering any resolution of that character.

Q. Did you ever hear that he had offered such a resolution, afterward ?—A. Mr. Harrison told me himself.

Q. How long after this meeting did he tell you this ?—A. I think it must have been about the time.

Q. Did he tell you the circumstances under which he withdrew that resolution ?—A. Yes, sir ; substantially as he has stated it here this morning.

Q. He told you, then, that he withdrew that resolution to investigate that matter, because he was informed by Mr. Rollins it would implicate Mr. Blaine ?—A. Whether Mr. Harrison stated that it implicated Mr. Blaine, I am not prepared to state, although, from the conversation had, I came to the belief that Mr. Blaine was the person meant ; but whether Mr. Harrison at that time stated that in terms, I am not prepared to say.

Q. You were informed in some shape or manner that Mr. Blaine was the gentleman meant who would be implicated if this investigation took place ?—A. Yes, sir ; and that impression came from a conversation I had with Mr. Harrison.

Q. Did you ever have any conversation with Mr. Rollins ?—A. I did, sir.

Q. At the time ?—A. About that time, very soon after, before leaving Boston.

Q. What did you say to Mr. Rollins in that conversation ?—A. I stated to Mr. Rollins what Mr. Harrison had said to me.

Q. What did Mr. Rollins reply ?—A. Mr. Rollins said that it was a mistake ; if he used Mr. Blaine's name he had no right to do so ; that he had not information sufficient upon which to base a charge against Mr. Blaine of that character. That was substantially what he said.

Q. Did he say that he had made any investigation of the matter after his request to Mr. Harrison to withdraw the resolution ?—A. No, sir.

Q. Had he had any time to make any investigation ?—A. He had time to make inquiry of members of the board of directors, because there were members about the office, or he may have had time to examine his records. It was some time after the conversation between me and Mr. Harrison, but before I left Boston.

Q. It was within a few days after you first heard it ?—A. Yes, sir.

Q. Did you ever mention this matter to Mr. Blaine?—A. I did, sir.

Q. State what occurred.—A. I mentioned the matter to Mr. Blaine; I stated to him that I had understood that the Little Rock and Fort Smith bonds among the assets of the Union Pacific Railroad Company were in some way connected with him.

By Mr. LAWRENCE:

Q. When was that?—A. It was within a few months after I had the conversation with Mr. Harrison.

By Mr. HUNTON:

Q. Within a few months after September, 1873?—A. Yes, sir. I cannot state the precise time. Mr. Blaine asserted that he had no interest in these bonds; that no one could be more surprised than he that any such report should connect his name with any bonds of the Little Rock and Fort Smith Company, in possession of the Union Pacific Railroad Company; that he never had any interest in those bonds whatever. That was substantially the statement.

Q. Where did this interview between you and Mr. Blaine take place?—A. It was here in Washington.

Q. Whereabouts?—A. I am not prepared to say whether it was here at the House. Whenever I came to Washington I always came to the House, and generally called on the Speaker; but whether it was here, or at his house, I am not now prepared to say. At all events, it was here in Washington City.

Q. Did Mr. Blaine, in that interview with you, deny that he had ever had possession of any bonds of the Little Rock and Fort Smith Railroad Company?—A. He denied that he had ever had possession of any bonds of the Little Rock and Fort Smith Railroad Company, except those for which he subscribed and paid and held as his own property.

Q. Did he make a specific allusion, in this conversation, to these seventy-five bonds that were the subject of conversation between Mr. Harrison and Mr. Rollins?—A. Not in that conversation, beyond what I have stated, that he said that he never had had any interest in them, nor anything to do with those bonds.

Q. Did he tell you he had any interest in these seventy-five bonds?—A. My impression is that the party to whom those bonds belonged, or had belonged, was a party by the name of Caldwell.

Q. Who was Caldwell?—A. That I am not able to state, sir; he is a stranger to me.

Q. Was Caldwell the president at one time of one of those Pacific railroads?—A. I have no personal knowledge of it. I have understood that Mr. Caldwell was connected with the Little Rock and Fort Smith Railroad, whether as president or not I do not know. I understood he was connected with that and with the construction of the r. & l.

Q. The Fort Smith and Little Rock Railroad?—A. Yes, sir; or the Little Rock and Fort Smith.

Q. Did Mr. Blaine say to you in this conversation that these bonds, 75 in number, of the Fort Smith and Little Rock Railroad Company were held by him for one of his constituents?—A. O, no, sir.

Q. Did he state that he held any bonds for constituents?—A. O, no, sir.

Q. Did he state that he held these 75 bonds for anybody?—A. No, sir; on the contrary, he said he never had anything to do with these 75 bonds.

Q. Did you ever make any statement of what occurred between you and Mr. Blaine to any one else?—A. O, yes, sir; I have spoken of it to several persons.

Q. Did you have a talk about this matter of the interview between you and Mr. Blaine with Mr. Horace White, of the Chicago Tribune?—A. I did, sir.

Q. Do you recollect the conversation between you and Mr. White?—A. I think I could give it substantially.

Q. Please do so.—A. I related to Mr. White the substance of what I have already stated in regard to these bonds, and, further, that Mr. Blaine had said to me that he could not imagine how he could be connected in any way with the negotiation of these bonds unless the impression had grown out of the fact of a negotiation in connection with the construction of that road, which had no relation to these bonds, but which did relate to the affairs of that company after it got into difficulty between the company and other parties. I do not now remember the names of others, except Colonel Scott. Colonel Scott was mentioned as one of the parties connected with that negotiation, but that relates, as I understand, to a different subject entirely.

Q. You did not tell Mr. Horace White, then, that Mr. Blaine told you that he held these bonds for a constituent?—A. No, not these bonds; O, no, sir.

Q. Did you tell him that Mr. Blaine held any of the bonds of that company for his constituents?—A. No, sir; because I should have done great injustice to Mr. Blaine if I had, for Mr. Blaine never said so to me. It was a casual conversation I had with Mr. White in the Tribune office at Chicago; and if I gave Mr. White any such impression as that it was certainly a matter of injustice to Mr. Blaine, for it related to the other

matter entirely. I do not think Mr. White would willingly misrepresent what was said to him.

Q. Did you ever investigate this matter of the possession of the 75 bonds?—A. I investigated it thus far: I, as I have stated, inquired of Mr. Rollins in regard to this transaction. I, as I have also stated, thought it was proper, inasmuch as Mr. Blaine's name had been connected with that transaction, to see, if he was connected, what explanation there was of it; and with that view I went to him and mentioned the matter to him, and I got from him substantially the explanation which I have stated.

Q. From Mr. Rollins?—A. No, sir; I am now speaking of Mr. Blaine.

By Mr. LAWRENCE:

Q. That he had nothing to do with these bonds?—A. He had nothing to do with these bonds at all. That these bonds, I understand, passed from Mr. Caldwell. I have seen this statement in the newspapers in regard to what I may have said to Mr. White, but that is a confusion of the two transactions.

By Mr. HUNTON:

Q. What two transactions do you refer to?—A. I speak now of the negotiations which were had between parties interested in the construction of that road, and other parties who I have since understood were connected with what was known as the Southern Improvement Company; I think Mr. Scott being one of them.

Q. How was Mr. Blaine involved in this confusion in this way?—A. While that negotiation was going on, as I understand, Mr. Blaine had been requested when he was coming down, either to New York or Washington, to speak to these parties to aid that negotiation; that was all that he had to do with that.

Q. Aid what parties in that negotiation?—A. As I understand, it was the so-called Southern Improvement Company.

Q. To aid that company in what negotiations?—A. To aid the negotiations that were going on between the parties interested in the Little Rock and Fort Smith Company and that company.

Q. This Southern Improvement Company?—A. Yes, sir; but of the details, of course, I know nothing. That is the only way that I can account for this report with reference to my interview with Mr. White, because Mr. Blaine insisted always to me that he never had had anything to do with these \$75,000 of bonds that passed into the hands of the Union Pacific Railroad Company.

Q. Was that all the investigation you ever gave the subject?—A. I have talked with parties about it after.

Q. Who?—A. I think I have talked with Mr. Dillon, who has been for two years the president of the company.

Q. When did you talk with Mr. Dillon?—A. I cannot state dates, but I have frequently asked about this matter and the condition of it, and why those bonds were there.

Q. What was the explanation?—A. The only explanation that I have ever got was that they were put in there in the arrangement between the company and Mr. Scott.

Q. Let us hear what that arrangement was.—A. I cannot give you the details, but during the time that Mr. Scott, as I understand, was president of the company, this negotiation with these bonds was made. I suppose Mr. Scott can explain that fully, but I would not undertake to do it; and that they have remained there because of an unadjusted difference between the company and Mr. Scott, Mr. Scott never having been paid any salary for the time that he was president nor for the services that he performed, and that this matter was still in an unadjusted state.

Q. And is to-day in an unadjusted state?—A. So far as I know, sir.

Q. Then the investigation that you made was to have a conversation with Mr. Blaine and with Mr. Dillon?—A. Yes, sir; and I think with others.

Q. What others?—A. I would not undertake to state who, because I do not recall at this time who, but with others connected with the company.

Q. Can you recall anything that was told you more specifically than you have detailed in regard to this transaction?—A. No, sir; I don't recall anything beyond the general statement, unless my attention was called to it by a specific question.

Q. Then, the investigation that you had about this matter consisted of your talk with Mr. Blaine and with Mr. Dillon, and perhaps with others?—A. Yes, sir; my investigation in regard to the bonds in the first instance was, and the first point to satisfy myself was, whether this report in regard to the bonds having gone in there through Mr. Blaine was true. I wanted to ascertain that.

Q. You became satisfied on that point by your talk with Mr. Blaine?—A. Yes, sir, I did, and what Mr. Rollins told me subsequently, that he had no authority for stating that the bonds had come through Mr. Blaine.

By Mr. LAWRENCE:

Q. State if you also examined the books of the company?—A. O, yes, sir.

Q. To see whether they confirmed your view of it?—A. There is nothing on the books that I am aware of in regard to the bonds except this resolution of the executive committee.

By Mr. HUNTON:

Q. Do not the books of the company show all the money transactions of that company?—A. I presume so, sir.

Q. What was the entry when this \$64,000 was paid?—A. I am not prepared to state. I presume that the treasurer's books will show what that was.

Q. Do the Government directors never examine the books of the company?—A. Only with regard to any specific subject to which their attention may be drawn.

Q. Then, this transaction on your part, in regard to this report that you had heard about Mr. Blaine and these bonds, was confined to a talk with Mr. Blaine, Mr. Dillon, and, perhaps, with others?—A. Yes, sir. I had no power to pursue any investigation.

Q. And that investigation that you allude to in that letter to the Chicago Tribune of the 27th of April?—A. That is simply an investigation to satisfy myself whether that report was true.

Q. To satisfy you as an individual or as a Government director?—A. As a Government director as well as an individual.

Q. As a Government director, after having a charge of that sort preferred by one of the directors, and withdrawn at the instance of the treasurer because the investigation would implicate a high official, you became satisfied upon mere conversation, and did not take any steps as Government director to investigate this matter officially?—A. I had no power to investigate, beyond the method of conversation.

Q. Could you not as a Government director institute an investigation?—A. I don't know how.

Q. Is there no mode by which a board of directors can investigate the transactions of a company?—A. I suppose, of course, we have access to all of the books and records and papers of the company, but I never found anything among the books or records except this entry of the executive committee.

Q. Did you ever look to find or inquire whether there was any, and find that there was none?—A. I was told that that was the only entry.

Q. Then, you found that there was a transaction involving \$64,000 of money carried on by this company, and no entry made upon its books save this order?—A. O, no, sir. I do not wish to be understood as making that statement.

Q. I beg your pardon, sir; I so understood you. You can make whatever statement you wish to make.—A. I stated I presumed the entry would be found upon the books of the treasurer, as I have no doubt; and I understood Mr. Rollins, in reply to a question while Mr. Harrison was being examined, to state that the books would show that entry.

Q. You never examined the books to see?—A. No, sir; I did not.

Q. You never undertook to trace back these bonds to find out where they came from?—A. Yes, sir; I undertook to do that, and the result of it was being satisfied that they came from Colonel Scott.

Q. Had Colonel Scott a right to take money of the company to pay for the bonds that he held?—A. Colonel Scott certainly had no right to take money of the company to pay for bonds that he held. There might have been an arrangement between Colonel Scott and the company, by which he should receive money on those bonds, and that matter as I say, as I understand, is an unadjusted one between Colonel Scott and the company to-day.

Q. Then was there an understanding between the company and Colonel Scott that he was to have the money on these bonds?—A. I am not able to state that.

Q. You represented the company in part. Was there any understanding to which you were privy?—A. No, sir.

Q. Could there have been an understanding except through the board of directors?—A. Yes, sir; there might have been an understanding with the executive committee, I presume, or in many transactions with the committee on finance.

Q. Have the executive committee or the committee on finance power to bind a company without authority from the board of directors?—A. Not without authority from the board of directors, but the board of directors have power to confer all of their power upon the executive committee.

Q. Did they confer all of their power?—A. That is done every year, sir. A resolution is passed that in the absence of the board the executive committee shall possess the powers of the board.

Q. Can you turn to one of those resolutions?—A. Mr. Rollins is more familiar with the record than I am.

Mr. HUNTON. (To Mr. Rollins.) Please turn to the one just preceding this transaction.

Mr. ROLLINS read the following extract from the book:

"March 9, 1871. Resolved, That the executive committee, in the absence of the

board, is hereby empowered to do and perform all acts that this board is authorized to do under the charter and by-laws of the company?"

Q. Who constituted the executive board of this company for that year?—A. I am not able to state from memory.

The following names appear upon the book as constituting the executive committee: Thomas A. Scott, John Duff, Andrew Carnegie, Sidney Dillon, George M. Pullman C. S. Bushnell, Government Director James F. Wilson.

Q. How many of these executive committee were directors in the company; all of them?—A. All of them.

Q. You appear to have been one of the executive committee for that year.—A. Yes, sir.

Q. As a member of the executive committee, were you ever consulted about this transaction?—A. No, sir. I will state that under a by-law a Government director is required to be placed upon each one of the committees. The custom has been, with reference to the executive committee, to have a regular meeting after the appointment of the committee, and then it is kept alive by adjournments from time to time. My residence being some 1,200 miles away from the place of the sitting of the committee, I have been able to attend very few of the meetings.

Q. How many of the meetings did you attend in that year?—A. I am not prepared to say, but I presume not more than the meetings occurring about the time of the meetings of the board, which are quarterly.

Q. Did you attend any meeting about the date of this order, December 16, 1871?—A. If a meeting was held about that time, after the meeting of the board, I most likely was present.

Q. The records of the executive committee show under date of December 16, 1871, the following names as members: Thomas A. Scott, John Duff, C. S. Bushnell, A. Carnegie. Where were you at that time?—A. I presume I was at home, in Iowa.

Q. Do you know anything in regard to Mr. Blaine as a holder of the bonds of the Little Rock and Fort Smith Railroad Company?—A. I do not, sir. I know nothing in regard to that except the conversation that I have heard and the statement which Mr. Blaine made in the House of Representatives, which I read in the Record. Before leaving the subject of the bonds, as I have already stated, I understand that to be yet an open question between Colonel Scott and the company.

Q. Let us hear how an open question.—A. That the adjustment of the compensation for services to Mr. Scott has not yet been determined, and that that involves the \$75,000 of bonds as well as the salary and other compensation for his services, and that this money which he received was more in the nature of a loan than a payment. That I understand to be the position of the company.

Q. How do you understand it?—A. I have understood that from the conversation that I have had with parties that I have referred to in regard to this transaction.

Q. You do not know anything of it officially as a Government director?—A. No, sir. I have made the inquiries, of course, acting as a Government director, and that is the understanding I have; and my idea of it has been all the time that when that subject is brought to the point of a definite settlement, is the time for the Government directors to act in regard to whether the company shall keep those bonds, or whether the amount shall be repaid after deducting such sum as shall be determined to be due Colonel Scott for his services.

Q. State why that issue has not been reached.—A. I am not prepared to say that, except I have understood the negotiations between the colonel and the company never have reached a conclusion.

Q. Between what portion of the company and the colonel?—A. I presume it is the active power of the board, the executive officer; the president, I presume.

Q. The executive committee or the executive officer?—A. The executive officer, as the negotiation would naturally be conducted, ordinarily.

Q. And that is Mr. Sidney Dillon?—A. That is Mr. Sidney Dillon.

Q. Has the president of the company any right to make such a negotiation without authority from the board?—A. The settlement, I presume, would have to be passed upon by the board when made.

Q. Has he ever reported to the board anything about the negotiations?—A. Not formally to the board, I think. The matter has been talked of at meetings of the board, but not, that I am aware of, with any formal proposition for the board to act on.

Q. Was any action taken by the board in regard to it?—A. No, sir; no formal action that I am aware of. The matter has drifted in the course of negotiation.

Q. Where are those seventy-five bonds now?—A. I am not prepared to state that, sir.

Q. Do you know whether your company holds them or not?—A. I do not. I presume they are still in the hands of the company.

Q. Could they have gone out of the hands of the company without your knowing it?—A. Yes, sir; I presume they might. If they had gone without some entry upon the books, they would have gone irregularly, of course.

Q. It would have been irregular to have disposed of them without any action of the

board of directors, wouldn't it?—A. Yes, or the executive committee. I have understood, as Mr. Harrison says, that there was an arrangement by which Mr. Ames was to take those bonds.

Mr. HARRISON. I gave that as a rumor, not authentic.

The WITNESS. I have heard that same rumor, that there was an arrangement of that kind, but I think it never was effected.

Q. Why was Mr. Ames to take those bonds?—A. I don't know, sir.

Q. You heard a rumor that he was to take them, but did not know on what terms, or what consideration, or anything about it?—A. No, sir; because I understood it had not been perfected.

Q. You understood it was pending?—A. Yes, sir.

Q. You did not inquire, while you heard this negotiation was pending, upon what terms Mr. Ames was to take these bonds. You heard there was a negotiation pending, but did you inquire upon what terms he was to take them, if he did take them?—A. Yes, I think I inquired, but the amount that was to be paid for them I cannot state now.

Q. What was the value of the Fort Smith and Little Rock Railroad bonds in December, 1871?—A. I am not able to state that.

Q. Can you approximate it?—A. I cannot.

Q. Were they worth anything?—A. I am not able to state, for I don't know what the value of the bonds was. Railway securities at that time were generally in demand, and especially those that were backed by land-grants. But whether this company was in a condition to have its bonds worth much or little, I am not prepared to say.

By Mr. LAWRENCE:

Q. The money for these seventy-five bonds, if I understand it, went to Morton, Bliss & Co., didn't it?—A. Morton, Bliss & Co., by the resolution, were authorized to draw on the company. Let me get that resolution. It is to draw on the treasurer of the company—

Q. For \$64,000?—A. For \$64,000, I think.

Q. You have spoken of the money as going to Colonel Scott.—A. I have understood that that money went to Colonel Scott's benefit. Whether I am correct about that I don't know, but I presume the colonel can tell.

Q. From whom did you learn that?—A. That was by conversation in the office. I would not undertake to state what particular person.

By Mr. BLAINE:

Q. Do you know anything about the attempt to remove the Government directors in the spring of 1873?—A. I understood that the President had concluded not to remove the Government directors, but to appoint a new set in March, 1873.

Q. Did you ever have occasion to know anything about any influences that were supposed to prevent it?—A. Yes, sir; because I took some interest myself in that. I supposed at the time that the resolution of the President was come to on account of the investigations that were pursued relative to the company and the Credit Mobilier during the session of Congress in the winter of 1872-'73; and, having been a Government director, I thought that, to be changed just at that time would seem like a reflection upon the members of the board, and I therefore took some interest in preventing that change from being made; but that was the only reason, as I understood it, that the change was contemplated, owing to the feeling in the country growing out of the investigations of that winter. I felt especially interested in that myself, because of an utterly unfounded statement that went into the testimony affecting myself, which appeared unfounded by the subsequent testimony taken, and also the report of the committee concerning a certain check of \$19,000; and those reports go over the country frequently not overtaken by any denial or explanation, and it seemed to me that it would be a reflection on me to have a change made at that time, and I took a great interest to prevent it.

Q. Do you know of any persons who interposed and represented the hardship that it would be to the Government directors to be removed under those circumstances?—A. Yes, sir; I spoke to Senator Allison and requested him to see the President.

By Mr. HUNTON:

Q. What President do you mean?—A. President Grant. Mr. Allison afterward told me that he met Mr. Blaine at the White House, when he had that interview, and that Mr. Blaine also represented to the President the hardship it would be under the circumstances to make a removal of the Government directors at that time.

Q. You said a while ago that the President, you heard, was disposed to change the board, on account of the Credit Mobilier investigation?—A. I stated that that was my understanding, that the President came to that resolution, on account of the excitement occasioned by that investigation.

Q. Do you mean the president of the road or the President of the United States?—A. The President of the United States.

Q. What connection had the board with the Credit Mobilier investigation which could have induced the President to change the board at that time, or to determine to change the board at that time?—A. I cannot say what operated upon the mind of the President—what was the immediate inducement to that resolution of his. I could only make a guess as to what it was; and that was a desire, under the feeling of the country at that time, to put a new set of men in in connection with the board of directors, on behalf of the Government.

Q. Were you a Government director at the time the Credit Mobilier transaction took place?—A. No, sir; that was before. That was during the construction of the road.

By Mr. LAWRENCE:

Q. You were a director during the time of the Credit Mobilier investigation?—A. Yes, sir, during that time.

By Mr. HUNTON:

Q. But the investigation, of course, was into transactions that occurred before you were Government director?—A. Yes, sir, all of the operations of the Credit Mobilier were prior to the completion of the road. I was not appointed until after the completion of the road.

Q. Then how could the investigation of these transactions, which occurred before your appointment as Government director, have been any cause for your removal, or the failure to reappoint you?—A. I do not think it was any cause. That was one reason why I desired to resist the removal, or the appointment of some one in my place.

Q. Did you ever have any conversation with Secretary Delano in regard to it?—A. I did have a conversation with Secretary Delano in regard to it, and he told me that that was the conclusion of the President,

Q. That what was the conclusion?—A. To appoint a new set of Government directors.

Q. For what cause?—A. I don't know that he stated any particular cause.

Q. Secretary Delano only told you that the President had concluded to appoint a new set of directors?—A. Yes, sir. That being the conclusion, I had no further cause to talk with Secretary Delano; I had to go to the one having the appointing power, the President of the United States.

Q. This conclusion of the President, as you understood it, to appoint a new board, was in March, 1873?—A. Yes, sir.

Q. It was in a few months after this talk between Harrison and Rollins and yourself?—A. Yes, sir.

Q. That occurred in September, and this was the following March?—A. Yes, sir; I think my understanding was that the position of the President was based upon the excited feeling of the country in regard to the company and the Credit Mobilier growing out of that investigation.

By Mr. LAWRENCE:

Q. Had you any knowledge or information upon which to form any belief that the desire to change the directors grew out of anything but the Credit Mobilier investigation?—A. I had not.

WASHINGTON, D. C., May 15, 1876.

JOSEPH H. MILLARD sworn and examined.

By Mr. HUNTON:

Question. State your name and residence.—Answer. Joseph H. Millard. I reside at Omaha, Nebr.

Q. Are you, or have you ever been, a Government director of the Union Pacific Railroad Company?—A. Yes, sir; I am director.

Q. How long have you been?—A. I have been a Government director about four years, a little over four years; I was appointed in March, 1872.

Q. Were you present at a conversation between Mr. John C. S. Harrison and Mr. E. H. Rollins in regard to some bonds of the Little Rock and Fort Smith Railroad Company in the possession of the Union Pacific Railroad Company?—A. I presume so. I presume it is the conversation that you allude to that I was present at.

Q. State the conversation.—A. My recollection is that Mr. Harrison and I called into the office of Mr. Rollins, as we always do when we are in Boston, and while there Mr. Harrison and Mr. Rollins were talking in regard to these particular bonds, and Mr. Harrison desired from Mr. Rollins to know what there was about that, and Mr. Rollins said that there was something in regard to it which if he should make known might create trouble with some parties prominent in political circles. I did not understand Mr. Rollins to name any one especially, but Mr. Harrison mentioned Mr. Blaine's name, but I do not think Mr. Rollins did at the time. My understanding was that that was the person that he was alluding to. That was about the conversation.

Q. The conversation was in regard to the seventy-five bonds of the Fort Smith and Little Rock Railroad Company?—A. I so understood it; yes, sir.

Q. In the possession of the Union Pacific Railroad Company?—A. I think they were at that time. This transaction seems to have been about a year before I was a Government director.

Q. In this conversation did or did not Mr. Harrison state the conversation that he had mentioned to you previously, as having taken place between you and Mr. Rollins?—A. I don't think he did; I couldn't say.

Q. Just state what occurred when Mr. Harrison went in with you to see Mr. Rollins.—A. It is just about as I have stated, as near as my recollection goes, that while there Mr. Harrison called Mr. Rollins's attention to this matter, and Mr. Rollins stated it about as I have stated it, as near as I can recollect.

Q. Mr. Harrison said that Mr. Rollins had said it would involve Mr. Blaine?—A. Yes, sir; and Mr. Rollins said that it would involve a gentleman high in political circles; that is about my recollection.

Q. He did not say whether or not it was Mr. Blaine, as Mr. Harrison stated?—A. I don't recollect Mr. Rollins saying so.

Q. When Mr. Harrison stated that it would involve Mr. Blaine did Mr. Rollins correct the statement as to Mr. Blaine?—A. My recollection is not clear on that, but my understanding was that Mr. Blaine was meant.

Q. That he was the man meant?—A. That was my understanding.

By Mr. HARRISON:

Q. Didn't I say that I brought you there for that special purpose, to hear Rollins's statement, and when we got out in the hall I said to you, "Now, Mr. Millard, you stick a pin right in what Mr. Rollins stated, that this would involve Mr. Blaine."—A. I don't recollect that; it may have been stated.

Mr. HARRISON. I recollect that very distinctly.

By Mr. HUNTON:

Q. Do you know anything about these seventy-five bonds of the Fort Smith and Little Rock Railroad?—A. I do not, except as appears upon the record. I examined the record after knowing about this, hearing of it, and all I know is what the record shows.

Q. Did you ever attempt to get an investigation of this matter?—A. No, sir; I never did.

Q. Were you at that time Government director?—A. Yes, sir; at this time that I speak of.

Q. At the time of the interview?—A. Yes, sir. I will state in regard to the question asked me previously that the following day I was in the office of Mr. Harrison.

Mr. HARRISON. That is the time I refer to.

The WITNESS. The day after you and I were there I called into Mr. Rollins's office, and he and I were alone, and I asked him in regard to this matter, and Mr. Rollins at that time and on several occasions since has assured me that he was entirely mistaken in what he said the day I was in there with Mr. Harrison, and for that reason I supposed that it was a transaction which was for the benefit of the company at the time, and Mr. Rollins assured me that there was nothing wrong in the transaction so far as the Union Pacific Company was concerned, and I never did investigate it, as I say, further.

Q. How did he explain to you that there was nothing wrong?—A. He never explained it to me.

Q. Didn't you ask him?—A. No, sir; I did not; I just took his assurance in regard to the matter.

Q. Did he ever explain to you, then, why he was so unwilling to have it investigated?—A. I was not aware of any unwillingness; I was not present at the time Mr. Harrison speaks of.

Q. Still, you were informed of it by Mr. Harrison in the presence of Mr. Rollins?—A. Yes; but he never explained it to me.

Q. And you never asked him for an explanation?—A. No, sir; any further than his assurance that it was all right.

By Mr. BLAINE:

Q. Did Mr. Harrison ever afterward in the Government board of directors ask to have an investigation?—A. Not to my recollection.

By Mr. HUNTON:

Q. Do you know anything about the ownership by Mr. Blaine of any bonds of the Little Rock and Fort Smith Railroad Company?—A. I do not, sir.

Q. Do you know anything of this payment of this draft, mentioned in the order of the executive committee of the 16th of September, 1871?—A. No, sir.

Q. The order is: "Ordered that Morton, Bliss & Co. are authorized to draw on the

treasurer of the Union Pacific Railroad Company for \$64,000, payable at forty days from date, and hold as collateral security for the company seventy-five land-grant bonds of the Little Rock and Fort Smith Railroad Company, for \$1,000 each."

Q. I was not director at the time, and I was not for some six months afterward.

Q. Did you never learn how Morton, Bliss & Co. became authorized to draw on the Union Pacific Road for that amount of money?—A. No, sir; I never did.

Q. Was your attention ever called to this order of the executive committee?—A. No, sir; except at the time I speak of, when Mr. Harrison and I were in Mr. Rollins's office with him.

Q. You state that the morning after this conversation between Mr. Rollins and Mr. Harrison you saw Mr. Rollins again. Who was present at that interview besides you and Rollins?—A. I think there was no one in the office except Mr. Rollins and myself.

Q. In that interview, Mr. Rollins told you he was mistaken, and that that matter did not involve Mr. Blaine?—A. Yes, sir; he said that there was nothing to it.

Q. Did you ask him any further questions about it?—A. I don't recollect of asking him anything further. Mr. Rollins was not as communicative as he might be on some other subjects that day.

Q. What impression did the communication that was made to you by Mr. Harrison, and confirmed by Mr. Rollins on this first day, make in regard to the matter?—A. I thought at that time there was something in it and that it must mean something.

Q. What do you mean by "must mean something"?—A. That it must have affected Mr. Blaine.

Q. Affected him how?—A. That he had had a transaction with the company which seemed to be not regular.

Q. And when Mr. Rollins told you that he was mistaken the next day you made no further inquiry?—A. I did not; I left for home about that time.

Q. The impression that was made the day before was all removed by the simple declaration?—A. Not entirely. I have talked with Mr. Rollins on several occasions since, and he has stated the same thing to me each time.

Q. Has he ever stated to you how his first impression arose and how it was cleared up?—A. I don't think he ever has.

Q. Did you never ask him?—A. I don't recollect ever asking him.

Q. Do you know anything else in connection with this matter?—A. No, sir.

Q. You were appointed Government director after this interview?—A. No, sir; not after the interview. I was a Government director at the time of the interview; I was not a Government director at the time the company took these bonds. These bonds were taken in 1871, and I was appointed Government director in March, 1872. I know nothing about the transaction.

Q. Did you know of any effort on the part of anybody to have you removed as Government director after you became apprised of this declaration of Mr. Rollins?—A. I understood there was a move on the part of the Secretary of the Interior to change the Government board after the Credit Mobilier investigation. I never understood that it had any reference to this matter.

Q. Did you know what matter it had reference to?—A. No; I never knew, except that it was thought advisable, after that examination, to make an entire change of the Government board. I was so informed by a gentleman who got his information direct from the Secretary of the Interior.

Q. Why was that determination on the part of the Secretary changed?—A. I never knew; I never knew why he had the notion of removing us until after we were all re-appointed. Yes, I did know that before we were re-appointed, but it was something that I never knew any reason for. I never knew why it was proposed to remove us, except that it was stated that it was on account of the Credit Mobilier investigation going on.

Q. Had that investigation in Congress taken place before this talk about removing the Government directors?—A. I think it had; I think it was during that winter that the investigation was had.

Q. When was it that it was first proposed to remove the Government directors?—A. The first that I knew about it was about ten or twelve days before we were re-appointed. I think the Government directors are appointed usually about the 9th or 10th of March.

By Mr. LAWRENCE:

Q. Did not Senator Hitchcock get such a letter as Morton had?—A. I think he had such a letter. Mr. Hitchcock said to me that the reasons were on account of this investigation that was going on here at that time. I never knew before that it had any reference to this matter.

By Mr. HUNTON:

Q. What was there in the Credit Mobilier investigation which made it proper and necessary to change the Government directors?—A. I don't know; I had not been a Government director but a short time then.

Q. Were you a director at the time these Credit Mobilier transactions took place?—
A. No, sir.

Q. Was Mr. Harrison a Government director at the time these Credit Mobilier transactions took place?—A. My impression is he was not. I don't know, but I think not.

Q. Then the desire on the part of the Secretary of the Interior to change the board, so far as you and Mr. Harrison were concerned, could not have had any reference to the Credit Mobilier investigation?—A. That is what we thought, and we explained that matter to the Secretary. I went, I know, and explained the matter to the Secretary myself, with the Senator, and my understanding was that that was one reason why we were re-appointed.

Q. Who were appointed in March, 1872, on behalf of the Government?—A. I think we were all re-appointed, Wilson, Price, and myself; the same Government board that had been in were re-appointed.

Q. How long had the different members of that board of Government directors been in the board?—A. I couldn't say; I think Mr. Wilson and Mr. Price had been Government directors four or five years, perhaps; I couldn't say, positively. I had been a director a year; I think Mr. Harrison, perhaps, two years.

WASHINGTON, D. C., May 15, 1876.

THOMAS A. SCOTT sworn and examined.

By Mr. HUNTON :

Question. Were you ever connected with the Union Pacific Railroad?—Answer. I was president of the Union Pacific Railroad Company from the 7th of March, 1871, to the 6th of March, 1872.

Q. Where was the domicile of the company during that period?—A. Boston was the chief office. The company had offices at Omaha and various other localities. We generally held our business meetings in New York, it being more convenient for the majority of the directors to meet in New York than in Boston, especially the executive committee, who had, in general terms, the management of the business of the company during the time intervening between the several quarterly meetings of the board of directors.

Q. Do you know anything about the bonds of the Little Rock and Fort Smith Railroad Company, which came into the possession of the Union Pacific Railroad Company?—A. Yes, I owned them.

Q. Did they ever come into the possession and ownership of the Union Pacific Railroad Company?—A. They went directly into the ownership of the Union Pacific Railroad Company.

Q. From whom?—A. They went through Mr. Andrew Carnegie to the Union Pacific Railroad Company.

Q. From whom did Mr. Andrew Carnegie get them?—A. He got them from me through my secretary.

Q. State from whom you obtained them.—A. I bought the bonds about a year and four months previous to that time. I bought a number of those bonds (in connection with some transactions I had in the South) from the associated gentlemen who were then engaged in trying to construct the road.

Q. I am speaking now of the seventy-five bonds in question?—A. Yes, those particular seventy-five bonds I bought, I should think, about a year and four or six months previous to the time I sold them to the Union Pacific Railroad Company.

Q. From whom did you buy them?—A. From the associates who were endeavoring to build that road under a regular organization. Josiah Caldwell especially was the man with whom I negotiated, and from whom I bought the bonds.

Q. You bought these seventy-five bonds from Josiah Caldwell?—A. I did, sir.

Q. Who was he?—A. A gentleman engaged in the building of that line.

Q. Was he its president?—A. I am not sure whether he was the president of the company, or not. He was the leading man in the construction of the road, and lived in Boston.

Q. Where is he now?—A. I have not the slightest idea, sir. I have not seen Mr. Caldwell for several years.

Q. You do not know, either from your own knowledge, or by reputation, where he is now?—A. No. I have understood that about the time of the panic, in 1873, he went to Europe with his family, having failed in carrying to completion the Little Rock and Fort Smith line and perhaps other enterprises of his in the West, and I have understood that he was in Europe, and is there yet; but, of my own knowledge, I know nothing whatever about him.

Q. State the consideration that you gave Mr. Caldwell for the seventy-five bonds.—
A. I gave him eighty cents on the dollar.

Q. In what way did you pay him?—A. I paid him in money.

Q. Currency, or check, or draft?—A. Currency, I presume. I cannot tell you who I paid it, exactly, whether in currency, or check, or draft, but that simply I agreed to buy them from him, and bought them and paid for them.

Q. When was that purchase from Mr. Caldwell?—A. In the beginning, I think, of 1870, perhaps more than a year before I had anything to do with the Union Pacific Railroad.

Q. You gave him eighty cents on the dollar?—A. I did, sir; that was the consideration price.

Q. You gave him \$60,000 for seventy-five bonds?—A. Yes. I gave him more than that for an increased number of bonds.

Q. You then sold these bonds to Mr. Carnegie?—A. No, sir; I did not. I handed them to Mr. Carnegie, and Mr. Carnegie handed them to Morton, Bliss & Co., who were authorized by the board to make their draft on the treasury of the Union Pacific Railroad Company and take these bonds. I held the reserved right to redeem these bonds afterward, if I should see proper; and I believed that the bonds, if the road were completed and in good condition, would be worth more money than eighty cents on the dollar; and I see no reason why these bonds should not be as good as the land-grant bonds of the Union Pacific Railroad Company, which are selling, I believe, to-day, at 102.

Q. You let Mr. Carnegie have these bonds, and he disposed of them in what way?—A. He handed them to Morton, Bliss & Co., who turned them over to the treasurer of the Union Pacific Railroad Company on the payment of the draft.

Q. For what purpose did he hand them to Morton, Bliss & Co.?—A. In exchange for the money.

Q. Morton, Bliss & Co. gave the money for them?—A. Yes.

Q. Had you any agency in that transaction between Mr. Carnegie and Morton, Bliss & Co.?—A. Nothing but giving him the bonds, and getting the money from him, which was a pretty direct agency.

Q. They were deposited by Mr. Carnegie, were they?—A. They were handed over by Mr. Carnegie for me.

Q. To Morton, Bliss & Co.?—A. To Morton, Bliss & Co.

Q. Was it a sale to Morton, Bliss & Co.?—A. No, sir.

Q. Or a deposit for a loan?—A. It was handing over to Morton, Bliss & Co., to transfer to the Union Pacific Railroad Company, those bonds in consideration of their paying the draft of Morton, Bliss & Co.,

Q. Did they go into the hands of Morton, Bliss & Co. with that understanding?—A. They did undoubtedly.

Q. Was there any understanding at that time that the Union Pacific Railroad Company would receive them?—A. Yes; it was distinctly understood that they would receive these eighty bonds, and I should receive the \$64,000, or whatever the amount of the claim was, which turned out to be some little less than \$64,000.

Q. What do you mean by "the claim"?—A. Three or four months before this time, Mr. Carnegie, at my request and for my benefit, had borrowed from Morton, Bliss & Co. \$60,000 on some foreign exchange, and gave his own bonds to the extent of \$100,000 as collateral security for the loan. He gave me the money, and it was in repayment of that money that I made this sale to the Union Pacific Railroad Company. I had, during the two years previous to that, become the owner of a very large amount of stock and bonds in southern roads, running from Richmond south clear down into Tennessee, and I had a good deal of money invested in these securities, and I have yet. On the occasion referred to I wanted money very much. I had been in the presidency of the Union Pacific Railroad there for about nine months. I had been solicited twice to take the presidency of that road. It was low in credit; its stock was selling at from \$8 to \$12 a share; its income bonds were selling at from \$30 to \$40; its land-grant bonds at from \$35 to \$45; and it wanted a re-organization. They wanted new directors, and desired me to take the head of the company. After a conference with the president of our own company and a number of gentlemen with whom I was intimately associated, I finally agreed to accept the presidency of that company. After I accepted it, and previous to the time at which I sold those bonds to that company, the company's stock had run up over 250 per cent. above the price at which it stood when I took the road; its income bonds had appreciated to \$65 and \$75, and as much as \$80, and its land-grant bonds had gone up to \$80 and \$82, and there is about where they were standing.

The company owed me a very considerable compensation for the services I had rendered them. I was a little embarrassed myself for want of money, and I, through my friends, said that the time had come when they ought to do something that would be liberal and proper for me. Previous to that time, they had been paying a salary of \$8,000 a year to Mr. Ames and the other gentlemen who had preceded me. I did not think \$8,000 a year was any compensation at all for the services I had rendered that company, and I do not think so now; but rather than alter it we agreed upon this plan: I wanted money

just then more than I wanted salary. I owed this \$60,000, with some accumulations upon it, and I wanted to pay it, and they finally arranged that they would buy the securities which I had on hand; and I was to have the option, if I chose, to redeem these bonds, and take them back at any time, which I undoubtedly would have done if the road had been completed, for the bonds would have been worth a great deal more money. Having agreed to buy the bonds, the price was fixed, and an order was made, through Morton, Bliss & Co., on the treasurer of the company. I handed the bonds, through my secretary, to Mr. Carnegie, who handed them to Morton, Bliss & Co. Their draft was sent to Boston; it was accepted; and when it matured it was paid, and the bonds were delivered, and went into the possession of the company in that direct way and in no other.

Q. You said your salary as president of the Union Pacific Railroad was \$8,000 a year?—A. That was the salary given by the company to its previous executive officer.

Q. And that was the salary to you?—A. It has never been paid to me at all. I think they owe me that \$8,000 yet with interest. This was a matter outside the question of salary, and not intended to disturb it.

Q. You stated that you had an arrangement with a number of gentlemen that these bonds were to be taken by the Union Pacific Railroad Company at a specific price?—A. No, sir; I stated that the executive committee agreed to take the eighty bonds for the amount of the claim I refer to, which then stood at about \$63,000 or \$64,000.

Q. What claim stood?—A. A claim that Mr. Carnegie owed for my benefit to Morton, Bliss & Co.

Q. My question is what the Union Pacific Railroad owed to you?—A. They owed me nothing, except for the services I had rendered their company.

Q. They agreed to take these bonds from you?—A. They did.

Q. Through Mr. Carnegie?—A. Yes.

Q. And they agreed to pay Morton, Bliss & Co. for you \$64,000?—A. They agreed to pay just the amount of that draft.

Q. For these seventy-five bonds?—A. That is it, sir.

Q. What were these bonds worth at that time?—A. I thought that if that road went on, and was completed, the bonds would be worth from 80 to 90 cents on the dollar of their face and perhaps reach par.

Q. The question is, what they were worth at that time on the market?—A. I do not know that there ever was a market formed for the bonds at all.

Q. Were they not sold at all in the market?—A. Not that I know of. I bought my bonds, as I supposed everybody else did theirs, through the organization for the construction of the road.

Q. You cannot give the market-value of the bonds at the period of this transaction?—A. If I had gone into the market I suppose I could not have sold them for over 50 or 60 cents, which I did not want to do.

Q. What could you have sold them for?—A. I do not know; I did not make the effort. All I wanted to do was to pay my debts.

Q. Had you any contract with the executive committee of the Union Pacific Railroad about the entry of that order of the 16th December, 1871?—A. None in the world.

Q. Was that the first negotiation between you and the executive committee of that road?—A. There was no negotiation about it at all. It was an understood thing that I was there as the president of the company. The company was getting into a better condition every day; it was then worth to its owners, whoever they might be, about 250 per cent. more than when I took hold of the road.

Q. You are speaking of the Union Pacific now?—A. Yes.

Q. But I am speaking now of their arrangement to take these bonds, which you say might have brought 50 or 60 cents on the dollar, and paying you \$64,000, which was about how much per cent.?—A. About 80 per cent. and interest on the bonds.

Q. They agreed to take these bonds from you at a price considerably in excess of their market-value?—A. It is very likely, and perhaps certain, that that is more than they would have brought in the market, but I had rendered the company a service for which there was no market-value.

Q. What was the difference between what they agreed to pay to Morton, Bliss & Co., for you, and the market-value of those bonds at the time of that transaction?—A. As I have stated before, I do not know. I do not know that there was a market-value for the bonds; but so well satisfied was I about the value of the bonds that I held the reserved right to recoup those bonds, believing that the gentlemen then in charge would build their road, and if they built their road and completed it, and secured their lands, my judgment was that those bonds were as good as the land-grant bonds of the Union Pacific Railroad. I thought so then, and I think so at this moment.

Q. Putting these bonds at 55 cents on the dollar as the market-value at the time, it would make the value of the seventy-five bonds \$41,250, would it not?—A. Yes.

Q. And the executive committee of the Union Pacific Railroad Company agreed to give you for those bonds \$64,000?—A. Yes, and did it.

Q. That was \$22,750 more than the market-value of the securities?—A. Yes, as I had rendered them a service worth more than double the par value of the bonds.

Q. There was no contract between you and the company, however, for any specific sum?—A. No, sir; I took the presidency of that road with the understanding that they would do whatever was right by me if I made a success of it.

Q. The salary of the president prior to your entering upon the duties of your office had been \$8,000?—A. Yes.

Q. There was no contract between you and the company to raise the salary of the president?—A. None.

Q. Who were the executive committee with whom you made this negotiation?—A. I do not recollect who all the members of the committee were; their names were read over here to-day from the minutes of the company.

Q. The list, as then read, was correct, was it?—A. That was correct, sir.

Q. By this arrangement with the company you said you paid a debt?—A. I paid a debt of my own.

Q. A debt of \$64,000 to Morton, Bliss & Co.?—A. Yes; a debt that was contracted through Mr. Carnegie for my benefit.

Q. Did you give your note to Morton, Bliss & Co. for this \$64,000?—A. No, sir.

Q. You gave no obligation of any kind?—A. None in the world.

Q. Had anybody any connection with this transaction other than yourself?—A. None at all; it was done directly for my benefit, and as a partial consideration for what I had done for the company.

Q. You stated that you got these bonds from Mr. Josiah Caldwell?—A. Yes; I got them from Josiah Caldwell, representing associates.

Q. Was he the owner, individually, of these bonds, or was he disposing of them for the company?—A. My impression was that he was disposing of them for the company for the purpose of building and completing the road.

Q. They came directly from his hands to yours?—A. They did, sir.

Q. And they went directly from your hands to Mr. Carnegie's?—A. They did, sir, through my secretary.

Q. Do you know whether there was any intermediation between Mr. Carnegie and Morton, Bliss & Co.?—A. I know there was not. Mr. Carnegie handed them over to Morton, Bliss & Co., and I presume they sent them to the treasurer of the Union Pacific Company at Boston, the moment their draft was accepted, which would be the usual course of business. I have no doubt they sent these bonds there as the result to the company for the acceptance of their draft.

Q. When you went to the executive committee of the Union Pacific Company to get this order for the acceptance of the draft, was the Union Pacific Railroad Company in a condition to invest in the bonds of other companies?—A. I think the company was then (being worth 200 or 300 per cent. more than when I took hold of it) able to pay a just debt.

Q. That is not my question. Was it in a pecuniary condition at that time to invest in securities of other roads?—A. Where they were taken, sir, as these were taken, as a consideration for services rendered to it, yes.

Q. I did not say "for services rendered to it;" my question was whether that company was at that time in a pecuniary condition to invest in the securities of other roads?—A. I wish you to understand, Mr. Chairman, that these bonds were taken from me as a consideration for services rendered; and I wish you to understand that the Union Pacific Railroad Company at that day, in my judgment, was able to pay just such a thing.

Q. And I wish you to understand, if you please, that while I understand your answer fully, I have been asking you a question to which I have received no answer, namely, was the Union Pacific Railroad, at the time of this transaction, in a pecuniary condition which authorized or justified an investment in the bonds of the Little Rock and Fort Smith Railroad Company?—A. I do not think the company would have entertained a proposition to purchase bonds of the Fort Smith or any other railroad company, were it not coupled with the consideration of value furnished to the company through other sources.

Mr. HUNTON. You cannot fail to observe (and I do not wish to be at all captious) that that is no answer to my question.

The WITNESS. I do not see that, sir; it seems to me that that answers the question. I say that under no circumstances, in my judgment, would the Union Pacific Railroad Company in its then condition have entertained the purchase of bonds of that or any other company, had it not been coupled with the consideration of value furnished to the company through other sources.

Mr. HUNTON. Yes, but that is merely an opinion of yours that that company would not have entertained such a proposition.

The WITNESS. That is my judgment.

Mr. HUNTON. You, as president of the company, were in a position to judge of its pecuniary condition, and you knew its pecuniary condition. My question, therefore,

is properly addressed to you, was that company in a pecuniary condition at the time such as to justify an investment by it in those bonds?

The WITNESS. The company had the power and the ability to have bought half a million of bonds of anybody, if you simply come to the question of the financial power of the company.

Mr. HUNTON. I have not said a word about "financial power."

The WITNESS. They were in a condition to do it.

Q. Then this company had more money than was necessary for its immediate use at the period of this transaction?—A. I would not like to say that, sir.

Mr. HUNTON. That is what I understand by a pecuniary condition that authorizes an investment in securities.

The WITNESS. Then permit me to say, sir, that you do not understand very well the relations existing among railroad companies, because they very frequently buy and exchange, and make transactions of that sort, which, if it came down to the absolute question of having surplus money in the treasury, they might not be able to make. They may find it to their advantage to make a certain transaction, but when they come to inquire whether there is surplus money in the treasury, they find there is not, yet, it being to their interest to make the transaction, they get the money for the purpose.

Q. What made it to their interest to invest this money in these bonds?—A. Simply because they were desirous to do what was an equitable thing toward me.

Q. Did they put it on that ground when making that order?—A. It was well understood that the bonds were mine, and that that was the nature of the whole transaction.

Q. Was it done upon the ground that it was to render equitable justice to you?—A. No, sir.

Q. Then upon what ground was it put by the executive committee who made that order?—A. There was simply an order to the treasurer to buy these bonds.

Q. But there must have been a motive in buying these bonds?—A. There was; their motive was to take them from me. They knew I had rendered them a service, and they ordered them purchased; they did not display that thing in their books, and I do not think companies generally do display such transactions on their books at length, never expecting, probably, to come under the scrutiny of a very close investigating committee; companies generally do not think it wise to do so. The Union Pacific, however, bought these bonds in that way, and understood thoroughly what it was done for.

Q. I understand that you were member of this executive committee?—A. I was a member *ex officio*.

Q. And chairman of that committee, I suppose?—A. No, sir; I was not chairman.

Q. Was not the president of the company the chairman of that committee?—A. No, sir; he was not.

Q. Then this committee of which you were a member made this transaction in the seventy-five bonds of the Little Rock and Fort Smith Railroad company to oblige you?—A. Partially to oblige me and partially to do, themselves, what they ought to do for me.

Q. Was the Union Pacific Company in December, 1871, hard pressed for money, or had they plenty of money?—A. I guess they were always hard pressed for money, sir.

Q. Were they at that time?—A. I think so, and I think they are to-day. I believe it is very rarely that you can go into the coffers of a railroad company in the country and find that they have a million or two of dollars more than they need. They may actually have it in bank, but they will have obligations, probably, that will absorb the whole of it.

Q. You spoke a while ago of having other railroad bonds of this Little Rock and Fort Smith Company besides the seventy-five?—A. Yes.

Q. How many did you ever own of this company?—A. I do not know exactly how many I did own. Is that a question covered by the resolution under which this committee is acting, as to how many bonds other than those seventy-five I happen to own?

Mr. HUNTON. I thought it was legitimate or I would not have asked it.

Q. How many of these bonds do you own now?—A. None.

Q. What disposition did you make of the other bonds that you did own, besides these seventy-five?—A. I sold some of them and traded some of them off.

Q. When, and where, and at what price?—A. That I could not tell you, sir.

Q. Can you tell where you disposed of any of them?—A. No.

Q. Can you tell the prices which you got for any of them?—A. No; I could not at this moment.

Q. Will you be able to answer the question hereafter?—A. I might. If it is within the scope of the resolution under which you are acting, to know anything about my private business, yes.

Mr. HUNTON. I do not think it is proper, Mr. Scott, to raise this point.

The WITNESS. I only raise it because I understand that I am here to testify on the

question of what was done with the particular seventy-five bonds referred to. I want to tell this committee exactly whom I got those bonds from, exactly whom I gave them to, and exactly what I got for them, and what I did with the money; but outside of that I wish to submit to you for your own judgment and decision, the question whether my private business, outside of the transaction in question, is to be brought under discussion here.

Mr. HUNTON. I do not wish to ask about your private business, and I have not done so; what I do ask is as to those particular bonds of the Fort Smith Railroad. I do not propose to go outside of those.

The WITNESS. I thought the resolution related to these particular *seventy-five* bonds; that is why I mentioned the matter.

Mr. HUNTON. I will read the resolution and I think you will find you are mistaken.

"Whereas it is publicly alleged, and is not denied by the officers of the Union Pacific Railroad Company, that that corporation did, in the year 1871 or 1872, become the owners of certain bonds of the Little Rock and Fort Smith Railroad Company, for which bonds the said Union Pacific Railroad Company paid a consideration largely in excess of their actual or market value, and that the board of directors of said Union Pacific Railroad Company, though urged, have neglected to investigate said transaction: Therefore, be it

"Resolved, That the Committee on the Judiciary be instructed to inquire if any such transaction took place; and, if so, what were the circumstances and inducements thereto; from what person or persons said bonds were obtained, and upon what consideration; and whether the transaction was from corrupt design, or in furtherance of any corrupt object; and that the committee have power to send for persons and papers."

The WITNESS. I think that that refers distinctly to the "certain bonds in the possession of the Union Pacific Railroad Company."

Mr. HUNTON. There are no "seventy-five" bonds specified in that resolution.

The WITNESS. But it says "certain" bonds in the possession of the Union Pacific Railroad Company.

Mr. HUNTON. It is true that the resolution here has been directed to the seventy-five bonds.

The WITNESS. Yes; and that is all that the Union Pacific Railroad Company ever had anything to do with. I know exactly all about those seventy-five bonds. I have endeavored to tell the whole truth about the whole transaction. The bonds belonged to me and were sold to the company at a time when I needed money, and when I was serving that company. I had served them, as I have said before, to an extent worth more to the company than twice the par value of the bonds, and they were services that I would not undertake again for any company similarly situated for a hundred thousand dollars.

Q. Have the company ever agreed that they owed you anything but \$8,000 in salary?—A. They have never paid me that.

Q. Have they ever agreed that they owed you anything but that?—A. Nothing except this: The understanding was that they did not want to change the salary, as they had heretofore paid it, and apart from that question they gave me this as a consideration, or rather as an aid. I thought, when I sold the bonds that they were worth all I got for them, and to me it was a help. I owed some money, and it helped me to pay the debt. They took the bonds, and that is all they ever did for me. They never paid me my \$8,000. I have asked for it twice since that time, and I have no doubt that if you will take up their records you will find that I have asked for it twice.

Q. I have not yet got an answer to my question. When you assumed the presidency of the Union Pacific Railroad Company was there an express understanding between you and the company that you were to receive for your services as president more than the \$8,000?—A. There was no such understanding. The simple understanding was that I was to take hold of that road with a number of my friends; if I could get it out of the slough that it was in and could get it into better condition and better credit, and get its securities to be of more value, I should have accomplished a good work. I make no bargains with companies that I take hold of. I leave the question of compensation to them. I have been connected with one of the most important railroads in this country, in the future, in my judgment, and I have never raised that question, and they have never paid me any salary; but when they are in a condition I believe they will pay me an ample salary. I have been in business for a good many years, and have had business relations with a great many corporations and people, and I dislike very much to sit down before a legislative committee and spread my private business and my private relations out upon their record as to when and where and from whom I bought a bond or share of stock, and to whom I sold it.

Mr. HUNTON. I wish you to understand also that, in conducting this examination, I do not propose to go outside the line of my duty a hair's breadth, if I know it. I desire to conduct the examination with entire kindness to witnesses.

Q. As understand you, then, you cannot state to the committee what price you got for any other of the bonds of the Little Rock and Fort Smith Railroad, but those seventy-five?—A. No, sir.

Q. Can you approximate the price you received?—A. I cannot. I cannot take up these questions of my private business outside of those seventy-five bonds.

Mr. HUNTON. That is not outside of the resolution under which the committee is acting, because by getting at this information we arrive at the market-value of the seventy-five bonds. If you decline to answer the question, that is one thing; if you say you cannot answer it, because you do not remember, that is another.

The WITNESS. I say this, that I do not remember distinctly about it. I can say to you, in general terms, that I have sold and disposed of these bonds without, in my judgment, making any loss to myself on the original cost of 80 cents on the dollar; but to whom I sold them, and what I traded them for, and how I managed them, are questions of detail, which I would rather you would not ask me.

Q. You say you have not sold any of those bonds, other than the seventy-five, for less than 80 cents?—A. In my judgment, I have realized what they first cost me, 80 cents on the dollar.

Q. Have you realized that in money or property?—A. I think some of it in money and some of it in other securities. I have all my life been in the habit of changing and trading securities when it suited my interest to do so.

Q. Can you state to the committee any sale of these Little Rock and Fort Smith Railroad bonds by which you realized 80 cents on the dollar in money?—A. No, sir; I cannot take up that question and state anything in detail; but I give you my best judgment about it. So far as I know my business relations, I have realized in various ways, in money and securities, that which these bonds cost me; but I do not want to lay before the committee the detail of my business outside of the particular transaction in question.

Q. State to the committee whether, in the progress of your negotiations about these seventy-five bonds of the Little Rock and Fort Smith Railroad Company, from the time you became the owner until they were finally disposed of to the Union Pacific Railroad, you directly or indirectly knew Mr. Blaine in the whole transaction?—A. I never did; I never had a transaction with Mr. Blaine, in relation to the Fort Smith bonds, in my life.

Q. Either directly or indirectly?—A. No, sir; I want to say further, that while I was president of the Union Pacific Railroad Company I had no occasion to go to any member of Congress for anything. There never was one line of one law passed in either house, from the time I was made president until I left the service of the company, relating to that company, directly or indirectly; therefore I had no occasion to go to Mr. Blaine or any other member of Congress on any matter relating to the Union Pacific Railroad Company or relating to bonds or anything else.

Mr. HUNTON. I must remind you that I have not said a word about Mr. Blaine as member of Congress.

The WITNESS. You asked me about Mr. Blaine.

Mr. HUNTON. Yes; as plain Mr. Blaine, but not as member of Congress.

The WITNESS. Then I say, "plain Mr. Blaine."

Mr. HUNTON. I mean to say, Mr. Blaine whether he was a member of Congress or not.—A. I say, no, sir; I never knew him, directly or indirectly, in any transaction of the kind.

Q. Did he ever get any stock of the Union Pacific Railroad Company?—A. Never, to my knowledge; I never heard of his being a stockholder.

Q. You did not put these bonds with Morton, Bliss & Co., but Mr. Carnegie did?—A. Mr. Carnegie did; yes, sir.

Q. He did that as your agent?—A. He did that as my friend.

Q. He was acting for you?—A. Yes; he had advanced \$100,000 of bonds, which were his own, to borrow \$60,000 for me, and it was in lieu of this that I handed these bonds, through my secretary, to Mr. Carnegie to deliver through Morton, Bliss & Co. to the company, saying: "The company had done me this equity." With the proceeds I paid that debt, for which Mr. Carnegie had pledged, as he told me, \$100,000 of his own bonds as collateral with Morton, Bliss & Co. some three or four months before, and they were thus redeemed to him, and the company, for my benefit, paid.

Q. Mr. Carnegie was one of the executive committee of the Union Pacific Railway?—A. Yes; he was a member of the board.

Q. This transaction, however, was not made by him as a member of that committee, but as your friend?—A. As my friend.

By Mr. LAWRENCE:

Q. If I understand you correctly, this sale of these bonds to the Union Pacific Railroad Company was adopted as a mode of compensating you, in part, for your services as president of the company?—A. Yes; for extraordinary services that I had rendered to them.

Q. Assuming that those bonds which you sold the company were worth in the market only 50 or 55 cents on the dollar, and that you sold them at something over 80 cents on the dollar, how would the compensation thus given you compare with the compensation paid for similar services by other railroad companies?

The WITNESS. Do you mean me?

Mr. LAWRENCE. Yes.

A. It is a great deal less than my ordinary salary to-day, from a single company.

Mr. LAWRENCE. I did not mean to inquire about your salary, but how it compared with compensation paid for similar services by other railroad companies.

The WITNESS. It was a payment to me for services to that company, which I think were worth more than double the par value of the bonds. If they had paid me \$150,000, they would not have paid me a very inequitable amount for the services I had rendered that company.

Q. How would the compensation given you in that way compare with the compensation given by the other railroads of the country for similar services?—A. I believe the Reading Railroad pays its president an annual salary of \$30,000. The Philadelphia, Wilmington and Baltimore Railroad, for its main line of 100 miles, and companies controlled by it in Delaware, from \$20,000 to \$24,000; the Erie Co., I think, has paid its president a salary of \$40,000. People who have devoted their lives to railroads and understand the duties attaching to railroads, can command a considerable salary. When it comes to taking a company in such a very low condition as this company was when I took it, and render the services to it that I did, the money resulting from the purchase of these bonds is a very small compensation indeed. I understand to-day that notwithstanding that the Little Rock and Fort Smith Company has gone through the process of re-organization, (which is no uncommon thing in the West and South,) they still value their assets for this item at \$33,000; so that, taking it in its worst form, that would have allowed me a compensation of \$30,000, which I contend was no adequate compensation for the service I rendered the company.

Q. And the reason, if I understand you, for making this compensation in this form, rather than prescribe a fixed sum, was that the directors did not wish to interfere with their prior plan of a salary?—A. Yes, sir; it was very well understood that I was not going to remain permanently with the Union Pacific Railroad Company; that I had other corporations to attend to and other duties to perform, and therefore rather than vary their ordinary and customary salary, which was altogether too low an amount to pay any man who was in active duty, and who was worth anything for details on the line of the road, they simply had a president nominally at Boston whom they paid for office-duties there; a gentleman who was not familiar with the detail of controlling and operating a railroad and its men. They preferred, on this account, to keep the salary at \$8,000 a year, and not disturb that at all, and make me this compensation outside. They never made me any compensation except their purchase of these bonds, and if the road had been completed these bonds would have gone away above 80, and I should have had the right of taking them back again and paying the company what they paid me, and they would then have given me nothing at all except this accommodation when I needed it.

Q. Was this sale in December, 1871?—A. Yes.

Q. At that date, what was the reasonable prospect for the completion of the Little Rock and Fort Smith Railroad?—A. I understood it was very good. If the committee will allow me, I would say that this road was under progress. The Memphis and Little Rock Railroad, which, I suppose, every man in this room knows something about, was then in new hands for the purpose of reconstruction and re-organization. (That was in 1871 and 1872.) They expected to complete the Fort Smith Road, and they had a negotiation with me, looking to the leasing of the entire road, as constructed and reconstructed, to the city of Memphis, there to connect with the Memphis and Charleston Railroad, which we were then negotiating for, to carry a line of travel down through Chattanooga and Knoxville, and form a through line in connection with roads which afterward became the property of the Southern Security Company. The latter company bought the Virginia and Tennessee Company's stock, or a majority of it. They then leased the Memphis and Charleston Railroad. I was the chairman of the company that negotiated with Mr. Caldwell and Mr. Samuel Tate and one or two other gentlemen of Memphis, looking to the final success of their scheme; consolidating the two roads up from Memphis to Fort Smith, and thus forming a great line all the way from Arkansas by way of Virginia to the Atlantic Coast cities. But when the financial frosts of 1873 came around, in the form of a panic, a great many projects that had before that time looked well had to be left unfinished, and have never come to the surface since.

Q. This project turned out disastrously after December, 1871, as I understand?—A. Yes.

Q. What causes contributed to this?—A. My judgment is that when they came to sell their bonds and negotiate their securities, they had not the financial strength in their party to do it; they failed to get the money requisite, and failing to get their

money they failed to complete their road, so that when the time came for re-organization they could not affect it, and therefore their securities were largely rendered valueless. I could name you many roads to-day that were valuable roads in 1871 whose stock is not now worth a dollar.

Q. Have you any knowledge or information which would connect Mr. Blaine with these \$75,000 of bonds in any way?—A. None in the world.

Q. In what capacity did Mr. Caldwell represent the Little Rock and Fort Smith road?—A. He was the active man connected with the construction of the road, and I always believed that he was the main man in the whole enterprise, and was going on with the work, and raising the money principally through his Boston friends, by disposing of his bonds and other securities. I thought he was a very energetic man.

Q. Was it part of his business to make sales of the bonds? or did he, in fact, make sales of the bonds of the company?—A. It was his business, and I think he did it to a large amount.

Q. From whom did you receive these bonds?—A. Directly from him.

Q. Where at?—A. I guess at my office in Philadelphia.

Q. Where did he generally make the sales of his bonds?—A. He sold them in New York and, I think, in Boston. Mr. Caldwell knew that I was very largely interested with a number of gentlemen from Baltimore and elsewhere south in the purchase of the stock and securities of the various roads, commencing at Richmond and forming what was afterward known as the Southern Railway Security Company, and in which, I am sorry to say, I have over \$400,000 to-day that I would like to sell at 10 cents on the dollar. In carrying out these various enterprises, I thought the South was going to recover promptly her former prosperity; and, if so, these enterprises were going to do well.

Q. What I desire to know is whether Mr. Caldwell, in putting these bonds upon the market, adopted the usual course of going to the financial centers where such bonds were usually sold?—A. I think so.

Q. Have you any knowledge or information of any disposition of bonds outside of the regular way?—A. No.

By Mr. HUNTON:

Q. Look at this Financial Review (handing a printed paper to witness) and say what the quotations of the Little Rock and Fort Smith Railroad were in 1872.—A. (After looking at the paper,) I do not see that road noticed here, nor do I see the Baltimore and Ohio Road, which is a pretty well known road, nor the Pennsylvania Railroad, nor other corporations that are pretty well known in the country. I think you will find that this is but a partial list. I am not surprised that the Little Rock Road is omitted from it, since those others are. I observe that the Reading Railroad, also, is not shown on this list.

Q. Has the Reading Railroad any bonds upon the market?—A. They have about forty-five or fifty millions of dollars in bonds; I guess the Baltimore and Ohio and the Pennsylvania Railroad also.

Q. On the market now?—A. Yes, sir; that is to say, in the hands of purchasers and out of the hands of the company. I suppose that is what you mean by being "on the market."

Q. I mean offered on the stock-market.—A. Those are bonds owned by individuals, and that is what this list purports to give.

Q. During the time you were president of the Union Pacific Railroad were you president of any other roads?—A. Yes, sir; I was president of some thirteen or fourteen other roads.

Q. Then your time was divided up between those thirteen or fourteen other roads and the Union Pacific?—A. Yes; a little. And it is so to-day; I am president of some fifteen corporations to-day.

By Mr. LAWRENCE:

Q. State what effect upon the value of those services to the Union Pacific Railroad Company there would be by reason of your being president of other railroads.—A. I think that that was the main reason why they selected me, because I was connected with a great many other roads and was pretty well known and had had some little success in life as a railroad-man. I think that that was really what brought them to me—not that I was going to give them all my time, because they knew I could not do that. I knew it was a good enterprise, and that it was below what it ought to be, and I did believe that by giving one or two years to that corporation, as I could do, I would benefit it.

Q. So that they could have the benefit of your services, your experience, and your name?—A. Yes, and they got it, as is evidenced by the fact that in nine months 150 per cent. was added to the value of their stock, their income-bonds and land-grant bonds. I think that that was a service of considerable magnitude, or rather that they used me to their advantage to that extent.

By Mr. HUNTON:

Q. Provided that that result followed from your management of the road?—A. That is a question that I cannot very well discuss, but that certainly was the result after the lapse of that time.

By Mr. BLAINE:

Q. Did I ever write or speak to you on behalf of Mr. Caldwell, to urge you to buy these bonds?—A. You never did. I never had any conference with you about it.

Q. Had you any supposition that I knew at the time that there was anything going on between you and Mr. Caldwell?—A. No, sir; but about a year afterward you said to me, incidentally, "I hear that you are interested in Fort Smith bonds; what do you think is the outcome of the road?" I said to you then, as I would have said to any other gentleman at that time, "I believe they are going to succeed in completing their road, and if they do their securities are good," and I would say so now, if the road were completed.

Q. Did Mr. Caldwell ever intimate to you, in any way, that I had any direct or indirect interest in the bonds that he was selling to you?—A. He never did. He represented to me that they were the bonds of his own construction-party that were going on to complete this road, and I so understood when I bought the bonds and paid for them.

By Mr. HUNTON:

Q. You said that this Union Pacific had \$33,000 and upward of assets, derived from those seventy-five bonds of the Little Rock and Fort Smith Railroad Co.?—A. I merely saw that stated here in evidence to-day.

Q. Did you mean to be understood that that was the value of the assets?—A. I saw from their statement here to-day that they valued the re-organized assets received for those seventy-five bonds on their books as worth thirty-three thousand and some hundred dollars. I do not know anything about it otherwise than that.

Q. I did not understand it in that way; I understood the witness to say that they received them at that price for the seventy-five bonds?—A. No; I understood that these assets, \$33,000, were considered valid on the books of the company and that they represented this \$75,000 of bonds. It is customary, when a company is re-organized and its securities are scaled down, to represent them in that way—at the scaled-down value.

Q. As I understand it, the Little Rock and Fort Smith Railroad Co. is bound to pay \$33,000 instead of \$75,000 for those bonds?—A. No, sir; I understand it that they have securities to the amount of about \$48,000, which they hold the Little Rock for, but that they estimate them on their books as thirty-three thousand and some hundred dollars.

Q. And this valuation was made in last July?—A. Yes, sir, in July last; but I understand that the re-organized company of the Little Rock & Fort Smith sold the stock and made new bonds and new stock, and in scaling down they gave the Union Pacific Railroad Company for their seventy-five bonds, about \$48,000 in securities; that is, \$38,000 or \$39,000 of stock; \$5,500 of first-mortgage bonds, and four thousand and odd dollars of certificates, the nature of which I do not know, but as I run it over in my mind, I believe that \$48,000 of assets were made out of \$75,000.

Q. Do you understand what the expression "Atkins, Trustee," means?—A. I do not know, but I know enough of the Union Pacific Company to believe that "Atkins, Trustee," means that Mr. Atkins, who is their financial director in Boston, had probably a trusteeship coming through this re-organization.

Q. Explain how?—A. I do not know how, but I know Mr. Atkins very well, and he is one of the best men in Boston. If there were a trust to be made through the re-organized company, they could not select a better man. They have probably got him to act as trustee of the Little Rock & Fort Smith in the re-organization of that company, and he has probably given the Union Pacific, for her pro rata proportion of the re-organization, a certificate for undivided amount of assets which is still in his hands. It is not customary for a road when about to be re-organized, to be closed up all at once; it is very difficult to do that. The trustee takes up all the old securities and puts out the new ones. Mr. Atkins, I presume, has given this company so many bonds and so much stock, and he has so much of the assets still in trust for division among the proper parties entitled justly to them, and he distributes as he gets further along in the re-organization of the company, or distribution of assets in his hands. I never knew anything about this particularly until I heard it mentioned here to-day.

Q. You think the main man in the management of this Little Rock and Fort Smith Railroad Company was Josiah Caldwell?—A. Yes, sir; he was one of the most active men I have ever met in my life, and I believe he was the active man of that road. He was full of energy and business, and was a man of enthusiasm in behalf of this enterprise.

By Mr. BLAINE :

Q. Have you any knowledge at all that I was interested in the bonds before you purchased them, or that I was in any way interested in the proceeds after they were taken by the Union Pacific Railroad Company, or any belief to that effect?—A. I have no knowledge of your being connected with them in any way whatever, nor have I any belief in regard to your ever having anything whatever to do with them, so far as my connection with this transaction was concerned. It was as perfectly distinct from Mr. Blaine as it was from that glass [indicating a glass in the room.] Mr. Blaine never had anything to do in any way, directly or indirectly, with the matter—never was interested in it, or connected with it in any manner whatever. I was dealing in this as a railroad man, as I have dealt in many similar things, sometimes to my advantage and sometimes to my disadvantage.

JOHN McCLURE sworn and examined.

WASHINGTON, D. C., May 16, 1876.

By Mr. HUNTON :

Question. Where do you reside?—Answer. I reside at Little Rock, Arkansas.

Q. Were you ever acquainted with Josiah Caldwell; and if so, had he any connection with the Little Rock and Fort Smith Railroad Company, and what connection?—A. I was acquainted with Josiah Caldwell. He was connected with the construction of the Little Rock and Fort Smith Railroad.

Q. How connected with it?—A. I merely state an impression. The board of directors of the Little Rock and Fort Smith Railroad Company entered into an exhaustive contract, I think, with William P. Dently and a man by the name of Haney, giving to them the first-mortgage bonds, the land-grant bonds, the State-aid bonds, county bonds, and such subscriptions as might be procured along the line of the railway. That contract was afterward assigned to some other parties, and in this assignment Caldwell became a final contractor under this original exhaustive contract. Caldwell assigned his contract, or sublet it, to Warren Fisher, of Boston.

Q. Did you ever hear from Caldwell of the disposition of any of the bonds of that railroad company? and if so, state it.

Mr. LAWRENCE thought the question objectionable as being hearsay.

Mr. BLAINE. With the permission of the committee, I would like to say one word here. I have suffered, no doubt, in the estimation of a great many good people in this country, because of a partial belief that I was interested in the bonds of the Fort Smith Railroad that went to the Union Pacific Railroad Company. That question has been sent to this committee for investigation, and there is nothing else in the resolution to investigate. Now I am entitled to a report upon that subject. I do not want it mingled or commingled with any other thing. The resolution is strictly and absolutely limited to that. Whatever the House, in its discretion, may send to this committee to investigate, otherwise, it is not for me to say, nor for me to object to, but I wish the question now before the committee to be kept unmixed with any other. I want it to stand exactly where the witnesses who have knowledge of it leave it. It is not for me to say whether the question has been exhausted, but I want the witnesses examined on this question to be examined as to this \$64,000 transaction. That is the one topic sent here by the resolution of the House. The Little Rock and Fort Smith Company is simply mentioned because the bonds which were supposed to be corruptly purchased by the Pacific Railroad Company were bonds of that company. As to the other affairs of the Fort Smith Company and its organization they do not seem to me to be within the scope of the inquiry submitted to the committee, and I mention it here, not that I have the least objection to the inquiry, but that the first question may be first settled; and I think I have the right, in the name of justice, to make that demand. I am not willing to let the question drop without the fullest and most impartial investigation, but I do not want any questions brought in here to obscure my acquittal, and I speak confidently of my acquittal, for I am as innocent as the child unborn. I want every fact in this transaction brought out before the American people. If there is anything else to be investigated after that, it will be for the House to so order.

Mr. HUNTON. I understand the force of the objection of Judge Lawrence.

The WITNESS. I do not know a thing about this matter that would be testimony in any court in the world, to the best of my knowledge.

By Mr. LAWRENCE :

Q. Have you any knowledge or information as to the 75 bonds which were sold to the Union Pacific Company, and about which testimony has been taken?—A. No, sir; I never knew even that they were sold to it.

By Mr. HUNTON:

Q. You know nothing about the possession of the Union Pacific Railroad Company of any bonds of the Little Rock and Fort Smith Railroad Company?—A. No, sir; all I know about the possession of any \$75,000 of Fort Smith bonds by the Union Pacific Railroad Company is merely what Mr. Caldwell told me.

Mr. HUNTON. That we do not want you to go into, sir.

Adjourned.

WASHINGTON, D. C., May 17, 1876.

JAMES F. WILSON recalled.

By Mr. HUNTON:

Question. Please state whether, in the conversation alluded to by you in your former examination, you told all that passed between yourself and Mr. Blaine.—Answer. I gave the substance of it.

Q. I would be glad that you repeat it in the exact language used, so far as you can recall it.—A. I informed Mr. Blaine that I had understood from the report which has been testified to by Mr. Harrison that his name was connected with the seventy-five Little Rock and Fort Smith bonds which were in the possession of the Union Pacific Railroad Company. Mr. Blaine expressed surprise that his name should be so connected, and stated that no one could be more surprised than himself at such a report; that he never had had anything to do with those bonds; that he never had any interest in them; that he was not interested in them then, nor had he any prospective interest in them. That was the substance of that portion of the conversation. I asked him whether he had any theory on which to explain the connection of his name with those bonds. He said that he had not, and that he certainly never had been interested in them, nor had anything to do with them. He said that the only thing which he could fix in his mind out of which such a rumor could have originated was the fact that during the pendency of certain negotiations between parties interested in the construction of the Little Rock and Fort Smith Railroad and others, (whom, as I stated in my examination the other day, I afterward understood to be the parties interested in the Southern Improvement Company, Mr. Scott being one of them,) he had been requested to speak to those parties in aid of the negotiation that was pending, and that he had done so, but that he had no interest in any bonds that were pending in that negotiation, nor any interest in connection with the road, except the bonds which he himself had purchased, paying for them as others had paid, and which he still held as his own property.

Q. Did he say anything in that conversation about his having held those bonds, or any other such bonds, for constituents of his or for anybody else?—A. No, sir. In that conversation, Mr. Blaine spoke of parties interested in the construction of that road, and among others he mentioned Mr. Caldwell as one of the parties who had spoken to him.

Q. Spoken to him about what?—A. About speaking to those other parties in aid of the negotiation that was pending. What that particular negotiation was, I do not know, because that was a branch of the subject to which I gave no personal interest.

Q. Was it to speak to those parties in behalf of Caldwell, so as to aid in the negotiation of these bonds?—A. I cannot say that Mr. Blaine said that it was in behalf of Mr. Caldwell, but in behalf of this pending negotiation.

Q. The pending negotiation was a negotiation by Caldwell with the Southern Improvement Company?—A. Yes, sir; but I did not understand Mr. Blaine to intimate that those 75 bonds were involved in the matter at all. On the contrary, I understood him to say that that transaction was one with which he had nothing whatever to do, and that he had no knowledge of them until he heard of his name being connected with them.

Q. Then, he did not say nor intimate anything from which you could infer that he held those 75 bonds for a constituent, or for anybody else?—A. O, no, sir; the impression made on my mind by the emphatic statement of Mr. Blaine was that he had not had anything to do with those bonds.

Q. Either for others or for himself?—A. Yes; and in the same conversation, (conversing about it here refreshes my memory somewhat in regard to it,) Mr. Blaine asserted most positively, that with regard to that subject he was prepared to undergo the most rigid investigation at any time that it should be ordered. The impression made upon my mind was that Mr. Blaine was not connected with that transaction, and I became satisfied that so far as pushing inquiry in that direction was concerned, I had gone as far as it was proper for me to go.

Q. Were you a Government director at the time Mr. Scott was made president of the Union Pacific Railroad Company?—A. I was.

Q. State what the contract was between the company and Mr. Scott.—A. I cannot state what the contract was, if there was one.

Q. Were you present when he was made president?—A. I was present at the annual meeting when he was elected.

Q. And you do not know on what terms he was made president?—A. I do not know of any terms, except that he was elected a member of the board of directors at the stockholders' meeting in March, 1871, and afterward, on the organization of the board, he was elected by the board president of the company. Whether he had any understanding with the directors of the company as to what he was to receive, or as to what he was to do beyond the ordinary discharge of the duties of a president, I do not know. There are a great many negotiations carried on by what we call the stock directors of the Union Pacific Railroad Company, of which the Government directors have but little knowledge.

Q. You are put there by the Government to see that the Government is protected in all its contracts, and do you think that that is right?—A. I have always thought that the Government directors were entitled to know all that was going on, and I must say that there has been a very great improvement in that respect of late.

Q. Did you raise the question in the board that these things were going on without your knowledge, as a Government director?—A. In the early years of my connection with the company as a Government director, I and my associates did complain considerably in regard to not being informed more than we were.

Q. Did you report that fact to the Secretary of the Interior?—A. I do not know whether we ever reported that particular fact; our reports are printed and among the documents of the House.

Q. What salary did the Government directors receive?—A. We received a compensation of \$10 a day when actually employed in the service—\$6 a day for expenses; and the actual traveling-fare paid was returned to us. That we received from the company, not from the Government.

Q. Do you know of any bonds of the Union Pacific Railroad Company, or of any bonds which the Union Pacific Railroad Company controlled, that were paid to Thomas A. Scott for his services as president?—A. I do not.

Q. Do you know of any compensation which the company made to Mr. Scott for his services as president?—A. I do not know.

Q. You cannot tell, then, what salary was agreed upon or paid?—A. No, sir; I do not think there was ever any action taken in regard to fixing Mr. Scott's salary while he was president of the company; nor do I remember any action that has been taken since on the subject. I have understood that the question of compensation was an open one.

Q. Do you know what he has demanded of the company as his compensation?—A. I know that he sent one or two communications to the company with reference to his compensation. I think these communications have not been finally acted upon. I do not now recollect whether in them he stated the amount.

Q. Are those communications on file among the books and papers of the company?—A. I presume they are.

Q. Do you know whether any of the Government directors of the Union Pacific Railroad Company know the terms on which Colonel Scott was made president of that company?—A. I do not.

Q. Was it ever a matter of discussion at the board, or among the Government directors?—A. I have no recollection of such discussion.

Q. Was it ever mentioned to the board, or discussed among the Government directors, what compensation Colonel Scott demanded as president of the company?—A. I have no recollection of any such discussion. When the communications from Colonel Scott were put before the board, there may have been some discussion, but what it was, if any, I am not prepared to state. My impression is that the communications were referred by the board to the executive committee.

Q. You are a member of that executive committee?—A. Yes.

Q. As a member of that executive committee, do you know anything more about the matter than you do as Government director?—A. I do not.

Q. Then I understand you to say that the board of directors, so far as you know, employed Colonel Scott without any contract; and that, so far as you know, he never has been paid any compensation?—A. So far as I know, that statement is correct. The only fact which I know contrary to it is what Mr. Scott himself stated in his testimony here on Monday.

By Mr. LAWRENCE:

Q. Have you stated all the conversation with Mr. Blaine?—A. I think I have, substantially. Our conversation was not a very extensive one. I think I have stated it substantially. As I remarked in my testimony on Monday, I have seen reports concerning that statement alleged to have been made by me to Mr. White, of the Chicago Tribune; but, as I stated then, if Mr. White got a different impression from what

I said here, it was by the confounding of the two branches of the subject, and I should certainly regret very much to have given Mr. White a different impression, because it would have been unjust toward Mr. Blaine. I certainly had no intention of doing so. The conversation with Mr. White was a casual one, without any purpose or expectation on my part that it was going to be published; otherwise, I might have been very careful, if I was not sufficiently careful in the conversation, to have expressed myself clearly. I certainly never intended to convey such an impression in regard to it as I have seen in the newspapers, because that would have been entirely unjust to Mr. Blaine.

Q. Do you know any other fact which you have not stated that would throw any light on the question of the sale of these 75 bonds?—A. I do not.

Q. Or as to their ownership?—A. No, sir.

(Mr. Hunton stated to Mr. Wilson and to Mr. Millard (a former witness) that they might return to their homes, but would not be discharged from the subpoenas, and would be expected to return on notice by telegram if needed.)

WASHINGTON, D. C., May 17, 1876.

L. P. MORTON sworn and examined.

By Mr. HUNTON:

Question. State your residence and occupation.—Answer. I reside in the city of New York; I am a member of the firm of Morton, Bliss & Co., bankers.

Q. How long have you been a member of that firm?—A. Under its present style, the firm has been in existence since 1869, I think.

Q. State whether you recollect a transaction involving 75 one-thousand-dollar bonds of the Fort Smith and Little Rock Railroad Company.—A. (Referring to a memorandum.) I find on examination of our books that in June, 1871, we loaned to Mr. Andrew Carnegie \$60,000 on the security of 67 Union Pacific income-bonds, and of 74 bonds of the Little Rock and Fort Smith Railroad Company. Some changes were made in the collaterals from time to time.

Mr. HUNTON, You had better state the whole transaction.

The WITNESS. On the 11th of July, we exchanged the above collaterals for 100 of the first-mortgage bonds of the Keokuk Bridge Company. On the 20th of November, 1871, we exchanged the Keokuk Bridge bonds for 1,136 shares of the Pennsylvania Railroad stock. On December 21, 1871, we exchanged the latter for an acceptance of the Union Pacific Railroad Company for \$64,000, due January 23, 1872, with 75 Fort Smith and Little Rock bonds as collateral. The original loan was to Carnegie for \$60,000. We received this acceptance in settlement of the loan.

Q. Where were those 74 bonds of the Little Rock and Fort Smith Railroad Company at the time you received this acceptance of a draft on the treasurer of the Union Pacific Railroad Company?—A. According to our record, they had been surrendered to Mr. Carnegie on the 11th of July.

Q. At what period did you draw this draft on the treasury of the Union Pacific Railroad Company?—A. I have not the date here, but it matured on the 23rd of January, 1872.

Mr. CARNEGIE. It was a forty-day draft.

Q. You had parted with those 74 bonds some months before you drew this draft on the treasurer of the Union Pacific Railroad Company?—A. We had, as appears from our books.

Q. Did Mr. Carnegie negotiate this loan for himself; if not, for whom did he negotiate it?—A. We understood that he negotiated it for Colonel Scott.

Q. From whom did you so understand?—A. From Mr. Carnegie, at the time of the loan.

Q. Why were those changes in the security for the loan, to which you have alluded, made?—A. I have no recollection.

Q. At whose instance were they made?—A. I have no recollection on the subject.

Q. Did you ever have those 74 bonds after you delivered them to Mr. Carnegie on that occasion in July, 1871?—A. I presume not until we received 75 bonds in December as collateral for the acceptance of the Union Pacific Railroad Company.

Q. Why did Mr. Carnegie hand you those 75 bonds?—A. I do not know why. I suppose he wished us to take the acceptance of all those bonds as collateral in settlement of the loan. That appears to have been the result of the transaction. We took it in settlement, liquidating the account, and paying him the balance due to him in the account—some small balance; \$64,000 was somewhat more than the amount of his indebtedness. That was taken and the amount closed.

Q. So that, from that moment, you became the owners of the seventy-five bonds?—A. No, not the owners. We discounted the acceptance of the Union Pacific Railroad

Company with those bonds as collateral. That acceptance being paid, the bonds went with the acceptance. We took them in settlement of the loan in that way.

Q. At the time these seventy-five bonds were given you, in December, 1871, what conversation took place between you and Mr. Carnegie?—A. I have no recollection on the subject.

Q. Did you ever hold a note or obligation, of any description, of Colonel Scott's as collateral for that loan?—A. I think not.

Q. Can you say that you did not or that you did?—A. I think I can say very safely that we did not. From an examination of the books, the loan was made to Carnegie, as we understood at the time, for the account of Colonel Scott.

Q. Were those seventy-five bonds put into your hands at the time you were informed of the action of the executive committee of the Union Pacific Railroad Company in regard to that loan?—A. I have no special recollection as to the action of the executive committee.

Q. It was stated yesterday that the treasurer of the company received a letter from you inclosing a draft; why did you write that letter to the treasurer inclosing a draft?—A. On the authority of the president or of the vice-president of the Union Pacific Railroad Company.

Q. Then it was on the authority of Colonel Scott?—A. It must have been on the authority of Colonel Scott, president, or of the vice-president, Mr. Duff.

Q. They told you that that arrangement had been made with the Union Pacific Railroad Company, and by which you were to draw on the treasurer?—A. They did, undoubtedly, else we should not have made the draft. We were the financial agents of the company at that time.

Q. Did you ever learn, in the course of your negotiation with Carnegie, or otherwise, that that loan of \$60,000 was originally made for the benefit of Colonel Scott?—A. We understood that the loan was for his account.

Q. Did you ever hear the name of Mr. James G. Blaine mentioned in connection with that loan, or with those securities, from the time the negotiation began until you received your \$64,000 from the Union Pacific Railroad Company?—A. Never.

Q. You have no reason to believe that he was, directly or indirectly, connected with this transaction?—A. None whatever.

Q. How did you pay this \$60,000?—A. We paid it in a check.

Q. To whom?—A. To Mr. Carnegie.

Q. Do your books show that you paid that money by a check to Mr. Carnegie?—A. Our books show that we gave a check to Mr. Carnegie of \$60,000 in June, 1871.

Q. That check, of course, came back to you?—A. Undoubtedly.

Q. Who are the indorsers on that check?—A. I do not know.

Q. Can you inform the committee?—A. I cannot now; I can on my return.

Mr. HUNTON. Please to send the committee a copy of the check, and the indorsements on it, so that it may be made a part of your sworn testimony.

The WITNESS. I will do so when I return.

Q. State how you learned, and from whom, that this loan was for the benefit of Colonel Scott?—A. We learned it from Mr. Carnegie.

Q. Was Mr. Carnegie a general agent of Colonel Scott's?—A. Mr. Carnegie was a director of the Union Pacific Railroad Company at the time, and was a member of the executive committee. We knew that he was in intimate business relations with Colonel Scott.

Q. Were those seventy-five bonds which you held finally as a security for that loan the same bonds so far as seventy-four of them were concerned as you originally got?—A. That I do not know.

Q. Is there nothing on your books to show?—A. There is not.

Q. They were all, both the seventy-four and seventy-five, bonds of the Little Rock and Fort Smith Railroad Company?—A. Yes.

Q. Do you recollect whether they were mortgage-bonds or land-grant bonds?—A. I do not recollect.

Q. Can you state the value of those bonds at that time?—A. I have no information as to their value at that time except that I should not have been likely to accept them as collateral if we had not supposed that they had a market-value.

Q. Had you anything else as security for that loan in the first instance besides those bonds?—A. We had, as I have already stated, as security for the original loan, sixty-seven Union Pacific income-bonds and the seventy-four of the Little Rock and Fort Smith bonds.

Q. Which were the best security?—A. That I am unable to state now.

Q. Can you state the value of those Union Pacific income-bonds at that time?—A. I do not know what their value was at that time.

Q. Can you refer to the quotations when you return, and give us the market-value of each of those securities?—A. I do not know whether the Little Rock bonds were quoted on the stock-exchange or not.

Q. If those bonds of the Little Rock and Fort Smith Railroad Company were not

quoted on the stock-exchange, would not that fact be evidence that they were not salable on the market?—A. Not necessarily. A good many securities are sold privately, by private negotiation, which are not officially quoted on the stock-exchange.

Q. Do you not know that at that time the parties owning those bonds could not dispose of them by sale?—A. I have no special knowledge or information now as to their value.

Q. State any knowledge that you have that is not special.—A. I have none.

Q. State whether you know or not that the parties owning these securities were not making every effort, publicly and privately, to dispose of them.—A. I do not know that. I only know the fact that we should not have received bonds as security, if we did not suppose that they could be sold at a price which would have covered the loan. We should not have made a loan of \$60,000 if we did not believe at the time that the securities could have been sold at enough to cover that loan.

Q. The securities that you are talking of now include the Union Pacific income-bonds?—A. Yes.

Q. You would not have made the loan unless you considered the securities of both of those companies good for the money?—A. We should not.

Q. You cannot state whether your reliance on those securities as collateral for the loan was mainly based on the Union Pacific bonds or on the Little Rock and Fort Smith bonds?—A. No, I cannot.

Q. Do you know of anything touching this negotiation, or touching any other transaction about those bonds, in which Mr. Blaine was concerned or interested, not only as to those bonds alone, but as to any bonds of those companies?—A. I do not.

Q. Did Mr. Blaine ever make a loan through your house either in person or by an agent or friend?—A. Never, to my knowledge.

Q. Did you ever have any business transactions with him or with any friend or agent of his?—A. None whatever.

Q. Do you know anything concerning the character of the ownership which Colonel Scott had in those 75 bonds of Little Rock and Fort Smith Railroad Company?—A. I do not.

Q. Did you ever, during these negotiations, hear Colonel Scott say anything about it?—A. No, sir; never.

Q. Did you ever hear Mr. Carnegie say on what terms Mr. Scott held those securities?—A. Never.

By Mr. LAWRENCE :

Q. This loan was made in the name of Carnegie for the benefit of Colonel Scott?—A. Yes, sir.

Q. State whether there was any usage of making loans in the name of agents for the benefit of principals.—A. Of course we only held Mr. Carnegie in the transaction, but we understood from him that the loan was not for himself but for Colonel Scott.

Q. Did you also make other loans for Colonel Scott in the name of Carnegie?—A. My impression is that we did make other loans to Colonel Scott and Mr. Carnegie for the account of both parties.

Q. Then there was nothing unusual in the form of that loan?—A. No, sir; it was in the regular course of our business. We had frequent transactions of a similar character with Mr. Carnegie.

Q. Did you have similar transactions with other agents representing other principals while you made the loan in the name of the agents?—A. I do not recollect. We should have made loans to any respectable and responsible party, if we deemed the security good.

Q. There was nothing unusual in that form of doing business?—A. Nothing whatever. In fact, transactions of that character are very frequent with us on the part of brokers and others who make loans for other parties.

Q. Your object, of course, was to get the interest on perfectly good security.—A. That was the object.

By Mr. HUNTON :

Q. Were you one of the directors of the Union Pacific Railroad Company at the time Mr. Scott was president?—A. I think not.

Q. What time did you enter the board as director?—A. In March, 1872, I think.

Q. That was the time that Colonel Scott retired as president?—A. Yes.

Q. Were you a Government director, or a stockholders' director?—A. I was a stockholders' director.

Q. Do you know anything of the bargain between the company and Mr. Scott, as its president?—A. I do not.

Q. Can you state what Mr. Scott demanded of the company as his compensation?—A. I cannot.

Q. Do you know of any negotiation between him and the board as to his compensation as president?—A. I do not. I was elected in March, 1872, at the time that Col-

onel Scott retired. I have no recollection of the subject coming up at the meetings of the board of directors at which I was present.

Q. Then, so far as you are advised, nothing has been said between the board and Colonel Scott as to his compensation?—A. Nothing, so far as I know.

Q. What was the consideration moving the company to order its treasurer to accept this draft of Morton, Bliss & Co. for \$64,000?—A. I do not know.

Q. Colonel Scott has never made any demand on the board for compensation since you have been a member?—A. Not to my knowledge.

Q. Are you still a member of the board?—A. I am not.

Q. How long did you remain on the board?—I think for two years, from March, 1872, to March, 1874.

Q. And during that period no demand was made by Colonel Scott?—A. Not to my knowledge.

Q. Were you a regular attendant at the meetings of the board?—A. I was.

Q. Were you a member of the executive committee?—A. I was not.

The witness was directed to consider himself still under the subpoena and liable to be recalled if needed.

WASHINGTON, D. C., May 17, 1876.

ANDREW CARNEGIE sworn and examined.

By Mr. HUNTON:

Question. State your residence and occupation.—A. I reside in New York City. I am an iron and steel manufacturer. My office is at 57 Broadway.

Q. Are you now, or have you ever been, a director, of the Union Pacific Railroad Company, and a member of the executive committee thereof?—A. Yes; I have been both. I was elected a director in March, 1871, with Mr. Scott, Mr. Pullman, and J. Edgar Thompson. Mr. Scott's connection with the Union Pacific Railroad Company was begun through me. While the Union Pacific Railroad Company was in difficulties in 1871, Mr. George W. Pullman, of Chicago, came to my office and told me what a fix they were in. He said that it had been suggested that if a strong party could be had who would take hold of the road and advance some capital and give it good management, the company could be rescued. He said that the names of Thompson, Scott, and myself—the Pennsylvania Railroad party—had been suggested, and asked whether I thought the matter could be arranged. I took up the subject, looked into the matter, and made up my mind that it was a good property. I had several interviews with Thompson and Scott on the subject. I induced them to take hold of it with me. Mr. Thompson especially consented only on the condition that I should have charge of all the matters connected with the finances, and I did have. All the securities which were handled passed through my hands and were held in my vaults, in New York, and while Mr. Scott was president I necessarily attended to a good deal of business for him. I had been Scott's private secretary since I was a boy, and was on the most intimate terms with him.

Q. Your term of service as director began in March, 1871?—A. Yes, and ended, with Colonel Scott's, in March, 1872.

Q. State whether there was any contract or understanding between the Union Pacific Railroad Company and Colonel Scott as to his compensation as president?—A. I believe there was no distinct understanding; none that I am aware of.

Q. Was there any indistinct understanding?—A. I should say that in such cases there always is an indistinct understanding that if a man makes the business a success he will be compensated for it. It is generally left to the leading stockholders and managers of the road to distinguish what is just and fair under the circumstances.

Q. Do you mean to say that it is a rule generally adopted by railroads to pay their president according to the success of his management?—A. This was an exceptional case. It is so when a railroad company is demoralized and requires not only management but credit.

Q. State what other railroad company has pursued that plan?—A. I cannot recall at this moment any company.

Q. Then why did you say it was usual?—A. I know that I have heard of such cases where a compensation would be, to some extent, contingent.

Q. That would be a contract for contingent services, but, as I understand your evidence, you say that it is usual with railroad companies that have been demoralized to elect a president and to pay him according to his success. State a company which has pursued that plan.—A. The Reading Railroad Company, for instance, has made a contract with its president to pay him \$30,000 per annum for life. He was a young lawyer and developed extraordinary ability, and the company took him from his profession and gave him this position for life.

Mr. HUNTON. Still that does not come within the scope of the kind you have alluded to. That is a payment of a specific sum per annum; but you stated a while ago that the sum to be paid would depend on the success of the management.

The WITNESS. On the contrary, I say there was no distinct understanding, but I think

there is always an indistinct understanding, when a gentleman is called upon to give his time and credit to a company, that he should be compensated.

Q. I want to know what companies have pursued that course.—A. The Erie Railroad Company is another instance. I think, where a gentleman was taken from a railroad in Ohio and was insured \$400,000 for a certain term of years' service; it was so far contingent that he received, I think, his salary for seven years, (it may be only for four) in cash, before he left his position in Ohio.

Mr. HUNTON. That was a specific contract. You are speaking of Colonel Scott's contract, which you say was not a specific contract.

The WITNESS. No, but I think the compensation given in such cases would be somewhat of a precedent in fixing Colonel Scott's compensation.

Q. Then you mean to say that what these companies have done reflects light on what the Union Pacific Railroad Company ought to do in regard to Colonel Scott's. That is all you mean?—A. Exactly so; and Colonel Scott then supposed so.

Mr. HUNTON. You do not know what Mr. Scott supposed?

The WITNESS. I noticed in the Herald the other day that he said so.

Q. Has Colonel Scott ever been paid for his services as president?—A. I believe not. Not while I was director.

Q. Was he ever paid any sum on account of his salary?—A. I believe not.

Q. If he rendered valuable services to the company, why was he not paid?—A. I cannot tell.

Mr. HUNTON. You were one of the payors?

The WITNESS. The question did not arise while I was director.

Q. Did he ever ask for compensation?—A. Never to my knowledge. His salary would be paid annually, and he was there only one year.

Q. Do you know anything of that order of the executive committee of the Union Pacific Railroad Company, dated December 16, 1871, authorizing Morton, Bliss & Co. to draw on the treasurer for \$64,000?—A. Yes.

Q. Were you present at the meeting of the board when that order was made?—A. I was.

Q. Did the Union Pacific Railroad Company owe Morton, Bliss & Co. that money?—A. No, sir.

Q. Then why were they authorized to draw on the company for that amount?—A. I believe it was part of a settlement with the finance committee of the Union Pacific Railroad Company. Mr. Scott informed me that it was so.

Q. There was an executive committee and a finance committee?—A. Yes.

Q. What powers had the finance committee?—A. It had power in all matters pertaining to finances.

Q. How much power?—A. All matters pertaining to finances first came through the finance committee and then came to the executive committee.

Q. After the action of the finance committee, its action was reported to the executive committee?—A. Yes, sir.

Q. State whether the action of the finance committee in regard to that order of the 10th. December, 1871, was reported to the executive committee.—A. To me there was only a verbal report from Colonel Scott that the matter had been arranged, and I voted for it.

Q. How did he say it had been arranged?—A. That it had passed the committee; that the exchange should be made.

Q. What exchange?—A. That the bonds of the Little Rock and Fort Smith Railroad Company should be taken and paid for by a draft on the treasurer of the Union Pacific Railroad Company.

Q. He reported to the executive committee that the finance committee had agreed to take those seventy-five bonds from the Union Pacific Company and to pay Morton, Bliss & Co? the \$64,000?—A. Yes, sir.

Q. Were those seventy-five bonds of the Little Rock and Fort Smith Railroad Company mortgage-bonds or land-grant bonds?—A. I am not sure about that.

Q. Was that arrangement which Colonel Scott reported to the executive committee understood to be an arrangement for the benefit of Colonel Scott, or for whom?—A. For the benefit of Colonel Scott.

Q. Why did the directors of the Union Pacific Railroad Company make this arrangement for the benefit of Colonel Scott?—A. I do not think that they were doing much for the benefit of Colonel Scott. At the time they took these bonds almost any bonds of an incomplete line were supposed to be worth 80 cents on a dollar. I had purchased and paid for several bonds of incomplete lines at 80 cents on a dollar.

Q. But this was more than 80 cents on a dollar.—A. The accrued interest made the difference.

Q. Did Colonel Scott inform the board or report to the executive committee, or inform you how he became the owner of those seventy-five bonds?—A. He never did.

Q. What were the bonds worth on the market at that time?—A. The rule of the New York stock exchange is that no bonds of an incomplete line can be quoted on the exchange; therefore these bonds were not officially on the stock-exchange at all.

Mr. HUNTON. I ask you what the market-value was, without reference to whether they were on the stock-exchange list.

The WITNESS. I cannot answer that; I never heard of a sale of Little Rock and Fort Smith Railroad bonds; I never heard of any other but this lot.

Q. Did the executive committee of the Union Pacific Railroad Company agree to receive seventy-five bonds and to pay \$64,000 for them without knowing anything of the value of the bonds?—A. They knew that there was an extensive land-grant with them. I think that the land-grant was one million acres.

Q. Did you know that fact when you made this transaction?—A. Yes. Generally speaking, these bonds ranked with the general run of western bonds of incomplete lines.

Q. Did they rank with the Union Pacific Railroad Company?—A. I think that at that time they were almost higher than Union Pacific bonds. The Union Pacific Railroad bonds at that time were selling at about 80, and my impression is that we paid more for those bonds.

Mr. HUNTON. You are under the impression that you paid a higher price for them than the Union Pacific Railroad bonds commanded at that time; but my question is whether they were worth as much as the Union Pacific Railroad bonds?

The WITNESS. I cannot answer that question.

Q. Do you know how Colonel Scott got possession of those seventy-five bonds?—A. No, sir; I never heard.

Q. When did you first know that he had possession of them?—A. Never, until within a few days before I made the loan for him with Morton, Bliss & Co.

Q. Did he have those bonds at the date of that negotiation?—A. My recollection is that his secretary brought them over to me from Philadelphia, and as I handed them to Morton, Bliss & Co. at that date, of course Colonel Scott must have had them. The date of the loan was June 3d.

Q. And at the date of that loan you put those seventy-five bonds in the hands of Morton, Bliss & Co.?—A. I should say so from the record of Morton, Bliss & Co.'s books; but, trusting to my own recollection, I should have said that it was later, but I should not like to go behind the record of Morton, Bliss & Co.'s books.

Mr. HUNTON. I wish your own recollection on the subject.

The WITNESS. My recollection is that a few days afterward Mr. Scott's secretary brought me the Fort Smith and Little Rock Railroad bonds, and that I handed them over to Morton, Bliss & Co.

Mr. HUNTON. Mr. Morton says that Colonel Scott, through you, first deposited sixty-seven Union Pacific Railroad bonds as collateral?

The WITNESS. Yes; Union Pacific income-bonds. These were my own.

Q. And you state that you deposited at the same time those seventy-five Little Rock and Fort Smith bonds?—A. My recollection about the Little Rock and Fort Smith bonds is this: that I went to Morton, Bliss & Co., and made the loan for Colonel Scott on \$67,000 of Union Pacific income-bonds, stating to them that Colonel Scott was to send me \$75,000 of Little Rock and Fort Smith bonds, and that he did so send them within a day or two, and that I handed them over to Morton, Bliss & Co.

Q. Did you get these 75 bonds as you told Morton, Bliss & Co. you expected?—A. Yes.

Q. And you handed them over?—A. Yes.

Q. And Morton, Bliss & Co. kept them in addition to the 67 bonds of the Union Pacific Railroad Company?—A. Yes.

Q. And the loan was negotiated on the collaterals of both these companies?—A. Yes.

Q. One lot of collaterals was delivered at the time of the loan and the other a few days afterward?—A. Yes.

Q. Was there any change of those securities on which this loan was based, up to the time that Morton, Bliss & Co. drew on the treasurer of the Union Pacific Railroad Company?—A. Yes.

Q. State what the changes were.—A. I wanted my income bonds and I went down to Morton, Bliss & Co., and handed them a list of other securities which I had had and asked them to take some of them as a substitute for the income bonds. They selected Keokuk Bridge bonds, and I gave them 100 of them in lieu of the 67 Union Pacific income bonds.

Q. Were those 67 bonds yours or Colonel Scott's?—A. They were my own.

Q. Then the Fort Smith and Little Rock bonds which you originally deposited with Morton, Bliss & Co. were not exchanged?—No, sir, they were not; my recollection is that they remained with Morton, Bliss & Co. until they were handed over to the Union Pacific Railroad Company.

Q. And you cannot say anything to the committee as to the party from whom Colonel Scott got those 75 bonds, either of your own knowledge or from what Colonel Scott has informed you?—A. No, sir.

Q. For whom did Colonel Scott make this loan, if not for himself?—A. He told me that he required \$60,000, and asked me to have it for his secretary for a certain day, (I think on the following Monday.) I went and procured it for him, and gave it to his private secretary, Mr. R. D. Bartley.

Q. Did you know of anybody else who was interested in that loan which you negotiated with Morton, Bliss & Co.?—A. No, sir; I did not.

Q. How did you receive this \$60,000 from Morton, Bliss & Co.?—A. I think they gave me their check for it.

Q. Is there anything on the books about it?—A. I cannot tell you. I kept no record of this matter in my office, because it was a matter of Colonel Scott's, and not of my own business.

Q. Did you hold the check or did you give it to Mr. Bartley?—A. I would not swear whether I indorsed the check and gave it to him, or gave him my own check, but I think you will find that the check was indorsed by me to R. D. Bartley, Colonel Scott's secretary.

Q. Did you hear the name of Mr. Blaine connected with this transaction from beginning to end?—A. I never did.

Q. Or in any manner, shape, or form?—A. In no manner, shape, or form.

Q. Did you know or hear anything of his connection with the bonds of the Little Rock and Fort Smith Railroad Company?—A. While I was in Washington once, I met Mr. Caldwell, who was anxious for me to build a bridge at Little Rock, (I build bridges.) I think Mr. Blaine said to me that he would be glad to see Mr. Caldwell succeed, and that he thought well of the enterprise. That is the only thing in my mind that connects Mr. Blaine at all with the Fort Smith and Little Rock Railroad Company.

Q. When was that?—A. I cannot give you the date. It was while I was here trying to get Congress to pass the Omaha bridge bill.

Q. Was Mr. Blaine at that time Speaker of the House?—A. Yes, sir; he was Speaker of the House.

Q. Try to name the year at least?—A. It was during my directorship in the Union Pacific Railroad Company, and therefore it must have been in 1872.

Q. Then it was between January and March 1872?—A. Yes; it was between those dates.

Q. And in that negotiation between you as representative of Colonel Scott and Morton, Bliss & Co., you never, directly or indirectly, heard that Mr. Blaine was connected, in any manner, in that transaction?—A. Never.

Q. Did Mr. Blaine ever negotiate any loan through you on the security of the bonds of the Little Rock and Fort Smith Railroad Company?—A. I never had any business transactions of any character whatever with Mr. Blaine.

Q. At the time this order of the executive committee was made authorizing Morton, Bliss & Co. to draw on the treasurer of the Union Pacific Railroad Company for \$64,000, what was the financial condition of the Union Pacific Railroad Company?—A. It had entirely changed.

Q. And had money to invest in securities of other railroads?—A. Yes, sir; it had money to do almost anything it wanted. It was in good condition. Its stock had risen almost 200 or 300 per cent. Its credit was very good.

Q. Was it in condition to invest money in other railroads? Had it money to spare for such purposes?—A. Yes, sir; and it did do it.

Q. Did it invest in any other securities except these?—A. I do not recollect any just now, but I have no doubt but that it did.

Q. Do you say that as a matter of memory or as a matter of speculation?—A. As a matter of speculation. The Central Pacific Railroad Company invested in securities of various kinds, and I have no doubt but that the Union Pacific Railroad Company did so.

Q. Do you know anything of Colonel Scott's speculations in the bonds or stock of the Union Pacific Railroad Company, during the term of his presidency, or at any other time?—A. No, sir; I do not know anything of his speculations, except that he bought a large interest in Union Pacific with me; when we took control of the company we owned largely of the stock.

Q. State how much of it you owned at the time that you went into the directory of the company.—A. We owned \$3,000,000 of stock, and a good many bonds. I cannot recollect how many.

Q. Did you have as much as \$3,000,000 of bonds?—A. No; we did not have as much as that.

Q. Have you any objection to stating the prices at which you bought and sold those bonds?—A. Certainly; we do not propose to go into our private business transactions here unless we are compelled to.

Mr. HUNTON. We will not compel you. The question was suggested to me.

Q. Do you hold that stock and these bonds now?—A. I do not; I do not know whether Mr. Scott does or not.

Q. Did Mr. Scott become the owner of your interest when your party was out?—A. No, sir.

WASHINGTON, D. C., May 17, 1876.

SIDNEY DILLON sworn and examined.

By Mr. HUNTON:

Question. State whether you have been ever connected with the Union Pacific Railroad Company; and, if so, how, and at what time.—Answer. I have been a director of the Union Pacific Railroad Company almost from the commencement of the road.

Q. Are you now its president?—A. I am.

Q. How long is it since you became president of that company?—A. I succeeded Mr. Horace F. Clark in March, 1874. I am now in my third year.

Q. Were you a member of the executive committee of the Union Pacific Railroad Company from March, 1871, to 1872?—A. I was.

Q. State all you know about the order of the executive committee of December 16, 1871, that Morton, Bliss & Co. be authorized to draw on the treasurer of the company for \$64,000.—A. Mr. Scott (I am giving my memory about it) wanted the executive committee to make him a loan, or he wanted some money. I was on the executive committee at that time. Mr. Duff, the vice-president, and Mr. Bushnell, and others were very active in the board, while I was not very active. I was called on to help to consummate the arrangement. As I understood it at that time Mr. Scott proposed to let the executive committee have these Little Rock bonds, either to sell them to the company or to get a loan on them from the company, I cannot say which. After deliberation on the part of the executive committee, they felt that Colonel Scott had been a good deal of help to the company, as prior to his coming in our finances were very much straitened and our credit and securities very low. Whether it was to his credit or not, our securities had risen very much in value, and we had attributed that to Colonel Scott and to Mr. Thompson, the then president of the Pennsylvania Central Railroad Company, and to their influence which was brought about to help us. We felt very kindly to Colonel Scott, and we felt that we had been greatly benefited by that organization; that is, by having him as president of the company. We, therefore, made up our minds to let him have the loan, (that is, the money,) and we concluded to take these bonds; but I cannot say whether it was considered at that time as a loan on the bonds or as an out-right purchase. The transaction took place and the bonds were taken, and the money was furnished, as our books show, through Morton, Bliss & Co. That is all that I know about it.

Q. Was the negotiation which resulted in the order of December 16, 1871, considered as a payment to Colonel Scott, on his salary as president?—A. I cannot say that at that time it was considered as a payment. While I was on the executive committee there never was an amount fixed to be paid to him. The question of his salary was never taken up in my presence. At the time that this loan was made, or this purchase was made (I put it in these two ways because I do not recollect which it was) it was considered (I can recollect it very well) that Colonel Scott and that organization had been very beneficial to us, and that we ought to be liberal to him, but the question of the amount was not discussed at the time.

Q. You cannot say whether this was a compensation for his services as president or not?—Answer. I cannot.

Q. Did the company ever pay anything for his services as president except this?—A. Not to my knowledge.

Q. You would have known it, if it had been the case?—A. I think I should have, although the office of the Union Pacific Railroad Company is in Boston, while my office is in New York. There is generally a quorum of the executive committee at Boston, and I do not attend all the meetings that take place there, but I am confident that nothing was paid to Colonel Scott except in that way.

Q. Has Colonel Scott ever demanded any pay from the company?—A. I have been told that he has, but not through me.

Q. Did not the company take the ground with Colonel Scott that inasmuch as it had paid him \$64,000 for those 75 bonds he had been sufficiently paid?—A. I do not know of any such ground being taken. Although I am president of the company, still I live in New York, while the vice-president and the executive committee are mostly in Boston, so that a great many of those matters are taken up without my knowledge by the executive committee. I give this explanation for the reason that the president of a company is supposed to know all connected with it.

Mr. HUNTON. Yes, and is supposed not to be a figure-head.

The WITNESS. Yes. My great strength in the Union Pacific Railroad Company is to take care of the running of the road and to see that all its matters of importance are carried on successfully. I ride on the road every year and spend a long time looking it up. The finances of the concern are taken care of by our executive committee in Boston, and by the vice-president, Mr. Ames. As I have my office in New York I do not come so much in contact with this part of the business.

Q. Then you do not know whether the committee considered this payment of \$64,000 for those bonds as a payment to Colonel Scott for his services as president?—A. I do not think it was ever brought up in a business form before me.

Q. What are these Little Rock Railroad bonds worth now? You hold them still, I believe?—A. Yes; we hold them yet. I made inquiry the other day as to the value of the bonds, and was told by parties who are in the new organization of the Fort Smith and Little Rock Railroad Company that the new bonds of that company were worth 80 cents on the dollar, and that I had better hold these bonds, as the company was now getting into good shape, and they were likely to be worth par. I think I could have sold them at that time at 80 cents.

Q. How many new bonds did you get for the seventy-five old bonds?—A. We got stock and bonds. That is explained in Mr. Rollins's statement.

Q. What were these bonds worth at the time that you got them?—A. I do not know. I know that the executive committee at the time supposed that the bonds would probably be a safe collateral or a safe investment at the price that we took them for.

Q. Was it said at that time that they were worth the amount of money you paid for them?—A. I do not know that that was stated. I only say that it was thought at the time that while there was probably no sale for them at that time, still, as the road was progressing as much as it was, the securities (it being a land-grant road) would be good. I do not think we rated the price of them at that time.

Q. You were looking to the future?—A. Yes, sir.

Q. In that negotiation between the company and Colonel Scott, did you hear anybody else's name connected with those bonds as being interested in them directly or indirectly other than Colonel Scott?—A. I did not. No name was mentioned by Colonel Scott.

Q. You had no reason to believe, from anything you saw or heard, that anybody else was interested in them?—A. I had none.

Q. Have you ever heard Mr. Blaine's name connected with it in any possible way?—A. Not until I saw it in the newspapers. It never was mentioned in the executive committee or board of directors.

Q. Do you know anything of Mr. Blaine's being owner of any of those Fort Smith and Little Rock Railroad bonds?—A. I did not. I never heard of it, and know nothing about it.

Q. While Colonel Scott was president of the Union Pacific Railroad, did he make money by speculating with the securities of the company?—A. I do not know that he speculated in them at all. I am not myself speculating in stock, except as an owner. I do not know anything about his transactions.

The witness was informed that he might return home, but that he must consider himself still under the obligations of the subpoena to come before the committee if telegraphed for.

WASHINGTON, D. C., *May 24, 1876.*

Mr. HUNTON submitted the following letter to the committee, and it was ordered to be made part of the record:

PITTSBURGH, *May 18, 1876.*

DEAR SIR: On careful reflection I am desirous to make one addition to my testimony in the Little Rock bond matter.

At the time of my conversation with Mr. Horace White, I was of the impression that Mr. Caldwell, who sold the seventy-five bonds to Mr. Scott and requested Mr. Blaine to speak to Colonel Scott about the affairs of the Little Rock and Fort Smith Railroad, was a constituent of Mr. Blaine's; and, not being able to recall his name at the time, I referred to him as a constituent of Mr. Blaine's. I knew no better as to his residence until it was stated during the examination of Colonel Scott on Monday that Caldwell's residence was Boston. My wrong impression led to the mistake.

Please hand this note to Mr. Hunton and have it taken as a part of my testimony.

Yours, truly,

JAMES F. WILSON.

Hon. GEORGE W. McCRARY,
Washington, D. C.

ASA P. ROBINSON sworn and examined.

By Mr. HUNTON:

Question. Where do you reside?—Answer. I reside in Conway, Faulkner County, Arkansas.

Q. Have you ever been connected with the Little Rock and Fort Smith Railroad Company?—A. Yes; I was the chief engineer of the company from the fall of 1869, and during the year 1870 and part of 1871.

Q. What time did your connection with that road, as chief engineer, expire?—A. Some time in 1871; I think during the summer of 1871.

Q. Had you any other connection with the road than that of chief engineer?—A. No, sir.

Q. Do you know Mr. Josiah Caldwell?—A. Very well.

Q. What was his connection with the Little Rock and Fort Smith Railroad Company?—A. He was the representative of the contractor who had undertaken to build the road, Mr. Warren Fisher, of Boston. In fact, he became contractor himself, by an arrangement with Mr. Fisher, and assumed all the operations of the contract there.

Q. When was this contract between the company and Fisher made?—A. In 1869.

Q. State, in general terms, what the contract was?—A. The contract with Mr. Fisher was,

that he was to build and equip the road, furnish all the material therefor, within the time necessary to comply with the land-grant; and for that he was to receive all the bonds and stock of the road, and the State bonds that were to be issued to the company. It was an exhaustive contract, by which he received all the assets of the company.

Q. What time was this contract entered into?—A. Some time in 1869. A prior contract had been made with other parties which had been assigned to Mr. Fisher, and was ratified by the company in 1869, so that Mr. Fisher then became the contractor.

Q. At what period did Mr. Josiah Caldwell become assignee of the contract from Warren Fisher?—A. It was at that time. It was a concurrent arrangement.

Q. Under this assignment from Fisher to Caldwell, did Caldwell become the owner of the assets of the company?—A. Yes, sir.

Q. In the same manner as Fisher was?—A. In the same manner.

Q. Under this contract between Josiah Caldwell and Fisher, Caldwell had the right to hold and dispose of all the bonds of the Little Rock and Fort Smith Railroad Company?—A. Yes, sir.

Q. Do you know of any disposition of the bonds that was made by Warren Fisher or Josiah Caldwell during the progress of that work?—A. I do not.

Q. How were you paid as engineer?—A. I was paid by Mr. Caldwell. Part of the contract was that he was to furnish the engineer and pay him.

Q. Were you paid in money or in bonds?—A. In money.

Q. He did not pay you any bonds?—A. No, sir; always in money.

Q. Did you ever bring from Josiah Caldwell to Washington any bonds or other package; if so, state all that you know about it.—A. I do not know that I ever brought any bonds to Washington from Mr. Caldwell; I have no knowledge of doing so. I once brought a package from Mr. Caldwell in Boston to Washington.

Q. State all about it.—A. In the spring of 1871 (that is the only time I recollect of bringing any package) I was coming on from Boston to Washington to attend to some matters of legislation here connected with the construction of a bridge across the Arkansas River at Little Rock. Just on the point of my leaving Boston, Mr. Caldwell handed me a package which he desired me to give Mr. Blaine. I brought that package here to Washington, arriving here in the morning. I think I called at Mr. Blaine's house and found that he was not in. I then came to the Capitol after the House was in session, sent my card in to Mr. Blaine from the lobby, and in a few minutes he came out, and we walked together to the Speaker's parlor adjacent to the entrance-door. There I handed him the package, stating that I was requested to deliver it to him. We then talked for some minutes on home matters. Mr. Blaine had been an acquaintance of mine for many years. I wanted to see some member of the House, (I have forgotten who it was,) and Mr. Blaine invited me to go in on the floor with him. We walked in. He took the package with him and threw it down, and took his seat in the Speaker's chair. I remained there, I suppose, ten or fifteen minutes, and then left.

Q. State what Mr. Caldwell told you was in that package, if he told you anything about it.—A. I have no recollection of his telling me of its contents, and I have no knowledge of its contents.

Q. Did you have any reason to believe what the contents of the package were?—A. No, sir.

Q. Did Mr. Blaine open the package in your presence?—A. No, sir.

Q. Did he say anything about the package to you after receiving it?—A. Nothing.

Q. What was the subject-matter of conversation between you and Mr. Blaine?—A. Some old reminiscences of our previous acquaintance in Maine.

Q. Nothing about the Little Rock and Fort Smith Railroad Company?—A. I think Mr. Blaine asked me about the progress of the road. He asked me some information about coal-beds, in which he said he had been invited to take an interest, or to take hold of some coal operations on the road—some coal-lands yet undeveloped. He wanted to know my opinion on the subject.

Q. Did he ever say anything in that conversation about the bonds of the Little Rock & Fort Smith Railroad Company?—A. I do not think he did; I have no recollection of it.

Q. There was not a word said between you and him about this package which you handed to him?—A. No, sir.

Q. And nothing was said between you and Mr. Josiah Caldwell about the contents of the package which he requested you to bring to Mr. Blaine?—A. No, sir.

Q. Have you not stated to Mr. Curry that in that package which you delivered to Mr. Blaine there were twenty bonds of the Little Rock and Fort Smith Railroad Company?—A. No, sir.

Q. Did you never state it to any one?—A. No, sir.

Q. Did you not state it to a man named John G. Smith?—A. I do not know any such man.

Q. You never have stated to John G. Smith that you counted out twenty bonds and delivered them to Mr. Blaine in that package?—A. No, sir.

Q. Did you ever say to anybody that you delivered those bonds to Mr. Blaine from Mr. Caldwell?—A. No, sir.

Q. Do you know anything of the ownership, on the part of Mr. Blaine, of any bonds of the Little Rock and Fort Smith Railroad Company; have you ever heard from anybody of his ownership of any such bonds?—A. I never have.

Q. You know absolutely nothing of his ownership or possession of any Little Rock and Fort Smith Railroad bonds?—A. Absolutely nothing.

Q. Either by your own knowledge or by information derived from others?—A. No, sir.

Q. Do you know anything about the sale of any of those bonds by Caldwell to Fisher?—A. I know generally that they sold bonds wherever they could sell them, at the time, for the purpose of carrying on the work.

Q. Can you state the market-value of those bonds?—A. The market-value of those bonds in the fall and winter of 1870 was along from 80 to 90.

Q. Do you mean the subsidy-bonds of the Government or the bonds of the company?—A. I mean the bonds of the company.

Q. What was the value of those bonds in the latter part of 1871?—A. They had fallen considerably, because the contractor had failed to carry out his contract, and the work had stopped. I do not recollect any particular quotation of them. There were two classes of bonds. The land-grant bonds held a value which the others did not at that time, because those land-bonds were receivable for lands there, and hence they had a value of 50 or 60 cents for a long time.

Q. Had they a value of 50 or 60 cents in December, 1871?—A. I think they had, because they could be used in the purchase of the lands of the company.

Q. What was the value of the bonds of the company as distinct from the land-grant bonds?—A. I cannot tell you.

Q. Were the bonds of the company saleable at that time?—A. I do not think they were. They had some quotable value, but what it was I do not recollect at this time.

Q. Was not the enterprise in December, 1871, considered virtually a failure?—A. It had come to a dead stop at that time. What it might have been considered I cannot say. We always were sanguine of going on and completing the road.

Q. Were you discharged as chief engineer?—A. I was not discharged, although I was not drawing any salary.

Q. I do not mean discharged in the sense of dismissed for any fault, but discharged because of the inability of the company to carry on the enterprise?—A. Yes; my services had ceased in consequence of the stoppage of the work.

Q. Was that the case with all the engineer corps on the road?—A. I think it was.

Q. Was there any work going on on the road from the time you were discharged in the summer of 1871?—A. No, sir; I think not. Work had entirely ceased.

Q. Do you know anything of the efforts of that company to obtain legislation in Washington?—A. I do not.

Q. Either of your own knowledge or from information?—A. I have no specific knowledge of anything of the kind; I only know the company did attempt to obtain some legislation.

Q. Do you know anything about the mode or direction of its efforts in procuring that legislation?—A. No, sir.

By Mr. ASHE:

Q. When did you arrive in Washington?—A. The evening before last.

Q. Did you converse with anybody in this city about these matters since you have been here?—A. Yes.

Q. With whom?—A. I conversed with Mr. Hadley. I have been asked a good many questions about it. Some reporters have been after me to interview me.

Q. Mention the names of all the persons with whom you have had conversation on the subject?—A. It would be a very difficult matter for me to mention all the names. I conversed with Mr. O'Beirne, I think. He called upon me last evening. I think he is correspondent of the New York Herald. And I conversed with some other man, who represented himself as correspondent of the World.

Q. Did you converse with anybody else?—A. I conversed with Mr. Curry a moment.

Q. Let us know all the persons with whom you had conversation on the subject.—A. I do not recollect now any others than those; I may have talked with some of my acquaintances here who have referred to the matter, but I recollect no special conversation about it.

By Mr. HUNTON:

Q. The main matter of interest on this subject is whether you have conversed with Mr. Blaine.—A. I called on Mr. Blaine last evening.

Q. Had you conversation with him about this matter?—A. Generally.

Q. Why did you not say so in answer to Mr. Ashe's question?—A. It did not occur to me that you wanted to reach that.

Q. You said that you had named all the persons with whom you had conversed on the subject, and yet you did not name Mr. Blaine.—A. I do now name Mr. Blaine.

Mr. HUNTON. You do because I have called his name myself.

The WITNESS. I did call to see Mr. Blaine.

Q. At whose instance did you call to see him?—A. At my own.

Q. Were you invited to call there?—A. No, sir. I called there last evening because I always call upon him when I come to the city. Mr. Blaine is an old acquaintance of mine, and hence I called upon him.

Q. Was this matter on which you have testified this morning the subject-matter of conversation between you and Mr. Blaine last night?—A. Very little of our conversation was in regard to it; we conversed on many other matters.

By Mr. LAWRENCE :

Q. Did Mr. Blaine make any suggestion to you as to how you should testify?—A. No, sir. I stated to Mr. Blaine just what I knew in the matter.

Q. He made no request for any concealment?—A. No, sir.

Q. You called upon him on your own motion, and without solicitation from him?—A. Yes, sir.

Q. The fact that you were in the city was publicly known?—A. Yes, sir.

Q. And yet Mr. Blaine made no effort to reach you or to influence you?—A. No, sir.

Q. Your presence in the city was notorious?—A. Yes; I entered my name on the hotel-book on my arrival.

Q. What time was it that you came here from Boston?—A. In February, 1871.

Q. You came here to see about some legislation respecting a bridge across the Arkansas river?—A. Yes.

Q. Was Mr. Caldwell or the railroad company interested in that?—A. Yes.

Q. Where did you carry the package?—A. I carried it in my hand. It was quite a large roll.

Q. It was not a sealed package?—A. No, sir; it was a roll tied up in paper and a string about it.

Q. Was it open at the ends?—A. It was folded in at the ends, with a string tied around it.

Q. Was it not manuscript?—A. I do not know whether it was manuscript or not. I did not see the inside of it.

Q. Could you tell from the feel of it whether it was not a roll of manuscript?—A. It was a roll of paper of some kind, but whether it was manuscript or printed paper I could not say.

Q. Was it a solid package?—A. It was such a package as paper rolled up in that shape would make.

Q. Such as ordinary foolscap or legal cap would make?—A. Yes.

Q. It was folded in at the ends?—A. Yes.

Q. Could you see into the center of it?—A. Not without opening the ends of it.

Q. There was no concealment about it?—A. Not the slightest.

Q. There was nothing to indicate that there was anything mysterious or secret about it?—A. No, sir.

Q. Was there any injunction on you by Mr. Caldwell to conceal from anybody the fact that you carried such a package to Mr. Blaine?—A. Not at all. The package was directed to Mr. Blaine on the outside. I carried it in my hand as an ordinary package.

Q. You received no instructions to indicate that it was a very valuable package that was to be carefully handled?—A. No, sir; there were no special instructions of that kind.

Q. How was it sealed up?—A. It was not sealed at all. It was just tied with a string.

By Mr. HUNTON :

Q. You stated in answer to a question that it might have been foolscap paper. You do not mean to say whether it was or not?—A. No, sir; I have not the slightest idea what was in it.

Q. When were you in Mr. Blaine's house before last night?—A. Some two or three years ago.

Q. State when.—A. I cannot tell you without referring to my diary. I have been here repeatedly, but not within the last two or three years.

Q. When were you there prior to the visit which you have just spoken of?—A. I cannot give you any date.

Q. Can you say you were ever there except on that occasion?—A. O, yes, sir.

By Mr. ASHE :

Q. In these previous visits to Mr. Blaine, did you ever bring to him any package from Mr. Caldwell?—A. Never before; that was the only package I have ever brought.

By Mr. BLAINE :

Q. State to the committee how long you and I have been acquainted, and how we became acquainted.—I think I have been acquainted with you about 25 years.

Q. While I was editor of the Portland Advertiser, in what capacity were you acting?—A. I was acting then as the engineer of a railroad running out of Portland.

Q. Where was your office in Portland?—A. In the same building as the Advertiser office, next to your editorial room.

- Q. Were you in the habit of being there frequently?—A. Frequently.
- Q. You rate yourself as a pretty old acquaintance of mine?—A. A pretty old acquaintance.
- Q. We have not been strangers to each other for about 25 years?—A. No, sir.
- Q. I was editor of the Portland Advertiser three years?—A. Yes, sir.
- Q. Was your office all that time in the same building?—A. I think so.
- Q. When you delivered this package, of which you spoke to the committee, you delivered it in the Speaker's parlor?—A. Yes; in the large parlor.
- Q. Was there the usual crowd of people around there?—A. O, yes.
- Q. You handed it to me ordinarily as you would any package?—A. Precisely.
- Q. Do you remember about the size of that package?—A. To the best of my recollection, it was perhaps a foot and a half long, and three or four inches in diameter. It was a roll.
- Q. If that package had contained bonds, as bonds are usually made up and folded—railroad or city bonds—how many bonds would a package of that size contain, at a guess?—A. I should think that such a package as that would contain 100 bonds easily enough, if they had been rolled up in that shape.
- Q. It would contain considerably more than twenty bonds?—A. Twenty bonds would make a pretty small package.
- Q. You say that I asked you something about the coal-lands?—A. Yes.
- Q. Did I have any conversation with you the next day about the value of those lands, and as to what your estimate of them was?—A. No; I think you asked me at that time, because I left the next day. I do not think I saw you again after that. It was during that visit that you asked me about the value of these lands.
- Q. Would that package have seemed to you to be such as would contain a plat or map or anything of that kind?—A. It was just such a package as a plan or map would be rolled up in.
- Q. Did it ever occur to you that a man would send bonds loosely in your hands, done up in a package, and merely tied up with a string?—A. That would be a very careless way of doing such a thing.
- Q. Is it conceivable that Mr. Caldwell would send bonds by you and never say that it was a package of value?—A. I suppose that if it had been a package of value he would have cautioned me about its custody.
- Q. It was simply a loose package tied with a string?—A. Yes.
- Q. And you handed it to me publicly in the Speaker's parlor, where there is always a crowd?—A. Yes; without any concealment whatever.
- Q. You never had any reason to believe that you were delivering me bonds?—A. I knew nothing about it whatever. I had not the slightest idea what it was. I never asked any questions about it, and never thought of it or gave it any importance whatever.
- Q. I never gave you any receipt for it in any form?—A. No, sir.
- Q. Nor sent any word to Mr. Caldwell by you?—A. No, sir.
- Q. Do you recollect what became of it when you came in with me on the floor of the House?—A. You carried the package in with you and threw it down carelessly on a chair or seat or desk.
- Q. I did not treat it as a matter of particular value?—A. No; I do not think you did.
- Q. A package of \$20,000 of bonds would not be likely to be thrown around in that way?—A. Not likely.
- Mr. Hunton cautioned the witness not to leave the city until he was discharged.

WASHINGTON, D. C., May 24, 1876.

AMOS B. CURRY sworn and examined.

By Mr. HUNTON:

Question. Where do you reside?—Answer. Little Rock, Ark.

Q. Have you ever had any connection with the Little Rock and Fort Smith Railroad Company?—A. Yes, sir.

Q. State what it was.—A. I think, in 1873, I contracted to build 40 miles of the road—to lay the track.

Q. Was that your first connection with the company?—A. Yes, sir.

Q. With whom did you make this contract?—A. With the directors of the company.

Q. How were you to be paid for it?—A. In money.

Q. Do you know anything of the disposition made by that company of its bonds?—A. No, sir; not of my own knowledge. I have heard conversation in regard to the sale of the bonds.

Q. Do you know what the bonds of that company were worth in the end of the year 1871?—A. I do not.

Q. Were they worth anything?—A. I suppose that the land-grant bonds were valuable.

Q. How valuable?—A. I cannot say. I was not interested in bonds at all.

Q. Were the bonds of the company worth anything on the market at that period, other than the land-grant bonds?—A. I cannot say what their value was.

Q. Did you ever have any conversation with Mr. Robinson about a package of bonds alleged to have been taken by him to Washington?—A. I did.

Q. State what it was.—A. Mr. Robinson has intimated a number of times to me—

Mr. LAWRENCE. State his words rather than what he intimated.

The WITNESS. Then, to come down to the point, Mr. Robinson told me, about five weeks ago, that he carried a package of bonds of \$20,000 from Josiah Caldwell and delivered them to Mr. Blaine at the Capitol.

Q. Where was this conversation between you and Mr. Robinson?—A. At my room, in Little Rock.

Q. Was any one present but you and Mr. Robinson?—A. I think that my wife was in the room. I am not positive. She was either in that room or the adjoining room, with the door open. I am not certain whether she heard the conversation or not. I never spoke of it afterward particularly to her.

Q. Was that the only conversation of the same character that you ever had with Mr. Robinson?—A. I was going to state, in the outset, that from casual remarks made by Mr. Robinson previous to that, I was led to believe that Mr. Blaine had received some of these bonds, but I cannot give the place, time, or the exact language. I inferred, from what Mr. Robinson said, that Mr. Blaine had received bonds; but at this time that I speak of in my own room, he went into the particulars, and told the thing very plainly.

Q. Did he tell you the object of Mr. Caldwell sending those bonds to Mr. Blaine?—A. He did not.

Q. He had referred to the subject on many occasions?—A. Yes, sir.

Q. But he never gave you the details, until about five weeks ago?—A. No, sir.

Q. Did he tell you that those were a l the bonds that Mr. Blaine was to get, or that they were only an installment of the bonds?—A. He said that there was at least \$20,000 of bonds in that package. He was certain that there was that much, or believed that there was that much, and his understanding was that that was an installment only.

Q. An installment on what sum?—A. That he did not say, but that it was his impression (he did not say where he got it) that that was but an installment of the bonds which Mr. Blaine was to receive.

Q. Do you know anything else bearing upon this inquiry?—A. I do not think I do.

By Mr. LAWRENCE :

Q. Did Robinson say that that was a package of bonds, or that he believed that it was a package of bonds?—A. I am quite positive that I have perhaps used the same words that he did, that it was bonds.

Q. Tell me all that was said on that occasion?—A. I believe I have told you all.

Q. What time of the day was it.—A. I believe it was between 7 and 8 o'clock in the evening.

Q. Who all were present?—A. There were but three of us in the room. I do not know whether my wife was in the room at the time or not. We have a suite of rooms with the door open between. She was in and out of the room at various times. None but the three of us were present.

Q. How did the subject of conversation happen to come up?—A. I am not clear upon that. I think that either Mr. Robinson or I were reading the papers in regard to Mr. Blaine; I do not recollect, however.

Q. How long was he at your room on that occasion?—A. About a couple of hours.

Q. Was the newspaper there which you had been reading?—A. Yes; I usually bring home the newspapers from my office and read them in the evening.

Q. Was it something that he had been reading or something that you had been reading which brought up the conversation?—A. I do not recollect.

Q. For what purpose did he come to your room?—A. As a friendly call. He usually calls at my room when in the city.

Q. Where does he live?—A. At Conway, 30 miles west of Little Rock.

Q. What time did he come to Little Rock on that occasion?—A. I think he came the evening before.

Q. About what time did he come to your room?—A. I think perhaps between 6 and 7 o'clock.

Q. And staid about two hours?—A. I think so.

Q. And this was the conversation you had during that time?—A. O, no, sir; the conversation was general.

Q. How long had you been acquainted with Mr. Robinson?—A. He was on this railroad that I speak of when I took the contract. That was my first acquaintance with him—in 1872 or 1873. We have been quite intimate since.

Q. When did you first speak of this conversation afterward?—A. I do not recollect; but it was, perhaps, a week or ten days afterward.

Q. To whom did you first speak of it?—A. To Judge John McClure, of Little Rock.

Q. What was the object of communicating it to him?—A. I had no particular object in it. Judge McClure was in my office, as he usually is every morning, and we had been reading the dispatches in regard to Mr. Blaine and these bonds, and I told him, as a matter of news, what Robinson had told to me.

Q. During those ten days did you mention it to anybody else?—A. I think not.

Q. The subject of Mr. Blaine as a candidate for the presidency, and the subject of charges that had been made against him, were being discussed almost every day at that time, were they not?—A. Yes.

Q. And yet you heard this statement of Robinson's, and for ten days you said nothing to anybody about it?—A. No, sir.

Q. Did Mr. Robinson state this as a secret, or did he enjoin any secrecy on you?—A. No, sir.

Q. What was his object in making the communication, or did he disclose any object?—A. None.

Q. Did you know anything of the relations between Mr. Robinson and Mr. Blaine about that time?—A. No, sir; not of my own knowledge.

Q. Had you been acquainted with Mr. Blaine before that?—A. No, sir; I never had the pleasure of an acquaintance with Mr. Blaine. I had known him by reputation for years, of course.

Q. Are you sure that you are able to state with precision the words that Robinson used?—A. I have endeavored to do so.

Q. Did the matter occur to your mind during the ten days succeeding the conversation, until you communicated it to Judge McClure, or had you thought it over?—A. Yes, sir.

Q. How frequently?—A. I cannot state that.

Q. If you had, why had you not communicated it to somebody else?—A. I do not know.

Q. To whom next did you communicate it?—A. I believe to the chairman of this subcommittee. When I arrived here, he asked me what my testimony would be.

Q. You did not communicate it until you were summoned here?—A. No, sir.

Q. Do you know how you came to be summoned here?—A. I do not. I did not expect to be summoned, and was very much surprised.

Q. To whom besides Judge McClure did you communicate this conversation until you came to Washington?—A. I do not think that I did to anybody.

Q. Do you know how the committee became informed of the fact that you had heard any such conversation?—A. I do not.

Q. Do you know whether Judge McClure communicated it?—A. I do not. Judge McClure, Mr. Hadley, Mr. Robinson, and myself were subpoenaed at the same time. Judge McClure has returned home.

Q. With what political party do you act?—A. The republican party.

By Mr. BLAINE:

Q. How have the republicans of Arkansas for the last year been affected toward me personally?—A. I think that a majority of them feel that you were anything but friendly to them in their late contest.

Q. To what contest do you allude?—A. The Brooks and Baxter war.

Q. On the Poland report?—A. Yes.

Q. Do you think that to say I was unpopular with them would be a fair expression of their feeling toward me?—A. Yes; I think that that covers the ground.

Q. Do you think it expresses it strong enough?—A. Yes.

Q. Have you never heard a great many declarations that they were going to get even with me?

Mr. HUNTON. I do not think that that is a fair line of examination. I think it fair to ask a witness as to his own feelings toward you.

Mr. BLAINE. I include him with certain men in Arkansas. [To the witness.] What has been your feeling in the matter?

The WITNESS. I felt as the balance of them do in that respect.

Q. Pretty bitter?—A. No, sir; not bitter.

Q. Have you never heard intimations of that sort?—A. I think I have.

Mr. HUNTON. I think that this is hardly fair.

Mr. BLAINE. I want to show the animus of the witness.

Mr. HUNTON. Then ask him about his own animus.

Mr. BLAINE. I want to show that he was acting with a gang and a disreputable gang.

Mr. HUNTON. Whatsoever influence that gang may have upon him influencing his opinion, is a fair inquiry, but it is not fair to go into the feelings of other people who are not under examination.

Mr. BLAINE. I want to show that this witness is part and parcel of this Arkansas gang. [To the witness.] Have you ever said, since you were in Washington (speaking of yourself associated with others) that "it is our duty any way to strike Blaine whenever we can"?—A. No, sir.

Q. Have you said anything of that sort?—A. No, sir.

Q. You never said it?—A. No, sir.

Q. You never felt it?—A. No, sir; I never felt that I would do you injustice.

Q. Have you ever heard others say, or have you yourself repeated, that Mr. Poland was paid a large sum of money in connection with his report?—A. I have.

Q. That is part of the Arkansas gossip. How much have you heard that he was paid? Mr. Hunton again objected.

Mr. BLAINE. All that I want to show is that this witness is one of many who have come here from Arkansas for a purpose—

The WITNESS. That is not so.

Mr. BLAINE, [continuing.] Who have come here determined, in their own language, to be-smirch and smut me if they can—

The WITNESS, [again interrupting.] That is false in every particular.

Mr. HUNTON, I do not think it is proper for you to make that statement while the witness is on the stand.

After some further conversation, the examination was continued, as follows:

By Mr. HUNTON:

Q. Have you any such feeling toward Mr. Blaine as would lead you to do him an injury, personal or political?—A. I have not. I did not expect to be summoned here, and was very much surprised when I received the subpoena. I disliked very much to come.

By Mr. BLAINE:

Q. Have you any information whatever in regard to the Union Pacific Railroad Company purchasing any Little Rock and Fort Smith bonds?—A. No, sir.

Q. Have you any knowledge of it in any shape or form?—A. No, sir.

Q. Directly or indirectly?—A. No, sir.

Q. Have you any knowledge within the scope of the resolution which has been just read?—

A. I know nothing about the bond transactions of the Union Pacific Railroad Company in any shape.

By Mr. LAWRENCE:

Q. You act in Arkansas with those who were opposed to the Poland report?—A. I took no part in the troubles. My sympathies were all with the other party.

WASHINGTON, D. C., May 24, 1876.

DAVID B. SICKELS sworn and examined.

By Mr. HUNTON:

Question. State your residence and occupation.—Answer. I reside in New York City. I have an office at 29 Broad street. I was formerly a member of the banking firm of Clark, Wolcott & Co., of 29 Broad street, New York, and am at present a negotiator of loans on railroad and other securities, and a dealer in miscellaneous bonds. I was also a financial agent of the State of Arkansas.

Q. Were you ever officially connected with the Little Rock and Fort Smith Railroad Company?—A. I was a director in that company.

Q. For how long?—A. I was a director in 1874 until the next election—one year.

Q. Do you know Josiah Caldwell? If so, state how long and how intimately you have known him.—A. I know Josiah Caldwell. I made his acquaintance in 1870, when he was negotiating bonds for the Little Rock and Fort Smith Railroad Company, and for other companies. I had intimate relations with him, and frequent business transactions, involving large amounts of money.

Q. State the character of those business transactions.—A. I delivered bonds to him and received his checks in payment for them, taking the bonds to Boston and handing them to him, and getting the money.

Q. Did you ever receive bonds from him?—A. I never received any bonds from him that I have any recollection of at present, except in the way of exchanges.

Q. Do you know anything of a contract with Josiah Caldwell, to build the Little Rock and Fort Smith Railroad?—A. I am not, at present, familiar with the details of the contract. I have seen the contract, and have been endeavoring to refresh my memory since Mr. Robinson testified in regard to the material details of that contract, but I cannot at present recollect what they were.

Q. Do you recollect whether, by the terms of that contract, Caldwell became the owner of the assets of the company?—A. I recollect that fact, that he became the owner of the first-mortgage bonds, amounting to \$3,500,000, and of the land-grant bonds, amounting to \$4,000,000—(I have a portion of the contract at home, and all the papers relating to it, but I did not bring them with me)—and of a certain portion of the stock—how much, I cannot say.

Q. Was that all that he was to receive for building the road?—A. No, sir; he was to receive \$1,000,000 of State aid bonds, awarded by the State of Arkansas, on the completion of each successive ten miles of road. The conditions of the law were, that the commissioners should pay to the railroad company \$10,000 per mile to such roads as had received a land-grant from the United States, and \$15,000 a mile to such roads as had not received a land-grant from the United States. This road having received a land-grant from the United States, was entitled to \$10,000 per mile in bonds of the State of Arkansas, when the commissioners, appointed by the State, certified that the road was graded, bridged, tied, and ready for the rails.

Q. Do you know whether Mr. Josiah Caldwell sold any bonds for that company?—A. I do.

Q. How much, at what price, and when?—A. I cannot say how much. He sold very nearly all of them except those which he hypothecated, and which were subsequently sold at the time of his failure, when he was unable to pay his loans.

Q. At what prices?—A. The first-mortgage bonds he sold from 85 down as low as about 75, and he gave a bonus to the purchasers of a certain amount of stock. In some instances he gave land-grant bonds as bonus to the purchasers of the first-mortgage bonds.

Q. What percentage of land-grant bonds, or of stock, did he give to the purchasers of the first-mortgage bonds?—A. I cannot recollect. My impression is that if one had purchased \$10,000 of first-mortgage bonds, Caldwell made the best arrangement he could, and gave him as little as possible. In some instances he gave \$5,000 in land-grant bonds, or 50 shares of stock as a bonus. He had to have money, and, of course, he made the best arrangement that he could.

Q. You say that in some instances he gave us as high as 50 per cent. of the stock, or \$5,000 in land-grant bonds, as a bonus to the purchaser of 10,000 first-mortgage bonds?—A. Yes, sir; most of them were taken by Boston and New England people. There were some few bonds disposed of outside of the New England States.

Q. Do you know anything about the use of bonds of that company to secure legislation in behalf of the company?—A. No, sir; I do not know except what Mr. Josiah Caldwell told me.

Q. Did you ever hear from anybody else anything about the use of those bonds to procure legislation?—A. Yes; at that time and subsequently I have heard.

Q. From whom did you hear it and when?—A. At that time I heard from Judge Thomas M. Bowen, of Denver, Colorado, who was a director in the Little Rock and Memphis Railroad Company, and in the Little Rock and Fort Smith Railroad Company, and was connected with the Southern Land Improvement Company, (with which Mr. Scott was connected at the time,) having in contemplation the consolidation of the three roads, and their lease to that company. It was an organization in the South for the purpose of consolidating the three roads.

Q. State whether you have received information from any other person.—A. I have; subsequently I received it from Judge McClure, of Arkansas.

Q. State anybody else from whom you heard it, if there was anybody else.—A. I do not know that I could give the name of any other party.

Q. What was Judge McClure's position in regard to that road?—A. I cannot say definitely what position he did hold. I think he was counsel for one or more of those corporations. Although I would not like to say positively that that was the fact, I have that impression.

Q. Now, I ask you what you heard from those two gentlemen on the subject-matter of that inquiry.

Mr. LAWRENCE. That is a question to which I object.

The question was reserved to be submitted to the whole committee.

DAVID B. SICKELS recalled and examined.

By Mr. HUNTON:

Question. Do you know, either yourself or from information derived from others, of any bonds of the For Smith and Little Rock Railroad Company which came into the possession of the Union Pacific Railroad Company?—Answer. I knew that the Union Pacific Railroad Company had such bonds.

Q. What bonds were they?—A. They were land-grant bonds of the Little Rock and Fort Smith Railroad Company.

Q. Do you know how many they owned, and when they obtained possession of them?—A. I cannot state accurately as to the time from any information which I have derived, except by refreshing my memory by reference to the papers—to the report of the executive committee of the company. I know of the bonds being in possession of the company.

Q. Have you been connected with the Union Pacific Railroad Company?—A. Not officially. I have been acting in a confidential capacity with that company.

WASHINGTON, May 25, 1876.

Q. Have you any objection to stating what that confidential position was?—A. I do not think it is entirely relevant to this subject. It is a matter that is purely confidential and not connected with this matter.

Q. State what you know about these bonds.—A. I was told by Mr. Atkins, of Boston, one of the directors of the Union Pacific Railroad Company, who was then president of the Little Rock and Fort Smith Railroad Company, about the time that I was selected as their representative to secure the control of the Fort Smith Railroad Company in Arkansas by becoming possessed of their stock or proxies, to be voted upon at the next annual election, that the Union Pacific Railroad Company had some of the bonds of the Little Rock and Fort Smith Railroad Company.

Q. How many?—A. Seventy-five.

Q. Did he state from whom they were obtained?—A. I asked him how they came to get them, and he said that some arrangement had been made with Mr. Scott, their former president. He did not enter into any explanation about it, and I did not ask him further.

Q. When was this?—A. It was in the latter part of 1873, and, I think, in the month of December. I wish to make a correction of my prior testimony. I was under the impression that the annual election of the Little Rock and Fort Smith Railroad Company occurred in 1874, and so stated. That is not the fact. It occurred in December, 1873, as I have found by referring to my correspondence.

Q. Have you any knowledge or information that the Union Pacific Railroad Company ever owned any bonds of the Little Rock and Fort Smith Railroad Company except the seventy-five bonds to which you have alluded?—A. I have not.

Q. Were you in a position to know if that company had owned other bonds?—A. I was.

Q. How would you have known?—A. I say that I was in a position to have known it; but it might possibly have been concealed from me if there had been any intention of concealing. I would, however, have been most likely to have known it, because I was interested at that time in ascertaining who were the holders of the Little Rock and Fort Smith bonds, with a view of carrying out a funding process, and re-organization of the road.

Q. Did you find out who owned the Fort Smith and Little Rock Railroad Company's bonds?—A. Yes, sir; some of them.

Q. Do you know anything of the arrangement between Colonel Scott and the Union Pacific Railroad when these seventy-five bonds were taken by the Union Pacific Company?—A. I do not.

Q. Did you ever hear anything said on the subject by Colonel Scott?—A. No, sir.

Q. Did you ever hear anything said on the subject by any directors of the Union Pacific Railroad Company or any of its agents?—A. No, sir.

Q. Did you ever hear anything said on the subject by anybody?—A. I may have heard something about it, but I cannot recollect distinctly from whom. I may have heard the matter discussed.

Q. You stated on yesterday that you had heard from Mr. Bowen something in regard to the disposition of the bonds of the Little Rock and Fort Smith Railroad Company which afterward found their way into the possession of the Union Pacific Railroad Company. State what you heard from Mr. Bowen.—A. He never said anything to me about any bonds of the Little Rock and Fort Smith Railroad Company of which I have any knowledge as having subsequently fallen into the hands of the Union Pacific Railroad Company.

Q. Do you know anything about the disposition of the bonds of the Fort Smith and Little Rock Railroad Company, seventy-five in number, which afterward came into the possession of the Union Pacific Railroad Company?—A. I do not.

Q. Neither from your own knowledge nor from hearsay?—A. No, sir.

Q. Who else in Boston or elsewhere, beside Mr. Atkins, are connected with that road officially?—A. I have not a list of directors, but the parties in interest, or the stockholders, are the old parties. They exchanged their bonds for stock. I remember Mr. Benjamin E. Bates, of Boston; Henry Saltonstall, Frank Wells, Edward Adams, Alvin Adams, Waldo Adams, Mr. Farrington, Joshua Converse, Lyman Nichols, and Henry Atkinson. Those are the prominent capitalists, I think, who are now interested. There are five directors in Arkansas and four in Boston at the present time. The parties whom I have named are all Boston people and reside either in that city or within a few miles thereof.

Q. Do you know anything about the bonds of the Union Pacific Railroad Company, both Government and first-mortgage bonds, which are said to have been lost?—A. No, sir; I do not know anything, except such information as I have obtained from other parties.

Q. State that, in as much detail as you can give it, to the committee.—A. I have obtained some information from Mr. Meguire with reference to the lost bonds, which I presume he can give more intelligently than I can. I scarcely recall all the details.

Q. Do you know anything about the loss of those bonds, except what information you have acquired from Mr. Meguire?—A. Yes.

Q. Please state it.—A. I have had some conversation with Mr. Sidney Dillon, the president of the road, with reference to the lost bonds.

Q. What was the conversation which you had with Mr. Dillon?—A. He stated that he did not believe Mr. Meguire could furnish sufficient evidence to prove that he had traced

the bonds to the parties who were now possessed of them, or who had become possessed of them.

Q. Who were the parties that he maintained were the parties now possessed of the bonds which had been traced?—A. I understood him to say that some of them had been traced into the hands of Mr. Bushnell.

Q. How many?—A. He thought from 100 to 150.

Q. Who else was named as having possession of these lost bonds, or a portion of them?—A. Not any one else that I recollect.

Q. Mr. Bushnell was the treasurer of the company, was he not?—A. No, sir; Mr. Bushnell was one of the directors of the company; his full name is C. S. Bushnell.

Q. Did he name any one else into whose hands it was said that these bonds had been traced?—A. I do not think he did. I do not recollect any other name.

Q. Have you any other information of your own knowledge or hearsay as to the lost bonds of that company?—A. I have not.

Q. State all that passed between yourself and Mr. Dillon in this conversation in which he told you about his disbelief as to the tracing of the bonds to Bushnell?—A. I told Mr. Dillon that I had examined Meguire's statements and data, and that his theory was a very ingenious one, and possibly he might be able to substantiate his claim for services rendered to the company in discovering the whereabouts of the bonds, but as I was not an attorney I was not competent to decide that point.

Q. What did Mr. Dillon say?—A. He said that Mr. Meguire had no claim whatever on that basis.

Q. Mr. Meguire was to get a percentage on all the bonds that were recovered, was he not?—A. Yes, sir; as I understand it.

Q. Do you know anything about the original loss of those bonds?—A. I do not.

Q. Do you know anything more of the subject, either from your own knowledge or hearsay, than you have heretofore stated?—A. No, sir; I cannot say that I do.

Q. But I want you to say that you do not, if that is the truth?—A. I will say that I do not.

By Mr. LAWRENCE:

Q. Can you give the committee any information which would enable us probably to ascertain what became of the lost bonds?—A. I do not believe it is in my power to do so. I cannot think of any information which would be of service to you.

By Mr. HUNTON:

Q. Do you know anything of the value of the Fort Smith and Little Rock bonds in December, 1871?—A. There was no market-value for them in December, 1871; there was no established value for them. They were hypothecated by different parties at all sorts of rates, from ten cents to twenty-five cents on the dollar. Parties who owned them borrowed money here and there. Mr. Caldwell, I believe, obtained loans on them, but I do not know at what rates.

Q. Do you mean now the land-grant bonds?—A. Yes, sir; I am speaking of the land-grant bonds, and not of the first-mortgage bonds.

Q. The land-grant bonds had a value above the first-mortgage bonds, had they not?—A. No, sir; the first-mortgage bonds was the first mortgage on the road. The land-grant bonds had a very much less value than the first-mortgage bonds.

Q. I understand that at that time the road was pretty well broken down; and if so, it was not of much account as security for bonds, while the land was always security for something?—A. That is true.

Q. Then these land-grant bonds were taken as collateral security, and valued at from ten to twenty-five cents on the dollar?—A. Yes, sir; about that, I should think.

Q. Could they have been sold in the market for that?—A. Possibly they might have been sold at twenty-five cents to different parties who perhaps were not familiar with the subject.

Q. Did not Mr. Caldwell, in selling the bonds of that company, give a bonus in order to sell them?—A. Yes, sir; in some instances he sold first-mortgage bonds at the best price he could get, in the neighborhood of 80 or 85, and some as high as 90 or down as low as 75, depending upon his exigency and requirements for money. In order to induce purchasers, he gave a bonus of the land-grant bonds and the stock, and in some instances both.

Q. To what extent—what per cent. of the bonds sold?—A. It was about fifty per cent.

Q. What was the value of the first-mortgage bonds in December, 1871?—A. They were held by Boston capitalists to be worth about 75 to 80 cents, or thereabout.

Q. What were they worth on the market?—A. They had no market-value.

Q. They could not have been sold in the market?—A. Not in the market except where they were known.

Q. Where they sold at all?—A. They were sold among the parties interested in the project.

Q. Could they have been sold outside of the parties interested in the road?—A. At public auction, unless some party had been familiar with the value of the project and the parties interested, I cannot tell what they would have brought. They might not have brought anything—perhaps not more than twenty-five to thirty cents on the dollar.

By Mr. LAWRENCE :

Q. When you say that these bonds had no market-value in 1871, you mean that they were not quoted at the stock-board?—A. I mean that they were not quoted and not generally known.

Q. You do not speak with reference to their ultimate value?—A. Not at all. That would be quite another thing.

Q. That would be dependent somewhat on the success of the enterprise, would it not?—A. It would be entirely dependent on the success of the enterprise.

Q. Are there not many classes of bonds of that kind which have no market-value, but which ultimately turn out to be very valuable?—A. Unquestionably. Mr. Josiah Caldwell was a wonderfully able man, and one of the best railroad managers and financiers, perhaps, in this country. That is my belief. If he had been successful in his schemes, he would undoubtedly have made all these railroads in Arkansas very valuable, and the investments would have been good ones; but he broke down during the Franco-Prussian war and lost his credit. That was followed by the Chicago fire, and afterward the panic of 1873, which was enough to crush even stronger men than himself.

Q. It was the Franco-Prussian war that interrupted the means of putting the bonds into the market?—A. Mr. Caldwell had made arrangements in London for money, and he in most instances preferred to hypothecate his securities instead of selling them, believing that they would ultimately have a value far beyond the price at which he borrowed money. He had consummated his arrangements abroad and was only interrupted by the Franco-Prussian war and the advance in the Bank of England rate in London. But he was a man who could take the rotten carcass of a bankrupt corporation and electrify it into life more rapidly than any other man I ever knew of.

WASHINGTON, D. C., May 25, 1876.

O. A. HADLEY sworn and examined.

By the CHAIRMAN :

Question. State your residence and vocation.—Answer. I reside at Little Rock, Ark., and I am at present register of the United States land-office at that place.

Q. Did you ever have any connection, officially or otherwise, with the Little Rock and Fort Smith Railroad Company?—A. Yes.

Q. What was your connection that time?—A. I was elected a director in the fall of 1873, I believe.

Q. How long did you remain a director?—A. It would be impossible for me to answer that question. I went to Europe soon afterward and during my absence a change of programme occurred, and when I returned I found myself not a director, the whole thing had turned over, and I do not remember exactly when the change took place. It went into the hands of other parties by decision of the court.

Q. Do you know anything about the sale of bonds by the Little Rock and Fort Smith Railroad Company, which afterward went into the possession of the Union Pacific Railroad Company?—A. I do not.

Q. Do you know anything about the subject, either by hearsay or otherwise?—A. No, sir; except common rumor in the newspapers.

Q. Do you know nothing outside of the newspapers?—A. No, sir; except remarks which have perhaps been based upon that kind of rumor. I never heard persons say that they knew anything about it.

Q. Did you know anything about the bonds of the Little Rock and Fort Smith Railroad Company which were purchased by the Union Pacific Railroad Company?—A. No, sir; I never knew anything about the transaction. I suppose it was all done before I had any connection with the road.

Q. Then you know nothing in regard to the transaction to which I have alluded, either of your own knowledge or from rumor?—A. Nothing whatever, if I understand your interpretation of hearsay; that is, I never heard persons say that they knew.

Q. Were you ever connected with the Union Pacific Railroad Company?—A. I never was.

WASHINGTON, D. C., May 25, 1876.

DAVID B. SICKELS recalled.

By Mr. HUNTON :

Question. State the relation which you have heretofore told this committee you held with the Union Pacific Railroad Company.—A. In 1874 a negotiation in reference to the control of the road brought me in contact with the Union Pacific Railroad and all its directors and officers.

Q. What was your agency in the matter?—A. It was between that party and Mr. Jay Gould of New York. It was a confidential matter.

Q. Did you represent Jay Gould?—A. I did. Jay Gould wanted to purchase the Union Pacific Railroad, but it would be a very difficult matter for me to explain without taking time to think over.

Q. What was Jay Gould's object in the negotiations?—A. He thought it was desirable probably to purchase. He thought it had a magnificent future, and he saw that he could make money by buying it. That was his main object.

Q. Did he make any effort to purchase it?—A. He did purchase it. That is to say, he purchased a controlling interest in the stock.

Q. Does he own it now?—A. Yes, sir.

Q. From whom did he purchase the stock?—A. He purchased it in the open market at the New York Stock Exchange.

Q. Was the action of Jay Gould, by which he became the controlling owner of the road, had with the company or with outsiders?—A. Both. He having become a large owner in the stock, began through me a negotiation for a seat in the board and control of the directors of the company.

Q. What do you mean by "control of the directors"?—A. I mean that he had a representation of his interest in the board, and put in directors to represent his interest.

Q. How many directors did he put in?—A. They were all voted for together. They were five men who were known distinctively in the board as his representatives.

Q. That did not give him a control out of fifteen?—A. It did not give him the absolute control out of the fifteen, as the world might consider, but at the same time the ticket which was voted for was one which he approved by an arrangement or combination of all the interests together.

By Mr. LAWRENCE :

Q. Do you say that Jay Gould owns a majority of the stock of the Union Pacific Railroad Company now?—A. No, sir; I do not say that he owns a majority now. I say that he owned a majority then.

Q. Have you any knowledge as to whether he has sold since or not?—A. I do not know how much he has sold.

Q. At what time was it that he owned a majority of the stock?—A. Prior to the election in March, 1874.

Q. Have you any knowledge of any sale by him since?—A. I have no personal knowledge of any sales by him.

By Mr. ASHE :

Q. You say you have no personal knowledge about the sale of the stock by Jay Gould. Have you ever heard him say that he had sold stock?—A. No, sir; I have not heard him say so.

Q. Have you ever heard anybody else say that he had purchased the stock from Mr. Gould?—A. No, sir; I have not. Mr. Gould is a man who is not likely to tell what he does or to publish his business to the world.

By Mr. HUNTON :

Q. Have you any knowledge or information about the sale of this stock by Mr. Jay Gould?—A. Only what I have heard.

Q. State that.—A. I have heard that he has been selling the stock since it was up to the highest price—83.

Q. How much did you hear that he had sold?—A. I never heard any specific amount stated.

WASHINGTON, D. C., May 26, 1876.

A. P. ROBINSON recalled and examined.

By Mr. LAWRENCE :

Question. Did you hear the testimony of Mr. Curry?—Answer. Yes, sir.

Q. Are you acquainted with him?—A. Very well.

Q. State if you were at his residence on the occasion referred to in his testimony.—A. I have been at his residence so often that it is impossible for me to say. I do not recollect any such conversation as he refers to at his residence.

Q. Do you remember having been at his residence on the occasion to which he refers?—A. I remember having been at his residence frequently. What particular occasion he refers to I do not know.

Q. Was it about five weeks ago?—A. It may have been five weeks ago; I go there very frequently. Whenever I go to the city I go to Mr. Curry's residence.

Q. He states that on one occasion, some five weeks ago, about 7 or 8 o'clock, you were at his residence. State if you had any such conversation with him as he has detailed.—

A. I recollect no specific conversation with Mr. Curry, or anybody else, prior to my having received my summons, but I do recollect having conversations. I cannot call to mind any specific conversations. Our intercourse is constant and frequent, and we talked of this matter at various times.

Q. Did you ever state to Mr. Curry that you had delivered bonds to Mr. Blaine?—A. No, sir.

Q. Did you ever say to him that the package which you delivered to Mr. Blaine was an installment?—A. No, sir.

Q. Did you ever use any language similar to that?—A. No, sir.

Q. Or any language that would indicate any such idea as that?—A. No, sir.

Q. At no time?—A. No, sir.

A. P. CURRY having been recalled at his own request, made the following statement :

Mr. Chairman, the first day that we appeared here, before Mr. Robinson or myself was examined, after you had conversed with Mr. Robinson, I asked him if he had stated to you what his testimony would be. This occurred outside of the committee-room. He said that he had. "But," said he, "Curry, I cannot swear positively that those were bonds." I said to him, "Mr. Robinson, you did not say anything else to me except that they were bonds." "Well," he said, "that was a private conversation," and said, "I might have said that to you, and still I cannot swear to it positively." Mr. Robinson then stated that he never knew positively that they were bonds. I said, "I do not ask you to swear to anything except what is perfectly straight and square, and you understand that." He said, "Well, I know you do not," and our conversation ended there. I merely make that statement for what it is worth.

By Mr. LAWRENCE :

Q. Where was that conversation?—A. It was between here and the drinking-saloon.

By Mr. FRYE :

Q. Before you got there or after you got back?—A. We had returned, I think.

By Mr. LAWRENCE :

Q. What day was it?—A. The first day that we both reported here ; about the first of this week.

Q. It occurred in the park east of the Capitol?—A. Yes, sir.

The following telegrams, offered in evidence by Mr. Curry, were admitted by Mr. Blaine, to save the necessity of calling the sender thereof as a witness :

"LITTLE ROCK, May 25, 1876.

"Col. A. P. CURRY,

"Care of Senator Dorsey, Washington, D. C. :

"Papers state Robinson denies what he said in the room that night about the bonds he took to Blaine.

"BELLE."

"LITTLE ROCK, May 26, 1876.

"To A. P. CURRY,

"Care of Senator Dorsey, Washington, D. C. :

"Have seen your testimony as published in Associated-Press dispatches, and heard Robinson tell you just what you said he did—that he gave Blaine the bonds? Price and Wheeler said Robinson told them the same.

"BELLE CURRY."

By Mr. FRYE :

Q. It is your wife who signs the names "Belle" and "Belle Curry"?—A. Yes, sir.

Q. Did you have any communication with your wife after you testified before she sent the first dispatch?—A. After receiving this first dispatch last evening, I dispatched to my wife in this language : "Did you hear Robinson tell me he gave Blaine the bonds? Answer in full." I think that was the wording of it.

Q. Prior to receiving the first dispatch, had you communicated with your wife?—A. I had not.

Q. So that that dispatch was entirely voluntary on her part?—A. Entirely so.

Q. Had you communicated with any friends of yours in Little Rock?—A. I had communicated with no person except my wife, and that was by letter on the morning that I received the first dispatch. In writing her a letter I stated these facts.

Q. She could not have received that letter, of course, at the time she sent this statement?—A. No, sir. It takes fifty-odd hours for a letter to go there.

Q. Have you sent a dispatch to any one else in Little Rock since you have been here?—A. I have not.

Q. And only one to your wife?—A. Only one to my wife, and that was last night.

Q. Did you, immediately after you testified and Robinson testified, write to any one in Little Rock?—A. To no one but my wife. I have written to her every day or two.

Q. Were you and Mr. Robinson on intimate terms?—A. We have been the best of friends.

Q. Has anything interrupted your friendship recently?—A. Nothing in the world.

Q. Are you still good friends?—A. Yes, sir; passably so. I have regarded Mr. Robinson as one of my very best friends.

Q. You were on terms of familiar intimacy and on visiting terms always?—A. Yes, sir; he is a man of whom I have thought a good deal.

By Mr. LAWRENCE:

Q. Do you regard him as a correct man?—A. I have, sir, heretofore.

Q. That has been his reputation?—A. I think so.

Q. There never has been any imputation upon his reputation for veracity?—A. Not that I have ever heard of.

A. P. ROBINSON, recalled at his own request, made the following statement:

Mr. Chairman: I was asked in the first part of my testimony if I knew a man named Smith, and I could not then call to mind any person with that name. It has just occurred to me, since Mr. Smith's name has been mentioned in conversation here, that I do know a man named Smith; I never saw him but once, however. A man named J. G. Smith came to my house with Mr. Curry a short time since, and I presume that is the one referred to.

By Mr. BLAINE:

Q. Did you, in coming from or returning to any drinking-place or anywhere else, since you came to this city, say to Mr. Curry anything in the slightest degree inconsistent with your testimony here?—A. No, sir.

Q. You never made any admissions of any kind?—A. No, sir. I have stated to him what I have always stated. I desire to say that all these conversations which Mr. Curry has testified to have been loose, social conversations, and that what inferences he may have drawn from what I have said I am not responsible for.

Q. But you never intended to convey to him the idea that you delivered bonds to me?—A. No, sir; I have stated freely and frankly that I delivered a package to you, and that that package might have contained bonds, but I have always stated that I did not know what was in the package, and I did not know anything about that and could not testify about it.

Q. And you testified the other day that it was not a sealed package?—A. I did.

By Mr. HUNTON:

Q. What are the relations between you and Mr. Curry?—A. Perfectly social and friendly. He visited at my house, and spent a great deal of his leisure time there.

Q. What is his character for veracity and truthfulness?—A. Perfectly good, so far as I know; he is a man in whom I have the utmost confidence.

Q. State whether you did or did not say to him that there might have been bonds in that package, but that you could not swear to it.—A. Yes, sir; I presume I have said that to Mr. Curry. I have no doubt I have. I now recollect this Mr. J. G. Smith since Mr. Curry has mentioned his name; and I recollect a conversation with him.

Q. Can you state whether or not he was the Smith alluded to in that dispatch?—A. I expect he is; I have no doubt he is the same person. I never had but one conversation with Mr. Smith about this matter, and to him I stated the same thing—that I knew nothing about the contents of that package.

WASHINGTON, May 26, 1876.

J. G. BLAINE sworn.

Mr. Chairman: It is entirely true that in the spring of 1871, (and Mr. Robinson, I believe, gave the specific date from his diary,) he delivered to me in the Speaker's parlor a package. I should say that the package was about 18 inches long by 4 inches in diameter. I received his card sitting in the Speaker's chair, and, as soon as it became convenient, I went out and met him in the speaker's parlor. He handed me the package, and said, "Here is a package which Mr. Caldwell handed me for you." The package was done up carelessly in brown paper, the ends turned down and tied, I should say, though I cannot tell positively at this distance of time, in a careless manner. I chatted with him a moment about the condition of the Fort Smith road, and somewhat about the coal-lands there. He then wanted to see some member, I have forgotten whom. I told him that he could have the privilege of the floor, and he went in with me. As I passed up to the chair I threw the bundle down carelessly. It lay there until the House adjourned. I then took it down into the lower private room that I had, and t lay there for months. It was a package of maps, some descriptive pamphlets, and some

personal sketches; I mean those made by individuals and not published, showing the coal-fields in the Little Rock railway, in the Arkansas Valley. It was considered at that time by some gentlemen in Boston—Mr. Caldwell and others with whom I had been talking—that there would be quite a speculation in buying those lands, and they were allotted off to show how much could be got in one body. As the sections were taken alternately, it was very hard to get a large body, and a very few thousand dollars would buy a considerable quantity of them. I think the company offered them at five or six dollars an acre. This was sent to me as a prospectus, and a general setting forth of the merits and virtues of the speculation. I did not give a great deal of attention to it. I had some computations made as to the cost of hauling to the river, how far it would be from the Arkansas River, and how much it would cost by the time it got by rail to the Mississippi. The result of the whole thing was that I did not embark in it. That is all there was in the whole story of the package; there was nothing any more mysterious in it than if I should hand this bundle of books to the chairman. It was delivered in the crowd, carried into the House, and thrown down carelessly, and it lay in my room with a miscellaneous lot of papers probably for a year, I referring to it every now and then. Mr. Robinson never delivered to me a bond of the Little Rock and Fort Smith Railroad Company either in Washington or any other place. I desire to make that statement as broad as it can be made in every shape and form, both inclusively and exclusively.

While I am here, I desire to repeat, under oath, in relation to this \$64,000 charge, the statement made by me on the floor of the House, in all its parts and parcels, without mental reservation or purpose of evasion, as the iron-clad oath says.

WASHINGTON, D. C., May 29, 1873.

JAMES F. MEGUIRE sworn and examined.

By Mr. HUNTON:

Question. State your residence and vocation.—Answer. I reside at 116 G street, northwest, Washington City. I am a lawyer by profession.

Q. Did you ever converse with J. C. S. Harrison and others in reference to the investigation as to the ownership by the Union Pacific Railroad Company of certain bonds of the Little Rock and Fort Smith Railroad Company; if so, where, when, and what was it?—A. I think it was the first Sabbath of last March a year ago. I was at the Fifth Avenue Hotel, in New York. I went up there with Mr. James F. Wilson. I went to the room of Mr. Harrison; while there Mr. J. F. Wilson went out to see General Dodge. I was talking over affairs with Mr. Harrison in connection with the road, and Mr. Harrison said to me, "Meguire, I will tell you something that will make these fellows jump."

Mr. LAWRENCE. What fellows?

The WITNESS. The Union Pacific Railroad people. Said I, "What is it?" He said, "It is a matter of \$64,000 that was obtained on \$75,000 of Little Rock and Fort Smith land-grant bonds." I said, "That does not amount to anything; what of it?" Then he spoke of a caricature which had appeared in, I think, Frank Leslie's Magazine of March, 1873, in which the chief picture was represented by an elephant with Oakes Ames's head upon it. I told him that I remembered the picture very well. Then he spoke of a picture up in a tree, and I said, "I recollect it." He asked me if I recollect it distinctly, and I said, "Yes, that picture represented Mr. Blaine." That is all he said to me. When Mr. Wilson came in Mr. Harrison said to Mr. Wilson, "Meguire knows all about this Little Rock and Fort Smith matter." Wilson said to me, "Where did you learn that?" I said, "Well, never mind." I just laughed. I did not know anything about it. That was all I did know. After we talked the matter over I asked Jim Wilson if he referred to the man up the tree, (speaking of the picture.) He said, "You must not say anything about that; that would ruin Mr. Blaine." That was all that was said to me at that time. "Yes," he said, "it would ruin Mr. Blaine and ruin the republican party." That was, I think, the first Sabbath in March, 1873. That was all I knew at that time. I did not know anything of the case further than he told me. I did not know anything about the resolution; he just gave me a synopsis. Mr. Wilson came in a few minutes afterward, and he put it to Mr. Wilson in that way, that I knew it.

Q. Do you know anything of your own knowledge, or from knowledge derived from others, about the 75 bonds of the Little Rock and Fort Smith Railroad Company that were to come into the possession of the Union and Pacific Railroad Company?—A. No, sir; I do not. All the conversation I ever had about it was with Mr. Wilson and Mr. Harrison and Mr. Millard.

Q. Who is Mr. Millard?—A. He was one of the Government directors. His name is J. H. Millard. I had no conversation with him except that I spoke of the case. He always denied it, and said there was nothing in it so far as that was concerned.

Q. Do you know anything else that bears remotely or immediately on this purchase by

the Union Pacific Railroad Company of these 75 bonds?—A. I know nothing about them. All that I know is the conversation that occurred between myself and the Government directors—this conversation that I have spoken of. I did have another conversation with Mr. James F. Wilson on the subject. At that time I did not know anything about how the bonds came into the possession of the Union Pacific Railroad Company, and I did not learn it until last June.

Q. Where was this second conversation, and when?—A. The second conversation, I think, was the next morning after the first one. Mr. Wilson went off to Boston on Monday night, the Monday after the first Sabbath in March. I was talking with him that morning. The thing was astounding to me, and I talked with him again about it. He said, "If you were to say anything about that, it would ruin Mr. Blaine, and would ruin Tom Scott."

Q. That is all that you know about it?—A. That is all.

By Mr. ASHE :

Q. Had you any other conversation with Mr. Wilson about that matter?—A. Yes, I had a conversation with him in the presence of Mr. Jeremiah M. Wilson, who was my counsel in the matter. I think that was in September or October of last year, at Willard's Hotel.

Q. State the conversation.—A. It was about the same lost bonds, the principal part of it, and this matter came up in the conversation, in which I said that if they did not prosecute these trustees, and compel them to disgorge these lost bonds, I would open fight upon them in Congress. Then this matter of the \$64,000 came up, and Mr. Wilson said that that did not enter into the fight. I told him I knew it didn't; all that struck me at that time was that we talked of it as a matter of fact.

Mr. HUNTON. Talked of what as a matter of fact?

A. That the \$64,000 was got and improperly used, and we left it in that condition.

Q. Improperly used by whom?—A. By the company—that it was money improperly used for something.

Q. How improperly used?—A. Mr. Wilson spoke of Mr. Blaine's name, but only in that way, that it would ruin Mr. Blaine to talk of it. After Mr. James F. Wilson was examined here recently, I went up to see him, and I told him that I had been sick in bed and had seen his testimony, and that it was entirely inconsistent with the conversations which had occurred between us; and I asked him how that was. I said, "If I am subpoenaed, I will have to testify to a certain state of facts, and how can you reconcile them?" Mr. Wilson then said to me, "I have always meant by the conversations with you, not that Mr. Blaine got these bonds, but that a talk of that kind would injure him." That is the explanation which Mr. James F. Wilson made to me of it.

Q. Did he ever explain how it would injure Mr. Blaine to talk about the purchase by the Union Pacific Railroad Company of the Little Rock and Fort Smith bonds?—A. Yes; he said that Mr. Blaine was a very prominent man, and in all probability that Mr. Blaine would be a presidential candidate.

Q. The idea which I wish to convey by my question was how the fact that the Union Pacific Railroad Company purchasing seventy-five bonds of the Little Rock and Fort Smith Railroad Company would involve Mr. Blaine?—A. All that I can tell you is that when Mr. Harrison had this conversation with me, I did not know at the time what any of it meant. I only received just a synopsis of it, and he just told me of the picture in Frank Leslie's. In June last, when I was in New York, I had a conversation with Harrison, and he said to me, "I will get you that resolution (referring to a resolution on the books of the executive committee of the Union Pacific Railroad Company,) and you must not tell where you got it." I kind of concluded that Harrison was backing water. He said to me, "When you go to Washington, if you write a letter to me at Indianapolis and inclose me an envelope directed to yourself, I will inclose you that resolution." I saw that he was kind of shy of it, and touched it as if it was nitro-glycerine at that time. So when I came home to Washington, I sat down and wrote him a letter. I handed an envelope to Mr. Frederick P. Stanton, and asked him to direct the envelope to myself. I inclosed that envelope in another larger envelope and told Mr. Harrison to inclose me the resolution by return of mail. In due course of mail that envelope came back to me. I did not open it myself, but handed it to Mr. Stanton, and said to him, "I want you to open that and see what it contains." He did so, and it contained the resolution of the board of directors of the Union Pacific Railroad Company.

Q. That resolution did not name Mr. Blaine's name?—A. No, sir.

Q. Then I want to know how these gentlemen said that that transaction would involve Mr. Blaine, if they did say it?—A. Mr. Harrison, in June last, substantially repeated to me what was in testimony before this committee. He stated that at a meeting of the board of directors, I think in September, 1872, Mr. Clark produced a letter from the president of the Little Rock and Fort Smith Railroad Company, offering to exchange new bonds for the other bonds held by the Union Pacific Railroad Company, and he asked for a committee to be appointed to examine how the Union Pacific Railroad Company came by these bonds. He told me that Rollins touched his coat-tail and told him to withdraw that resolution, that it would ruin Mr. Blaine. That is all that I know of the thing.

Q. Did Mr. Wilson explain to you in any of these conversations how it would ruin or in-

volve Mr. Blaine?—A. I never asked Mr. Wilson except this last time. I said to him, “I feel very badly, because if I am called on to testify in the matter I will have to testify to all those conversations, and I do not understand how our conversations agree with your testimony.” He said, “Why, Meguire, I have always meant in all these conversations that I have held with you not that it was a fact that Mr. Blaine had these bonds, or got these bonds, but that a statement of that kind, if it got out, would ruin him, whether the statement was true or not.”

Q. The idea which I wish to convey to you is, how the purchase by the Union Pacific Railroad Company of these bonds, in which transaction Mr. Blaine's name does not appear, involve Mr. Blaine, or how he would be talked about in that connection?—A. I asked Mr. Wilson that question, and he told me that Harrison was stumbling around, and had found that resolution on the books. I spoke of the Rollins matter, and of the way the conversation occurred with Rollins; and, as I tell you, in all the conversations, it seemed to be accepted as a matter of fact.

Q. What was accepted as a matter of fact?—A. That Mr. Blaine had the bonds. I went to see Mr. Wilson about them afterward, and he said that in all these conversations he meant to convey to me that the talking about it would ruin Mr. Blaine—Mr. Blaine's public reputation.

By Mr. BLAINE :

Q. He did not mean to convey to you that I had actually the bonds?—A. No, sir; he denied that.

By Mr. HUNTON :

Q. That was in the last conversation?—A. Yes. I further told my counsel, Mr. Jeremiah M. Wilson, that he could go and tell that to Mr. Blaine. That was two or three months ago.

By Mr. LAWRENCE :

Do you know any one fact to indicate that Mr. Blaine ever owned a bond that was sold to the Union Pacific Railroad Company?—A. No, sir.

By Mr. HARRISON :

Q. Did Mr. Wilson state any one fact that would indicate any such ownership?—A. No, sir; all that I know, arose just exactly as I have stated.

Q. Did they profess to have knowledge of any one fact that would indicate any such thing?—A. No, sir.

WASHINGTON, D. C., May 29, 1876.

WILLIAM P. DENCKLA sworn and examined.

By Mr. HUNTON :

Question. State your residence and vocation?—Answer. I reside at the Saint James Hotel, New York. I have no particular business now except attending to lands.

Q. Have you ever been connected, officially or otherwise, with the Little Rock and Fort Smith Railroad Company, or with the Union Pacific Railroad Company?—A. I have been with the Little Rock and Fort Smith Railroad, but not with the Union Pacific Railroad Company.

Q. State what your connection with it was, and when.—A. I was the original contractor for the construction of the road in 1867 or 1868—myself and others.

Q. State, in brief, what you were to get for constructing the road.—A. I was to get all the bonds and stock.

Q. There were two classes of bonds, were there not?—A. Yes, sir; land-grant bonds and construction-bonds.

Q. What time did you assign your contract, and to whom?—A. I think I assigned it in 1870. The company modified the contract, and made a contract with Warren Fisher, of Boston. I went out of it, except that I was to get compensation for my interest in the contract. I sold it out.

Q. How long was Warren Fisher a contractor?—A. That I cannot tell. My connection with the company ceased, in a great measure.

Q. To whom did Warren Fisher assign his contract?—A. Warren Fisher failed.

Q. Who took the contract?—A. A new board was elected, and the work was let out by sections; twenty miles to the section, I believe.

Q. Did Mr. Josiah Caldwell have any connection with it?—A. No; he was merely a figure-head for Fisher, during Fisher's contract.

Q. Explain what you mean by his being a figure-head of Fisher's?—A. He attended to the business for Mr. Fisher.

Q. Did the bonds of that company pass into your hands under the contract?—A. No, sir.

Q. Did you do any work on the road?—A. No, sir.

Q. You did not work and were entitled to none of the assets?—A. Mr. Fisher agreed to give me so many bonds. I sold my contract, in a measure, to Mr. Fisher, and he agreed to give me so many bonds and so much stock for my interest in the contract.

Q. How many bonds and how much stock?—A. I think about \$300,000 bonds, and \$195,000 in stock.

Q. Did you get those three hundred bonds?—A. Yes, sir; about that number.

Q. Did you get the stock also?—A. Yes, sir.

Q. Who holds those bonds and this stock now?—A. I parted with the bonds, and the stock is perfectly worthless.

Q. Who owns those bonds now?—A. I cannot tell; I have no idea.

Q. To whom did you assign or transfer them?—A. To different people; I sold them and traded them out.

Q. When did you part with those bonds?—A. At various times after I became possessor of them.

Q. You became possessor of them in 1870, you say?—A. No, sir; I do not think I got them until about 1871.

Q. What time in 1871?—A. I cannot tell you. I have been sick for three or four weeks in bed, and I had no idea what I was to be called upon to testify to here.

Q. State what you got for those bonds.—A. I traded some of the bonds off for lands. I cannot tell you anything approximating the value at all. It was a trade. Another lot of 150 bonds I loaned to a friend, and those bonds were hypothecated with a banking-house in New York, and were sold, and brought about 8 cents on the dollar.

Q. When were they sold?—A. About a year ago.

Q. Did you sell any of those bonds in 1871?—A. No, except that I made arrangements to trade them for lands.

Q. How many of those bonds did you trade for lands, and how much land did you get for them?—A. I got some 30,000 acres of wild lands in Arkansas for 75 bonds, I suppose.

Q. Give us the approximate value of those bonds in December, 1871.—A. I cannot tell you what their value was in the market for cash. I never sold any in the market.

Q. What would you have taken for your bonds that you held in the latter part of 1871?—A. I would have taken 40 cents on the dollar, I should judge.

Q. Would you have taken any less than 40 cents?—A. I always had great faith in the road, and I held the bonds at from 30 to 40 cents. I looked upon them as worth that. I heard of sales at 60 and 65, and 70.

Q. As late as the latter part of 1871?—A. Yes, sir.

Q. Who made those sales?—A. I heard of their being made in Boston.

Q. Were not those sales connected with a bonus to the purchaser?—A. I do not know; I heard of sales there, but I do not know who made them.

Q. From whom did you hear of those sales at 60 and 65, and 70 cents?—A. I cannot tell you; I do not recollect the names.

Q. Do you know anything of 75 bonds of the Little Rock and Fort Smith Company which went into the possession of the Union Pacific Railroad Company?—A. No, sir; nothing but what I have read in the papers. I never heard of it before I saw it in the papers.

Q. Are you acquainted with Col. Thomas A. Scott?—A. No, sir; I have seen him, but never was introduced to him.

Q. Are you acquainted with James F. Wilson, Government director of the Union Pacific Railroad Company?—A. No, sir; I have no knowledge whatever of the Union Pacific Railroad Company, or with any parties connected with it, except by sight.

Q. Suppose you had put your Little Rock and Fort Smith bonds on the market in the latter part of 1871, in the ordinary way, would they have sold at all?—A. Yes, they would have sold.

Q. What would they have brought?—A. I presume they would have brought 30 or 40 cents in New York.

Q. In the regular way?—A. They were not quoted on the stock-board.

Q. Why were they not?—A. It requires quite a bonus to put bonds on the stock-market, and nobody ever took the pains to do so with these bonds.

Q. Would they not have been on the stock-board if they had had a market-value?—A. Unquestionably, if they had had a market-value; but that was the only way to get them to have a market-value, by putting them on the stock-board.

Q. They were not on the stock-board because they had no market-value?—A. There was no attempt ever made by any person, to my knowledge, to put them on the stock-board.

Q. There were a great many of these bonds held by persons who were anxious to sell them, I suppose?—A. I presume Mr. Fisher, the contractor, was anxious to raise money.

Q. Do you know how many of those bonds Mr. Fisher got?—A. No, sir; I have no idea.

Q. Where is Mr. Fisher?—A. His residence is in Boston.

Q. And you reside in New York?—A. Yes, sir.

By Mr. ASHE:

Q. To whom did you transfer your bonds for lands?—A. To Woodruff and others, private individuals.

Q. To any one else?—A. No, sir.

Q. I understand you to say that you would have taken 40 cents on the dollar for your bonds in 1871: did you ever hear that they were selling in Boston at 60 or 70 cents on the dollar?—A. I heard so.

Q. Did you try to put your bonds on the market in Boston?—A. Yes; I wrote over to Boston, and I found that I could not sell them at that time.

Q. Then they were not bringing that price in Boston?—A. Parties told me that they had sold at that price. Bonds will sometimes bring a price that they will not bring at another time. Sometimes a man may sell bonds, as I did, for less, and at other times he may not have an opportunity of making such a trade as I made. The bonds, of course, depreciated in value as Mr. Fisher became embarrassed in circumstances. I was dissatisfied, and I sold out.

Q. When did you sell out?—A. I think in 1874.

Q. But you had those bonds in 1871?—A. Yes; I did not get the bonds until after selling out the stock. I did not like the management of the road, or the extravagant way in which things were conducted, and so I sold out.

By Mr. HUNTON:

Q. When you wrote on to Boston to sell your bonds, what did they say you could get for them there?—A. I wrote to Mr. Caldwell. He did not give me any specific price at all; he merely said that the bonds were dull of sale, and of course he wanted to sell his own bonds first, and would not sell mine.

Q. Where is Mr. Josiah Caldwell?—A. I understand he is in London, or somewhere in Europe. He has been there three years.

Q. Is he not building a railroad in Italy?—A. So I have heard.

Q. Then he would not be in London if he was building a railroad in Italy?—A. O, yes; because he may have a managing-man in Italy, while he resides with his family, which I understand is living near London.

Q. Do you know his address?—A. No, sir; I formerly knew it, but he has changed it. He had an address at some banker's in London—I forget who; but since then he has changed his address and I do not know it at present.

By Mr. ASHE:

Q. In 1871 did you sell any of those 300 bonds to anybody else except those which you exchanged for lands?—A. No, sir; I do not recollect anything else. I sold four or five bonds, in small lots, to different parties, but I cannot recollect to whom. I did not like the management of affairs particularly. I saw that things were running very loosely, and as a matter of course I was anxious to get rid of what I had. I loaned 150 of the bonds to a house in New York, which hypothecated them, and the house was afterward unable to take up the loan, and I think they were sold by the bank that took them at thirty cents on the dollar.

Q. When were they sold?—A. I think about a year ago.

By Mr. HUNTON:

Q. What time was this hypothecation of the 150 bonds?—A. In 1871. They carried the loan along, paying the interest on it.

WASHINGTON, D. C., May 31, 1876.

WARREN FISHER sworn and examined.

By Mr. HUNTON:

Question. State your residence and vocation.—Answer. I reside in Boston; I have no business at present.

Q. Have you ever been connected, officially or otherwise, with the Little Rock and Fort Smith Railroad Company?—A. I have been.

Q. State your connection with it.—A. I took a contract to build it.

Q. State in brief the contract which you had with that company.—A. I was to build the road, and receive the bonds and stock, and some State bonds.

Q. Were you to receive lands also?—A. Yes, sir.

Q. Then you were to receive for building the road all the assets of the company?—A. Yes, sir.

Q. What amount of bonds of the Little Rock and Fort Smith Railroad Company came into your hands under that contract?—A. I assigned the contract over to Josiah Caldwell soon after I had it, and very few of the bonds ever came into my hands.

Q. Was Josiah Caldwell assignee of that contract for value, or was he just assignee in form?—A. He was to receive all the assets of the company.

Q. And to build the road in your stead?—A. Yes, sir.

- Q. What did he pay you for the assignment of the contract?—A. He was to pay me \$250,000 in money, \$250,000 in bonds and some stock; I forget the amount of the stock.
- Q. Can you approximate it?—A. I should think about the same amount of stock.
- Q. \$250,000?—A. Yes, in common and preferred stock.
- Q. Were you to get any lands of the company?—A. No, sir.
- Q. How much did you get?—A. Only \$25,000 in money.

By Mr. LAWRENCE:

Q. What is the date of the assignment from you to him?—A. I think it was in September, 1869.

By Mr. HUNTON:

Q. You say that you received \$25,000 in money; how much did you receive in bonds?—A. I received no bonds.

Q. How much in stock?—A. I think, perhaps, \$200,000.

Q. Did you ever have in your possession, as owner or otherwise, any bonds of the Little Rock and Fort Smith Railroad Company?—A. Yes, sir.

Q. How much, and from whom did you get them?—A. I got them from the treasurer of the company; the amount I cannot state.

Q. Approximate it.—A. Perhaps \$300,000 or \$400,000.

Q. At what time did you get them?—A. That was among the first bonds that were issued; I should think it was in the fall of 1869.

Q. Prior to the time of your assignment?—A. No, sir; after that.

Q. On whose order did you get those bonds from the treasurer?—A. I got them on my own order.

Q. How did you get them on your own order after you had assigned the contract to Caldwell?—A. Because the contract stood in my name with the company. I assigned it to Caldwell as an individual, but the assignment was never approved and recorded by the company at Little Rock.

Q. What did you do with the bonds that you got from the treasurer of the company?—A. I sold them.

Q. I suppose you cannot state to whom you sold them?—A. No, sir; it would be almost impossible; and as the enterprise was a losing one, I suppose that quite a number of people who bought them would not wish their names mentioned as having lost money by it.

Q. At what price did you sell those bonds?—A. They netted a little under fifty cents on the dollar; that was in the fall of 1869, or the winter of 1870.

Q. Did those bonds steadily decrease in value, or did they increase in value?—A. I do not think they decreased in value until the fall or winter of 1871.

Q. What were they in the fall and winter of 1871?—A. There was so large an amount of those bonds pledged as collateral security for loans, and the loans could not be taken up, that there was a very great sacrifice in some cases; in fact, in quite a number of cases. There was no real market-value for the bonds.

Q. State whether they had any market-value in December, 1871?—A. I do not know that they had any market-value then.

Q. What would they bring?—A. They would bring all the way from 35 cents up to 50 cents on the dollar. If a man had given a loan on those bonds as collateral for 50 cents he would be quite likely to take 50 cents for them; if he had them at 40 cents he would be likely to take 40 cents for them; and if he had them at 30, he would be likely to take 30 cents for them—I mean to say, if they were pledged at those rates the holder would take those rates for them.

Q. What was the usual rate at which they were pledged?—A. All the way up from 35 cents to 50 cents.

Q. What would those bonds have brought in the market in December, 1871, if they had been exposed for sale in the ordinary way in which such bonds were sold?—A. A very small price, 15 or 20 cents.

Q. Were they ever worth over 50 cents on the dollar?—A. Never to my knowledge were any bonds ever sold much above that; I believe there were a few sold at 60.

Q. When these sales at 50 or 60 were made, was not a bonus given to the purchaser?—A. Yes, if you call stock, a bonus, there was.

Q. If a person would sell \$10,000 of these bonds, and get 50 cents or the dollar for them, what bonus would be given in the shape of stock?—A. He would give as much in stock, common and preferred.

Q. Without this bonus, those bonds would not, in 1869, have brought as much as 50 cents on the dollar?—A. I do not know about that, because the people never looked on the stock as of any great value.

Q. Was any other bonus besides stock ever given in the purchase of these bonds?—A. No, sir.

Q. Were not land-grant bonds sometimes given?—A. O, yes; if I sold \$10,000 of these first-mortgage bonds, I would also give as a bonus \$10,000 of land-grant bonds, \$10,000 of common stock, and \$10,000 of the preferred stock.

Q. So that in a sale of \$10,000 of these bonds, there was really a transfer of \$10,000 mortgage bonds, \$10,000 land-grant bonds, \$10,000 preferred stock, and \$10,000 common stock?—A. Yes.

Q. Making a transfer of \$40,000 instead of \$10,000?—A. Yes, sir.

Q. And that transfer brought \$5,000?—A. No, sir; \$10,000.

Q. Counting the land-grant bonds in with the first-mortgage bonds?—A. Yes, sir.

By Mr. LAWRENCE :

Q. Twenty-five per cent. on the whole value of all of them?—A. Yes, sir.

By Mr. HUNTON :

Q. Did you ever sell to Thomas A. Scott any of those bonds?—A. I never saw Mr. Scott but once in my life.

Q. Do you know whether Josiah Caldwell ever sold any to him?—A. I do not.

Q. Did you ever let Morton, Bliss & Co. have any of those bonds?—A. I never saw one of the firm; I never let them have a dollar.

Q. Did you ever sell to, or transfer to James G. Blaine any bonds of that company?—A. No, sir.

Q. Any stock?—A. Yes, sir.

Q. State the transaction.—A. I do not know the number of shares of stock.

Q. Approximate.

Mr. LAWRENCE. (to Mr. Hunton.) Does the resolution cover an inquiry as to the stock?

Mr. HUNTON. I think not; but it may lead up to the question embraced in the resolution.

Q. Do you know whether Mr. Blaine, at any time, owned any of the bonds of that company; and if so, how much?—A. I understood that he owned some; I do not know the number.

Q. From whom did you understand it?—A. I think Mr. Blaine.

Q. State what he did tell you.—A. I do not know that I recollect the conversation; it is four or five years ago; it was in substance that he had invested in the bonds; I do not know the number of them.

Q. Do not you know, from Mr. Blaine or otherwise, what he did with the bonds of that company which he said he held?—A. I do not know what he did with them.

Q. Did he ever inform you what he did with them?—A. He never did.

Q. Did he ever say that he had got the money on them through Mr. Scott?—A. He never did.

Q. Then you cannot state to the committee what amount of bonds he said he held or what he did with them?—A. No, sir.

Q. Can you state to the committee whether any of those bonds, owned by Mr. Blaine, afterward found their way into the possession of the Union Pacific Railroad Company?—A. I cannot.

Q. Do you know what Mr. Blaine gave for those bonds?—A. I do not.

Q. Why did you give up this contract?—A. For this sum of money.

Q. There was no other reason why you wanted to dispose of it: it was a money transaction?—A. Yes, sir.

Q. Did you, after that transaction, fail in business?—A. Yes, sir.

Q. Did you go through bankruptcy?—A. I did.

Q. Who represented your creditors in that matter—what lawyers?—A. The assignees represented the creditors.

Q. Were they lawyers?—A. Yes, sir.

Q. Had they any lawyers employed?—A. No, sir.

Q. Who were those assignees?—A. They were two Boston lawyers, Mr. R. M. Morse, jr., and Mr. F. M. Dickinson, jr., of Boston.

Q. Was there any other lawyer engaged in those bankruptcy proceedings besides those two?—A. My own lawyers.

Q. I see it stated that you said to one of those lawyers that Mr. Blaine got a certain amount of these bonds: the statement is, "The attorney says that Fisher testified that he had paid the Hon. James G. Blaine \$130,000 for no consideration whatever;" is that true?—A. No, sir.

Q. Nothing like it?—A. Nothing like it that I remember.

Q. Do you know anything about the ownership of those bonds by the Union Pacific Railroad Company?—A. No, sir.

Mr. Frye suggested to Mr. Hunton to ask the witness whether, as a matter of fact, he ever did let Mr. Blaine have \$130,000 of these bonds without any consideration.

Q. Did you ever, as a matter of fact, let Mr. Blaine have \$130,000 of those bonds of the Little Rock and Fort Smith Railroad Company without any consideration?—A. No, sir.

Q. Or any other amount?—A. I let Mr. Blaine have some bonds in his hands, but they were for other parties.

By Mr. LAWRENCE :

Q. Without consideration?—A. No; I got my pay for them.

By Mr. HUNTON :

- Q. From whom did you get your pay?—A. Through various parties.
 Q. From Mr. Blaine, or from the parties for whom he bought them?—A. From the parties for whom he bought them.
 Q. State from whom you got the consideration.
 Objected to by Mr. Frye, and question withdrawn.
 Q. You say that you have no acquaintance with Colonel Scott?—A. I never saw him but once, and that was in 1861.
 Q. Were you ever connected with the Union Pacific Railroad Company?—A. No, sir.
 Q. In no way?—A. In no way. I have had four, or five, or six of its bonds.
 Q. Do you know anything of Morton, Bliss & Co., brokers and bankers of New York?—
 A. I know of Mr. George Bliss, but I never saw him.
 Q. Did you ever have any business transactions with him?—A. Never a dollar.
 Q. Did you ever hear any member of that firm say anything about a transaction between that firm and Colonel Scott in regard to bonds of the Little Rock and Fort Smith Railroad Company?—A. I never did. I never saw any member of the firm.

By Mr. ASHE :

- Q. You say that some five years ago you heard Mr. Blaine say that he held some of the bonds of the Little Rock and Fort Smith Railroad Company?—A. Yes.
 Q. State the substance of that conversation.—A. That was about the sum and substance of it.
 Q. How did you come to speak about the bonds?—A. It was a conversation which I frequently indulged in with everybody in Boston who came to see me.
 Q. Give any of the circumstances connected with that interview, and which led to the statement.—A. We had a conversation in connection with the enterprise, which was after the road was a failure, I think.
 Q. Did Mr. Blaine, in that conversation, say where he got the bonds?—A. No, sir.
 Q. Did he state that he had disposed of any of them?—A. No, sir.
 Q. Did he state what amount of bonds he held?—A. No, sir.
 Q. All these bonds that were negotiated by Mr. Blaine, did they go into the hands of third parties, or did Mr. Blaine retain any of them himself?—A. I have no means of knowing.
 Q. You said that other parties paid you?—A. Yes, sir.
 Q. For all the bonds negotiated through Mr. Blaine at the time?—A. Yes, sir.

WASHINGTON, D. C., May 31, 1876.

ELISHA ATKINS sworn and examined.

By Mr. HUNTON :

- Question. State your residence and vocation.—Answer. I reside in Boston; I am a merchant.
 Q. Have you ever been connected, officially or otherwise, with the Union Pacific Railroad Company?—A. Yes, sir; I have been a director in the corporation since 1869.
 Q. Are you still a director?—A. I am.
 Q. Have you ever been a member of the executive committee of that company?—A. Yes.
 Q. At what period?—A. Every year, I think, except the year 1871.
 Q. Who took your place in 1871?—A. The executive committee then was made up from New York.
 Q. Can you name the members of the executive committee in 1871?—A. Thomas A. Scott, president; John Duff, vice-president; Andrew Carnegie, of New York; Sidney Dillon, of New York; George M. Pullman, of New York and Chicago; C. S. Bushnell, of New Haven; and Government Director James F. Wilson.
 Q. Do you know anything of the ownership by the Union Pacific Railroad Company of a certain amount of the bonds of the Little Rock and Fort Smith Railroad Company?—A. Yes, sir.
 Q. State all that you know about it.—A. The first knowledge of those bonds in Boston was an order from the executive committee on the treasurer of the company to pay Morton, Bliss & Co.'s draft against these \$75,000 of Little Rock and Fort Smith bonds.
 Q. What was the amount of the draft?—A. \$64,000.
 Q. What was the value of those bonds at that time?—A. Their general value was about 50 cents on the dollar. I was told the other day by a gentleman in Boston that he sold some of those bonds about that time as high as \$1.
 Q. When?—A. About the time that the bonds were taken by the Union Pacific Railroad Company. I suppose it to be the time when the road was taken by the Southern Improvement Company, in 1873; that gave an impetus to the bonds, and this gentleman told me that he sold bonds at that time at \$1. The general value of them was 50 or 60 cents on the dollar, but it was fluctuating.

Q. Who is this gentleman?—A. Mr. J. S. Converse.

Q. The general value of the bonds on the market was from 50 to 60?—A. Yes, for a short time. I think I understood that other bonds were sold for about 80, though I suppose the general value of the bonds was not so much as that on the market, because they could not be sold to any great extent.

Q. Not at 50 or 60 cents?—A. Yes: they could have been sold at 50 or 60 cents, but probably there could not be a great number sold at 80. A good many holders would have sold their bonds at that time.

Q. I want to know what the bonds were considered worth in the market in December, 1871.—A. I cannot tell you the exact dates, but I suppose there would be no difficulty in buying them at less than 80 cents. I should not have sold mine at 60 cents, although I made a mistake in not doing so.

Q. I want to ascertain what was the public estimate of the value of those bonds, derived from what they would bring if put upon the market.—A. I should say that 60 would be a fair estimate of their value if they were put on the market for sale.

Q. In the sale of those bonds was not a bonus given?—A. I understand not.

Q. I do not mean any given sales, but was it not customary in selling these bonds to give a bonus with the bonds?—A. It had been before that.

Q. Do you mean to say that the bonds could have brought in the market, in 1871, 60 cents without a bonus?—A. Yes, sir; they would be a very cheap bond at 60 if the arrangements with the Southern Improvement Company had been carried out. As it turned out, they were a very dear bond at any price.

Q. State what was the inducement offered to the Union Pacific Railroad Company to buy those bonds at over 80 cents, when their highest market value was 60 cents.—A. We in Boston knew nothing of their purchase; the thing was done by the executive committee; we rarely questioned the doings of the executive committee. Our theory was—whether we were told so or not I do not know—that it was an arrangement with Colonel Scott in lieu of a large amount of salary which he claimed should be paid to him.

Q. What salary were you to pay Mr. Scott?—A. Our by-laws fixed the president's salary at \$8,000 a year.

Q. Was that the salary which you were to pay Mr. Scott?—A. He has never been paid anything.

Q. Was that the salary which you agreed to pay him?—A. I am not aware of any agreement at all. I do not know whether he ever asked the question.

Q. Do you mean to say that the board of directors employed Mr. Scott as president without any agreement as to salary?—A. I cannot say; personally I know nothing about the agreement with Colonel Scott.

Q. You were a member of the board?—A. Yes. I had no conversation with Mr. Scott. I presume that the matter was left to the vice-president.

Q. It was the board that employed him?—A. He was elected by the stockholders.

Q. Who was the party that fixed the salary?—A. The salary is fixed by the by-laws.

Q. And that by-law was never changed?—A. That by-law was never changed.

Q. Could any president have got more than the amount of salary fixed in the by-laws without a change of the by-law?—A. He could not have recovered any more.

Q. Would the board of directors be authorized to pay him any more?—A. Perhaps they would for extra services.

Q. What sort of extra services?—A. Mr. Scott was of immense value to the company in assisting its finances. The company was almost on the brink of bankruptcy. Our securities were at a very low ebb, and we found it very difficult to use them. Immediately after Mr. Scott took the presidency of the road, our securities appreciated, and we were enabled to get money more easily.

Q. All that was his duty as president?—A. I presume it was. Mr. Scott certainly made a great sacrifice when he came into the company. He may have had an understanding with the members of the executive committee that he was to be paid extra. Whether he had or not I do not know.

Q. Had the executive committee any right, in the face of the by-law, to make such an arrangement?—A. You can answer that question better than I can. Personally, I know nothing about any bargain made with Colonel Scott for pay. I know that the board thought it very desirable to get Mr. Scott to assume the presidency.

Q. Did you not know that Mr. Scott was at that time largely interested in the Union Pacific Railroad Company?—A. I do not know how largely. He must have been a stockholder to have been elected.

Q. Did he not own a large quantity of the stock and bonds of that company?—A. I am not aware that he did. He owned some stock—how much I do not know. I do not know that he owned any bonds.

Q. Was it understood that the Union Pacific Railroad Company was to be taken hold of by this Southern Improvement Company?—A. It was never thought of.

Q. Do you know of any connection between the Southern Improvement Company and the Little Rock and Fort Smith Railroad Company?—A. I know it through Colonel Scott, that it was proposed that the Southern Improvement Company, or rather the Southern Rail-

way Security Company, should take hold of the Little Rock and Fort Smith Railroad in connection with other southern roads.

Q. What was this Southern Railway Security Company?—A. It was a trust company in Philadelphia, I think, in which Mr. Scott was interested.

Q. Where did it get its incorporation?—A. I think it is a Pennsylvania institution; it was located in Philadelphia, but I do not know where it received its charter. It was said at the time that Colonel Scott had an interest in it.

Q. Did not Colonel Scott go into the presidency of the Union Pacific Railroad Company because he had large interests there which he thought he could appreciate by taking the charge of the company?—A. I do not think he did; I think his idea was to make a through connection to the Pacific coast by the Pennsylvania Central Railroad; I think that was his idea.

Q. You do not know why the executive committee agreed to cash those bonds held by Colonel Scott at a price in excess of their market-value?—A. I do not.

Q. You understood it was a transaction made with Mr. Scott on account of his salary?—A. That was the theory of the Boston directors who were not members of the executive committee.

Q. Explain why it was that, seeing that order from the executive committee, you did not investigate it as a member of the board of directors.—A. It was regularly investigated at the quarterly meeting of the board. The records of the executive committee were read and discussed at the quarterly meeting in the presence of all the Government directors; this matter was brought up.

Q. Who brought it up?—A. I cannot say; Mr. Harrison may have brought it up, or Mr. Wilson.

Q. You say that this order of the executive committee was regularly investigated?—A. I do not mean investigated; the matter was spoken of, as well as all the proceedings of the executive committee.

Q. State what was said about that particular order of the executive committee.—A. I cannot tell you; I do not recollect.

Q. Was there any investigation?—A. There was nothing that you would call an investigation; there was probably an explanation of it.

Q. What was the explanation?—A. As I tell you; that it was given to Mr. Scott, as we all understood, for his services.

Q. Who made this explanation?—A. Mr. Horace F. Clark, who was then president of the company. I remember that he seemed satisfied with the explanation he got; he asked for an explanation of it when he came in.

Q. Who made the explanation?—A. I do not remember; it was made in the board, perhaps, by some member of the executive committee; that was the general purport of it, that it went for the benefit of Mr. Scott.

Q. The only explanation made of that transaction was that it was a transaction in payment of Mr. Scott's salary?—A. No; I do not think it was said so in terms.

Q. State what was said.—A. I cannot do so.

Q. You seem to know what was not said; can you not state what *was* said?—A. My general idea is that this was about the upshot of it: That it was a matter between the executive committee and Colonel Scott. I only know the fact that no salary has been paid to Colonel Scott.

Q. Then you cannot say anything that was said in explanation of this order from the executive committee?—A. I cannot.

Q. Do you remember Mr. Harrison making a motion to appoint a committee to investigate?—A. No, sir; I do not remember it. Perhaps I was not present.

Q. Who did bring this matter up and ask for an explanation?—A. That I do not remember.

Q. What has become of those bonds which the Union Pacific Railroad Company got hold of?—A. They are now in the treasury of the company.

Q. Are they worth anything?—A. They are worth considerable now.

Q. What are they worth?—A. I do not know what the money-value of them may be. The road has been re-organized and is now nearly completed.

Q. What would they bring in the market?—A. They do not exist now in the shape of bonds. The road has been reorganized, and the old bonds have been changed into stock of the new company.

Q. Then the Union Pacific Railroad Company holds, instead of those seventy-five bonds, stock of the new company?—A. Yes.

Q. What amount of stock?—A. We got, I suppose, 55 per cent. of \$75,000; that is, the new company gave 55 per cent. in stock for the par value of those bonds and the over-due coupons.

Q. What is the market-value of that stock now?—A. I have seen the stock sold at 20, but little of it is bought. I think there is not much to be had at that price.

Q. Do you know anything of the present condition of the Little Rock and Fort Smith Railroad?—A. It is nearly finished. It will probably be finished and opened for traffic in the middle of June.

Q. What indebtedness will it carry?—A. Nothing but \$3,000,000 of bonds. The road is expected to be finished without any floating debt. The whole indebtedness will perhaps be about \$3,000,000 of bonds, which are a first mortgage on the road and on the land-grant.

Q. State whether there was any difference before this new organization between the value of the land-grant bonds and the value of the first-mortgage bonds.—A. No; the market-value was the same.

Q. All these mortgage bonds and land-grant bonds were paid for in stock of the company?—A. Yes; the mortgages, both on the road and the land, were foreclosed and bought up by the new organization, which foreclosed both road and lands for \$3,000,000. The old bonds were taken up, proved in court, and the new company gave 55 per cent. in stock for them.

Q. What do the new bonds bring?—A. Some of them were issued by the company at 70, and others were sold at auction for 50. Enough of them were sold to complete the road.

Q. Did the sale of those \$3,000,000 of bonds at 50 bring money enough to complete the road?—A. Yes; only half of them were sold at 50.

Q. What became of the rest?—A. Most of them are still in the treasury. They have not been issued yet.

Q. How was the money raised that finished the road?—A. By the sale of \$1,500,000 of bonds at auction. It was necessary in order to save the land-grant, which expires in July.

Q. Then \$750,000 will complete the road?—A. Yes, with the earnings of the road.

Q. Then how do you make the indebtedness of the company \$3,000,000?—A. There are the expenses of foreclosure.

Q. But you say that this new company issued \$3,000,000 of bonds, only one-half of which went out, and the balance are held by the company?—A. No, sir; not held by the company. Only some of the balance are held by the company. A sufficient amount was raised to pay into court for the purchase of the road. The old stockholders took these bonds at 70 per cent. of the face-value.

Q. Thus giving the company enough to pay for the court expenses, and to pay for the road and for the foreclosure?—A. Then there was a large amount of equitable claims for money that was paid in from time to time to finish the road in order to save the land-grant, to do which the company were obliged to complete 20 miles each year. There was a large amount of these claims outstanding, and the court was requested to appoint an auditing committee to decide upon the equity of these claims and to have them paid, and the order was made in court. These claims were paid mostly in these new bonds, or will be paid in them, for they are not all paid yet. The company hopes to finish the road with the proceeds of the \$3,000,000 of bonds.

By Mr. ASHE:

Q. Have you any knowledge as to the person to whom the Little Rock and Fort Smith Railroad Company sold these bonds, which were afterward held by the Union Pacific Railroad Company?—A. No, sir; I have not.

Q. Have you any information of it from other persons?—A. None at all. I do not know. The first I ever heard about these bonds was this order from the executive committee to take them up and to pay Mr. Scott \$60,000. I have no means of knowing by what means they came into Colonel Scott's hands.

By Mr. HUNTON:

Q. Did you ever hear that an investigation of the ownership of these 75 bonds would involve Mr. Blaine?—A. No, sir.

Q. You never heard that from anybody?—A. I do not think I did.

WASHINGTON, D. C., May 31, 1876.

JAMES MULLIGAN sworn and examined.

By Mr. HUNTON:

Question. State your residence and vocation.—Answer. I reside in Boston; I am treasurer of the Globe Theater.

Q. Have you ever had any connection with the Little Rock and Fort Smith Railroad Company?—A. I had, through Mr. Fisher.

Q. State what it was.—A. I was book-keeper and cashier for the Adams sugar-refinery, in which Mr. Fisher was a partner, and I kept some accounts for Mr. Fisher for the Little Rock and Fort Smith bonds.

Q. Where are those books?—A. In Boston.

Q. In the possession of Mr. Fisher?—A. I presume so.

Q. Do you know anything about the sale of any Little Rock and Fort Smith Railroad bonds by Mr. Fisher?—A. Yes, sir.

Q. To whom were they sold?—A. They were sold through Mr. Blaine to parties in the State of Maine.

Q. State their names.

[Objected to by Mr. Frye, and question withdrawn.]

Q. Do you know of the sale, by Warren Fisher or Josiah Caldwell, of 75 bonds of the Little Rock and Fort Smith Railroad bonds?—A. I knew of a number of bonds that were sold, but I have no knowledge of any specific 75 bonds. There were a number of bonds sold in the State of Maine. That was all the transaction of which I kept an account.

Q. Can you state whether the number of bonds sold to persons in Maine, through Mr. Blaine, amounted to 75?—A. Yes; they amounted to twice that number.

Q. Do you know of any sale of bonds, by Fisher or Caldwell, to Thomas A. Scott?—A. No, sir; I do not know about any bonds sold outside, further than those that were sold through Mr. Blaine to his friends in Maine.

Q. How much did those bonds bring?—A. They netted Mr. Fisher 45 cents on the dollar.

Q. Was there any bonus accompanying the sales of those bonds—I mean did not the purchaser of those bonds get, in addition to them, stock or something else of the company?—A. Yes, sir.

Q. For instance, if Mr. Fisher sold 10 one-thousand-dollar bonds and got 45 cents on the dollar for them, did he transfer along with them any other bonds or stock?—A. Yes.

Q. How much?—A. Sometimes more and sometimes less.

Q. What was the usual amount of stock given as a bonus?—A. Suppose a man paid \$50,000 in cash for 50 first-mortgage bonds; he received the bonds, \$50,000 in common stock, and \$50,000 in preferred stock. Some got more and some less.

Q. What was the value of that stock?—A. I do not know whether there was any value to it. Its par value was \$100. These bonds, sold through Mr. Blaine, netted Mr. Fisher 45 cents on the dollar. Mr. Blaine made the contract for them.

[Objected to by Mr. Frye.]

Mr. HUNTON. [To the witness.] Tell us the transaction without mentioning names.

The WITNESS. I cannot tell you about that. I cannot tell you the value of the stock, because two parties got the benefit of it.

Mr. HUNTON. I will get at it in another way: Mr. A comes into Mr. Fisher's office and buys 10 bonds of the Little Rock and Fort Smith Railroad Company, the par value of which was \$10,000. Mr. Fisher gets for this \$4,500, and along with the bonds gives \$10,000 of par value in preferred stock, and \$10,000 of par value in common stock?—A. Yes.

Q. So that instead of the purchaser getting bonds to the amount of \$10,000 he gets those bonds representing \$10,000, preferred stock representing \$10,000, and common stock representing \$10,000?—A. Yes, sir.

Q. So that the stock and bonds which represented at par value \$30,000 brought only \$4,500?—A. There was a third party to be paid out of it, and I cannot give you the particulars without stating how it was.

Q. Who was that third party who got a portion of the pay?

The WITNESS. I understand that that is objected to.

Mr. FRYE. I object to going into that main transaction.

Mr. HUNTON. I am endeavoring to ascertain from the witness the value of the bonds, which value here I have got by an actual sale.

The WITNESS. You want to get at the market-value of those bonds?

Mr. HUNTON. What Mr. Fisher sold the bonds for.

The WITNESS. All that I know is what my books show, and what Mr. Fisher got for them. They netted Mr. Fisher 45 cents on the dollar for the amount of bonds, calling the stock valueless. But taking the bonds that were given to the third party, then the whole netted Mr. Fisher 45 cents on the dollar.

Q. What was the gross amount which Mr. Fisher got for \$10,000 in bonds, \$10,000 in preferred stock, and \$10,000 in common stock?

The WITNESS. You want me to tell you also what the intermediate party got?

Mr. LAWRENCE. What was the cash price at which the bonds were sold?

The WITNESS. All that I know about the price is what they netted to Mr. Fisher.

Mr. LAWRENCE. What did he pay this person who acted as broker in the sale?

The WITNESS. I will tell you how much bonds Mr. Fisher delivered for that amount of money, how much the buyers got, and how much the other party got.

Mr. FRYE. I object to that.

Mr. HUNTON. [To witness.] You say that Mr. Fisher got forty-five cents on the dollar?

The WITNESS. Yes; taking the commission out. That is the actual amount he netted from the bonds that he gave out.

Mr. HUNTON. And he had to pay a third party for selling those bonds?

The WITNESS. The third party made the contract with different persons in the State of Maine.

Q. How much did Mr. Fisher pay this third party?—A. He paid him about as much as he gave the other one. If my memory serves me right, there was about \$130,000 of money paid

by the parties, for which they got \$130,000 of common stock, \$130,000 of preferred stock, and \$130,000 of first-mortgage bonds; and the third party was to get \$130,000 of land-grant bonds and \$32,500 of first-mortgage bonds for his share in the transaction. That is what Mr. Fisher gave out for this \$130,000.

Q. The transaction to which you allude involved \$130,000?—A. It did.

Mr. Frye objected to the testimony as having no connection with the Union Pacific Railroad Company.

Mr. Lawrence moved to strike out of the record all that related to the sale of those bonds except the fact that they were sold at a given price.

Mr. HUNTON. The examination of this witness was undertaken for no other purpose, and has been directed to no other point than the value of those bonds in the market. [To the witness.] This sale, as I understand, involved \$130,000 of first-mortgage bonds, \$130,000 of preferred stock, and \$130,000 of common stock; what was the sum realized by Mr. Fisher for that \$390,000 in bonds and stock?—A. \$130,000; and he had to give the third party \$130,000 of land-grant bonds and \$32,500 of first-mortgage bonds.

Q. And from the whole transaction he realized \$130,000 in money?—A. Yes.

Q. Was there any difference of value between the first-mortgage bonds and the land-grant bonds?—A. I never heard of any.

Q. Do you know of any other sale of the bonds of that company?—A. Yes.

Q. Were the other sales made on the same terms as this sale?—A. No, sir; quite different.

Q. Was the percentage which was realized by Mr. Fisher on those other sales different from that realized on this sale?—A. It averaged about the same.

Q. Does your knowledge of the transactions of Warren Fisher enable you to state whether any sale of those bonds was made to Thomas A. Scott?—A. I never knew of Mr. Fisher making any sales to him.

Q. Do you know whether Mr. Caldwell sold any to him?—A. No, sir.

Q. Do you know of your own knowledge or from information (derived from anybody but Mr. Caldwell) of a sale of Little Rock and Fort Smith Railroad bonds to Colonel Scott?—A. Yes, sir.

Q. State it.—A. I have it from Mr. Elisha Atkins.

Q. State what you heard.—A. Mr. Atkins told me that there was \$64,000 charged for seventy-five bonds of the Little Rock and Fort Smith Railroad Company, which Mr. Tom Scott had, and which he made the Union Pacific Railroad Company take from him at that price.

Q. State all you heard Mr. Atkins say in that conversation.—A. That is about the whole of it.

Q. How did he say that Colonel Scott made the Union Pacific Railroad Company take those bonds from him at that price?—A. He did not state.

Q. How did he state that Colonel Scott got those bonds?—A. He did not state.

Q. All that occurred between you and Mr. Atkins was a statement by him that Mr. Scott had made the Union Pacific Railroad Company take these bonds at the price of \$64,000?—A. No; he said that they came from another party.

Q. State all about it.—A. He said that they came from Mr. Blaine. Mr. Atkins told me that Mr. Blaine gave the bonds to Tom Scott, and that Tom Scott made the Union Pacific Railroad Company take them.

Q. Mr. Atkins told you that this \$75,000 was got by Mr. Scott from Mr. Blaine, and that Mr. Scott made the Union Pacific Railroad Company take them at \$64,000?—A. Yes, sir.

Q. Did Mr. Atkins tell you how Mr. Blaine came into the possession of those bonds?—A. No, sir.

Q. Did you hear from any source how Mr. Blaine came into possession of those bonds?

—A. Yes, sir.

By Mr. LAWRENCE:

Q. When did Mr. Atkins tell you this?—A. It might be in the early part of 1872.

Q. Where?—A. In Boston.

Q. What place in Boston?—A. At 19 Douane street and 21 English street.

Q. Can you not fix the time a little more specifically?—A. No, sir.

Q. What business is carried on at those places that you speak of?—A. The one was the office of the Adams sugar-refinery, and when it was broken up Mr. Fisher made his office at the other place.

Q. Who was present when Atkins told you this?—A. He told the same story to Mr. Fisher.

Q. Was Mr. Fisher present when he told you this?—A. No; I do not think he was.

Q. Who was present when he told it to you?—A. Not any person.

Q. Why did you not say so?—A. I have said so.

Q. What time of the day was the first conversation with Mr. Atkins?—A. I cannot tell you exactly.

Q. Was it in the day or evening?—A. If you want me to go into all the particulars I will do it. Mr. Fisher was present, I think, at one time.

By Mr. HUNTON :

Q. Do you mean to say that Fisher was present when Atkins told you this?—A. I am pretty positive that he was; and Mr. Fisher has told me repeatedly that Atkins told him the whole story.

Q. Did Atkins state how Mr. Blaine came into possession of those bonds?—A. I understood that Mr. Blaine had taken them up from those parties in Maine, for whom he had purchased them—the parties in this pool. I understood so from Mr. Blaine himself—that he took them up for those parties—and I understood that those were the bonds which Tom Scott had.

Q. Did you understand from Mr. Blaine himself that he had sold these seventy-five bonds to Colonel Scott?—A. No, sir. I did not hear Mr. Blaine mention the name of Tom Scott.

Q. What did you hear from him on the subject of those bonds?—A. I heard from him that he sold some of those bonds, (he did not say how many,) and that he had to pay these men in Maine for them.

Q. To whom did he say that he sold them?—A. He did not state.

Q. Did you hear from Mr. Blaine that any of the bonds of the Fort Smith and Little Rock Railroad Company had gone into the hands of Tom Scott and thence into the hands of the Union Pacific Railroad Company?—A. Mr. Blaine never stated that to me.

Q. State in what manner he did speak on the subject.—A. Mr. Blaine used to complain about how he lost by the transaction, and about taking up these bonds from the parties in Maine, to whom they had been sold. Mr. Fisher heard the story about Mr. Blaine having sold those bonds for a certain amount, and he told Mr. Blaine about it. Mr. Fisher took the ground that Mr. Blaine had not lost anything, because he had sold the bonds for more than they were worth. Mr. Blaine's reply was that he did not have the benefit of that himself, and that he had not the money forty-eight hours; that he had paid it over to those parties in Maine.

Q. Then the bonds which you heard from Mr. Atkins Mr. Blaine had sold to Mr. Scott were a portion of the bonds that you have spoken of in that transaction, as you understood from Mr. Atkins?—A. Mr. Atkins did not say from whom the bonds came. He did not say that they belonged to those parties, but I say it.

Q. I understood you a while ago to say that Mr. Atkins told you that Mr. Blaine had sold to Scott these seventy-five bonds, and that Scott had made the Union Pacific Railroad Company take them.—A. Yes, sir.

Q. And you heard from Mr. Blaine that these bonds which he sold to Scott, and which he made the Union Pacific Railroad Company take, were a portion of the bonds which these parties in Maine had got through him?—A. Do not misunderstand me. I prefer to state it in my own words: There were transactions between Mr. Fisher and Mr. Blaine, and Mr. Fisher was urging Mr. Blaine for a settlements. Mr. Blaine wrote to Fisher about the trouble in regard to these bonds, and there was besides some outside settlement in which Mr. Atkins was directly interested; letters were written back and forth between Mr. Blaine and Mr. Fisher, Mr. Fisher urging a settlement. Mr. Atkins's name was used in these letters, and then Mr. Atkins told me and Mr. Fisher told me about this transaction.

Q. You mean the transaction between Blaine and Scott and the Union Pacific Railroad Company?—A. Yes. Mr. Fisher and Mr. Blaine were to meet for a settlement, and I was delegated by Mr. Fisher, who was sick at the time, to make that settlement for him. I met Mr. Blaine in the Parker House in Boston, and the first words he said to me was that he was glad that he and I were going to settle this, as we could settle it very easily. "Now," said he to me, "Mr. Fisher has been writing letters about this transaction. Mr. Atkins does not know anything about it." I said, "It is not so, sir." Said he, "It is." Said I, "Did Mr. Atkins tell you so?" Said he, "He did, about twenty minutes ago." Said I, "Atkins did know about it." Said Mr. Blaine, "Will you come down to Atkins's office and say so in his presence." I said, "I will." Mr. Blaine said that he had not taken his dinner yet, and I said that I would wait for him. He went into the dining-room and took a bowl of soup, and then I went with him to Atkins's office. Mr. Atkins was out, and Mr. Blaine sent for him. When he came in, I asked Atkins if that was so. Atkins said, "Mr. Blaine, I was mistaken. Mr. Mulligan did tell me." That is the whole story. In this conversation Mr. Blaine brought up the same argument as to how much he had lost by these bonds, and I repeated the story that I knew where he had put the bonds, and that he had got 80 cents on the dollar for them.

Q. What was his reply to that?—A. He did not say anything. Mr. Atkins was standing present at the time. Mr. Blaine made no reply.

Q. Where is that settlement which you made between Mr. Fisher and Mr. Blaine?—A. There is no record of it.

Q. What did that settlement involve?—A. I do not know that that settlement has anything to do with this investigation. It certainly has nothing to do with the \$64,000.

Q. Had it any connection with the bonds which Mr. Blaine had and a part of which you say went into the hands of the Union Pacific Railroad Company?—A. I did not say whether any of these bonds specifically went into the hands of the Union Pacific Railroad Company. I do not know. I do not consider that the final settlement between Mr. Fisher and Mr. Blaine has anything to do with this matter.

By Mr. LAWRENCE:

Q. Did this settlement relate to Little Rock and Fort Smith bonds, or did it relate to Northern Pacific bonds?—A. It referred to both.

By Mr. HUNTON:

Q. Did this settlement involve the Little Rock and Fort Smith bonds which Mr. Blaine had, and a part of which you heard went into the hands of the Union Pacific Railroad Company?—A. The settlement involved a settlement between Mr. Fisher and Mr. Blaine about the Little Rock bonds. The transaction with the Union Pacific Railroad Company was prior to that. It involved a settlement about the Northern Pacific and Little Rock bonds.

Q. And a portion of those Little Rock bonds, you understood, went afterward into the hands of the Union Pacific Railroad Company?—A. No, sir; they had gone there previous to this settlement. The settlement involved various things, as there had been an outstanding account between Mr. Blaine and Mr. Fisher.

Q. If the settlement was reduced to writing on that occasion, where is it?—A. Mr. Blaine has it, I suppose. I gave Mr. Blaine a copy of the account, I think.

Q. Who kept the original?—A. I made out the account for him, and there were never any copies kept. The account was made out only from memoranda which Mr. Fisher had of private transactions between himself and Mr. Blaine.

Q. Where are those memoranda now?—A. I suppose they were all given up to Mr. Blaine.

Q. So that you have no trace in writing of that settlement?—A. No, sir.

Q. State from memory all that entered into the settlement.—A. There was some notes or memoranda and some dividends due.

Mr. BLAINE. Mr. Fisher and I have had business relations nearly twenty years, and Mr. Mulligan knows very well that that settlement embraced all of them.

Mr. HUNTON. The point which I want to get at is a settlement which involved these Little Rock and Fort Smith bonds, a portion of which had previously gone into the hands of the Union Pacific Railroad Company. That makes the settlement legal evidence under this resolution.

Mr. BLAINE. Mr. Fisher and I have had continuous business transactions, and I do not think that my private business ought to be exposed.

The WITNESS. Some of these transactions occurred before Mr. Blaine was in Congress at all.

Q. Was there anything in that settlement besides Little Rock and Fort Smith and Northern Pacific Railroad bonds?—A. There was a settlement about all these private matters of Mr. Blaine's that were going on for a number of years.

Q. State all that there was in that settlement about these bonds.—A. There came into the settlement that contract for the Northern Pacific Railroad Company, which you may have seen in the papers.

Mr. HUNTON. [To Mr. Lawrence.] Do you object to testimony about the Northern Pacific Railroad Company?

Mr. LAWRENCE. I do not see why it should come in.

Q. Did this settlement embrace the bonds of the Little Rock and Fort Smith Railroad Company, a part of which you had heard had gone into the hands of Scott, and thence into the hands of the Union Pacific Railroad Company?—A. There was a certain number of these Little Rock and Fort Smith bonds which Mr. Blaine claimed to be coming to him from Mr. Fisher, but whether they were part of these bonds or not I do not know.

Q. The question I asked was whether this settlement embraced the bonds which Mr. Blaine had got from Mr. Fisher for these parties in Maine?—A. The settlement which Mr. Blaine had included the Northern Pacific Railroad bonds, loans of money, and dividends that were due to Mr. Blaine for something. Mr. Blaine also claimed some of these Little Rock and Fort Smith bonds as being still due to him on this transaction.

Q. Did these bonds which Mr. Blaine had got previously, and a portion of which you understood had gone into the hands of Tom Scott, and thence into the hands of the Union Pacific Railroad Company, form an item in that settlement?—A. No, sir; there were no bonds in the transaction. Mr. Blaine claimed, as an offset, a certain amount of bonds that were due to him by Mr. Fisher.

Q. Then these bonds, a part of which went into the hands of the Union Pacific Railroad Company, did not enter at all into that settlement?—A. No, sir.

Mr. LAWRENCE. Then that settlement has nothing to do with this question.

Q. Can you reproduce that statement?—A. No, sir.

Q. Can you reproduce it approximately?—A. No, sir.

The examination of the witness was here suspended, and the committee adjourned till tomorrow.

WASHINGTON, June 1, 1876.

JAMES MULLIGAN recalled.

The WITNESS. I wish to ask the indulgence of the committee for a few moments to make a personal, and to me a painful, statement. When I first arrived in this city, and within about fifteen minutes after my arrival, there came a communication from Mr. Blaine to Mr. Fisher. Of course I wish it understood that I am stating this under oath.

Mr. HUNTON. We so understand it.

The WITNESS. There came a communication from Mr. Blaine inviting Mr. Fisher and me up to his residence. I declined to go, for the reason that I did not want to have it said that I had gone to see Mr. Blaine. I wanted to come into this committee-room untrammelled by any influence. Mr. Fisher went up to Mr. Blaine's house, or at least he so reported to me; and he told Mr. Blaine about certain facts that I could prove, and certain letters that I had got. Mr. Blaine said that if I should publish them they would ruin him for life, or that if this committee should get hold of them they would ruin him for life, and wanted to know if I would not surrender them. I told him "No," and that I would not give them to the committee unless it should turn out that it was necessary for me to produce them. After my examination here yesterday, Mr. Blaine came up to the hotel, the Riggs House and there had a conference with Mr. Atkins, Mr. Fisher, and myself. He wanted to see these letters that I had. I declined to let him see them. He prayed, almost went on his knees—I would say on his knees—and implored me to think of his six children and his wife, and that if the committee should get hold of this communication it would sink him immediately and ruin him forever. I told him I should not give them to him. He asked me if I would let him read them. I said I would if he would promise me on the word of a gentleman that he would return them to me. I did let him read them over. He read them over once, and called for them again, and read them over again. He still importuned me to give those papers up. I declined to do it. I retired to my own room and he followed me up, and went over the same history about his family and his children, and implored me to give them up to him, and even contemplated suicide. He asked me if I wanted to see his children left in that state, and he then asked me again if I would not let him look over these papers consecutively, (I had them numbered.) I told him I would if he would return them to me. He took the papers, read them all over, and among them I had a memorandum that I had made by way of synopsis of the letters, and referring to the numbers of the letters—a synopsis containing the points of the letters. I had made that memorandum so as to be able to refer to here when questioned. He asked me to let him read the letters, and I showed him this statement, too. After he had them read, he asked me what I wanted to do with those papers; if I wanted to use them. I told him I never wanted to use the papers, nor would not show them to the committee, unless when I was called upon to do so. Then he asked me if I would not give them to him. There was one letter in particular that he wanted me to give him. I told him I would not do it, and the only reason I would not do it was because I saw it stated in one of the evening papers here (the Star, I think,) that the Blaine party were going to completely break down the testimony that I had given yesterday—that they were satisfied about that. I said I should not publish these letters unless my testimony was impeached or impuned. That was the only reason that I wanted to keep them, but I wanted to keep them for that purpose. These are the facts, gentlemen, and I leave them to you. If I understand the order under which this committee meets, this committee has power to send for persons and papers, and I want this committee to get for me those papers. Mr. Blaine has got them and would not give them up to me.

Mr. BLAINE. I desire to be sworn immediately as to this point.

Mr. HUNTON, (to Mr. Mulligan.) Is this statement that you have made a statement voluntarily made by you, without the suggestion of anybody? Has anybody outside the Blaine party requested you to make this statement, or have any members of the committee requested you to do so?—A. No, sir; no living person. There were only these two gentlemen, Mr. Blaine and Mr. Fisher, present at the time, and they rather prevailed upon me to give these letters up.

By Mr. LAWRENCE:

Q. Mr. Blaine has those letters?—A. Yes; he took them from me last night.

Q. Who was present when you surrendered them to him?—A. No person but he and I. He came down into Mr. Atkins's room and Mr. Fisher's. I had the letters, and said I would never give them up; but they prevailed upon me to give them up. I demanded of him to give me up my own memorandum. He said they were his letters, written to Mr. Fisher, and I said they were given to me by Mr. Fisher. I did not get them surreptitiously. They were given to me by Mr. Fisher for any purpose that I deemed proper. Mr. Blaine furthermore said to me, when he first met me, that some person told him I was coming on here. I say now, under oath, that I have no unfriendly feelings to Mr. Blaine whatever.

By Mr. HUNTON:

Q. Has either member of the committee had any conversation with you since your examination yesterday?—A. No, sir.

Q. How many letters did you surrender to Mr. Blaine?—A. There were fourteen that I had numbered, and there are about four more, in another envelope, making eighteen or nineteen letters and one statement about that Northern Pacific Railroad.

Q. Whose statement was that—I mean who made it?—A. It came from Mr. Blaine. They are all from Mr. Blaine, and under his own signature.

Q. Who was present when you first delivered these letters to Mr. Blaine to read, on the promise that he would return them?—A. Mr. Atkins, and I think Mr. Fisher was in the room, when I first gave them to him, on the promise that he would return them to me. I then retired from that room, and he came up to my room and asked me if I would not let him see them again, and I told him I had let him see them once, and there was nothing in them that he had not read. He said he wanted to see them again, and I asked him whether, upon the word of a gentleman, he would give them back to me, and he said he would. He admitted to Mr. Fisher and Mr. Atkins that the only thing that made him not give up the papers to me was my remark that, if any reports were made where the veracity of my testimony was impugned, I should publish those letters. I told Mr. Fisher and Mr. Atkins that I said that. I say so now, too.

By Mr. ASHE :

Q. What became of the memorandum that was with those letters?—A. He (Mr. Blaine) has it.

By Mr. HUNTON :

Q. Who was present when you gave up the letters to Mr. Blaine the last time?—A. No person but he and I. He followed me up to my own room.

Q. What time was that?—A. I should say about five o'clock in the afternoon.

Q. Upon what evening did you come to town?—A. On Tuesday evening last.

Q. When Mr. Blaine wrote to you or to Mr. Fisher asking that you and he come to his room, you did not go?—A. No, sir.

Q. Did you have any interview with Mr. Blaine before you were summoned yesterday?—A. Yes; he came to me when I was getting shaved in the barber's shop.

Q. When?—A. After the messenger went back to say that I would not go up, he came down. I was not in the hotel probably more than half an hour.

Q. What occurred between you in that interview?—A. He shook hands with me and asked me if I was summoned. I told him yes, and showed him my summons, and he read it. He told me that he had been advised by parties here that I was coming on from Boston.

Q. Who heard this conversation between you and Mr. Blaine?—A. Mr. Fisher was sitting in the barber's chair. I do not know whether he heard it or not. I was in one barber's chair and Mr. Fisher was in another, and the barber was there. We three were as contiguous nearly as we are now.

Q. You were not being shaved at that moment?—A. No, sir; I was waiting for Mr. Fisher to get through. Mr. Blaine said that he heard I was unfriendly to him, and I asked him if I ever manifested any disposition of that kind, or what made him think so. I wanted him to give me his informant, but he would not do it. He then asked me some questions about what I would testify to, and I told him I declined to have any conversation with him, and wanted to come into this committee-room without anything of that kind, and I begged him not to ask me.

Q. Was that your only interview with him previous to your examination of yesterday?—A. Yes.

Q. Did he and Mr. Fisher have an interview?—A. Mr. Fisher went to his house and he sent Mr. Fisher, or at least so Mr. Fisher reported to me, wanting me up there. Mr. Fisher came back twice saying that Mr. Blaine wanted me up there, and to see if he could not get these papers from me.

Q. Mr. Fisher reported to you?—A. Yes, sir; he came down and reported to me, saying that Mr. Blaine wanted me up there.

Q. He came down twice for you?—A. Yes.

Mr. FRYE. The witness said in order to get those papers.

The WITNESS. That is what Mr. Fisher reported to me—that he wanted to see me—not to get the papers, but to see him about those papers.

Q. Are you familiar with the contents of the letters and the statement which you say you surrendered to Mr. Blaine, and which he refused to surrender to you?—A. Well, I think I know about the points that were in them—anything that is material to this matter.

Mr. BLAINE. I shall object to the committee going into my private letters until my statement about this matter is first heard. I wish to make my statement first if the committee will hear me.

Mr. HUNTON. I want you to state anything in those letters which bears upon your testimony of yesterday concerning the Little Rock and Fort Smith Railroad bonds, which you understood went into the hands of the Union Pacific Railroad through Thomas A. Scott.

Mr. FRYE. I will object to that. Will you allow me to ask him one or two questions to lay the foundation of the objection which I make?

Mr. HUNTON. State your objection to the question first.

Mr. FRYE. I desire to show by the witness that these letters were addressed by Mr. Blaine

to Mr. Fisher; that they were in a safe occupied by Mr. Fisher; that this witness having no right whatever to them, they not being his property at all, took possession of them and brought them here to Washington; that there is nowhere in any of the letters any reference whatsoever to any bonds that were sold to Caldwell, to Fisher, to Tom Scott, or to the Union Pacific Railroad Company.

Mr. HUNTON. If there is not, he will so answer. I have framed my question with that direct view.

Mr. FRYE. There may be a reference to the transactions of the Fort Smith Railroad Company.

Mr. BLAINE. I wish to ask the committee before you go into the contents of those letters to let me make my statement.

Mr. HUNTON. We will give you a hearing, but I do not think you have a right to inject anything into the testimony of this witness at this point.

Mr. BLAINE. What I mean is that this question of the possession of the letters is one that stands alone. It is entirely independent of every other matter. After you go into it and have disposed of it, the other matter can be quite as properly proceeded with; and before the witness proceeds any further, I should like to make a statement as to the personal matter which he has broached in connection with the possession of these letters.

Mr. HUNTON. We are examining him as to those letters now. I do not think it is best to inject anything into the testimony at this point.

Mr. FRYE. The witness made it a matter of privilege by asking permission to make a separate statement in reference to a matter which had nothing to do with the railroad company.

Mr. BLAINE. He has injected his personal statement, and I want to make a counter-statement.

Mr. HUNTON. I do not want to do anything that would put you at a disadvantage, Mr. Blaine, but I do not think it would be regular at this time.

Mr. BLAINE. Are you going to proceed now with the examination without allowing any explanation of this statement that has been made?

Mr. HUNTON. That seems to me to be the regular course of proceeding.

Mr. BLAINE. It does not strike me that that is quite fair play. I do not want the impression to go forth to the world in regard to these letters as this man has stated it, without any having an opportunity of making my statement.

Mr. HUNTON. There is no possible chance of its going forth to the world without your having such opportunity. Your statement, so far as I can control it, will be before the committee in ample time for publication at the same time with this witness's statement.

Mr. FRYE. There is this further objection: The witness is now asked to testify relative to the contents of certain letters not his letters at all; but other letters. He states in reply that he thinks he can tell something that was in them. These letters, if his statement is true, are all in existence and in the hands of Mr. Blaine. Mr. Blaine has not declined to furnish them, nor has he intimated that he will decline. I submit that there is no rule of evidence by which you can interrogate this witness relative to the contents of these letters until they are shown to be lost, or until it is shown to be beyond the power of the committee to have the letters themselves. I make that as a legal objection to asking this witness what is in the letters.

Mr. HUNTON. Your objection would possibly, in a court of justice, be well taken, but it has been decided by the full committee that this committee is not to be governed by the ordinary rules of law. If the statement of the witness be true, and Mr. Blaine has the letters, then the question asked the witness is at once answered by the production of the letters. If Mr. Blaine controverts the statement of the witness, and does not produce the letters, we have a right to examine the witness about them in order to elicit the truth.

Mr. FRYE. If Mr. Blaine took the letters, they are in existence. They have not been destroyed at all. If the witness gives a statement at all as to the contents of those letters, it can only be a garbled statement. You are searching for facts; you do not want garbled facts, provided you can have the real facts. I do not mean that this man would garble them any more than any other man, but any man stating the contents of letters under such circumstances would be unable to state exactly what they contained. It may be that Mr. Blaine would say to you that there was not a single word in these letters from beginning to end, to the effect that Mr. Caldwell or Mr. Scott or the Union Pacific Railroad Company ever had anything whatsoever to do with any bonds which Mr. Blaine had of this railroad in Arkansas. It may be that he would say that there was not the slightest word in the letters indicating, directly or indirectly, that the bonds which you are inquiring about and the transaction which you are seeking, had anything whatsoever to do with the bonds which Mr. Blaine had of that road.

Mr. HUNTON. The witness has stated that those letters were given to Mr. Blaine under a pledge from Mr. Blaine that they should be returned to him. Assuming that Mr. Blaine has those letters, he has violated that promise, and he has not offered to produce them to the committee. I have asked the witness a question as to the contents of those letters, so far as they bear upon the subject-matter of the resolution. That is perfectly proper. If Mr. Blaine is apprehensive that the witness will give a garbled statement inadvertently, or otherwise, the remedy is in his own hands to produce the letters. If he declines to produce the letters, then this evidence is legitimate.

Mr. BLAINE. I would prefer making a statement in advance, but if the question is insisted upon, I have no objection to it.

Mr. FRYE. Mr. Blaine may desire time to consider whether he will pass the letters over to the committee or not.

Mr. HUNTON. When Mr. Blaine makes that request of the committee, it will be time to consider it.

Mr. BLAINE. That would have formed part of the statement which I asked permission to make.

Mr. ASHE. I would suggest this: the witness has sworn that Mr. Blaine has a memorandum which this witness made of the contents of each of those letters, and he swears that Mr. Blaine promised to return it to him, but has not done so. If Mr. Blaine will produce that memorandum to the committee, the committee will only examine the witness as to such letters as the memorandum indicates to bear upon the point under inquiry. Mr. Blaine can then meet the witness's answers by showing the letter itself to the committee, which will not go on the record if it is found that the memorandum does not correctly state the contents of the letter, and the matter will not go any further.

Mr. BLAINE. I think I could simplify this matter very much if I could be allowed to make a statement at this point. I think I could aid the committee.

Mr. HUNTON. Mr. Blaine has had those letters since last night, and if this witness has spoken the truth, he has got them under circumstances which do not entitle him to retain them. If the letters do bear upon this question, we are entitled to them, and if we cannot get them, we have a right to prove their contents, but all this can be obviated by Mr. Blaine's producing the letters.

Mr. LAWRENCE. Mr. Blaine's statement might furnish a reason which would show that the letters were totally incompetent.

Mr. HUNTON. I do not desire to do anything that we have not a clear right to do, nor do I desire to omit doing anything that we *ought* to do, but for my part I do not think we should change the current of the examination at this point.

Mr. LAWRENCE. I think that any examination as to the contents of the letters should be postponed until after Mr. Blaine shall have had opportunity to reply, so that the committee may have an opportunity to determine whether there is anything in them that is competent under the resolution which authorizes us to investigate. The question which has arisen as to the circumstances under which Mr. Blaine became possessed of these letters is, as it were, an interlocutory matter, and Mr. Blaine's statement as to it can, with entire propriety, be heard at once, and I think it should be.

(It was decided that the examination should not now be interrupted, but should proceed upon the question last put, which was now read, as follows:)

Q. I want you to state anything in those letters which bears upon your testimony of yesterday concerning the Little Rock and Fort Smith Railroad bonds, which you understood went into the hands of the Union Pacific Railroad through Thomas A. Scott.—A. In my testimony of yesterday I was asked if I had any other testimony than what Mr. Atkins had said about these bonds, and I said yes; that Mr. Blaine had acknowledged it himself in a letter. Mr. Fisher had been writing to Mr. Blaine for some time about a settlement, and Mr. Blaine always urged about some back bonds that were due him as commissions on the sale of the bonds, and saying that he was very short of money, and had lost considerable by this transaction, and that he would have to take up these bonds from the parties who had them, (or that he had taken them up.) Mr. Fisher wrote him back that he (Blaine) had not lost any money, because he (Fisher) knew where he had sold the bonds and got this large amount of money for them.

Q. What large amount?—A. These \$64,000. Mr. Blaine wrote back to Mr. Fisher (I may not give his exact words, but this is the purport of them) that that money that he had obtained he did not have in his possession forty-eight hours; that he had not made it for himself, but that he had turned it over to those innocent parties, (alluding to the Maine parties.) I cannot give the date of the letter.

Q. You have made a memorandum of the contents of those letters?—A. Yes, of fourteen of them.

Q. And that memorandum Mr. Blaine obtained from you yesterday evening?—A. Yes.

Q. And refused to return it?—A. Yes.

Q. State how you got possession of these letters.—A. I was Mr. Fisher's confidential clerk. I was with the Adams sugar-refinery, but was doing some private writing for Mr. Fisher. The Adams sugar-refinery dissolved in 1871, and all those papers were in Mr. Fisher's private desk. Some of them were, however, got afterward. Mr. Fisher and I were together in Doane street, after we left the refinery. There was nothing secret in these papers, as between Mr. Fisher and me. He told me that these papers were mine. He knew about my bringing them here. He went with me last Sunday to the safe, and got the papers out, and told me I could do what I pleased with them. He saw them with me in the hotel here, and read them when he was there; I have not taken them surreptitiously, otherwise than as I have stated.

Q. Did Mr. Fisher demand them of you at any time?—A. No, sir; he always told me that they were at my disposal at any time.

Q. Upon what ground did Mr. Blaine refuse to return those letters, or the memorandum of them?—A. He asked me what purpose I wanted with those letters. He said he did not want them to go before the committee or the world. I told him, that if it was not absolutely necessary under my testimony, to produce these letters to the committee, I should not do it, and should not use them for any other purpose excepting that if my veracity and my honor were at stake, I should publish them. I said so in the presence of Mr. Blaine and Mr. Atkins last night, and I say so now. If I have these letters, and if my testimony is impugned in any way, I shall, in vindication of myself, make them public. I consider I have a perfect right to do so; they were given to me voluntarily; Mr. Fisher is here present, and can speak for himself.

Q. What reasons did Mr. Blaine give you for desiring to suppress those letters?—A. That they would ruin him for ever; he contemplated suicide, and appealed to me in every way he could. He began then to talk politics, and about his friends. I talked freely to him. He asked me if I liked my present position, and I told him no, I did not care about it. He asked me how I should like a political office, and I told him I did not care about one. He asked me if I would not like a consulship.

By Mr. FRYE:

Q. Was any one present at that time?—A. No, sir: I state that upon my own veracity Mr. Blaine is here, and is listening to what I say. I consider my word as good as that of any man that ever lived. I told him there was no political office that I wanted.

By Mr. HUNTON:

Q. You have come before the committee, and related these facts upon your own motion only?—A. Upon my own motion only.

Q. Without consultation?—A. Without consultation or admonition from any one, and rather against the other gentlemen who advised me not to do it.

Q. What other gentlemen?—A. Mr. Atkins and Mr. Fisher. They said they thought I ought not to do it, and advised me not to do it.

Q. Is there anything else in those fourteen letters of Mr. Blaine to Mr. Fisher which bears upon the subject-matter of this inquiry, to wit, the Little Rock and Fort Smith bonds which went afterward into the hands of the Union Pacific Railroad Company?—A. Mind you, sir, I do not know about what particular bonds went into the Union Pacific Railroad Company. There are bonds that Mr. Blaine got from Mr. Fisher; whether those were the particular bonds or not, I don't know. Mr. Blaine himself said, or I understood from his letters, that these bonds that went in there were the bonds that came from these parties named. Whether they were his own bonds that he got this commission on I do not know. There was one letter in the package where he told Mr. Fisher how much was due on these bonds. He told him he had received \$55,000 of bonds from him and \$20,000 from Caldwell on an outside matter; that is, \$55,000 of bonds on Mr. Fisher's account, (as percentage that he was to get upon those sales of bonds, to which I testified yesterday,) and the \$20,000 of bonds which he got from Mr. Caldwell.

Q. Two sums, making, in the aggregate, \$75,000 of bonds?—A. Yes.

Q. Did he say in that letter that those bonds went into the hands of the Union Pacific Railroad Company, through Thomas A. Scott?—A. Not in that letter; he did not mention Mr. Scott's name in anything, but Mr. Fisher wrote to him telling him that he (Fisher) knew where those bonds went, and that he (Blaine) got so much for them, and Mr. Blaine wrote back that if Mr. Fisher thought he (Mr. Blaine) benefited by the transaction, he was mistaken; that he had not had the money forty-eight hours when he passed it over to these parties.

By Mr. BLAINE:

Q. What were the bonds that went to the Maine parties: what denomination of bonds; were they land-grant or first-mortgage bonds?—A. [Referring to memorandum.] I can tell you, sir, and I presume you won't dispute it, because it is in your own handwriting. [Producing memorandum-book labeled Warren Fisher, jr., private, which he hands to the chairman.] There are all the parties' names, if you want them. You can have the whole history now.

By Mr. HUNTON:

Q. In whose handwriting is this book?—A. James G. Blaine's.

The CHAIRMAN. Now, proceed to answer the question.

The WITNESS. The \$130,000 bonds that were sold to these different parties here were first-mortgage bonds.

By Mr. BLAINE:

Q. They were first-mortgage and not land-grant bonds?—A. Yes. The next sale was on a different "lay" from that other.

By Mr. HUNTON:

Q. Was that to the Maine parties?—A. Yes; and sold on a different basis. One man

had \$8,000 land-grant bonds and \$10,000 first-mortgage bonds. That was \$18,000 for one man. Another man had \$6,000 land-grant bonds and \$7,500 first-mortgage bonds. Another had \$5,000 land-grant bonds and \$6,250 first-mortgage bonds. Another had \$9,000 land-grant bonds and \$11,250 first-mortgage bonds.

Q. Were all the sales which you have referred to made by or through Mr. Blaine?—A. Yes.

Q. And in addition to the bonds you have just spoken of as coming to these purchasers, what sort of bonds did Mr. Blaine get?—A. He was to get \$130,000 of land-grant bonds, and \$32,500 of first-mortgage bonds.

By Mr. BLAINE:

Q. You do not testify that I actually got these?—A. No, sir; I say there is about \$36,000 that are due you yet.

By Mr. HUNTON:

Q. That is, that he got all except thirty-six bonds?—A. Yes.

By Mr. FRYE:

Q. Do you know whether they were sent to him or to the Maine men?—A. I know that the men paid their subscriptions to me, and I gave receipts for them.

Q. But you do not know that Mr. Blaine got his?—A. I sent the other parties' bonds to them by express, and Mr. Blaine got his.

By Mr. HUNTON:

Q. You sent by express the bonds to the Maine party, and delivered to Mr. Blaine his in person?—A. No, I didn't deliver them to him in person, but Mr. Fisher did so. Mr. Blaine has acknowledged that he got all those. I gave him myself one lot of forty.

Q. He got all those \$130,000 land-bonds, and \$32,500 of first-mortgage bonds except \$36,000; that is to say, thirty-six bonds?—A. Yes.

The following are the contents of the memorandum-book produced by the witness, and which is labeled on the outer cover:

"Warren Fisher, jr.; private."

[First page of mem.-book.]

Synopsis on next and following pages of the contracts made through J. G. Blaine by Warren Fisher, jr., as assignee of the contract for building the Little Rock and Fort Smith Railroad.

[Second and third pages of mem.-book.]

Contracts made by Warren Fisher, jr., with the following-named persons to deliver the stock and bonds named, on their paying the amounts named:

Name.	Residence.	To pay.	To receive—		
			Common stock.	Preferred stock.	1st m. bonds.
A. & P. Coburn.....	Skowhegan.	\$50,000✓	\$50,000	\$50,000	\$50,000
× Peter F. Sanborn.....	Augusta ...	10,000	10,000	10,000	10,000
× Anson P. Morrill.....	Readfield ..	10,000✓	10,000	10,000	10,000
× Ralph C. Johnson.....	Belfast.....	✓10,000	10,000	10,000	10,000
× P. R. Hazeltine.....	"	✓5,000	5,000	5,000	5,000
× C. B. Hazeltine.....	"	✓5,000	5,000	5,000	5,000
× N. P. Monroe.....	"	✓5,000	5,000	5,000	5,000
× A. W. Johnson, (dec'd)....	"	✓5,000	5,000	5,000	5,000
× H. H. Johnson.....	"	✓5,000	5,000	5,000	5,000
× Philo Hersey.....	"	✓5,000	5,000	5,000	5,000
× Lot M. Morrill.....	Augusta ...	✓5,000	5,000	5,000	5,000
× A. B. Farnell.....	"	5,000	5,000	5,000	5,000
* Jos. H. Williams.....	"	5,000	5,000	5,000	5,000
× C. M. Bailey.....	Winthrop ..	✓5,000	5,000	5,000	5,000
		\$130,000	\$130,000	\$130,000	\$130,000

*[The name, Jos. H. Williams—\$5,000, is erased in pencil.] (See over.)

[4th page of memorandum-book.]

In addition to the common stock, preferred stock, and first-mortgage bonds agreed to be delivered to the respective parties named on preceding page, Mr. Fisher agrees to deliver to J. G. Blaine a similar amount of land-bonds and 25 per cent of first mort. bonds, viz :

Land-bonds, 7s, \$130,000.

First-mortgage bonds 6s, \$32,500.

The same to be del'd by Mr. Fisher as soon as ready for distribution.

[5th page of memorandum-book.]

The other contracts on different bases are as follows :

1. With Joseph A. Sanborn and Charles M. Bailey, Mr. Fisher agrees to deliver :

\$8,000 common stock.

× 8,000 preferred stock.

8,000 land-bonds.

10,000 first-mortgage bonds.

All for \$12,500, payable—

\$600 } \$3,000 November 25, 1869.

\$2,200 } 3,000 December 5, 1869.

\$1,700 } 2,500 January 5, 1870.

800 February 5, 1870.

800 March 5, 1870.

800 April 5, 1870.

800 May 5, 1870.

800 June 5, 1870.

12,500

The amounts inclosed on left-hand margin above \$600, \$2,200, \$1,700, are payable by Mr. Fisher to Mr. Blaine.

[6th page memorandum-book.]

2. With James M. Hagar, of Richmond, Mr. Fisher agrees to deliver :

\$6,000 common stock.

6,000 preferred stock.

6,000 land-bonds, 7s.

7,500 first-mortgage bonds, 6s

All for \$9,500, payable—

\$1,200 } \$3,000 November 25, 1869.

\$1,400 } 2,000 December 5, 1869.

\$900 } 1,500 January 5, 1870.

600 February 5, 1870.

600 March 5, 1870.

600 April 5, 1870.

600 May 5, 1870.

600 June 5, 1870.

9,500

The amounts inclosed on left-hand margin above, viz, \$1,200, \$1,400, \$900, are payable by Mr. Fisher to Mr. Blaine.

[7th page of memorandum-book.]

Contract delivered.

3. With Jeremiah Prescott, of Boston, Mr. Fisher agrees to deliver :

\$5,000 common stock.

5,000 preferred stock.

5,000 land-bonds.

6,250 first-mortgage bonds.

All for \$6,150 payable—

\$1,150) \$2,650 November 15, 1869.

500 December 5, 1869.

500 January 5, 1870.

500 February 5, 1870.

500 March 5, 1870.

500 April 5, 1870.

500 May 5, 1870.

500 June 5, 1870.

6,150

The amount inclosed on left-hand margin (\$1,150) is payable by Mr. Fisher to Mr. Blaine.

Contract delivered.

4. With Joseph A. Sanborn, of East Readfield, Me., Mr. Fisher agrees to deliver:
- \$9,000 common stock.
 - 9,000 preferred stock.
 - 9,000 land-bonds, 7s.
 - 11,250 first-mortgage bonds.

All for \$15,000, payable—

\$3,400 }	\$7,000	December 5, 1869.
\$2,600 }	3,500	January 5, 1870.
	900	February 5, 1870.
	900	March 5, 1870.
	900	April 5, 1870.
	900	May 5, 1870.
	900	June 5, 1870.

 15,000

The amounts inclosed on left-hand margin above, \$3,400, \$2,600, are payable, Mr. Fisher to Mr. Blaine.

THE WITNESS. I desire to say that as to the entry to the name of "Jos. H. Williams" that stock was not delivered. He made one payment, but afterward withdrew, and then Mr. Fisher refunded him his money; and so, of course, Mr. Blaine was not entitled to the \$5,000 of those bonds, and his amount was reduced by that; he was only entitled to \$157,000. He was to get the \$162,000; but when this fell through it reduced the percentage. This memorandum was made here before it was known that this man would back out.

By Mr. LAWRENCE:

Q. "This man" is the man Williams, whose name is erased?—A. Yes, it was all figured out there, and he had paid his first installment, but afterward went out. This memorandum was made upon the supposition that he was not going out. This memorandum-book contains an account of all the main bonds, and explains itself. All these bonds (indicating the bonds forming the second transaction in the memorandum-book) were sold for so much cash; the parties got so many bonds for so much money. There is the amount indicated in the margin, which Mr. Blaine got. At the foot there is indicated the amount of cash received.

Q. I understand you to say that in this contract for the sale of bonds on page 5 of that memorandum-book, they were sold for an installment in cash amounting to \$12,500?—A. Yes. Here is the amount of bonds and stock they got, and there is the amount of cash they paid for it.

Q. That is, the amount of cash received was \$12,500?—A. Yes.

Q. And out of that \$12,500 which Mr. Fisher received, Mr. Blaine got \$600, \$2,200, and \$1,700?—A. Yes.

 WASHINGTON, D. C., June 1, 1876

JAMES G. BLAINE, at his own request, made the following statement under oath:

The last witness (Mr. Mulligan) opened his statement this morning by detailing some facts in regard to the possession by him of certain letters which came into my possession. To begin where he did, I received, through a third party, a telegram on Monday, stating that Mr. Fisher and Mr. Mulligan were on their way as witnesses, the latter unfriendly. Just at that time my mind was considerably filled with the story about the Northern Pacific matter, which had come out through the letter of Mr. Aquilla Adams, who was formerly connected with Mr. Fisher in business; and when I ascertained on what train Mr. Fisher was coming, I sent a servant with a note to his hotel, saying that I would like to have him and Mr. Mulligan call at my house at their leisure, in relation to the Northern Pacific matter and Mr. Adams's letter. Mr. Fisher called; Mulligan was not willing to call. I called at the Riggs House, and I found Mulligan sitting in a barber's chair. I shook hands with him; we are not new acquaintances by any means. I have known him twenty-five years; and I said, addressing him as I had been in the habit of doing, "James, they report that you are here an enemy of mine." He made some jocular or other evasive answer, and then said that he didn't want to come to my house, because he didn't wish to converse with me here in any way about the matter before he testified. I had a little conversation afterward directly with Mr. Fisher, in which Mr. Fisher said to me that Mulligan had a good many of my private letters; that he did not know, or did not think, that they bore upon the subject of investigation, but that they embraced a large portion of the business which, for a number of years, had been going on between Mr. Fisher and myself. Mr. Fisher has been an intimate acquaintance of mine for more than twenty years. He was for a considerable period associated with my wife's brother in business in Boston, and Mr. Mulligan was the confidential clerk

for many years of another brother of my wife's in business, so that I know the parties intimately. Mr. Fisher intimated that Mulligan had these letters, and, without distinctly saying so, he gave me to understand that he was not the least reluctant in the world to get them all out, whether they bore upon the matter under investigation or not. I did not converse with Mulligan at all until yesterday, when he was on the stand, when I discovered, I thought, a very great readiness on his part to travel out of the record and tell a great many things relating to my private business, and which did not belong at all to the subject of investigation; and, seeing that, I did not want him to go into those matters until I could have a little conversation with him on the subject of the private letters. I thought it was highly improper and unjust that he should do so, because it broadened the field of examination, and prevented my having a report or verdict upon the case immediately in hand. So the committee was adjourned, by Judge Lawrence's request, after I had spoken with him. After the adjournment I called on the three gentlemen, Mr. Atkins, Mr. Fisher, and Mr. Mulligan, at the Riggs House, and in the parlor of Mr. Atkins I had some conversation with Mulligan about these letters, and asked him to show them to me. He did show them, with some apparent reluctance. I said to him, "Why, you are not afraid of my keeping them, are you?" and he said "No," and handed them to me. I looked them all over and discovered that there was only one letter in the list that at all bore upon the question before the committee, and even that only by a forced construction, and not in reality. I handed them back to him. The conversation then became somewhat general between the four gentlemen, including myself, in the room. After a little while Mr. Mulligan went up stairs to Mr. Fisher's room, right overhead. I was talking with Mr. Atkins and Mr. Fisher for a few moments, and then I started up to Fisher's room and knocked at the door and was admitted, and there I talked with Mr. Mulligan for some time. I may have been there, I think, the better part of an hour, but the form which he gives the interview, about my offering him a consulship, and about my being ruined, and all that sort of thing, is mere fancy. Nothing of the kind occurred. I talked as calmly as I am talking this moment, and as the talk before had been in the presence of those gentlemen. Very soon I said to him, "I would like to see one letter among those." I wanted to see the letter on which he based his testimony. He handed me the package. I looked them all over, and I said to him, as I said afterward in the presence of Mr. Fisher and Mr. Atkins, "Now, you keep that letter which you think bears on this matter," (that is the letter that he has testified to this morning;) "I am perfectly willing you should keep that, but here is a mass of my private correspondence, covering many years, and detailing matters that have nothing to do with the subject of the investigation, which it would probably be embarrassing to me to have published, as any man's private correspondence would be, and I don't want it published. You ought to give me those letters; you have no right to them. There are only two persons in the world that have a right to them; one is the writer and the other the person to whom they were written. Now, if you will give those letters to Mr. Fisher I will be abundantly satisfied. They will then be in rightful ownership; they will be in safe hands." Mr. Fisher had before, himself, in my presence, requested that they should be given to him, in the first conversation in the lower room. Mulligan refused. He said he didn't know what might transpire in his examination to-day, and he said, with a good deal of emphasis and a good many "by Gods," that he was going to hold those letters for his protection and vindication. I said, "When you get through the examination, will you give them to me, then?" He said, "No, I won't; if anybody 'impuns' my motives," (he pronounced it in that way, as you have heard him do this morning,) "or in any way questions my veracity in the papers, I shall publish these letters." I said, "You do not think I would attack you in the papers? There is nothing to make me attack you in the papers." He said, "Well, if anybody did, he should publish them." I had been running over the letters for some time. The first time when he handed them to me he showed reluctance, and, as I have stated, I remarked, "You are not afraid of my keeping them, are you?" and he answered, "O, no," and handed them to me; but he gave them to me the second time without any assurance at all, and without anything being said about it; but I had no idea of doing anything else than handing them back to him, until he announced his purpose and determination, that *no matter who should question his testimony, or impeach, or "impun" his veracity, he would publish the letters.* I said, "These are private letters; these are letters that relate to matters that have no more connection or relationship with the examination now going on before the Judiciary Committee than the man in the moon, and it would be grossly unfair that you should treat my private correspondence in that way." I then said to him, "Will you ring the bell for a servant and tell him to send Mr. Fisher up from the lower parlor?" He did, and very soon Mr. Fisher came up, and we had a little conversation, in which I repeated, before Mr. Fisher, what Mulligan had said; his declaration in the language of menace, and I said, "This is very grossly unfair, Mr. Fisher." I then repeated that I would be glad if Mr. Fisher would take charge of the letters, as they would be rightfully in his possession, or rightfully in mine, but not at all in any other person's.

Mulligan asserted again in Mr. Fisher's presence his determination that he would feel himself at liberty to publish those letters at any time he saw fit, if anybody should provoke him unto wrath by any comments on his testimony, and knowing the somewhat enlarged facilities in the American press for making criticisms upon everybody, and publishing every-

body's private correspondence, I found that my private correspondence hung by the thread of his taking offense at any of the thousand and one paragraphs that might be set afloat in the papers, and I said to him, "Under these circumstances I will not give those letters up." And in order that he might not be mistaken as to the ground of my action, I called Mr. Atkins from the lower room, for I wanted to tell him the ground on which I stood. I said, "I will not return these letters, because you threaten to make a use of them which is illegitimate, which is unfair, which is entirely unjust, and I have no idea that any man shall take my private correspondence and hold it as a menace over my head, to be used at his beck and option to avenge himself upon me for somebody else's transgressions." We went down-stairs, and he repeated and reaffirmed his statement with very great emphasis, and I said, "Very good, I will retain the letters." I kept the letters. When I went home I sent for two friends, one a member of the House of Representatives and the other a lawyer in this city, and I laid every one of those letters before them, and read them to them—these letters which would "disgrace me for life," and "send my children sorrowing to the grave," and "deprive me of political honors," and all that—I sat down and read every one of them right straight through, just in the order in which they were marked and numbered by Mulligan himself. I then said to these gentlemen, after consultation, "I am going to submit these letters to two of the wisest, best, and most eminent counsel that I can find in the city of Washington to-morrow, (that is, to-day,) and I will be guided entirely by them in the action I shall take before the Judiciary Committee. If they say that any of those letters I should be in duty bound to deliver; if they intimate to me that there is anything in the letters which bears even remotely or otherwise upon the subject of this investigation, those letters shall be delivered; but I shall wait and be guided by their opinion as to what I ought to do in the premises." As to the bulk of those letters, you might just as well send to my house and take any package from my files of correspondence for the last five years and put it in here as evidence in this investigation. Many of them relate to business transactions which are passed and settled up, and which I do not want revived: not that there is anything in them which is in any degree embarrassing. I read them over freely to those two friends, and, as I say, will read them over freely to the two counsel. There is nothing in those letters that I shall have occasion to blush over. The result is that I postponed my action until I could have this conference in regard to it.

There was another reason which made it peculiarly exasperating to me; that is, that in the month of September, 1872, Mr. Fisher and I, after very long and in the main very pleasant business relations, extending back to a period when I was a very young man, had a final settlement, in which we exchanged receipts in full. I think the precise date was September 21, 1872. It was then said that all letters on either side, and all papers and scraps of papers should be given up, and I supposed they were given up. These letters had been written carelessly, as business letters often are. I did get a great many letters from him that day, and I gave up all that I had; but it seems that these letters had been kept and carefully preserved by this man. He claims that Mr. Fisher gave these letters to him; that he has a right to them, and that he has the right to dispose of that correspondence, which is, all of it, private. When I said to him it was all a private correspondence, he said, "Why, a public man has no private correspondence—can have no private correspondence." He says, "The letter of a public man is public." That was the ground he took in conversation, and especially if a letter was not marked "private." Some of these letters, however, are marked "private;" some are marked "personal," and some "confidential." I insisted that it was the grossest possible outrage. I said, "You take these letters before the committee without the committee designing me any wrong; they go out to the world, and then when it is seen that they have no possible relevancy, all that there is objectionable in the publication has been achieved and accomplished, and it will be too late for me to interpose any objection to them. In other words, the very test of their admissibility involves all that I myself protest against, which is the use of entirely private letters which have no relevancy whatever to the case in hand I took that ground, and on that ground I stand now. I justify myself in not returning the letters. It was *he* that was in unlawful possession of those letters. He had no right to those letters. I take that ground most distinctly, that there are but two men that can possess a rightful interest in a private correspondence—the writer and the person written to—and on that right I stand. Now I shall produce the letter with great freedom on which Mr. Mulligan has based his testimony that I acknowledged having received the \$64,000, and I shall show you that it has no relation to that subject.

MR. HUNTON. Make your statement as to the interview between you and him. I do not suppose it is necessary for you to go into what you expect to prove.

The WITNESS. Very well.

By MR. FRYE:

Q. Do not some of those letters relate to matters transpiring long before you became a member of Congress?—A. Yes; long before I became a member of Congress for the first time.

By MR. HUNTON:

Q. As I understand you, and as I especially understand from Mr. Mulligan, you had possession of those letters on two different occasions?—A. Yes.

Q. On the first occasion you promised to return them?—A. It did not assume so formal a shape as a promise. I thought he exhibited a little hesitancy in handing the letters to me, and I said, "You don't think I would keep them, do you?" It was rather an interjectional remark. I do not know whether Mr. Fisher or Mr. Atkins was in the room when I first got them, but both of them came in while I was reading and looking over the letters. I handed them back to Mr. Mulligan.

Q. Why did you have the second interview in Mr. Mulligan's room in the absence of those two gentlemen?—A. It was Mr. Mulligan who had left the room, not I. He had left the lower parlor where Mr. Atkins, Mr. Fisher, and I were sitting. I wanted to satisfy myself as to a specific letter. Fifteen letters make a rather voluminous correspondence to remember all about. I went and told him I should like to see a specific letter, and he handed me the package.

Q. When you got the letters the second time it was your intention to return them to Mr. Mulligan?—A. Yes.

Q. You changed your intention upon his declaration that if his veracity were assailed he would publish the letters?—A. Yes; that he would attack me if anybody else attacked him.

Mr. HUNTON. I ask at your hands the production of those letters for the purpose of perusal by the committee, and not for publication, that the committee may see for themselves whether they bear upon the question.

Mr. BLAINE. In private.

Mr. HUNTON. No, sir; with no privacy. But I certainly will not make them public unless they bear upon the question.

Mr. BLAINE. I will take occasion to consult my counsel in regard to it.

Mr. HUNTON. You decline, then, to produce them?

Mr. BLAINE. For the present, I decline.

Mr. HUNTON. I understand from the testimony of Mr. Mulligan that you got at some time a memorandum made by him?—A. I did, sir.

Q. I ask for the production of that.—A. If the letters are private—if he has no rightful ownership to those letters, he has no right to that memorandum.

Q. That is private property.—A. But it is based upon private letters. If I have a right to a letter, and it is solely mine, no man has a right to a copy of it. I did not know when I got the package that it was there at all.

Mr. MULLIGAN. I beg your pardon, because you went over the package and saw it.

Mr. BLAINE, (to Mr. Mulligan.) Did I know that that memorandum was in the package when I first got the letters?

Mr. MULLIGAN. Not until after you went out, and I asked you when you came back to give me the memorandum; you refused, and then I told you in the presence of these other gentlemen to keep your letters, and that I should make this statement to the committee in the morning.

Mr. BLAINE. Yes; and I told you to go ahead. If you had not made the statement, I should, undoubtedly, have made it for you.

Mr. HUNTON, (to Mr. Blaine.) I ask for the production of that memorandum.

Mr. BLAINE. I decline to produce it, for the present, for the same reason as I have given in the case of the letters.

By Mr. HUNTON:

Q. Then do I understand you to refuse to deliver these letters, or to ask for time to consider the question?—A. O, I ask for time. I have not said that I declined to produce them, but that I decline to do so at this time. I make the declaration that I shall take the advice of counsel, whose eminence will command respect everywhere; and everything in those letters that, in the judgment of those counselors, bears, directly or indirectly, upon the subject-matter of this investigation shall be produced here. If beyond that you ask me to produce letters which are entirely and absolutely private, and which have no relevancy or reference whatever to this investigation, I must, for the present, suspend my answer to that, for I have got, probably, many thousand letters in my house to-day—

Mr. (HUNTON, (interposing.) I have not the remotest desire to see your private letters or anything that does not bear upon the question before us.

Mr. ASHE. Nor have I.

Mr. HUNTON. These letters were brought here by the witness, (Mulligan,) supposing they might be of value in the examination, and until the committee is satisfied by a perusal of these letters, I, for one, shall insist upon their production.

Mr. BLAINE. We will not make an issue on that point to-day. I will only remark that I know the powers of the committee, and I know what private rights are. I know that the possession of private papers is a constitutional right.

Mr. HUNTON. I have no desire to exercise any right or power that the committee has not the full right to do.

Mr. BLAINE. I do not think you do; nor have I made up my mind at all as to whether or not I will put all the papers before the committee; but I beg the committee to observe that when I voluntarily went home and took two of the most intelligent men in Washington, and read to them every word in those letters, it is not to be supposed that they are letters

that will "disgrace me before the world," and "bring my wife and children in sorrow to the grave," and "destroy my whole political influence." Besides I propose to read them to two eminent lawyers this evening.

By Mr. LAWRENCE:

Q. You have said that certain statements of Mr. Mulligan were "fancy;" explain that.—A. Yes; I will explain that. The conversation was a long one. Mr. Mulligan was talking freely about this thing generally. I will say here that I was surprised that Mr. Mulligan turned up here unfriendly to me, although I know a reason why I think he is unfriendly to me. I have known Mr. Mulligan a long time, and he was a confidential clerk of a brother-in-law of mine, in a large mercantile business, for a long time. I was familiar with him in the counting-room, and the relations between us were of the most confidential character. We have had a great deal of conversation at times. He is a man of intelligence, and a man of marked character in many respects; but he is a man of very tremendous prejudices, and of most intense political convictions. He is a man who believes that the republican party is the very gate of hell, and the destruction of the world.

Mr. HUNTON. There has been no inquiry made by the committee as to anything political; on the contrary, it has been studiously avoided.

Mr. BLAINE. Then I withdraw that remark. I was only going to throw some light on a conversation which Judge Lawrence asked me about. Mr. Mulligan was commenting upon the miseries of public life, and said it was a miserable thing to be in public life, and wondered that anybody could be induced to go into it. He spoke about going abroad; said he had been here some twenty-odd years, and spoke of going abroad to visit his friends. I said, "I wonder you do not get tired of the humdrum life of the counting-room;" and I jokingly remarked whether he would not like to go abroad in some official capacity. As he has represented here, it would be inferred that I had asked him to accept a consulship; but there was nothing of the kind whatever. I would not say that Mr. Mulligan falsifies; I do not want to say that at all. There might have been room for his putting a construction on what I said. When a man gets a little mad he will sometimes put unwarranted constructions upon conversation; but it is absurd to say, or to think, that I offered him fee or reward or anything else for those letters.

By Mr. LAWRENCE:

Q. Was anything said about suicide?—A. Not a word in the world.

Mr. MULLIGAN. Mr. Blaine, do you say on your oath that you did not say "suicide?"

Mr. BLAINE. I do, most certainly.

Mr. MULLIGAN. You do?

Mr. BLAINE. I do, most decidedly. I think the gentlemen who read the letters last night would think that I committed suicide on a pretty cheap basis. I will remark, in passing, that one of those gentlemen said, after hearing those letters, that he wondered I cared anything about getting possession of them.

JAMES G. BLAINE recalled.

WASHINGTON, June 2, 1876.

By Mr. HUNTON:

Question. I renew the request that was made yesterday, and ask at your hands the production of the letters in your possession that were obtained from the witness, Mr. Mulligan, so that they may be inspected by the committee.—A. I stated yesterday that I would submit the case to two eminent counsel and would be guided by them. I had previously submitted the case to several personal friends, reading the letters to them fully. I did this to show the utter falsity of the statement of the witness in regard to their character as in anywise compromising my honor or integrity or my official or personal relations in life. I did that with personal and intimate friends in order to get their judgment, and in order by the fact itself to show that all the story of their being letters in any way damaging to my reputation or in the slightest degree tending to discredit or dishonor me is totally without foundation. Upon the other question that I stated to the committee—the question of the legal right, I said, as you will remember, I would take the opinion of counsel and be guided by that. I selected two eminent lawyers, and they went over every letter, read it and reread it and questioned me upon it to see if there were in it anything direct, indirect, even latent that bore upon the jurisdiction of this committee, the resolution being before them and all the facts appertaining to it being within their knowledge. They have given me this opinion:

WASHINGTON, June 2, 1876.

The Hon. James G. Blaine has laid before us fifteen letters written by him to Warren Fisher, jr., between the years 1864 and 1872, inclusive, and three other papers in the same package—making eighteen papers in all—which he informs us he received from James Mulligan on the 31st day of May, 1876, at the Riggs House in the city of Washington.

We have carefully examined these letters and papers at Mr. Blaine's request, with intent to ascertain whether they relate to the subject-matter which the Judiciary Committee of the House of Representatives are authorized to inquire into by resolution of the House passed May 2, 1876.

We do not hesitate to say that the letters and papers aforesaid have no relevancy whatever to the matter under inquiry. We have no doubt the committee itself would decide the question of their relevance the same way. As a result of this it follows that Mr. Blaine having the letters and papers in his possession is not bound to surrender them. Referring to Mr. Blaine's private affairs, and being wholly beyond the range of the investigation which the committee is authorized to make, it would be most unjust and tyrannical, as well as illegal, to demand their production. We advise Mr. Blaine to assert his right as an American citizen and resist any such demand to the last extremity.

J. S. BLACK,
MATT. H. CARPENTER,
Counselors at Law.

By Mr. HUNTON:

Q. Then the committee is to understand that you decline to produce these letters, or any one of them?—A. Yes.

Q. It appeared in testimony yesterday from Mr. Mulligan, and also from your statement, that you had among those letters a memorandum made out by Mr. Mulligan himself, containing, as I understand, a synopsis of the contents of those letters; the committee request you to produce and lay before the committee that memorandum which you obtained from Mr. Mulligan.—A. I decline to do so, on the ground that if the letters are mine rightfully, any copy of or abstract of them is mine rightfully.

Q. Does this memorandum contain an abstract or a mere synopsis of their contents?—A. A very brief synopsis—scarcely any synopsis at all.

Q. Is it a copy or a mere statement of their contents?—A. It is rather an index than otherwise.

Q. Are the words of the memorandum the words of the letters?—A. No; I think not in a single instance.

Q. Then it is a mere statement of the substance of the letters?—A. Yes.

WASHINGTON, D. C., June 2, 1876.

ELISHA ATKINS recalled.

Mr. HUNTON. [To Mr. Blaine.] I have no objection, if you desire it, Mr. Blaine, that you shall examine Mr. Atkins, or, if you wish, I will conduct the examination.

Mr. BLAINE. I will ask him a few questions.

By Mr. BLAINE:

Question. Did you ever say to Mr. Mulligan, or in Mr. Mulligan's presence, that I was the owner, or was understood to be the owner, or in any way suspected of being the owner, of the land-grant bonds of the Little Rock, and Fort Smith Railroad that went through Thomas A. Scott to the Union Pacific Railroad Company?—Answer. I never told anybody that you owned any of those bonds, or had anything to do with them. I never said to Mr. Mulligan or anybody else that those bonds came from you.

Q. You never understood that they had?—A. I never knew the fact, and could not state it. I had no means of knowing it. I hope Mr. Mulligan will refresh his memory, and correct his testimony upon that point. He must see that I could not know it. If you will allow me, Mr. Chairman, I have put upon paper a memorandum, which I read to Mr. Mulligan, so that there will be no misunderstanding about it. I jotted this down this morning, in the presence of Mr. Mulligan, and read it to him, [reading:] "I wish to correct an error that Mr. Mulligan has made in his testimony, that I told him that the bonds held by the Union Pacific Railroad were Mr. Blaine's bonds. My memory is this: Some four or five years ago, or probably in the summer of 1872, a project was started to re-organize the Little Rock and Fort Smith Railroad Company, and finish the road without resorting to a foreclosure. I owned some of the bonds. Mr. Fisher knew most of the bondholders. I called several times at his office to talk the matter over. In canvassing the list of bondholders, I mentioned the Union Pacific Railroad Company as the holder of \$75,000 of the bonds. The question was asked how they got them. I replied they came to the company through President Scott. The theory was immediately started by Mr. Fisher"—I wrote it in this memorandum originally, "I believe Mr. Fisher or Mr. Mulligan;" but it is proper to say that on consultation with Mr. Mulligan I have erased his name, and it now reads, "Mr. Fisher." "The theory was immediately started by Mr. Fisher that they were part of some bonds that had been redeemed by Mr. Blaine from his friends in Maine, and from him found their way to Colonel Scott. I only knew of this redemption by Mr. Blaine through Mr. Fisher or Mr. Mulligan, and could never have told them, or anybody else, that they were

Mr. Blaine's bonds, for I had no means of knowing. It was not possible that I should know it if they were Mr. Blaine's bonds. About this time I had very little acquaintance with Mr. Blaine. I knew him by sight, and he knew me, and that was about all."

Q. These were land-grant bonds?—A. I do not know what they were. I never put my eyes on them.

Q. You never saw them in the hands of the Union Pacific Railroad Company?—A. I never saw them.

Mr. BLAINE. That fact has been put in evidence already. The committee can ascertain that by reference to the memorandum-book. The bonds are given there.

Q. The suggestion was made in your presence in some way that those were a part of the bonds that had been redeemed from the Maine people?—A. Yes. The suggestion, I am clear in my own mind, came from them, and not from me. I did not know, until they told me of it, that you had redeemed the bonds from them.

Q. Mr. Mulligan testified that the great mass of the bonds that were sold to the Maine people were first-mortgage bonds, and entirely different bonds from the land-grant bonds. What I wanted to get from this testimony is that it was impossible that the land-grant bonds that went into the Union Pacific Railroad could have been the same land-grant bonds that had been taken back from the Maine people.

Mr. HUNTON. It is not right, Mr. Blaine, to state to one witness what another witness has deposed to. You can ask him what the facts were.

The WITNESS. The best answer to that is, that the committee has the numbers of these bonds. That memorandum brought by Mr. Rollins will show whether they were land-grant bonds or first-mortgage.

Mr. BLAINE. That is all admitted uniformly by the testimony, that they were land-grant bonds.

Q. Was it in your parlor at the Riggs Hotel that I had an interview with Mr. Mulligan about the delivery of certain letters?—A. It was.

Q. The conversation was quite general between us?—A. Yes.

Q. What was the general purport of the conversation?—A. The general purport of it was that you were persuading him to give those letters to you as your private letters.

Q. What ground did I put it on?—A. Upon the ground that they were your private property, and had no reference, so far as you knew, to this transaction before the committee.

Q. I had them in my hand reading them part of the time?—A. I came into the room when you had them in your hand reading them, and seeing that you had them I went out.

Q. Afterward this conversation took place?—A. And before that, also; before and after; when he declined in the most positive manner to give you those letters, that was after you read them.

Q. Do you remember any formal expression that he made in saying that he would not give them up?—A. It was rather a rough one.

Q. State it.—A. Perhaps the committee will excuse me if I do not quote his language.

Mr. HUNTON. I do not see the relevancy of the expressions used by the witness Mr. Mulligan in his refusal to give up the letters. I am willing to hear how it is relevant. Anything that you can prove by this witness to contradict Mr. Mulligan I agree is testimony.

Mr. BLAINE. I should like to know what Mr. Mulligan said in declining to give them up.

Mr. FRYE. It is a well-settled rule of evidence, as I understand it, that when a conversation or a portion of a conversation is put in evidence, the other party affected by it is entitled to the whole transaction.

Mr. HUNTON. I agree with you.

Mr. FRYE. A portion of this conversation has been put into this case by the witness Mulligan. Mr. Blaine is now desirous of having the balance of it from this witness.

By Mr. HUNTON:

Q. Is this a part of the first conversation?—A. No, sir; it was the second. This emphatic language that Mr. Mulligan used, I think, was at the second interview.

Mr. FRYE. But it has been testified to by Mr. Mulligan.

Mr. HUNTON. If Mr. Blaine desires to go into that question, the whole conversation between Mr. Mulligan and Mr. Blaine should be stated.

Mr. BLAINE. Certainly; let Mr. Atkins state anything that there was about it.

Mr. HUNTON. Not anything that there was about it; but the whole of it.

Mr. BLAINE. I will first bring out a few points that I think will not be objected to. When I came down to your room in possession of the letters afterward, in the evening—

The WITNESS. Excuse me, sir; you first had the letters, and read them.

Q. In your room?—A. In my room; and you told me you had returned them to Mr. Mulligan. Mr. Mulligan left my room for his own, and you left for the purpose, as I understood, of getting one of those letters.

Q. Of looking at it more particularly?—A. Looking at it more particularly. I suggested to Mr. Mulligan to deliver these letters to Mr. Fisher, and to nobody else. I thought he would be the proper custodian of them. They were perfectly safe in his hands.

Q. Did not I join in that request?—A. Yes.

Q. After I had possession of the letters, did I not offer them to Mr. Fisher, and did he not decline them?—A. Yes; and you offered them to me to read, and I declined.

Q. Did I not then say to Mr. Fisher, "You probably are the more proper custodian of these, because they were sent to you, and were in your possession; if you desire those letters I will give them to you?"—A. Yes.

Q. What did Mr. Fisher say?—A. He said, "I do not want them." He had previously invited Mr. Mulligan to give them up, but seeing the feeling that had risen between you two, he did not want to step in between you, I suppose. He wished him to give them up to you, but after this feeling was gotten up between you and Mr. Mulligan, Mr. Fisher did not probably want to interfere.

Q. What did Mr. Mulligan say he should feel justified in doing with these letters?—A. When you came down with the letters in your hands?

Mr. BLAINE. Yes.

The WITNESS. You stated what Mr. Mulligan had stated.

Mr. BLAINE. Just go on and state the conversation.

Mr. HUNTON. State the whole conversation that occurred in your presence between Mr. Mulligan and Mr. Blaine, and anything you may have said when those two gentlemen were present, or anything that Mr. Fisher may have said when Mr. Blaine and Mr. Mulligan were present.

The WITNESS. Mr. Blaine entered my room with the letters in his hand.

Mr. HUNTON. When was that; was that after he had gotten the letters?

A. Yes; he had gotten them from Mr. Mulligan.

Q. The last time?—A. The last time. He said that Mr. Mulligan had told him—

Q. Was Mr. Mulligan present?—A. No, sir, he was not.

Mr. HUNTON. You must not state what occurred when Mr. Mulligan was not present.

The WITNESS. Mr. Mulligan immediately followed in. Mr. Blaine said, "Mulligan is coming down, and I want him to repeat his language to you." Mr. Mulligan demanded that Mr. Blaine should return him the letters. [To Mr. Blaine.] You then asked him again what he intended to do with those letters. He said that he intended to publish them if it were necessary; if anybody impugned his testimony he should publish them. Said he, "I will publish those letters if anybody, anywhere, at any time, should attack me." He said this in the most emphatic language. Excuse me, gentlemen, for not using it. He said, "I will have these letters in print." You asked him if he would give you the letters after the examination, and he said, "No, sir; I shall keep them for my own purposes; and if my testimony or my character is ever called in question I shall publish them at any future time."

Q. Then I suggested to him with some emphasis the injustice of publishing those private letters of mine because somebody else might attack him?—A. You did so in the very strongest terms.

Q. And that was re-enforced by you?—A. Yes, sir.

Q. Have you said all that you remember about the conversation?—A. I believe I have answered all your questions.

Q. Do you remember anything else about the conversation?—A. Nothing material; there was a good deal of excitement on the part of Mr. Mulligan.

Q. Mr. Mulligan testified under oath that he was friendly to me—

The CHAIRMAN, (interposing.) The better plan, if you will excuse me, would be to ask the question in such form as will not require you to state what Mr. Mulligan said.

Q. Do you know whether Mr. Mulligan is friendly to me?—A. I should not from his actions judge so.

Q. I do not allude to actions *here*; but have you any knowledge which came to you before coming from Boston that would indicate unfriendliness on his part?—A. On different occasions, in conversation with Mr. Mulligan, he has not expressed himself as on friendly terms with you.

Q. Did he not show some considerable asperity toward me?—A. Well, sir, Mulligan is impulsive, and perhaps he did not intend to.

Q. Did you have any reason to know why he was unfriendly?—A. He was apparently laboring under some sense of wrong; I did not know until recently what it was.

Q. Some sense of wrong I had done to him.—A. Yes.

Q. Some years ago?—A. Some years ago.

Mr. HUNTON. I must say, Mr. Blaine, I do not think this is a proper mode of examination.

Mr. BLAINE. I have merely adopted your suggestion, that this is not so much a judicial inquiry as an inquisition. What I want to establish is, that the witness (Mulligan) came here full of venom and malignity toward me.

Mr. HUNTON. The mode of examination is what is objectionable. Ask the witness what he knows.

Mr. BLAINE. The reason why I put those questions is, that Mr. Frye feels some delicacy about acting in this way. Is there any delicacy, Mr. Chairman, about his asking questions for me?

Mr. HUNTON. That is a question that Mr. Frye must decide for himself.

Mr. BLAINE. But is there on your part?

Mr. HUNTON. I shall not interpose any objection. Mr. Frye has asked a good many

questions, and I have not interposed any objection. The propriety or delicacy must be decided by Mr. Frye. I shall not object to any human being asking a question which is calculated to elicit the truth.

Mr. FRYE. The papers have spoken of me as appearing here as counsel for Mr. Blaine. I do not appear here as counsel for Mr. Blaine; I do not wish so to appear; but I appear simply as a friend of Mr. Blaine's, and as a person acquainted with the law.

Mr. BLAINE. It may be that my questions in some cases are such as in a court of law would not in all respects be admissible; but I think my questions were very much more restricted than were those to the witness, Mulligan, by the committee.

Mr. HUNTON. If they are in proper *form*, there will be no difficulty.

Mr. FRYE. Mr. Blaine asked this witness whether or not he had any conversation with Mr. Mulligan at any time prior to this inquiry, in which he has obtained any knowledge of Mr. Mulligan's feelings in relation to Mr. Blaine. He says he has. Now, I should like to ask him what those conversations were which led him to that conclusion?

The WITNESS. I do not know how I can give you a definite answer. The conversations that I have had with Mr. Mulligan were very brief, and the impressions produced upon my mind from those were that Mr. Mulligan was not Mr. Blaine's friend.

Q. State the conversation.—A. I cannot recall.

Q. Do you remember any conversation between yourself and Mr. Mulligan which caused this impression?

The WITNESS. The general tenor of the conversation.

Mr. FRYE. Give us the general tenor.

The WITNESS. Mr. Mulligan will remember that a few weeks ago he was in my office on some other business, and we had a conversation, (the matter lasted perhaps three minutes,) and I said, "How is your friend, Mr. Blaine, getting along?" I then thought that I had touched a nerve, for he said, "I do not know much about Mr. Blaine," or something of that kind. I do not know whether I would say positively that he said Blaine would not get the nomination, but it was something to that effect.

Q. You asked him how his friend was getting along?—A. Yes.

Q. What was his reply to that?—A. I think he said in a general way he did not know much about Mr. Blaine. I will not undertake to give his language, and I cannot do it; but the impression left upon my mind—

Mr. HUNTON, (interposing.) We want the conversation, not the impression; give us the conversation which produced the impression.

A. I am unable to give you the words that passed; perhaps there were not more than a dozen words that passed between us.

Q. Give those dozen, or the substance of those dozen words that did pass.—A. I think that Mulligan's memory is better than mine, and he can state it for himself. I will not undertake to give the language; the impression was left on my mind that Mr. Mulligan was not particularly friendly to Mr. Blaine.

Q. What were the words that left that impression upon your mind? That is the point we want to get at.—A. It is my impression that they were in reference to Mr. Blaine's nomination. I cannot say positively about that; but I think in an off-hand way something was said about his nomination, and Mr. Mulligan expressed himself as of the opinion that Mr. Blaine would not get the nomination. I think that was it; that he was not the man, or something of that kind.

Q. That he was not the man for the nomination?—A. That is my impression.

Q. And that was the conversation that caused the impression on your mind, that he was not friendly to Mr. Blaine?—A. Yes.

Q. Do you suppose that every man that does not want Mr. Blaine to get the nomination is his enemy?—A. No; I do not think he is, sir.

By Mr. BLAINE:

Q. Do you know or have you heard any reason for Mr. Mulligan being unfriendly to me?—A. Mr. Mulligan told me recently of some matters that passed between you years ago, but never intimated anything of the kind before.

Q. What were those?—A. Well; he thought you did not settle with him as you ought to have done in the settlement of some accounts some fifteen years ago; that you did not treat him right.

Q. Between whom?—A. Between him and your brother-in-law.

Q. Between Mr. Mulligan and my brother-in-law?—A. Yes; I believe I understood him to say you were umpire, and he thought you did not treat him right in that you favored your brother-in-law, Mr. Jacob Stanwood, rather than him.

Q. In what relation had Mr. Mulligan been standing to my brother-in-law?—A. I only know from what he told me.

Q. Well, what did he tell you?—A. I have been told that he was confidential clerk to Mr. Stanwood, (I did not know him then,) the same as he has been to Mr. Fisher.

Q. Do you know under what circumstances they parted?—A. Only what Mr. Mulligan told me the other day, that he had not been able to get a settlement, and the matter was rather left in your hands, and he thought you went back on him; that was his expression.

Q. Do you know what Mr. Mulligan's relations were with my brother-in-law during the last years of my brother-in-law's life?—A. I did not know Mr. Mulligan until I became acquainted with Mr. Fisher.

By Mr. HUNTON :

Q. When did you reach Washington City?—A. Last Wednesday morning, sir.

Q. Then you did not come with Mr. Mulligan and Mr. Fisher?—A. I did not, sir; but by accident I went to the same hotel.

Q. When did you see Mr. Blaine?—A. I saw him when I came here on the first examination, lying upon that sofa.

Q. That was your first interview with him after coming here?—A. Yes.

Q. You speak of Mr. Mulligan being unfriendly to Mr. Blaine. Can you detail any other expression that fell from Mr. Mulligan that indicated any unfriendliness except that which related to his being an unfit man for the nomination?—A. I cannot fix any particular conversation. I was frequently in and out of Mr. Fisher's office, and had occasional conversations with Mr. Mulligan. I know that when Mr. Blaine's name was mentioned the impression was left on my mind that he was no particular friend of Mr. Blaine's.

Q. No particular friend?—A. Yes; not a particular friend of Mr. Blaine's.

Q. Did he leave an impression that he was an enemy?—A. No, sir.

Q. The only impression was that he was not a particular friend?—A. Yes; I believe we never talked politics together.

Q. Was this want of friendship for Mr. Blaine which he indicated personal or political?—A. Personal.

Q. Personal, you say?—A. Entirely personal, sir.

Q. Were you present when Mr. Blaine came down from Mr. Mulligan's room with those two letters?—A. Yes; I was in my room when he came in.

Q. Mr. Mulligan followed soon afterward?—A. Yes.

Q. When Mr. Mulligan came in did he or not demand those letters from Mr. Blaine?—A. He did, sir, emphatically, and Mr. Blaine said distinctly that he would not give them up on the representations he (Mulligan) had made, and repeated what he had said; and he got Mr. Mulligan to repeat what Mr. Mulligan had said, which Mr. Mulligan did without hesitation—what he had said in his own room.

By Mr. BLAINE :

Q. Repeat that.—A. Mr. Blaine asked him if he would give him up these letters; Mulligan said, "No." Mr. Blaine said, "Won't you return them to me?" Mr. Mulligan said, "No." Then Mr. Blaine asked him what use he intended to make of them, and if he would give him up the letters after the committee were through with him. Mr. Mulligan said, "No." Mr. Blaine said, "They are my property." Mr. Mulligan said, "I will hold them." He then repeated his object in holding them, saying that it was that if at any future time anybody should make any charges against him, impugning his veracity or his character—anybody, anywhere, at any time—he intended to publish these letters in his defense.

Q. Did he say this with a great many oaths, and in great anger?—A. There was a good deal of excitement about it.

Q. Did he say he would not give these up to "God Almighty or his father"?—A. Mr. Mulligan used very different language to that which he is in the habit of using; I would say that. Generally he uses the language of a gentleman, but in this instance he was under great excitement, and used language that he would not use under other circumstances.

Q. Did he use the language that I mentioned?—A. If I must answer it, I must say he did.

By Mr. HUNTON :

Q. How long have you known Mr. Mulligan?—A. I can hardly tell; I have known him ever since his connection with the Adams Sugar Refinery; not before that.

Q. How long is that?—A. I will have to leave that to Mr. Mulligan to settle, as to when he became clerk of the Adams Sugar Refinery.

Mr. MULLIGAN. In 1865.

The WITNESS. Well, I have known him ever since that.

Q. What is Mr. Mulligan's reputation?—A. I never heard anything against it.

Q. What is his reputation for truth and veracity?—A. I never doubted anything he said.

Q. In the conversation with Mr. Blaine as referred to, in which Mr. Mulligan used some profane expression, was he laboring under great excitement?—A. Mr. Mulligan was laboring under great excitement. I thought I had expressed that distinctly.

Q. You stated a while ago that you did not know of Mr. Blaine's putting off on the Union Pacific Railroad any bonds of the Little Rock and Fort Smith?—A. I said so, and I repeat it most emphatically.

Q. Had you heard it?—A. I had heard street-rumors.

A. I did not ask for street-rumors.—A. That is all I can tell you. I never heard any member of our executive committee who took those bonds speak of Mr. Blaine's name in connection with those bonds, or anybody's but Mr. Thomas A. Scott.

Q. I did not ask you to tell whether you had heard it from the executive committee of the Union Pacific Railroad Company. What I asked you was whether you had heard it from anybody.—A. I heard it from no one, anything more than this surmise that was started, as I say, in Mr. Fisher's office.

Q. Then you did hear the surmise of Mr. Fisher?—A. Yes; and I said that it was from Mr. Mulligan to Mr. Fisher. Maybe Mr. Mulligan would object to my saying it was from him. It was from one of the two on that occasion.

Q. State what Mr. Fisher said on that occasion.—A. Mr. Fisher, or whichever it was, said that those are probably some of Blaine's bonds that he has taken up from his eastern friends and sold to Tom Scott.

Q. Did you ever hear it alluded to afterward?—A. Yes; I think I must have, in conversation with those same gentlemen. I do not know as I have from anybody else.

Q. When Mr. Blaine and Mr. Mulligan came down to you what was the purpose of that visit to you, (speaking now of that interview in 1872?)—A. The purpose of that visit to me was to settle up, so far as I was concerned, a subscription or contribution that had been made by sundry parties to some Northern Pacific stock and bonds to be put in my name, and to be held by me in trust for the parties contributing.

Q. You heard no reference made to Mr. Mulligan or Mr. Blaine during that interview in 1872 about the Little Rock and Fort Smith bonds which were sold for \$64,000 by Mr. Blaine?—A. I do not think that I heard any reference to those particular bonds; but this conversation I recollect distinctly, that Mr. Mulligan said to Mr. Blaine, (not as the newspapers have put it that I said to Mr. Blaine,) Mr. Mulligan said to Mr. Blaine, "You could not have lost by that transaction, because I know where you sold a large amount of those bonds at 80."

Q. What did Mr. Blaine reply?—A. I think he said nothing, sir. I do not know. I do not recollect that the Union Pacific was mentioned in connection with his having sold them out.

Q. You do not remember that it had any connection with the Union Pacific?—A. I do not remember that it had.

Q. You did not give any intimation of that sort at that time?—A. No, sir. I know what Mr. Mulligan says. I have no doubt it is an honest difference of opinion. I have no doubt that Mr. Mulligan got his impression somehow, and that it was an honest one.

By Mr. HUNTON:

Q. Can you state what Mr. Mulligan did say, so far as what passed between himself and Mr. Blaine?—A. His testimony and mine agree fully as to that.

Q. As to what occurred in that interview?—A. Yes.

By Mr. BLAINE:

Q. But not as to any mention being made of the Union Pacific Railroad?

Mr. HUNTON. He states that his testimony, as to what occurred between you and Mr. Mulligan in 1872, agrees with that of Mr. Mulligan.

Mr. BLAINE. He has just stated that no Union Pacific bonds were mentioned at all.

Mr. HUNTON. That is so; and I think Mr. Mulligan has said the same thing.

By Mr. FRYE:

Q. If he had said Union Pacific Railroad it would have attracted your attention, would it not?—A. Yes, at once; and I should have asked an explanation.

By Mr. BLAINE:

Q. So, then, there was nothing in that conversation directing attention to the Union Pacific Railroad?—A. Nothing whatever.

By Mr. HUNTON:

Q. Did you telegraph Mr. Blaine before coming to Washington?—A. Yes, sir.

Q. What about?—A. In reply to a dispatch from him.

Q. What did Mr. Blaine telegraph to you?—A. He telegraphed, asking if I would come to Washington.

By Mr. BLAINE:

Q. That was before you were summoned?—A. That was before I was summoned. I supposed you wanted me to appear before this committee.

By Mr. HUNTON:

Q. When was that telegram received?—A. It must have been Saturday.

Q. Last Saturday?—A. Last Saturday or Friday.

Q. When was the subpoena served upon you?—A. Saturday afternoon, I think.

Q. It was the same day, then, that you had got the telegram from Mr. Blaine?—A. Yes.

Q. State what was in the telegram which you received from Mr. Blaine.—A. As I remember it, it says, "Come to Washington at once." It was a short telegram. I do not know whether there was anything else in it or not. "Come immediately," or "You will do

me a favor by coming immediately," something of that kind. I have not got it with me. I replied to Mr. Blaine that I had no summons, and that I thought it not well for me to appear in Washington without being asked to come.

Q. Is that all you replied to Mr. Blaine?—A. That was the tenor of my dispatch. I suppose Mr. Blaine has the dispatch.

Q. The question I asked was, Was that all your dispatch to Mr. Blaine? Did you not say something in that dispatch to Mr. Blaine about Mr. Mulligan and Mr. Fisher being on the way here?—A. No, sir.

Q. You did not state anything at all, except that you did not like to appear, not being summoned?—A. I did not like to come, not being summoned. If I had known what Mr. Blaine wanted in relation to Mr. Aquilla Adams's letter, which you had in Washington, and which we did not then have in Boston, I should have put myself to some inconvenience to come.

Q. Your letter was out at that time, was it not?—A. No, sir.

Q. Where did you prepare your letter?—A. At my office, in Boston.

Q. It was published the same day?—A. It was published the evening before I left. I left the following morning. The Associated Press took it the evening before my departure.

Mr. Mulligan requested, and obtained leave, to ask a few questions of this witness.

By Mr. MULLIGAN :

Q. If I understood your testimony, you said that the object of going down to your office was in relation to something about the Northern Pacific Railroad?—A. As I understood it, yes.

Q. Was not the object for going down there to settle a matter of memory between yourself and Mr. Fisher?—A. It certainly was.

Q. It was to settle the question about Mr. Blaine telling me, in the Parker House, that you had no knowledge of these transactions, and I told Mr. Blaine you did. He asked me if I would repeat that in your presence, and I said I would. Then he asked me to come down to your office, and I did. What I want to find out is merely the point that we came down there and settled that matter of memory between you and me. Did not you say to Mr. Blaine, when I came in, and after the question was asked, that Mulligan was right?—A. Certainly.

Q. Now, if your memory failed you in such a short time why does it not fail you now in this transaction about whether or not you told me that them bonds came from Mr. Blaine?—A. That is a broad question. I said to Mr. Blaine that I knew nothing about the correspondence between Mr. Fisher and Mr. Blaine, and I did not.

Q. I want it down finer than that. In all those letters that we wrote, did not Mr. Fisher and I personally come to your office to inspect the letters before we would send them, and did not you make a verbal alteration in one that you thought I put too strong, in pencil?—A. I might have done so.

Mr. MULLIGAN. There was not a single letter that we did not submit to Mr. Atkins, because we were using his name, to see if it was satisfactory to him.

The WITNESS. I should have felt no hesitation in answering that question in the fullest manner. There is no reason why I should keep back any knowledge of the letters between Mr. Blaine and Mr. Fisher. If I saw them I had forgotten at that time.

By Mr. MULLIGAN :

Q. I do not question your veracity; I am only testing your memory.—A. It is very natural that the thing passed through my mind. The management of that business was in the hands of Mr. Fisher entirely; I do not think I ever wrote a letter about it, and when I saw you, you refreshed my memory; and I said at once to Mr. Blaine, "I am mistaken."

Mr. BLAINE. You knew of the sale of the original bonds and stock of the Little Rock Road when it was put on the market in Boston?—A. Yes.

Q. You were a subscriber?—A. Unfortunately, I was.

Q. What was the rate at which you obtained the bonds and stock?

The WITNESS. Do you mean what I paid for them?

Mr. BLAINE. What was the common rate of subscription in Boston?

A. The common rate of subscription was, for instance, \$30,000 in money. For that they would get \$50,000 of first-mortgage bonds, \$50,000 of the land-grant bonds, and \$50,000 of each of two classes of stock, making four for one, as they call it, of the face-value.

Q. Was there not also a little extra of first-mortgage bonds besides those?—A. I never got any.

Q. But four for one, as they called it, was what you got?—A. Four for one was what I got.

Q. That was the ordinary way in which things were put upon the market?—A. I never knew of any other way. There were a great many sold in that way I know.

Mr. BLAINE. I only want to show that this was the common way of doing that sort of business in Boston. There has been some suggestion that there was a premium or something of that kind, while the fact was that any of Mr. Fisher's friends could have got them on the same basis.

JUNE 2, 1876.

WARREN FISHER recalled.

By Mr. BLAINE :

Question. Do you recollect ever suggesting to me in a letter that I had obtained money through Thomas A. Scott, by selling Little Rock bonds to the Union Pacific Railroad?—

Answer. No, sir.

Q. Have you any recollection of having ever written such a thing?—A. No, sir.

Q. Nor of saying any such thing?—A. No, sir.

Q. I want to know whether, after I obtained the letters from Mr. Mulligan, I said to you in the presence of Mr. Atkins that your title to these letters was superior to mine, and that I offered them to you, if you wanted to take them?—A. I think there were such remarks made.

By Mr. HUNTON :

Q. State what these remarks were.—A. They were as he (Mr. Blaine) put them.

Q. I want you to state them now.—A. He said to Mr. Mulligan that I had a prior right to these letters; that they belonged to me rather than to Mr. Mulligan.

Q. That was said in the presence of Mr. Mulligan?—A. That was said in the presence of Mr. Mulligan.

By Mr. BLAINE :

Q. Did I not suggest to you that if you desired those letters I would surrender them?—A. Yes, sir.

Q. And didn't you reply that you did not desire the possession of them?—A. I don't think I said that. I don't remember of saying that.

Q. What did you say in response to the suggestion that I would give them to you if you wanted them?—A. Mr. Mulligan said he wouldn't give them.

Q. But I mean when Mr. Mulligan was not present?

Objected to and ruled out.

By Mr. HUNTON :

Q. Did you get any telegrams from Washington before you left Boston?—A. I did.

Q. From whom?—A. From James G. Blaine.

Q. Where are they?—A. I don't know that I kept them.

Q. State whether you have possession of those telegrams or not.—A. I have not, sir.

Q. You cannot say whether or not you preserved them in Boston?—A. I cannot; it was but one telegram.

Q. State what the character of that telegram was.—A. I think it was about five words—"Come to Washington without fail."

Q. When was that?—A. Saturday; I received it about 12.30.

Q. What time did you leave Boston?—A. I left Boston on Monday morning at 10 o'clock.

Q. Had you been served with a subpoena at the time you got this telegram?—A. No, sir; I got my subpoena at 10 minutes or 5 minutes before 3.

Q. On Saturday?—A. On Saturday.

Q. Did you get any other telegram?—A. No, sir.

Q. That was the only one?—A. That was the only one.

Q. From any source?—A. From any source.

Q. You got to Washington, I believe, on Tuesday, didn't you?—A. Yes.

Q. When did you first see Mr. Blaine?—A. From half past four to five o'clock.

Q. Tuesday afternoon?—A. Tuesday afternoon.

Q. Where did you see him?—A. In the barber's shop.

Q. Had you not, previous to that, been at Mr. Blaine's house?—A. No; I had but just arrived.

Q. Did Mr. Blaine know the time of your expected arrival?—A. He didn't know that I had come, to my knowledge.

Q. Did you refer to his telegram?—A. I did not.

Q. You had just gotten into the hotel when Mr. Blaine made his appearance?—A. Yes.

Q. Did you see him after that?—A. Yes.

Q. Where?—A. At his house.

Q. Did you go with him from the hotel to his house?—A. I did not, sir.

Q. Why did you go to his house, then?—A. Because he asked me to come there.

Q. Asked you in this interview that you and he had?—A. Yes.

Q. Didn't he send for you?—A. Yes, sir.

Q. Did he write you a note?—A. Yes, sir;

Q. Have you got that note?—A. No, sir; I think not.

Q. Can you state the words of it?—A. "You and Mr. Mulligan come to the house this evening."

Q. That was all that was in it?—A. I think so.

By Mr. BLAINE :

Q. Didn't I say in that note that I wanted to see you in regard to that Aquilla Adams publication about the Northern Pacific Railroad?—A. I don't know but you did, and I don't know as you did. I almost forget about it.

By Mr. HUNTON :

Q. You went up there?—A. Yes, sir.

Q. Did Mr. Mulligan go with you?—A. No, sir.

Q. Did he go up afterward?—A. No, sir.

Q. Was he sent for a second time?—A. He was.

Q. Was he sent for a third time?—A. Possibly; I think not, though.

Q. How came Mr. Mulligan in possession of those letters that are now in possession of Mr. Blaine?—A. He has always had possession of them.

Q. Did you know that he was bringing them on to Washington?—A. I did, sir.

Q. Did you object to his bringing them?—A. I did, not.

Q. He brought them, then, with your consent and approbation?—A. He did, sir.

By Mr. LAWRENCE :

Q. You had had a settlement with Mr. Blaine?—A. Yes.

Q. In that settlement was it agreed or arranged that Mr. Blaine should have up all papers relating to the subject-matter of the settlement, including these letters in question?—A. I supposed that I gave up to Mr. Blaine all the documents and papers that he asked for, and as to these letters, I didn't really know that they were in existence.

By Mr. BLAINE :

Q. Your understanding was that when we settled up I had got everything?—A. Every business paper. I think you did. In fact I feel sure you did. I think they were destroyed in my office.

By Mr. HUNTON :

Q. You say he got all the letters that it was agreed he should have?—A. That was my impression.

By Mr. LAWRENCE :

Q. Wasn't he to have these letters also?—A. If I had known of their being there I think I should have mentioned the fact, and if he desired them I should have given them to him without doubt.

By Mr. HUNTON :

Q. Did you keep a letter-book at that time?—A. No, sir.

Q. Have you heard Mr. Mulligan's statement about the correspondence between you and Mr. Blaine?—A. I did not, sir.

Q. You didn't hear his statement on that subject?—A. I couldn't hear a word of it, sir.

Q. Did you ever write to Mr. Blaine, or can you recollect that you ever did so, about a settlement between you and him?—A. Yes, sir.

Q. Did he reply to you that he had lost upon these bonds, which he had to take back from his friends in Maine?—A. He didn't reply by letter; he said so by word of mouth.

Q. Did you reply to Mr. Blaine that he had gotten off some of these bonds at a good price, or anything like that?—A. I think I did.

Q. What did you mean by that?—A. I meant that he had resold them.

Q. To whom?—A. I didn't know.

Q. Didn't you mention, when that conversation took place, that they had been sold to the Union Pacific Railroad Company?—A. That was what I intended to convey.

Q. You intended to convey to Mr. Blaine that he had not lost much on those bonds, because he had got a portion of them off at a good price to the Union Pacific?—A. Yes, sir.

Q. How many did you understand that he got off to the Union Pacific?—A. I did not understand any.

Q. From whom did you understand what you did understand?—A. Through Mr. Atkins.

Q. Mr. Atkins did tell you, then, that Mr. Blaine had gotten off some of these Little Rock bonds to the Union Pacific?—A. No, sir; he didn't tell me any such thing.

Q. How, then, did you understand it?—A. That was the inference I drew from his remark.

Q. What was that remark?—A. I can't say precisely, but give it to you as near as I can. Mr. Atkins was speaking about a re-organization of the Little Rock and Fort Smith Railroad. That re-organization was that the old bondholders, the original bondholders, should go into this organization on a certain basis. I do not remember what that basis was. He spoke to me about the bondholders, asked me if I knew of any bondholders that they didn't know. He thought I might be familiar with some of them; and I gave him all the information in regard to it that I had at the time. I said to him, "Well, you get all the bonds in," and he said that if they got three-quarters in it would be sufficient, or something like that. There was a general talk about it. He said that the Union Pacific road had some of the bonds, and said that they would come in. I asked where the bonds came from, and the inference that I got—

Q. State what he said.—A. I don't remember what he said, but the inference I got was that they were Blaine bonds.

Q. Did he tell you how many the Union Pacific had?—A. No, sir; he did not; that is, I think he did not.

Q. Did he mention the name of Thomas A. Scott?—A. I don't know that he did, and don't know but he did. I forget all about that. It is four or five years ago—five years very likely.

Q. Then, in this correspondence between you and Mr. Blaine touching a settlement about Little Rock and Fort Smith bonds, you treated the matter as if Mr. Blaine had gotten off a portion of them upon the Union Pacific Company at a good price?—A. I don't know how I treated it; I might have indirectly or directly referred to it in that way.

Q. Do you recollect any references to this matter in a reply that Mr. Blaine wrote you?—A. No, sir; I do not.

Q. You do not recollect that he said in one of his letters that if he had gotten them off at a good price, he had not held the money long, but that it went to his friends in Maine?—A. I heard that part of a letter read.

Q. When?—A. While I was on the way either from Boston to New York, or from New York to Washington.

Q. On this present trip of yours to Washington?—A. Yes.

Q. And within the last few days?—A. Yes.

Q. Did you hear any other letter than this read?—A. Yes, sir.

Q. Can you state the points of the letters which you heard read—I do not mean with verbal accuracy, but substantially so?—A. No, sir; I could not.

Q. But you recollect substantially that in one of them Mr. Blaine said that if he did get these bonds off, as you had suggested in your letter, he didn't hold the money long, but that it went to his Maine friends?—A. Words to that effect.

Q. How long have you known Mr. Mulligan?—A. I have known Mr. Mulligan sixteen or twenty years.

Q. Have you known him intimately?—A. I have, sir.

Q. What is his character?—A. His character is the best. I would say that it is as good as, or perhaps better than, that of any man that I ever knew.

Q. What is his reputation for truth and veracity?—A. I never heard it questioned.

Q. Have you ever demanded from Mr. Mulligan the possession of these letters?—A. I have, sir.

Q. When?—A. Since I have been in this city.

Q. Had you ever demanded them until Mr. Blaine got possession of them?—A. I had, sir.

Q. When?—A. Since I have been in this city.

Q. At whose instance did you make that demand for these letters?—A. I made it at my own instance.

Q. Was it not suggested to you?—A. No, sir.

Q. Were you not requested to make that demand?—A. Not the first time I made the demand.

Q. Were you ever requested by anybody to make that demand after the first time?—A. I was.

Q. By whom?—A. Mr. Blaine.

Q. He asked you to demand those letters?—A. He did not ask me to demand them.

Q. Well, what did he say?—A. Mr. Blaine asked me to get Mr. Mulligan to give them to me.

Q. What were you to do with them if you got them?—A. I proposed to keep them if I got them.

Q. Was this after a reference had been made in his examination by Mr. Mulligan to the letters?—A. No, sir; but before that.

Q. When was it?—A. I think it was Tuesday night.

Q. I am under the impression, though I may be wrong, that nothing occurred between Mr. Blaine and Mr. Mulligan about the letters until Wednesday. Was there anything said between Mr. Blaine and Mr. Mulligan about these letters until after the first examination here?—A. I think not, sir.

Q. Then the request from Mr. Blaine to you to get possession of those letters from Mr. Mulligan was after Mr. Mulligan had spoken of the letters in his first examination?—A. Yes; I think that was so.

Q. Then you had better correct your first answer.—A. No; I say I had made the request of Mr. Mulligan to give them to me on Tuesday night.

Q. You had?—A. That was my first request.

Q. Was that after you saw Mr. Blaine?—A. I think it was.

Q. When you saw Mr. Blaine, was it mentioned between you and Mr. Blaine that Mr. Mulligan had these letters in his possession?—A. It was mentioned by Mr. Blaine that Mr. Mulligan had these letters.

Q. Did Mr. Blaine ask you to go and get these letters?—A. There was one letter that Mr. Blaine was very particular to get.

Q. Did he or not ask you to go down and get these letters?—A. Yes.

Q. And the request that you made of Mr. Mulligan to return these letters to you was after and in consequence of the request from Mr. Blaine?—A. Yes.

Q. State what this letter was that Mr. Blaine was especially anxious to get hold of.—A. A letter relating to the Northern Pacific Railroad.

Q. Was that the one he was particularly anxious to get?—A. Yes.

Q. How did he know that Mr. Mulligan had such a letter?—A. I think that Mr. Blaine may have asked me the question whether such a letter was there, and I probably told him that I believed there was.

Q. Did you tell him the contents of any of the other letters that Mr. Mulligan had?—A. I do not think I did, sir.

Q. Were you present when Mr. Mulligan delivered these letters to Mr. Blaine the first time?—A. No, sir.

Q. In Mr. Atkins's room I mean.—A. No, sir; I was not present.

Q. You don't know anything about the delivery by Mr. Mulligan of these letters to Mr. Blaine?—A. No, sir.

Q. Were you in Mr. Atkins's room when Mr. Mulligan came in and demanded those letters from Mr. Blaine?—A. I was.

Q. Mr. Blaine refused to deliver them up?—A. He did. He refused to give them up.

Q. Did or not Mr. Mulligan say to Mr. Blaine that he had gotten those letters up-stairs in his room under a promise to return them?—A. I believe he did.

Q. Did Mr. Blaine deny or assent to the declaration of Mr. Mulligan that he had gotten the letters under a promise to return them?—A. He said that he had the letters.

Q. Was that all he said in response to the demand of Mr. Mulligan for the possession of the letters?—A. Yes, sir; I think it was.

Q. Did Mr. Blaine say to Mr. Mulligan, or to you that the letters should be delivered up to you?—A. Yes, sir; he said that no third party should hold them; that they did not belong to them.

Q. Did you agree or decline to take them?—A. I asked for them.

Q. When?—A. Several times.

Q. When Mr. Blaine had them?—A. No, sir; not when Mr. Blaine had them.

Q. Now, I am speaking of the time after Mr. Blaine got possession of those letters.—A. No, sir; I don't think I said anything about them.

Q. You made no response when Mr. Blaine said that you might have possession of these letters?—A. No, sir.

Q. You would have received them all from Mr. Blaine?—A. Certainly, I should if he had given them to me.

Q. Did he offer to give them to you?—A. He did not.

Q. If he had given them and you had received them, what disposition would you have made of them?—A. I should have kept them.

By Mr. BLAINE :

Q. What did Mr. Mulligan say, if anything, in your presence about his intention respecting these letters—what he would do with them?—A. He said that he should keep these letters; that in case his statements were questioned or doubted by anybody he would have these letters to refer to, and he should publish his statement with those letters.

Q. Did he base his publication of them, or his intention to publish them, on the fact that I should question his statement, or that anybody should question it?—A. Anybody.

Q. If anybody questioned his statement he would publish them?—A. Yes.

Q. And that he would feel justified in publishing these letters?—A. Yes.

Q. At any time?—A. At any time.

By Mr. HUNTON :

Q. Was his purpose in publishing those letters to vindicate himself in case he was assailed?—A. Yes; to appear right before the world.

Q. A good deal has been said about Mr. Mulligan's manner when Mr. Blaine got possession of those letters and refused to return them; state to the committee what was the manner of Mr. Blaine.—A. I did not see anything different from what he is at the present time.

Q. He was not excited?—A. He walked the room a little.

Q. But was his manner excited—were there any indications of excitement other than that of walking the room?—A. No, sir.

Q. What was his manner and state of mind when you went to his house the night before?—A. I did not see any particular change in his manner or state of mind when I went to his house.

Q. Was he calm?—A. I do not know whether he was calm or otherwise; he appeared the same to me that he has always appeared.

Q. You did not see any unusual excitement?—A. No, sir.

By Mr. BLAINE :

Q. How long have you and I been acquaintances, Mr. Fisher?—A. Since the month of June, 1852.

Q. We became acquainted through whom?—A. Eben C. Stabwood.

Q. What relation was he to me?—A. Your brother-in-law.

Q. Through him our acquaintance began, and it has continued since that time?—A. Yes.

Q. You had business relations with him?—A. I was a partner with him. I served my time in his counting-room.

Mr. BLAINE. I desire to call attention to a fact in this memorandum-book. I suppose I am at liberty to do so?

The CHAIRMAN. Not in the shape of argument.

Mr. BLAINE. No; but a fact. I desire to call attention to the fact that there are but \$28,000 land-bonds sold to the State or Maine people, according to the evidence in the memorandum-book, [the memorandum-book produced by Mr. Mulligan.]

By Mr. HUNTON:

Q. If you had those letters now, Mr. Fisher, what would you do with them?—A. If I get the letters, sir, I will answer that question afterwards.

Mr. HUNTON. I notify you now, as a witness subpoenaed before this committee, that if you do get those papers you must not destroy them.

The WITNESS. I shall not destroy them, sir.

Mr. BLAINE. And I will pledge myself as a witness before the committee that the person having them will not destroy them.

Mr. Fisher desired to make a correction in his testimony, whereupon he was further examined, as follows:

By Mr. HUNTON:

Q. Did Mr. Blaine offer you those letters before you left your room or Mr. Atkins's room? Have I asked you that question already?—A. No, sir.

Mr. BLAINE. That was asked.

The WITNESS. No; I think not.

Mr. FRYE. It was asked. I heard it.

The CHAIRMAN. I asked him the question, whether he had demanded a return of those letters from Mr. Mulligan prior to Mr. Mulligan's mentioning having the letters in his first examination. [To the witness.] But you can go on and make your correction.

By Mr. BLAINE:

Q. The question was, did I offer you these letters in the presence of Mr. Atkins?—A. You did.

Q. Did I do it once or twice?—A. You offered them to me.

Q. I offered them to you with emphasis; and did I not call Mr. Atkins's attention to the fact that I now offered to you those letters, and if you did not choose to take their custody I would?—A. Yes; words to that effect.

By Mr. HUNTON:

Q. Did you agree to receive them?—A. No, sir; I said I would not.

Q. You declined to receive them?—A. I declined to receive them.

By Mr. BLAINE:

Q. Then did I not state to you that I would retain them, and would not give them up to anybody else?—A. And you would bring them back at 9 o'clock or half past 9.

By Mr. HUNTON:

Q. Bring them back where?—A. To the room, at half past 9 or 10 o'clock that evening.

Q. Did he bring them back at half past 9?—A. That or 10.

Q. Was that the first time he got possession of them or the second?—A. When he had them in his pocket.

Mr. BLAINE. It was the final time when I got possession.

Q. It was when he got them and refused to return them to Mr. Mulligan?—A. Yes.

Q. He brought them back at half past 9?—A. About half past 9 to 10.

Q. And then what did he do with them?—A. Carried them back again.

Q. Did he offer them to you again?—A. I do not remember that he did; but he did the first time, before he left the room.

By Mr. LAWRENCE:

Q. Was Mr. Mulligan present when he offered them to you?—A. No, sir; I think not.

By Mr. BLAINE:

Q. Was Mr. Atkins present?—A. Yes.

Q. Did I call Mr. Atkins's attention especially to the fact that I offered them to you?—A. Yes.

By Mr. HUNTON:

Q. Why did Mr. Blaine come back with them at half past 9 or 10 o'clock?—A. Because he had agreed to.

Q. Agreed with whom?—A. Mr. Mulligan.

Q. Did he see Mr. Mulligan when he came back at half past 9 or 10 o'clock?—A. Not that night.

Q. Whom did he see when he returned at half past 9 or 10 o'clock?—A. He saw Mr. Atkins and myself.

Q. Why did he promise Mr. Mulligan to return with the letters at half past 9 or 10 o'clock; was it to return the letters to Mr. Mulligan?—A. That was the understanding, I guess. He said he would be back with the letters in his pocket at half past 9 or 10 o'clock.

Q. And the understanding was that when he came back, about half past 9 or 10 o'clock, he was to return them to Mr. Mulligan?—A. No, sir.

Q. You said so a while ago.—A. Then I did not understand the question.

Q. For what purpose was he to return with the letters at half past 9 or 10 o'clock?—A. It was a matter of agreement between him and Mr. Mulligan.

Q. What was the matter of agreement?—A. I do not know.

Q. Then how do you know it was a matter of agreement?—A. Because I heard them state it.

Q. What did you hear them state?—A. The fact that he would be back with the letters at half past 9 or 10 o'clock.

Q. What for?—A. I do not know.

Q. What did you understand for?—A. I did not understand at all.

Q. When he went off with those letters that he had got from Mr. Mulligan he promised him to come back with the letters at half past 9 o'clock?—A. Or 10.

Q. He did come back with the letters at half past 9 or 10 o'clock, but did not see Mr. Mulligan?—A. He did not see Mr. Mulligan to my knowledge.

Q. Is that all the correction you wish to make?—A. Yes, sir.

By Mr. BLAINE :

Q. I did not see Mr. Mulligan because Mr. Mulligan was not in the room?—A. Yes.

Mr. BLAINE. I went to the room where he had been, and I was there by agreement, but he was not.

By Mr. HUNTON :

Q. If you know that fact, you may state it.—A. That is the fact. Mr. Mulligan was not there.

Q. Where was Mr. Mulligan?—A. I do not know.

Mr. MULLIGAN. I was in the hotel all night. I was in the room when he came back with those letters, and I staid there for some time, and they began to talk to me for a long time about those letters, and I told them plainly that I would talk with him no longer upon the subject. He refused to deliver me the letters, and I went out.

Mr. HUNTON. That was when he came back at half past 9 or 10 o'clock?

Mr. MULLIGAN. Yes.

Adjourned to to-morrow morning at 11 a. m.

WASHINGTON, D. C., June 2, 1876.

JAMES MULLIGAN recalled.

By Mr. HUNTON :

Q. You stated yesterday that you thought you could state the contents of one of the letters which Mr. Blaine got from you which related to the subject-matter of the inquiry upon which you have been examined. I did not fully understand your answer to that question yesterday, and I would be glad to have you state it this morning. Give the date, who wrote it, and to whom it was addressed.—A. I cannot give the date.

Q. Can you approximate the date; can you give the year?—A. Well, I should say it was in this month, to the best of my knowledge.

Q. Who wrote the letter, and to whom was it addressed?

Mr. FRYE. Please to understand, Mr. Chairman, that Mr. Blaine does not waive any objection.

Mr. HUNTON. I understood him to object yesterday, and I understand the objection to continue.

A. It was written by Mr. Blaine, addressed to Warren Fisher, jr.

Q. Written by Mr. James G. Blaine?—A. Yes.

Q. Was this letter of Mr. Blaine addressed to Warren Fisher, jr., and a reply to a letter which Mr. Warren Fisher had addressed to Mr. Blaine?—A. Yes.

Q. Did you ever see the letter which Mr. Fisher addressed to Mr. Blaine, and to which this letter of Mr. Blaine is a reply?—A. Mr. Fisher had addressed different letters to him. Mr. Blaine was a man who would be absent at different times, and there might be probably a week or ten days' delay, and he would probably keep letters that time, and then answer them all in one.

Q. State, if you can, to the committee, what was the subject-matter of the letter which Mr. Fisher addressed to Mr. Blaine, and which drew from Mr. Blaine the letter in question.

Mr. FRYE. I object to that question. He has definitely said that he knows what the letter was that Mr. Fisher wrote to Mr. Blaine to which this was a reply. Will you have the kindness, Mr. Chairman, to address him first the question—Did you know what the contents were of the letter to which this letter was a reply?

Mr. HUNTON. I did ask him that, and he can go on and answer it.

Q. Do you know what the contents of the letter were, that this letter from Mr. Blaine to Mr. Fisher was a reply to?—A. I know the purport of these letters that they wrote.

Mr. FISHER. That is not a reply.

Q. State, if you can, to the committee, what was the object of the letter which Mr. Fisher addressed to Mr. Blaine, and which drew from Mr. Blaine the letter in question.

Mr. FRYE. I object to the question.

The question was modified as follows:

Q. Give the contents of those letters so far as they bore upon the reply of Mr. Blaine.

Mr. FRYE. I will object to that also in behalf of Mr. Blaine.

The committee decided that the answer should be made.

Mr. HUNTON. I think the inquiry should go to the contents of the letter or letters to which the one which is supposed to be material is a reply.

The WITNESS. Which reply to you mean?

Mr. HUNTON. I mean the reply which you adverted to yesterday—a letter from Mr. Blaine to Mr. Fisher, which is now in the possession of Mr. Blaine, and about which you were asked as to the contents yesterday, which bear upon these bonds of the Little Rock and Fort Smith Railroad Company, which afterward came into the possession of the Union Pacific Railroad Company.

The WITNESS. Mr. Fisher had been writing to Mr. Blaine at different times to get a settlement with him, and there was a good deal of correspondence between them about it. Mr. Blaine, in these letters, took the ground that he was at a great loss by this transaction in this Little Rock and Fort Smith Railroad business. Mr. Fisher took the ground that he was at no loss by it, and that he (Mr. Blaine) had sold all of these bonds, and got \$64,000 for them. Mr. Blaine, in his reply, says that if Mr. Fisher labored under the idea that he had made money out of that business he was mistaken, that the money that he received—

Q. What money did he receive?—A. That money that Mr. Fisher mentioned; that he had not had that in his possession forty-eight hours until he turned it over to these innocent parties; that is, the parties in Maine that he got into this transaction about these bonds.

Q. Is that the only letter that Mr. Blaine received from Mr. Fisher which contains a reference to the subject-matter of the inquiry, to wit, the Little Rock and Fort Smith bonds which went into the hands of the Union Pacific Railroad?

The WITNESS. Is that about the \$64,000?

Mr. HUNTON. Yes.

A. That is the only one I remember, sir.

Q. Did you repeat the same statement to Mr. Blaine that was in this letter of Mr. Fisher's to Mr. Blaine that you have just alluded to?—A. I repeated to him—you refer to that conversation in Mr. Atkins's office?

Mr. HUNTON. Yes.

The WITNESS. Mr. Blaine, in that conversation in Mr. Atkins's office, repeated the same story about how much money he lost by these transactions, and made the reply that he had not lost money—just the same reply that Mr. Fisher had made; that he had not lost money, and that I knew where he had put these bonds, and got these \$64,000 on those bonds, and that they cost him nothing. That was the words I used.

Q. How did you know about his putting these bonds where he got the \$64,000, and that they cost him nothing?—A. What I mean to say by their costing him nothing—

Q. State what reply Mr. Blaine made to you when you said that.—A. He made no reply.

Q. Did you state where he had put these bonds and got the \$64,000, and that these bonds had cost him nothing?—A. What I mean to say by costing him nothing was, that he had got the bonds from Mr. Fisher, and that they cost him nothing excepting for his services for negotiating the sale of these bonds. He paid no money for them.

Q. State to the committee how you knew, if you did know, that Mr. Blaine got the \$64,000.—A. I repeated that yesterday. It was through Mr. Atkins that I knew it.

Q. Did you know it from Mr. Blaine either through previous conversation or letters?—A. Never; excepting in that conversation in Mr. Atkins's office.

Q. Had you at that time seen this letter to which you refer?—A. Certainly. This letter was previous to it.

Q. Then, was your remark to Mr. Blaine about his having received this money for those bonds founded upon what you had heard from Mr. Atkins as well as upon the letter from Mr. Blaine which you had seen?—A. It was founded upon what I had heard from Mr. Atkins.

Q. Did you keep copies of those letters that Mr. Fisher wrote?—A. I do not know, sir.

Q. Did you write the letters?—A. No, sir.

Q. Does Mr. Fisher keep a letter-book?—A. I do not think he keeps any private letter-

book. I was in the Adams Sugar Refinery, and anything I done for Mr. Fisher was merely a labor of love. I got no pay for it.

Q. You do not know whether he kept a letter-book at that time?—A. I do not think he did, sir.

By Mr. BLAINE :

Q. Do I understand you to say that this letter which is now in my possession speaks of receiving money from Thomas A. Scott?—A. No, sir; it does not mention his name.

Q. Nor from the Union Pacific Railroad Company?—A. No, sir.

Q. Or the sale of \$64,000?—A. No, sir; but it is only in answer to a letter which Mr. Fisher wrote, in which he made the allegation that he knew where Mr. Blaine sold these bonds for so much money, and Mr. Blaine gave back the reply that Mr. Fisher must have misunderstood the matter, because that money that Mr. Blaine had received he did not keep forty-eight hours, but turned it over to the other parties.

Q. But my letter did not mention the Union Pacific Railroad?—A. No, sir.

Q. Nor Thomas A. Scott?—A. No, sir.

Q. Nor \$64,000?—A. No, sir.

Q. Did you figure up from the memorandum-book what was the aggregate amount of bonds in that book that went to the Maine parties?—A. I had not figured it up.

Q. Have you got that book now?—A. It is in the hands of the committee.

Q. Outside of that book, how many bonds, to your personal knowledge, went to me?—A. Only \$40,000, of my own personal knowledge.

Q. How many did you have any knowledge of coming to me from Mr. Fisher?—A. Only those \$40,000, of my personal knowledge.

Q. That is all?—A. That is all.

Q. What bonds were those; were they land-grant bonds, or first-mortgage bonds?—A. Land-grant.

Q. When were they delivered?—A. On the 21st of September, 1873; that was the time of the final settlement.

Q. That is all the bonds of which you have any knowledge?—A. That is all the bonds I know personally were given to you, sir.

By Mr. HUNTON :

Q. You state that \$40,000 of the bonds were all that you know went into Mr. Blaine's hands?—A. Yes; all I know personally. Mr. Blaine claimed, the day of that settlement, that there was something like \$100,000 or \$101,000—[to Mr. Blaine.] I think that that is what you claimed on that day, sir. Mr. Fisher's account and yours disagreed, and it was finally settled to give you those \$40,000. It was the final settlement between you. There was \$36,000 that was still due to you on this commission.

By Mr. FRYE :

Q. Do you mean to say that Mr. Blaine claimed that he was entitled to receive \$101,000; that Mr. Fisher was still owing him \$101,000?—A. That was what he claimed in those letters to figure it down to, and that if he was to give him \$40,000 that would be a final settlement. Mr. Fisher said that he (Mr. Blaine) could look to Mr. Caldwell for the whole, if he pleased. This was in Mr. Fisher's office, on the 21st of September, 1872.

By Mr. HUNTON :

Q. That transaction to which you have alluded, in which Mr. Blaine got \$36,000.—A. No, sir; I gave him \$40,000.

Q. You gave him \$40,000?—A. Yes, sir.

Q. That was a settlement growing out of all these bonds to which you referred yesterday, and was not contained in this book?—A. Mr. Blaine claimed as an offset, before he settled this—he wanted all his business settled up with Mr. Fisher.

Mr. BLAINE. I do not want all my private matters gone into in this way.

Mr. MULLIGAN. I do not want to give any answer that I cannot give truthfully.

By Mr. HUNTON :

Q. You spoke of \$40,000 in bonds that he handed Mr. Blaine?—A. Yes.

Q. I want to know if that was a remnant of the bonds alluded to by you yesterday, and contained in that memorandum-book.—A. Yes.

WASHINGTON, D. C., June 3, 1876.

ELISHA ATKINS recalled.

By Mr. HUNTON :

Question. Do you know anything of the sale of bonds or stocks by any of the Pacific Railroads? You are connected with the Union Pacific, are you not?—Answer. I am; I don't know that I understand your question.

Q. I do not mean the Union Pacific; but have you any knowledge of any sale of bonds or stocks by any of the Pacific Railroad Companies which received subsidies from the Government?—A. No, sir. As to the Union Pacific, I know of their disposing of their bonds.

Mr. HUNTON. I except that, because I examined you as to it when you were on the stand before.

The WITNESS. I am familiar with that road. I do not know anything about the other Pacific roads.

Q. Do you know anything at all about the transactions of the Northern Pacific Railroad?—A. No, sir; never did.

Q. Do you know anything about the transactions alluded to by Mr. Aquila Adams in a letter published by him—if you ever saw that letter?—A. I saw it; I know something of the matters referred to in it.

Q. State them.—A. Mr. Warren Fisher proposed to me to take an interest with him in a block of stock of the Northern Pacific—

Mr. BLAINE. I have not the least objection to the whole statement about this matter, but I do not see, under the resolution upon which the committee is acting, that they have any authority to investigate it.

Mr. HUNTON. It seems to me that, under this resolution, the fullest investigation of all these Pacific Railroads which received subsidies from the Government is open.

Mr. BLAINE. Yes; as to the conduct of the companies, that is true.

Mr. HUNTON. I said a while ago to Judge Lawrence that if you preferred it, Mr. Blaine, we would commence at the beginning. I knew it would look as if we were skipping in order to come up to you by this question that I have asked; but I did that because I supposed that if it is going to come up to you at all, you would want it to come at once.

Mr. BLAINE. What do you mean by beginning at the beginning?

Mr. HUNTON. I mean investigating the conduct of these roads—it would take several months.

Mr. BLAINE. And the only feature you think worthy of discharge is the detailing of this transaction of mine?

Mr. HUNTON. I do not see how you could have misunderstood me to that extent. I say it is my duty to investigate the whole matter. Let me state my position fully in that respect. I stated to Judge Lawrence that this resolution called for an investigation of these companies—a work that would occupy us some months, and which I proposed to do as fast as I could do it. But it was alleged that a portion of this investigation would come up to you, and the question that I propounded to Judge Lawrence was, that as it was important to you to have a speedy examination of the matter, we would, if you desired, go right on with that portion of it now. With this explanation I do not think I can be misunderstood either in words or motive.

Mr. BLAINE. I have no disposition to object to its going on now, only that in reading the resolution, which I never did read until now, I did not see how it included it at all; that is, unless you conceive that the investigation which, under that resolution, you were ordered to make embraces every transaction between any two persons in the United States that may have taken place in Northern Pacific stock. I considered that to be a misconstruction of the resolution. What you want to get at is whether these companies have properly discharged their duties, and whether they have done anything corruptly or anything illegal or unlawful. Now, when they have disposed of their stock, and it is on the market, and may be sold from hand to hand, and in any direction, do you consider it to be within the scope of your resolution to investigate every transaction of that kind?

Mr. HUNTON. I do not.

Mr. BLAINE. Does not this transaction come within that?

Mr. HUNTON. No; I think not.

Mr. BLAINE. I do not object to it at all, but it does not occur to me that it has anything to do with the investigation.

Mr. HUNTON. The regular mode would be to begin at the beginning, but that will take several months.

Mr. BLAINE. There is no process of descent—even Darwinian descent—by which that investigating process would come to any transaction of this kind.

Mr. HUNTON. I cannot say as to that.

Mr. BLAINE. I never had a transaction with the Northern Pacific Railroad in my life.

Mr. HUNTON. A portion of this testimony already taken has alluded to you in connection with that Northern Pacific road.

Mr. BLAINE. Where?

Mr. HUNTON. The witness Mulligan said that one of those letters alluded to the Northern Pacific Railroad.

Mr. BLAINE. And do you take that as a foundation for an investigation wholly outside of the matter under consideration?

Mr. HUNTON. I would not take anything outside of the record as a foundation for an investigation, but that is inside the record.

Mr. FRYE. Whatever you find in relation to Mr. Blaine, would we be obliged to wait until you get through with your three or four months' investigation before having your report upon that?

Mr. BLAINE. I want a distinct understanding as to that. Do you propose to make this investigation which you are now proceeding upon a part and parcel of the prolonged investigation which you speak of?

Mr. HUNTON. There would be no reason for my making the statement I did a while ago if that were my intention. I said that on your account, if you wished it, we would investigate at the beginning; that that was pointing to you.

Mr. BLAINE. That is one thing; but is it your intention to report upon that separately?

Mr. HUNTON. That is my expectation, but I have not formed any determination on it.

Mr. BLAINE. I would like that to be distinctly understood, because burying me in a mass of Northern Pacific transactions, which you say yourself would take three months to investigate, would not be fair to me.

Mr. HUNTON. So far as that is concerned, it is the evidence that will acquit or condemn in the public estimation, and not the report of the committee.

Mr. BLAINE. I want it investigated thoroughly, but I want it investigated by such mode of procedure as will do justice.

Mr. HUNTON. I repeat that it is very far from me to do you injustice, but very much the contrary. [To the witness.] Go on, Mr. Atkins, and make your statement.

Mr. ATKINS. Shall I begin at the beginning?

Mr. HUNTON. Yes.

Mr. ATKINS. Mr. Fisher proposed to me on one occasion, to take an interest in a block of Northern Pacific stock or bonds, which he said he could probably get through Mr. Blaine. I said, "Yes; if you think well of the transaction, I will take an interest in it." Very little more was said about it. I think I never spoke to Mr. Blaine upon the subject at all, until the final close of it, and the thing went along for a year or so. I occasionally asked Mr. Fisher about this stock and these bonds, and he said there was some difficulty about getting them—that they were not as Mr. Blaine expected. Finally the account had been remaining open for a year. At that time Mr. Blaine, in company with Mr. Mulligan, as you have already heard, called at my office, partly for the purpose of correcting an error in my memory, and partly to settle up this Northern Pacific bond matter, in Mr. Fisher's absence, he being sick at home. I said to Mr. Blaine that the thing had been standing a year, and that no one of us wished the interest in the bonds then, even if we could get it; that I, for one, did not wish any interest in the Northern Pacific Railroad, and that the best thing he could do was to return the money. He said, "Do you think so?" I said, "Yes." "Then," he said, "I will do it." That was the end of the transaction.

Q. You did not go into any pool to buy stock?—A. I was in this \$25,000 pool.

Q. How much did you go in?—A. I think my firm took an interest of \$15,000.

Q. Who was your firm?—A. E. Atkins & Co. the style is.

Q. How many partners in it?—A. Now there are three partners.

Q. How many were there then?—A. Two.

Q. Fifteen thousand dollars out of what sum?—A. Out of \$25,000.

Q. What were you to get for that \$15,000?—A. I don't remember; it has passed of my mind entirely.

Q. What was to be the consideration of the \$25,000—the amount of the pool?—A. The consideration was to be a block of the stock and bonds.

Q. What do you mean by a block of the stock and bonds?—A. What the interest of the \$25,000 would carry.

Q. Well, what was that?—A. I don't remember.

Q. Was there any specific understanding as to how much that \$25,000 would buy of the stock and bonds of that company?—A. Not with me; there was no conversation in detail between me and Mr. Fisher about it.

Q. And you put in \$15,000 without knowing what you were to get for it?—A. I presume I did know at the time, but I say I can't recollect. I presume I knew the details at the time, as to how much stock and how many bonds, but I do not now remember. I thought the matter was in very competent hands, Mr. Fisher's, and I told him, "If it is a good thing put me down; I will take an interest with you."

Q. Who was this transaction made through?—A. Mr. Fisher.

Q. Through whose agency was it made on the other side?—A. I do not know. I never went beyond Mr. Fisher. I never exchanged a word with anybody else on the subject, any other party in interest except Mr. Fisher, until, as I say, the final settlement of the account.

Q. What became of that \$15,000 that you put in?—A. It was paid back by Mr. Blaine to Mr. Fisher. The whole \$25,000 was paid back, as Mr. Fisher told me, and I presume that is correct.

Q. You got your \$15,000 back?—A. Yes.

Q. Did you ever get possession of the stock and bonds?—A. No, sir; I never saw them; never could get them.

Q. Who was the president, at the time, of the Northern Pacific?—A. I don't know; I don't remember; I suppose I knew at the time.

Q. Is that the only transaction you ever had about bonds and stock of the Northern Pacific Railroad?—A. The only one. I never owned a dollar's interest in the road.

Q. Have you ever had any transaction with any of the following roads—the Northern Pacific?—A. No, sir.

Q. Kansas Pacific?—A. No, sir; not individually. I have had some as representing another corporation, but have had no interest individually in it.

Q. The Union Pacific?—A. I was director of the Union Pacific.

Q. The Central Branch?—A. No, sir.

Q. The Western Pacific?—A. No, sir.

Q. The Southern Pacific?—A. No, sir.

Q. The Sioux City and Pacific?—A. I am not quite sure, but I think not.

Q. Well, stop a moment and reflect upon it.—A. I could not tell unless I should refer to my books. I had an interest in some of these northern roads. Whether I ever had an interest in the Sioux City and Pacific I do not know. I think not. I certainly have no interest now.

Q. Will you refresh your memory when you go home, by reference to your books, and inform us of any transaction you may have had?—A. Yes, sir; I may have once bought some of their bonds—may or may not.

Q. Have you ever had any transaction with the Northern Pacific other than that which you have deposed to?—A. Never.

Q. Or with the Texas Pacific?—A. No, sir.

Q. Or with any other branch of the Pacific Railroad which received subsidies from the Government?—A. Well, I should say no, but I do not know that I could say what others there are. What others are there?

Mr. FRYE. I think that resolution names every branch.

Mr. HUNTON. That I don't know.

The WITNESS. If the Colorado Central is considered a branch of the Pacific Railroad, I have. Do you not consider that a branch?

Mr. HUNTON. I cannot tell you.

The WITNESS. Well, I can't tell either.

Mr. HUNTON. Is it a subsidy road?

The WITNESS. My impression is that it is not.

Mr. HUNTON. It would not be a subject of inquiry here unless it were a subsidy road.

The WITNESS. I think it was not a subsidy road. It was built mainly by the stockholders of the other road as a feeder.

By Mr. HUNTON:

Q. Has it not been consolidated with the Union Pacific?—A. No, sir.

Q. You don't know anything of the management and concerns of those roads other than you have spoken of?—A. No, sir; all those roads that you have detailed.

By Mr. BLAINE:

Q. Did you ever understand that I had any pecuniary interest in this transaction?—A. On the contrary, I understood that you would not have any interest. That was distinctly stated, not only that you had no interest, but would take no interest.

Q. Was the money returned with interest?—A. That settlement was made between you and Mr. Fisher. I suppose it was returned with interest.

Q. You got your money back with interest?—A. I got no money back except in settlement with Mr. Fisher. The money was paid to Mr. Fisher, and I got the money back in that way.

Q. Every dollar you put in?—A. All I put in.

Q. It was impossible, then, that I could have made anything on the transaction, was it not?—A. I don't see how you could.

Q. There was a letter in the associated press columns bearing your signature, the other day, was there not?—A. Yes.

Mr. BLAINE. I would like a copy of that to have it put in evidence.

The witness indicated in the Boston Journal of the 29th of May, the letter referred to bearing his signature, and made it a part of his testimony.

The letter is as follows:

“BOSTON, May 29, 1876.

“MY DEAR SIR: I have read the charges against you in the New York Sun of Saturday, concerning the North Pacific matter, and also your reported remarks in regard thereto. It is due to you that I should say that I considered your action in that matter was simply from a disposition to do a friendly act; that you had no pecuniary interest whatever in that transaction, and it was fully understood by the parties in interest that on no account would you become personally interested in the North Pacific shares. Your conduct was perfectly fair and honorable, and I am surprised that any one could see anything in it to complain of or to criticise. As the whole transaction literally ended without accomplishing anything, and as the party proposing to sell the North Pacific interest never delivered it, and those advancing money received it back again, with interest, without the slightest deductions by you for commissions or expenses, it seems to me very absurd to make any reference to it. I shall give this letter to the public, as I think such a statement is due you from myself.

“Respectfully, yours,

“ELISHA ATKINS.

“Hon. JAMES G. BLAINE.”

WASHINGTON, June 3, 1876.

WARREN FISHER recalled.

By Mr. HUNTON:

Question. State all you know about the transaction to which Mr. Atkins has alluded in his testimony this morning between yourself and the Northern Pacific Railroad.—Answer. I purchased an interest in the Northern Pacific Railroad, and paid \$25,000 for it.

Q. What interest did you purchase?—A. I do not know what the interest was.

Q. You paid \$25,000 for an interest without knowing what the interest was?—A. I knew at the time.

Q. From whom did you make that purchase?—A. From Mr. Blaine.

Q. Whom did Mr. Blaine represent in the purchase?—A. I don't know that he represented anybody.

Q. When was this purchase made?—A. December 1, 1870.

Q. I see published in the New York Sun of May 27, 1876, a letter purporting to be from Mr. Blaine to you on the subject-matter of this sale or purchase. [Hands witness paper containing the following letter:]

(“Private.”)

“AUGUSTA, MAINE, November 25, 1870.

“MY DEAR MR. FISHER: A year ago, and more, I spoke to you about purchasing an interest in the Northern Pacific Railroad for yourself, and any you might choose to associate with yourself. The matter passed by without my being able to control it, and nothing more was said about it. Since then the Jay Cooke contract has been perfected, the additional legislation has been obtained, and 230 miles of the road are well-nigh completed, and the whole line will be pushed forward rapidly. By a strange revolution of circumstances, I am again able to control an interest, and if you desire it you can have it. The whole road is divided into twenty-four shares, of which Jay Cooke and company have twelve. The interest I speak of is one-half of one twenty-fourth, or one one-hundred-and-ninety-second of the entire franchise, being that proportion of the eighty-one millions of stock that are being divided as the road is built, and a like proportion of the Land Company stock, that is formed to take and dispose of the 52,000,000 acres of land covered by their grant, as amended by the law of last session. The amount of stock which this 1-192 would have in the end would be about \$425,000, and the number of acres of land it represents is nearly 275,000.

“The road is being built on the 7-30 bonds, \$25,000 to the mile, which Jay Cooke takes at 90.

“Instead of mortgaging the land, they make a stock company for its ownership, dividing it *pro rata* among the holders of the franchise.

“The whole thing can be had for \$25,000, which is less than one-third of what some other sales of small interests have gone at. I do not suppose you would care to invest the whole \$25,000. I thought for a small flyer eight or ten of you in Boston might take it, \$2,500 each; for \$2,500 thus invested you would get ultimately \$42,000 stock and the avails of some twenty-seven thousand acres of land.

“Five of you, at \$5,000 each, would have a splendid thing of it.

“The chance is a very rare one. I can't touch it, but I obey my first and best impulse in offering it to you.

“All such chances as this since Jay Cooke got the road have been accompanied with the obligation to take a large amount of the bonds at 90, and hold them not less than three years.

“I will be in Boston Tuesday noon, and will call upon you. Of course, if you don't want it, let it pass. You will receive an immediate issue of stock to a considerable amount, and certificates of land-stock also. Of course, in conferring with others, keep my name quiet, mentioning it to no one unless to Mr. Caldwell. I write under the presumption that you have returned, but I have heard nothing.

“Yours, truly,

“J. G. BLAINE.

“This stock will be far more valuable, *at the worst*, than the Union Pacific, and see where that would leave it.”

Q. Where is the original of that letter?—A. That letter, I think, is destroyed. I do not know.

Q. Who furnished this letter for publication?—A. Mr. Aquila Adams.

Q. How came Mr. Aquila Adams to have it?—A. I gave him a copy of it.

Q. When was that letter destroyed?—A. When I had a settlement with Mr. Blaine, I think, it was destroyed.

Q. Is that one of the letters that Mr. Mulligan brought here from Boston?—A. I do not know, sir.

Q. You did not read all the letters that he brought?—A. No, sir.

Q. This was a proposition then, to you, to furnish for \$25,000, one eighth of one twenty-fourth of the franchise of the Northern Pacific Railroad?—A. Yes.

Q. Are you willing to say that this is a true copy of the letter?—A. To the best of my knowledge and belief, it is a true copy.

Q. What am I understand by "one-eighth of one twenty-fourth" of the entire franchise of that road?—A. I cannot explain it, for I do not know.

Q. How did you know what you were buying, then, if you did not know what that meant?—A. I do not know that I was positively sure what I was buying.

Q. Why did you risk your money if you were not sure what you were buying?—A. I was sure, from the representations made to me, that it was a good thing.

Q. Let us hear what the representations were.—A. The representations were what are contained in that letter.

Q. Nothing except those?—A. That is all.

Q. There is appended to the letter a postscript: "The stock will be far more valuable, at the worst, than the Union Pacific, and see where that would leave it." Was that a portion of the letter?—A. I presume it was, sir.

Q. Underneath that is a receipt purporting to be signed by Mr. James G. Blaine, dated December 1, 1870, at Boston, reading:

"Received of Warren Fisher, jr., \$25,000, in trust, in consideration of which I am to deliver to said Fisher properly-authenticated certificates of an interest in the North Pacific Railway Company equivalent to one-eighth part of one of the twenty-four principal shares in which the franchise-stock of said company are divided; certificates to be in the name of Elisha Atkins.

"Witness my hand.

"JAMES G. BLAINE."

Is that a copy of the receipt?—A. I think it is, sir.

Q. Where is that receipt now?—A. That receipt was destroyed on the 21st day of September, 1872.

Q. Why was it destroyed?—A. It was because of a general settlement on that day which I made with Mr. Blaine.

Q. Did you write to Mr. Aquila Adams the letter of which this purports to be a copy:

"Private.

"OFFICE OF ADAMS'S SUGAR-REFINERY, 24 INDIA STREET,

"Boston, November 8, 1871.

"MY DEAR AQUILA: Not having seen or heard from you recently, and being very anxious that you should recover your money back from Mr. Blaine, I inclose you a letter which I wish you to send to him at once.

"If he gets to Washington, there will be considerable delay in getting at him, and I do not wish any further delay in having the matter settled. This letter which I inclose has been submitted to Mr. Atkins, and it meets with his approval in every respect.

"Make my regards to your father and wife, and drop me a line when you are coming to the city.

"I remain, yours, &c.,

"WARREN FISHER, JR.

"Mr. Blaine's address is, 'Hon. James G. Blaine, Augusta, Me.'"

Is that your letter?—A. Yes, sir; I think it is. I remember it.

Q. Tell the committee if you know how Mr. Blaine was able to sell to you and other gentlemen who raised the \$25,000 the one-eighth of one-twenty-fourth of the franchise of the North Pacific Railroad?—A. I know nothing about it, sir.

Q. Did you hear him explain how?—A. He never said anything about it.

Q. Did you ever have any conversation about it at all?—A. No, sir.

Q. All you ever heard from Mr. Blaine upon the subject was contained in this letter?—A. Yes, sir.

Q. Did you ever get any certificate of ownership of that franchise?—A. No, sir.

Q. Did you ever demand it?—A. Yes.

Q. Who from?—A. Mr. Blaine.

Q. Why did you not get it?—A. It was not ready to be delivered.

Q. Why not ready to be delivered?—A. That is a question which I never asked, sir.

Q. Was Mr. Blaine, in this transaction, acting for himself in the sale, or as agent for the company or anybody else?—A. I do not know, sir.

Q. Then how came the money to be refunded to you?—A. It was not satisfactory to Mr. Blaine.

Q. What was not?—A. The transaction, I suppose.

Q. In what particular? Let us hear how it was not satisfactory.—A. I do not know in what particular, I am sure.

Q. How do you know, then, that it was not satisfactory to Mr. Blaine?—A. Because I

don't think that if he thought it was satisfactory to me, and I was going to make a good thing out of it, he would have refunded the money.

Q. Was it not satisfactory to you?—A. It was not satisfactory to either of us.

Q. In what particular was it not satisfactory to you, and in what particular not satisfactory to Mr. Blaine?—A. I do not know, sir.

Q. Why do you say, then, that it was not satisfactory?

The WITNESS. O, to Mr. Blaine?

Mr. HUNTON. Yes.

A. I do not know why it was not to him; but for myself, he had not the certificate to deliver, and he wanted something done about it, and so he paid back the money.

Q. To whom did he pay back the money?—A. To me, sir.

Q. The \$25,000?—A. And interest.

Q. Did he tell you why he had failed to deliver this certificate of stock or franchise?—A. I don't remember.

Q. Don't you know why this bargain broke down?—A. No, sir; I don't.

Q. Did you ever hear why from any one else?—A. No, sir.

Q. You don't know, either of your own knowledge or by information from others, why it was that this bargain between you and Mr. Blaine broke down?—A. No, sir.

Q. Can you state to the committee how it was that Mr. Blaine was able to control this portion of the franchise of the North Pacific Railroad?—A. I know nothing about it, sir.

Q. He says in this letter to you: "By a strange revolution of circumstances, I am again able to control an interest; and if you desire it, you can have it." Do you understand what that revolution of circumstances was?—A. No, sir; I do not.

Q. You wrote to Mr. Aquila Adams that you were very anxious he should recover his money from Mr. Blaine. Why?—A. Because we got tired of holding it.

Q. Who got tired?—A. We; the parties in interest.

Q. Got tired of what?—A. Of paying the money and not getting anything for it.

Q. You didn't get tired of holding the receipt, then?—A. No, sir.

Q. You say: "I inclose a form of a letter which I wish you to send to him (Mr. Blaine) at once." What sort of a letter was that?—A. I don't remember, sir.

Q. Can't you recollect the form of the letter?—A. No, sir.

Q. Did you correspond with Mr. Blaine on this subject after the receipt of the letter from Mr. Blaine, dated November 25, 1870—the one that you have looked at here?—A. I could not say.

Q. And you cannot say anything at all about why this arrangement that was made between you and Mr. Blaine broke down?—A. No, sir.

Q. Didn't he inform you when he returned the money why he could not complete this contract with you?—A. I don't think he did, sir.

Q. Can you state as matter of memory that he did not?—A. I think I can, sir.

By Mr. ASHE:

Q. What did these certificates which you got from Mr. Blaine embrace?—A. I never had any certificates from Mr. Blaine.

Q. What did you get, then?—A. Nothing except his receipt.

Q. What did the receipt purport to convey, or promise to convey?—A. It promised to convey an interest in the North Pacific.

Q. Nothing but an interest in the franchise?—A. That is all, sir.

Mr. BLAINE. I would like the Aquila Adams letter to go in, which appears in the New York Sun of the same date as the letter of Mr. Adams.

Mr. HUNTON. I expect to have Mr. Adams here and the letter can then go in. It is not proved to be his letter yet.

Q. You don't know anything about that letter of Aquila Adams appearing in the same paper, the New York Sun of May 27?—A. No, sir.

By Mr. BLAINE:

Q. In this letter to you, (which was not read in full,) I stated that I could not touch the stock, did I not?—A. Yes.

Q. Did I ever propose to you in any manner whatever to have an interest in it when it was bought?—A. No.

Q. Did I not frequently say to you that I could not take an interest in it?—A. You did, sir.

Q. You never understood from me that I was in any wise interested, either as buyer or seller in the matter, did you?—A. Never.

Q. Was it not considered between us as a friendly act on my part toward you?—A. Yes.

Q. And there was no other feature to it?—A. No other motive, excepting to make some money out of it.

Q. That you might have an opportunity to do so?—A. Yes.

Q. I want that feature of the testimony to be as strong as you can make it, whether I ever, in any way whatever, suggested or hinted to you that I would like an interest in it, or would take an interest in it?—A. No; you never did.

Q. The contrary was always understood by you?—A. Yes.

Q. Had this matter of the North Pacific been a matter of conversation between us in the counting-room as I visited you before that?—A. Yes.

Q. It was spoken of as an investment that might be desirable?—A. To myself and friends.

Q. Was there ever a suggestion made that I wanted to go into it?—A. Never.

Q. Your testimony states that when there was an inability to deliver it I paid you back the money with interest?—A. Yes, sir.

Q. You did not know whose stock this was?—A. No, sir.

Q. The fact that I was not able to deliver it proved to your mind that it was not mine?—A. Yes, sir.

Q. You never understood that I owned it?—A. No, sir.

Q. In the remotest manner?—A. No, sir; in fact you gave me to understand distinctly that you had nothing to do with it in the remotest way or shape.

Q. I never had any interest in it whatever?—A. No interest in it whatever.

Mr. BLAINE. Of course, I could have delivered it if I owned it.

By Mr. ASHE :

Q. In these conversations with Mr. Blaine by what authority did you learn from him that he was disposing of this stock or this interest?—A. He didn't tell me what authority he had.

Q. When he was proposing to sell you \$25,000 of interest on that railroad, did you not inquire by what authority he received this lot of money and gave you a receipt for it?—A. No, sir; I did not. It was sufficient for me to know that he promised to deliver and could deliver the stock, and when he could not he gave the money back.

By Mr. BLAINE :

Q. You never had any fear that you would not get your money back if you did not get the stock?—A. No, sir; I had not.

By Mr. FRYE :

Q. Was Mr. Blaine to receive any consideration whatever for doing the business?—A. None whatever, to my knowledge.

By Mr. BLAINE :

Q. On the final settlement with you, was there anything like commission or percentage, or pay for my trouble, or anything of that sort, allowed to me?—A. On the 21st day of September, 1872, you paid me \$25,000 and interest.

Q. No deductions?—A. No deductions.

By Mr. HUNTON :

Q. As to these conversations I understood you, when I was examining you, to say that you never had any conversation with Mr. Blaine about this matter, and that all you knew about it was in this letter?—A. That was after.

Q. You had had before this?—A. Some months before.

Q. State when these conversations took place between you and Mr. Blaine; how he said he proposed to let you have this share in the franchise; whether he was the owner of it, and, if not, how he was to convey it.—A. The conversation was months before this purchase really took place. He merely mentioned this, as I remember it: that perhaps some time he might be able to get hold of an interest in the North Pacific road if my friends and myself wished to buy it.

Q. Said he could get hold of this stock?—A. He might be able to get hold.

Q. If you and your friends wished to buy it?—A. Yes.

Q. And did he ever tell you or not that he had gotten hold of this interest?—A. Not until I received that letter.

Q. That was the only information you had that he had gotten it?—A. Yes.

Q. Did he ever tell you between that conversation (to the effect that you might be able to get hold of it) and the writing of this letter that he had failed to get hold of it?—A. No, sir; I don't remember of his having mentioned the subject to me but once, and then the second time by letter.

Q. I understood you to say a while ago that Mr. Blaine had frequently told you things about that matter?—A. He might have talked about railroads and the North Pacific, and might not. I don't remember all the conversations that I have had with Mr. Blaine for the last five or six years.

Q. Do you know whether any of these letters that Mr. Blaine has, which Mr. Mulligan brought from Boston, refer to the subject-matter of this North Pacific Railroad?—A. I do not, sir.

Q. How many of them did you read?—A. Three or four, perhaps five.

Q. None of these that you did read had reference to this North Pacific Railroad?—A. No, sir.

Q. Or to this transaction about North Pacific?—A. No, sir.

Q. Had any of those letters which you did read, or which you otherwise recollect, any reference to any of the other Pacific railroads that I have enumerated in your hearing to-day?—A. No, sir.

WASHINGTON, June 3, 1876.

JAMES MULLIGAN recalled.

By Mr. HUNTON :

Question. I understood you to say yesterday that one of the letters which you brought from Boston, addressed by Mr. Blaine to Mr. Fisher, and which Mr. Blaine received from you, related to the North Pacific Railroad?—Answer. No, sir; that is not a letter.

Q. What is it, then?—A. I think that it is a synopsis of the law under which the grant was made to the North Pacific Railroad. There was a little memorandum in it, probably about as large square as this, [indicating a medium-sized envelope,] giving the figures of the amount of stock that was to be delivered under this contract.

Q. State all you can about that.—A. That is all I can state.

Q. Can you state what the figures were, or what the result of the figuring was?—A. I cannot.

Q. Was there any writing on the paper, except by figures?—A. Yes; there was some writing on it explaining about those figures, but I do not think it was much larger than that, [an envelope.]

Q. There were words written upon this paper which explained the meaning of the figures?—A. Yes; I think so.

Q. Can you state what connection those figures had with the copy of the law which that paper contained?—A. No, sir.

Q. Was it a printed paper?—A. No, sir; it was a written copy.

Q. In whose handwriting?—A. I cannot say, sir.

Q. In whose handwriting were the figures?—A. I cannot say whose handwriting it was.

By Mr. BLAINE :

Q. Neither of them was in my handwriting, was it?—A. No, sir.

By Mr. FRYE :

Q. Neither of those papers were numbered in your memorandum, were they?—A. Yes; that contract was. The paper has "contract" written on the head of it.

Q. Don't you remember what number it has given to it on that memorandum?—A. I don't remember.

Q. Where you mentioned this statement on your memorandum you call it a "contract"?—A. Yes.

Q. And that expression "contract" covers this statement of the law and also the figures?—A. The paper is headed on the top "contract of the North Pacific Railroad," and has in side of it this small paper with the figures on it.

Q. Does your memorandum refer to it under the head of a number?—A. Yes.

Q. Do you remember what number?—A. No, sir.

Q. And the reference that you make to it designates it as a "contract"?—A. Yes.

By Mr. HUNTON :

Q. A contract between whom?—A. A contract of the North Pacific Railroad, because it was giving, I think, a synopsis of the law under which this grant was made to the North Pacific Railroad.

Q. Why did you call it a "contract"?—A. I don't know, I am sure; but that is what it was headed, sir.

Q. Was it headed so by you?—A. By me. I only headed it that way instead of filing Mr. Blaine's letter. I said "contract of the North Pacific Railroad."

Q. Was there a letter accompanying it?—A. No, sir.

Q. Can you state anything more distinctly so that we can understand something about that paper?—A. No, sir; that is all I can say about it.

Q. This was a considerable piece of paper, as I understand you?—A. A paper probably as large as that, [indicating an envelope,] on which the figuring-up was.

Q. I don't mean the part that had the figures on, but the part which had a copy of the law?—A. That was a long sheet of, I think, foolscap paper; a sheet probably as long as this, [indicating a half sheet of foolscap.]

Q. That contained a manuscript copy of the law?—A. I think so, but I hardly ever read it.

By Mr. FRYE :

Q. Do you mean to say you labeled it on the back, "Contract North Pacific Railroad"?—A. Yes.

By Mr. HUNTON :

Q. Why did you label it "contract"?—A. To distinguish it from a letter, so that if I was going to refer to it I should know what to refer to. Instead of saying "Letter from Hon. James G. Blaine," I put "contract" in this memorandum. I considered that if this stock was coming to them, it would show what it was. It was the figures of what stock would come to them under the \$25,000.

By Mr. ASHE :

Q. To show what was the one-eighth of the one-twenty-fourth ?—A. Yes.

By Mr. HUNTON :

Q. Were there any names upon that memorandum ?—A. No, sir.

Q. From whom did you get that paper ?—A. I got it from Mr. Fisher.

Q. Do you know where Mr. Fisher got it ?—A. No. I presume he got it from Mr. Blaine. I don't know.

Mr. HUNTON, (to Mr. Fisher.) State where you got that letter that Mr. Mulligan is now speaking about.

Mr. FISHER. I didn't hear his testimony,

Mr. HUNTON. He said it was a manuscript copy of the law making a grant to the North Pacific Railroad.

Mr. FRYE. A synopsis of the law ?

Mr. HUNTON. No ; a copy of it.

Mr. MULLIGAN. I never read it all through. I called it a " synopsis " of the law.

Mr. HUNTON. It was a portion of the law, and appended to that copy (or portions of the copy) of that law there was some figuring. Do you remember such a paper ?

Mr. FISHER. No, sir ; I don't.

Mr. BLAINE, (to Mr. Fisher.) Did you ever tell Mr. Mulligan that I sent such a paper to you ?

Mr. FISHER. I don't remember of my having it at all.

Mr. BLAINE, (to Mr. Mulligan.) Was there anything on that paper indicating that I sent it ?

Mr. MULLIGAN. No, sir.

Mr. HUNTON, (to Mr. Mulligan :)

Q. Where did you find this paper ?—A. Among Mr. Fisher's papers.

Q. With what other papers was it ?—A. All these were Mr. Fisher's private papers, and in his private drawer, where I got the others.

Q. Were they mixed up with any other papers than Mr. Blaine's and Mr. Fisher's ?—A. No, sir. There was other private correspondence there. Mr. Fisher's and Mr. Blaine's letters were all together.

Q. Was this among the letters of Mr. Blaine and Mr. Fisher ?—A. And other correspondence.

Q. The bundle did not contain alone Mr. Blaine's private correspondence ?—A. The bundle that I brought here did.

Q. But I mean the bundle in which you found this paper.—A. They were all scattered through the desk.

Q. Was there any paper that Mr. Blaine got from you and which you brought from Boston that has reference to this Northern Pacific Railroad at all ?—A. No, sir ; I don't think there is.

Q. Is there any paper among these letters which Mr. Blaine received from you that refers to any Pacific Railroad ?—A. No, sir.

Q. Is there any letter other than the one you speak of among that bundle that had reference to the Little Rock and Fort Smith transaction as connected with the Union Pacific Railroad ?—A. No, sir.

By Mr. BLAINE :

Q. And that only inferentially. There was no Union Pacific mentioned.—A. No, sir ; I have stated that.

By Mr. HUNTON :

Q. Then you know of no paper which you had, and which Mr. Blaine got from you, which throws any light upon the matter of the Little Rock and Fort Smith Railroad bonds, which went into the hands of the Union Pacific Railroad Company, or of any Pacific railroads ?—A. Only what I have stated, sir.

Q. Did you ever have a conversation with, or hear a conversation between Mr. Blaine and Mr. Fisher, in regard to this letter and receipt of Mr. Blaine's proposing to sell for \$25,000 or one-eighth of one twenty-fourth of the franchise ?—A. No, sir ; I don't think I ever saw that letter.

Q. Did you ever hear any conversation about it ?—A. I never heard it. All I know is they gave me the contract.

Q. What contract ?—A. The contract that Mr. Blaine gave ; this very thing that Aquila Adams gives a copy of. They gave that copy to me, and this receipt of Mr. Adams's, exactly as it is here, to keep.

Q. What was the contract ?—A. That is stated in the paper. There was a contract and a letter.

Q. There was a contract besides that letter ?—A. Yes.

By Mr. BLAINE :

Q. There was a contract besides that receipt, you mean?—A. There was a contract in the first place besides that receipt.

Mr. BLAINE, (to the witness.) Read the whole of that receipt.

The WITNESS. I say that is a receipt which you gave for the money at the time, but there was a contract besides that.

Mr. BLAINE. I want you to read that receipt.

The witness read the receipt, as follows :

“ BOSTON, December 1, 1870.

“ Received of Warren Fisher, jr., twenty-five thousand dollars, in trust, in consideration of which I am to deliver to the said Fisher properly-authenticated certificates of an interest in the North Pacific Railroad Company equivalent to one-eighth ($\frac{1}{8}$) of one of the twenty-four (24) principal shares in which the franchise stock of said company are divided.

“ Certificates to be in the name of Elisha Atkins.

“ Witness my hand.

“ JAMES G. BLAINE.”

By Mr. BLAINE :

Q. That is what you mean by the contract?—A. Yes.

Q. There was no other paper?—A. No, sir.

By Mr. HUNTON :

Q. Did you ever hear any explanation of how Mr. Blaine was able to sell that much of the franchise?—A. I never heard it, sir.

Q. Was that contract a subject-matter of the settlement which you had with Mr. Blaine?—A. Yes.

Q. That contract was?—A. Yes; this receipt was in the settlement.

Q. Mr. Blaine was charged up with the \$25,000?—A. Yes; and interest.

Q. Why was he charged up with the \$25,000 instead of delivering that one-eighth of one twenty-fourth?—A. I understood he could not deliver it.

Q. Why could he not deliver it?—A. Or that Mr. Fisher refused to take it after so long a time having elapsed. There was a certain period of time within which it was understood it was to be delivered, or else a “reasonable time.” It had run nearly two years, or a year and a half, any way. Mr. Fisher and the other party (Mr. Adams) refused to take the stock.

Q. Then, Mr. Blaine returned the money because Mr. Fisher declined?—A. Because Mr. Fisher declined.

Q. He declined to take the stock on account of the delay in delivery?—A. Yes.

Q. Why was that delay in the delivery?—A. That I cannot tell you.

Q. Did Mr. Blaine explain why he had been delayed in delivering it?—A. He never explained to me.

Q. Or in your hearing?—A. No, sir.

Q. Is this all that you know about this transaction in regard to the Northern Pacific Railroad?—A. All I know about it, sir, is that I paid him that money and he paid it back on the 21st day of September, 1872.

Q. Is that all you ever heard or knew about it?—A. Yes, sir.

By Mr. BLAINE :

Q. Do you know any fact in regard to that paper that enables you to say that you sent it to Mr. Fisher?—A. No, sir; I said I supposed so; that was all.

Q. When you were subpoenaed before this committee were you ordered to bring any papers?—A. No, sir; I was not ordered to bring any papers.

Q. What was your motive in bringing those papers?—A. My motive was to refresh my memory about anything I might be asked.

Q. Did you know at the time you were summoned here in regard to this Northern Pacific matter?—A. I did not know what I was summoned for; I knew it must be about something of this kind. I knew when I saw this letter of Mr. Aquila Adams that there was no way that my name could have got into this matter except in that way. I never named to anybody that I knew anything about your transactions.

Q. And then you picked these letters all out that you thought might bear on this case?—A. Yes.

Q. And all the documents you could get relating to the Fort Smith road?—A. I had a pile of letters of yours and brought them with me. Mr. Fisher went down with me on last Sunday to the safe in Doane street, and helped me to take them out.

Q. The other day you stated under oath that you were friendly to me.—A. Yes; I said I was not unfriendly.

Q. Have you ever had occasion to have any grudge against me?—A. Well, no; not to any great extent.

Q. Well, to how great an extent?—A. Well, I have thought, as Mr. Atkins remarked the other day, that you didn't treat me exactly right in a settlement once.

Q. In what matter?

The WITNESS. Do you want me to go into that?

Mr. BLAINE. As far as my questions go, I do.

The WITNESS. I am willing to go into the whole transaction. There is nothing in my whole life that I am not willing to show to the world, but I want the right to examine you (Mr. Blaine) afterward on the same subject. I am perfectly willing it shall be done before all these gentlemen, but it has nothing whatever to do with this matter. I can certainly say that I have no unfriendly feelings toward you, sir. I would not injure you in any way whatever.

Adjourned to June 5, 1876, at 10 a. m.

WASHINGTON, D. C., June 7, 1876.

LUTTRELL RESOLUTION.

Mr. Frye, on behalf of Mr. Blaine, requested that the committee should incorporate and print with the record the telegram from Josiah Caldwell.

Mr. HUNTON. The special committee will take the motion under consideration.

BENJAMIN F. RICE sworn and examined.

By Mr. HUNTON:

Question. State your residence and occupation.—Answer. My residence is Little Rock, Ark. I am an attorney at law.

Q. Have you ever had any connection, official or otherwise, with the Union Pacific Railroad Company?—A. No, sir.

Q. Or with the Little Rock and Fort Smith Railroad Company?—A. No, sir; but I will explain that the records show that I was once elected a director of that company, and had five shares of stock assigned me, which I never accepted. I have never acted as a director.

Q. For what purpose was that stock assigned to you, and by whom?—A. To qualify me as a director. I don't know by whom.

Q. Were you to pay for that stock, or just to receive it, so as to qualify you as a director?—A. I simply received it, so as to qualify me as a director. It was not delivered. I never knew it was transferred to me until in a suit in which I am attorney against the road, I found my name on the list of stockholders, with five shares of stock.

Q. You don't know who assigned that stock to you?—A. No, sir.

Q. You never heard who assigned it?—A. No, sir; I never heard that it was assigned.

Q. Until then?—A. Until then; within less than a year.

Q. And you heard nothing about it since?—A. No, sir.

Q. Have you ever been concerned, officially or otherwise, with any other Pacific railroad which received aid from the Government?—A. No, sir.

Q. Do you know anything of the 75 bonds of the Little Rock and Fort Smith Railroad Company which went into the hands of the Union Pacific Railroad?—A. No, sir.

Q. Nothing of your own knowledge or by hearsay?—A. Nothing only what I have seen in print recently.

Q. Do you know anything of the disposition of the Little Rock and Fort Smith Railroad bonds?

The WITNESS. By the company?

Mr. HUNTON. By Mr. Fisher or Mr. Caldwell or anybody.

A. No, sir.

Q. Do you know anything of the disposition of those bonds by the company?—A. They were transferred by the company in what was called an exhaustive contract, to Messrs. Denckla and Haney. That was the original transfer.

Q. Do you know of any money or bonds used by any of these Pacific Railroad companies for the purpose of promoting legislation?—A. No, sir.

Q. Have you heard of any?—A. I would have to study a little in order to say whether I have seen anything except what I have seen publicly.

Mr. HUNTON. Take your time, sir, and reflect upon it.

The WITNESS. [After a pause.] I do not think I have, except what I have seen in the public prints. I have not heard of any specific cases other than that.

Q. You don't know, then, of any of these Pacific bonds or stock used by those companies to promote legislation?—A. No, sir; I do not.

Q. And you have heard of no case?—A. None that I recollect—no specific case.

Q. Do you know of a case that is not specific?—A. I have heard a general rumor in regard to all these roads—that means were used to get their legislation, but I have not heard of any particular person or member of Congress, or any other official, or any given sum.

Q. State whether it was given to persons other than members of Congress.—A. Not that I know of.

Q. Have you heard of it?—A. Not to any given person.

Mr. HUNTON. I do not want to go into general rumor.

The WITNESS. I presume not.

Q. Do you know anything about the Northern Central Pacific?—A. Nothing whatever, sir.

Q. Don't you know anything about the sale of its franchise, or anything connected with it?—A. No, sir.

Q. You have never heard anything?—A. No, sir.

Q. Then you know absolutely nothing about the subject-matter of investigation that has been going on for several days here in your presence?—A. I do not, sir.

Q. You know it neither by your own knowledge nor by hearsay from any given person?—A. No, sir.

Q. Were you ever connected with the land-grants of any of these roads?—A. No, sir.

Q. Do you know anything about the commissioners appointed to receive the roads?—A. Nothing.

By Mr. ASHE:

Q. Do you know, either from your own knowledge or from what you have heard from any other person, anything in regard to certain bonds that were transferred to Thomas A. Scott?—A. No, sir.

WASHINGTON, June 7, 1876.

NATHANIEL S. HOWE sworn and examined.

By Mr. HUNTON:

Question. State your residence and occupation.—Answer. Haverhill, Massachusetts. I am not engaged in any business at present.

Q. Have you ever been connected officially or otherwise with the Union Pacific Railroad?—A. No, sir.

Q. Or with the Fort Smith and Little Rock Railroad Company?—A. I was land-commissioner of the Little Rock and Fort Smith for about four and a half years, and I was at one time a director in the company.

Q. Do you know of the disposition of the bonds of that company?—A. I do not.

Q. Do you know it of your own knowledge, or from hearsay—excluding what you may have heard from Mr. Caldwell?—A. No, sir; I should say not. I have heard a good deal of talk about the bonds, however.

Q. Do you know of the contract between the company and Warren Fisher?—A. No, sir; that was before I had connection with it.

Q. At what time did you become a director?—A. I should think I was a director in the fall of 1873, at the annual election of 1873 or 1874.

Q. Do you know anything of the bonds of the Little Rock and Fort Smith Railroad Company which afterward went into the hands of the Union Pacific Railroad Company?—A. No, sir.

Q. Have you heard anything on the subject?—A. Nothing except what has grown out of this case. I never heard the matter mentioned before.

Q. Do you mean that you never heard the matter mentioned before the publications on the subject growing out of this investigation?—A. That is what I mean.

Q. When was the first time you heard it mentioned?—A. Within three or four weeks—since the newspapers commenced talking about it.

Q. State what the market-value was of the Little Rock and Fort Smith Railroad bonds in the latter part of 1871.—A. I don't think I could state that.

Q. State it approximately if you cannot state it accurately.—A. I never knew of more than eight or ten bonds being sold, and those were at private sale. Those sold at from twenty-five cents up to sixty cents.

Q. What time was that?—A. I expect that was the fall and winter of 1871 and 1872, perhaps.

Q. They sold at from twenty-five cents up to sixty cents?—A. Yes. About eight or ten bonds.

Q. Who bought the bonds at sixty?—A. Mr. Thomas Saunders and Mr. Costell, of Little Rock.

Q. Did they buy them as a regular transaction, or was the company indebted to them?—A. No, sir; they bought them at private sale.

Q. Who from?—A. My impression is, from Josiah Caldwell.

Q. Had not those bonds been pawned as collateral?—A. I could not tell you, sir.

Q. How many bonds did they buy?—A. Three or four.

Q. Did they get with these bonds any bonus?—A. No, sir.

Q. It has been testified to here that in many sales of these bonds the purchaser bought

the bonds, and got with them other bonds of the company, and stock.—A. That was not the case with these bonds.

Q. Then you know nothing about these Pacific Railroads; how they got their subsidies from the Government, or anything else?—A. Nothing at all, sir.

Q. Do you know anything at all bearing upon the matters connected with the investigation that has been going on here for the two or three days which you have witnessed?—A. Nothing occurs to me.

Q. Well, think a moment, and see if anything will occur to you.—A. I know nothing about these bonds, sir, except those few bonds that I have referred to, and I never knew anything of the original disposition of the bonds by the Fort Smith Railroad, except by rumor that they were sold by Mr. Caldwell, as has been stated here.

Q. Did you ever hear from anybody that Col. Thomas A. Scott owned 75 of the Little Rock bonds?—A. No, sir; not until this investigation.

Q. You never heard anything on that subject from Colonel Scott or anybody else?—A. No, sir.

Q. Did you ever hear from any member of the board of directors of the Union Pacific Railroad Company as to how those 75 bonds of the Little Rock and Fort Smith Railroad Company were acquired?—A. No, sir.

Q. Are you acquainted with Mr. Rollins, who was at one time treasurer of the company, as I believe?—A. He was treasurer of the Union Pacific. I have met him.

Q. Did you ever have any conversation with him?—A. No, sir.

Q. Do you know James F. Wilson, the Government director of that road?—A. No, sir.

Q. Do you know Mr. Oliver Ames?—A. I have met him. I was casually introduced to him. I never conversed with him.

Mr. BLAINE. I desire to call the attention of the committee, and of the public, to certain facts with regard to the date of the appointment of the subcommittee having this matter in charge. I stated that this committee had been appointed on the resolution of Mr. Tarbox. Mr. Knott stated that it had been appointed long before, on the resolution of Mr. Luttrell. Now, it appears from your records that on the 2d day of May Mr. Tarbox's resolution was adopted and referred to you, and on the 3d day of May Messrs. Hunton, Ashe, and Lawrence were appointed a subcommittee upon it. I want particular attention to this on the part of the committee and the reporters. Mr. Luttrell's resolution was adopted upon the 3d day of January, but the subcommittee, composed of Messrs. Hunton, Ashe, and Lawrence, was appointed upon the 3d of May. I stated in the House that this committee had been appointed on the Tarbox resolution, and the chairman of the Judiciary Committee stated that it had been appointed long before, under the Luttrell resolution.

Mr. HUNTON. You are doing an injustice to Judge Knott, Mr. Blaine. If I remember his statement it was that this committee had been appointed on the Luttrell resolution, but when he came to look it up he found it had never been entered on the record.

Mr. BLAINE. But Mr. Lawrence never heard of his appointment on the committee until after the Tarbox resolution was adopted.

Mr. ASHE. What was your statement in regard to Judge Knott?

Mr. BLAINE. My statement was that Mr. Knott contradicted me before the House, when I stated that this committee had been appointed in this manner. I objected to you two gentlemen being my triers.

Mr. ASHE. Because we were in the confederate army?

Mr. BLAINE. Yes.

Mr. ASHE. Well, I never was in the confederate army.

Mr. BLAINE. We will not mind about that now. There is a question of veracity between Mr. Knott and myself. He stated that this committee was appointed long before this resolution of Mr. Tarbox was adopted.

Mr. ASHE. He stated that this committee was appointed before he heard of any charges against you in connection with this matter.

Mr. BLAINE. But it was all based upon my explanation in the House, which was a week before.

Mr. ASHE. I think the Tarbox resolution had reference to something else.

Mr. BLAINE. Then you strangely misunderstood it. Had I not made my public explanation on this question in the House?

Mr. ASHE. I did not hear your public explanation.

Mr. BLAINE. But Mr. Knott did. What I stated was that this committee was appointed under the Tarbox resolution; then it was appointed on the Luttrell resolution the same day. I want that distinctly understood.

Mr. ASHE. I did not see the issue between you and Mr. Knott about it.

Mr. LAWRENCE. Mr. Knott says he designated a subcommittee on the Pacific Railroads away back of May, and he says that he came to my seat in the House and notified me that I was to be on a subcommittee on the Pacific Railroads. That fact had totally escaped my recollection when he called my attention to it this morning. I now believe that that is the fact; that he did come to my seat in the House, I think it must have been a month or more before May, and said to me that I was to be on a subcommittee on Pacific Railroads. At that time I had heard nothing about any investigation of Mr.

Blaine at all, and the first indication I had that I was on any subcommittee to investigate Mr. Blaine was the week before we went over to the Philadelphia celebration.

Mr. BLAINE. That corresponds exactly with the date, and with my statement.

Mr. HUNTON. Yes; but it corresponds with Mr. Knott's statement.

Mr. BLAINE. There is no record to sustain it.

Mr. LAWRENCE. Mr. Hunton said to me on the 3d of May, a week before going to Philadelphia, that I was on a subcommittee with him and Mr. Ashe, under the Tarbox resolution. He said, if I remember correctly, that that affected Mr. Blaine, and that I should say to Mr. Blaine that so far as he was concerned he felt disposed to consult Mr. Blaine's convenience about the time when he would commence the examination. That is correct, I believe?

Mr. HUNTON. I do not know about the exact phraseology.

Mr. LAWRENCE. Of course not; but that was the idea.

Mr. HUNTON. "Which was said to affect Mr. Blaine," was, I believe, the language I used.

Mr. LAWRENCE. Yes; that I do not recollect exactly; but that it was said to affect Mr. Blaine, and that I should say to Mr. Blaine that the committee would be disposed to consult Mr. Blaine's convenience about the beginning of the investigation. I said I supposed we would not commence until after we got back from Philadelphia. I saw Mr. Blaine, and he said that that would suit his convenience, and so the matter was laid over. That was the first time I heard of any subcommittee relating to Mr. Blaine at all.

Mr. HUNTON. I recollect very well that the first meeting we had was, I think, prior to the Tarbox resolution, in which an examination was held at my room in your (Mr. Lawrence's) absence, upon the question of the lost bonds of the Union Pacific Railroad.

Mr. BLAINE. Well, then, it was not on that resolution, because that was adopted May 2d.

Mr. LAWRENCE. There was a meeting on that evening, I believe, on the question of the lost bonds. I believe that Mr. Hunton notified me about a meeting on that question.

Mr. HUNTON. No; not a meeting on the lost bonds, but a meeting.

Mr. LAWRENCE. Well, a meeting.

Mr. ASHE. Yes; under the Luttrell resolution.

Mr. LAWRENCE. Yes; and I think he told me that there would be an examination upon the question of what was called the lost bonds.

Mr. HUNTON. Very likely I did.

Mr. LAWRENCE. Yes; you told me that. I told you, if I remember correctly, that as that was the subject of the inquiry, I supposed it was not material whether I should be there or not, and that probably I could not be there, but to go ahead notwithstanding.

Mr. HUNTON. I think you promised to be there, but did not desire that we should wait for you. I think you said that you would try to be there, but to go on if you should not get there.

Mr. LAWRENCE. Yes. Then we had another meeting and took testimony with relation to the question of what was called the lost bonds, at the room of the committee either on Revolutionary Pensions or the Pacific Railroad Company. I think that there we took the testimony of General Dodge.

Mr. HUNTON. You will recollect that long before that time Judge Knott had spoken to you about being on this committee.

Mr. LAWRENCE. Yes; one of a subcommittee on the Pacific Railroad question. At that time I had no idea or knowledge that there was to be any investigation of Mr. Blaine whatever.

Mr. BLAINE. I undertake to say that General Dodge's examination was after May 3.

Mr. HUNTON. Possibly so; nobody has dated General Dodge's examination.

Mr. BLAINE. Then it does not sustain the point that your committee examined General Dodge before this announcement.

Mr. HUNTON. Nobody says it does.

Mr. BLAINE. How do you establish the organization of that committee, then?

Mr. HUNTON. The organization was at my room before General Dodge was examined.

Mr. BLAINE. Who was examined on that occasion?

Mr. HUNTON. A Mr. Ham, I believe, was the man.

Mr. BLAINE. Before May 3?

Mr. HUNTON. I do not say that; I don't remember the date.

Mr. BLAINE. That is the whole point. Mr. Tarbox's resolution was passed on the 2d of May. Your committee was appointed on the 3d of May, and it then appears that they lapped it over, as I say, by having the Luttrell resolution given in their charge.

Mr. HUNTON. You can make what point you please about that, sir. We are getting at the facts of the case now; and, as I understand those facts, they are that Judge Knott told the three members of this committee, who have so stated to-day, that they were appointed members of this committee.

Mr. BLAINE. You will acknowledge that the records are on my side?

Mr. HUNTON. I will acknowledge from your statement—

Mr. BLAINE, (interposing.) The records justify my statement.

Mr. HUNTON. I have never looked at that at all. If there is any parol evidence outside of these, I have no means of knowing about it.

Mr. BLAINE. The record will show that Mr. Ham's examination was after May 3 also. What I want to get at is whether your committee as here constituted was appointed before Mr. Tarbox's resolution.

Mr. ASHE. I object to the members of the committee being put on the stand here in regard to Mr. Blaine's personal understanding of these matters.

THOMAS A. GREENE sworn and examined.

Mr. BLAINE. I want to say a word in regard to this examination, which, I believe, purports to be an examination into the Kansas Pacific Railroad.

Mr. HUNTON. How do you know, sir?

Mr. BLAINE. You so stated to me some time ago.

Mr. HUNTON. With reference to this witness?

Mr. BLAINE. Yes.

Mr. HUNTON. Well, if I have so stated I will not deny it.

Mr. BLAINE. I so understood you; I understood that this is to be a new feature—an investigation into the Kansas Pacific Railroad. I understand from outside authority, newspaper authority—General Boynton, of the Cincinnati Gazette—that this gentleman is called here to testify to certain transactions between myself and Joseph B. Stewart. Now, Mr. Joseph B. Stewart is within reach, and I want him here, before this witness is examined. You can get a summons to Mr. Stewart immediately at No. 35 Broadway, New York, and I want him here.

Mr. HUNTON. I gave notice two days ago that we would summon J. B. Stewart for you, or anybody else you may want.

Mr. BLAINE. I never received any notice, or heard of it until this moment.

Mr. HUNTON. I gave that notice to Mr. Frye.

Mr. FRYE. Yes; Mr. Hunton told me that.

Mr. BLAINE. Mr. Frye never communicated that fact to me.

Mr. HUNTON. Mr. Frye told me that he did not know that Mr. Blaine wanted Mr. Stewart examined.

Mr. BLAINE. Well, I never knew of that notice until this moment.

Mr. Hunton had a subpoena by telegraph issued for Mr. Joseph B. Stewart, whereupon the examination of Mr. Green proceeded.

By Mr. HUNTON:

Question. State your residence and avocation.—Answer. I reside at present at Saint Joseph, Missouri. I am a lawyer by profession.

Q. Do you know anything of the operations and details of the Kansas Pacific Railroad in regard to its bonds, stocks, and other matters?—A. I do, sir.

Q. State all you know, if you please.

Mr. FRYE. Mr. Blaine's request was that this witness be not examined until, as I understood him, Mr. Stewart should be present. Do I understand that request to be denied?

Mr. HUNTON. I did not so understand the request.

Mr. BLAINE. I did make such a request.

Mr. HUNTON. I do not mean to say you did not, but I say that I did not so understand it.

Mr. BLAINE. I should like to make it now, formally.

Mr. HUNTON. That will be considered. The only difficulty is that the committee has been charged with prolonging this investigation, and we want to use time as economically as possible.

Mr. BLAINE. Not this investigation, because this is only just begun. The Luttrell resolution is interpreted by this committee to refer to me.

Mr. HUNTON, (interposing.) No, sir.

Mr. BLAINE. I will venture to say that this witness will be asked a question in five minutes that will relate to me; the whole North Pacific matter was brought in here and you came directly to me, and now the whole Kansas Pacific matter, in all its relations to the Government—a large inquiry designed to elicit information as to its dealings with the Government—is to be gone into. I want to say that formally—not that I care for the investigation, but I want the country to look into the spirit of it. Here is the Luttrell resolution looking into all the relations of the Pacific Railroads with the Government, and inquiring whether or not they discharged their duty to the Government. In regard to the North Pacific it was a little bit of a transaction in Boston, and now Mr. Greene is summoned, as I understand, to testify to certain bond transactions between myself and Joseph B. Stewart. That is what I understand from General Boynton's dispatch to the Cincinnati Gazette, and of course I object to the whole spirit of the investigation.

Mr. HUNTON. You were informed, when we were going to take up this branch of the inquiry, that this was an investigation that would take months. It was charged in the newspapers and explained by yourself on the floor in regard to one, if not both, that a portion of this investigation would relate to you.

Mr. BLAINE. Not this, certainly. The Tarbox resolution I knew was aimed at me.

Mr. HUNTON. But did you not make an explanation in regard to the Kansas Pacific matter?

Mr. BLAINE. Yes; but what ground does that give you to—

Mr. HUNTON, (interposing.) None whatever; but if you let me finish my statement you will understand what I have to say. I was going on to say that when I informed you that this resolution of Mr. Luttrell's would require months of labor at the hands of this committee to complete it, and that as it had been charged that a portion of it would relate to you, and as it was your desire that the examination should be promptly made so far as you were concerned, I proposed, if it was agreeable to you, and for the purpose of promoting your views as to a prompt investigation, to come at once to those two roads in which you were supposed to be involved, and you said, "Go on."

Mr. BLAINE. I could not say anything else; but the idea of my being involved in them was—

Mr. HUNTON, (interposing.) I do not say that you were involved criminally in them, or in any other way, but there was enough to draw at least an explanation from you on the floor of the House.

Mr. BLAINE. Yes; and that ought to have ended it; but where you get authority under that resolution to go into my private matters is what I do not understand.

Mr. HUNTON. I do not, only so far as it affects that road.

Mr. ASHE, (to Mr. Blaine.) You expressed a willingness to have it gone into.

Mr. BLAINE. Certainly I did, but I want to say at the same time that it is a forced matter, and that it is done for a purpose; and I want to show, further, that after this committee was appointed under the Tarbox resolution, this Luttrell resolution was put in charge of the same committee for a purpose. That is what I want to show.

Mr. HUNTON. So far as I am concerned, as one member of this committee, I deny, out and out, that there is any personal purpose in this committee, and I desire you to so understand it, and when any statement is made to the contrary I want you to understand that I say that it is not so.

Mr. BLAINE. We will let the records stand. I withdraw my objection to the taking of Mr. Greene's evidence at this time.

By the CHAIRMAN:

Go on, Mr. Greene, and make your statement.

Mr. GREENE. Some time prior to 1864, or about that time, the Union Pacific Railroad, Eastern Division, issued about \$5,700,000, of what they called temporary construction-bonds. Those bonds were secured by a deed of trust on a large portion of the donation of public lands which the road had obtained from Congress; possibly at the option of the railroad company, money or other bonds were to be substituted for them. They were not negotiable instruments. About that time the company entered into a contract with Samuel Hallett, first, by resolution of the board and afterward by written contract, by which it agreed to give him all of its land-grant bonds and county bonds, (a number of counties and cities had issued bonds,) and all the bonds or subsidies that could be afterward obtain from Congress, for constructing the road. He took in with him John D. Perry, of Saint Louis, and very shortly afterward Thomas C. Durant, of New York.

By Mr. FRYE:

Q. Was the contract in writing?—A. Yes; it is here, [among his papers.]

Q. Have you got a copy of it?—A. Yes.

By Mr. HUNTON:

Q. You will make the contract a part of your record?—A. Yes; I will do so in its order. Thomas C. Durant was made the financial agent of these three parties, and all of those contract-bonds and all the assets, so far as I know, were placed in his hands to raise funds, &c., for building the road. About the 24th of October, 1864, Thomas C. Durant gave Joseph B. Stewart \$250,000 of these temporary construction-bonds; and if the committee will permit, I will read extracts from the sworn testimony of Thomas C. Durant as to the use to which he put them. I read from the printed depositions of Thomas C. Durant, in the case of Joseph B. Stewart against the Union Pacific Railway Company, Eastern Division, in the circuit court of the United States for the district of Kansas:

"45th question. When was it you got the bonds in New York? Give the date, as near as you can.

"Answer. In September or October, 1864, I gave an order first for 250. I got that 250 by Mrs. Train's order. The rest I got in a similar way by my orders, received by me from Mrs. Train. Mr. Crane managed the details. I gave the order on Mrs. Train for the bonds, and Crane did the business. All the bonds which I got in Washington came to me in this way in New York. The party bringing them on having deposited them in their own name, it required an order from them for the bonds, and this order I got through Henry C. Crane. The order was drawn by Mrs. Train upon Henry C. Crane, who had taken charge of the bonds for her, and who had deposited them in her name. I was not in New York at the time the bonds arrived. If I had been I would have got them myself.

"46th question. You say that you first received an order for \$250,000. Where did they go to ?

"Answer. I think they went to J. B. Stewart, but am not positive. I think there were 640 bonds of \$1,000 each. Of these \$259,000, or thereabouts, went to J. B. Stewart, as above stated. The remainder were held as security for a loan negotiated by Crane for me. I can give the particulars by referring to my books and memoranda, and will do so. I cannot now state whether the loan referred to was a single loan or several loans. Henry C. Crane is assistant treasurer of the Credit Mobilier, of which I am president, and he has heretofore been my cashier.

"47th question. Who is the J. B. Stewart referred to ; what is his business ?

"Answer. J. B. Stewart of Washington, a lawyer.

"48th question. What disposition was to be made of the bonds which Stewart received ; and, if he parted with them, to whom did they go ?

"Answer. I don't know that I can give you the first name. Stewart was to dispose of them to pay obligations of the company. The details I don't know."

On page 43 of the same book, I read from the printed deposition of Joseph B. Stewart himself. He there, under oath, states his own case as follows, without having any questions put to him :

"I did act as the attorney of said corporation defendant ; I did so at the request and employment of said Hallett, Perry, and Durant.

"They wanted to increase their basis of capital, and to secure further aid from the United States Government, and I was employed for that purpose, and I was also employed to resist the action of John C. Fremont, who had organized a separate board of directors, and elected officers, of which said Fremont was president, and claimed the right to speak and act for the said corporation defendant before Congress, and had neutralized completely the action of said Hallett, Perry, and Durant. I accepted and performed such service, and besides framing many, if not most of the measures to be adopted, and appeared before the Pacific Railroad Committee and made repeated, written and oral, arguments, at one or more of which the said Perry, Hallett, and Durant were present ; and I further state that, when all other plans for strengthening the financial condition of said corporation had failed, I submitted, and I believe am entitled to be regarded as the author of the 10th section of the act of Congress of 1864, which doubled the capital basis of the corporation defendant, and other roads provided for in said act of Congress, during which time I was much complimented by the president and other officers, and representatives of the corporation defendant.

"I further state that, during the summer of 1864, I purchased and paid for one hundred and twenty-four of the said corporation defendant, series "B," bonds, and I was paid thirty of said bonds as a fee for my services, and I never received any other compensation. I purchased the hundred and twenty-four bonds in this way : said Hallett and Durant, acting for the corporation defendant, had issued various stipulations and agreements to be paid in bonds, and having faith in the success of said corporation, I was induced to purchase and take in said stipulations. I mainly purchased through George W. Chase, of New York ; but before I purchased any of them, I consulted with said Hallett and Durant, and I purchased some of them from said Hallett direct, who required money, and I was induced to let him have it, agreeing to take said bonds. I further state that, besides the hundred and twenty-four bonds I purchased, and the thirty paid me for my services, there were ninety-six of said bonds placed in my hands in trust for other parties, making in all two hundred and fifty of said bonds which came into my hands, which was the amount accredited to and agreed to be paid to me after the 2d of July, 1864, at which time I had a full and complete settlement with said Hallett and Durant, and surrendered to said Hallett the several orders for bonds which I had purchased, and took his general order on Durant for that amount, which the latter accepted and agreed to pay."

He further states that a number of the parties for whom he held the \$96,000 in trust were strangers to him. This matter went on for some time ; these temporary construction-bonds were not paid, nor were other bonds substituted for them.

By Mr. LAWRENCE :

Q. You say there were not ?—A. Not for awhile. Samuel Hallett got killed suddenly by one of his men, and a difficulty at once arose between the parties, Thomas C. Durant and others. There were about five or six law-suits commenced by the different parties, and injunctions issued from New York and other courts, until proceedings were entirely or almost entirely stopped. On the 6th day of January, 1866, a proposition was made by Mr. Stewart to Judge John P. Usher, attorney for the railroad company, for a general compromise. Judge Usher's address is Lawrence, Kansas. A settlement was made by which Thomas C. Durant—but I suppose the committee does not care about all this matter, except only such as bears upon these particular bonds.

Mr. HUNTON. Answer the question in such manner as you think proper, sir.

Mr. BLAINE. Bears upon what ?

The WITNESS. This compromise between Durant and the railroad company. Thomas C.

Durant was to receive \$25,000 cash down, and three notes of the company of \$25,000 each, payable in New York in six, nine, and twelve months, respectively. Durant to receive \$400,000 bonds of the company same date in \$1,000 ten-year bonds, interest at seven per cent., payable in New York, bonds to be secured by mortgage on the Government lands of the company. Durant was to have the option of \$25,000 of the same bonds, or \$100,000 in full paid-up stock on the basis of \$10,000,000. This compromise was to settle suits in New York by Durant and Crane against the company, and all Durant's claims against the company. It was to settle the Kansas suits; and also suits against John D. Perry, individually, and to settle the \$150,000 in contract going to Mrs. Train from T. C. Durant, but leaving Train's claims for \$350,000 against Hallett, with interest at seven per cent., *in statu quo*. It is stated in this book of testimony in the case of Stewart against the Union Pacific Railway Company that George Francis Train and wife got \$500,000, and Joseph B. Stewart \$250,000, making \$750,000 of those bonds which Thomas C. Durant had.

By Mr. HUNTON:

Q. I understand that Thomas C. Durant represented a construction company?—A. The Credit-Mobilier. He swears that it is the Credit-Mobilier of America. I do not know that it was organized; but it had both the constructing of the railroad and the control of the company.

Q. And as such representative of this company he received those bonds from the Kansas Pacific?—A. Yes.

Q. And disposed of them in the manner you state?—A. Disposed of them in the manner I state, to obtain the release by the Government of its first-mortgage bonds, of, I think, \$5,700,000, and allowing the company to issue other bonds to the same amount, \$5,700,000, and give the Government a second mortgage. That is what it was used for.

Mr. FRYE. Is not this the precise matter that was thoroughly investigated by the Wilson committee?

Mr. HUNTON. I think not.

Mr. BLAINE. Every inch of it; Credit-Mobilier No. 2 contains all of it.

Mr. FRYE. All this which the witness is giving sounds very familiar to me.

The WITNESS. These bonds that Durant got were to be exchanged for ten-year seven per cent. land-grant bonds, and were all exchanged by the company, but about \$154,000, which Durant, after the settlement, gave or conceded belonged to Joseph B. Stewart. Joseph B. Stewart was not known in the settlement at all. The suit in Kansas was commenced by Joseph B. Stewart against the Kansas Pacific Railroad Company to compel a specific performance of that contract, so far as those 154 bonds were concerned. Stewart had assigned the subject-matter of the bonds or the suit to Judge Bonney, of New York, and William A. Coit, to secure them in what they claimed, \$79,000.

Mr. HUNTON. Mr. Knott desires to make a statement at this point in regard to the appointment of the subcommittee.

Mr. KNOTT. I have just been told that Mr. Blaine has called attention to an entry on the docket of the Committee on the Judiciary, to show that this subcommittee was appointed on the third of May.

Mr. BLAINE. That is what the docket says.

Mr. KNOTT. Precisely, and I understand that Mr. Blaine has called the attention of the reporters to that fact in order to show that I told an untruth.

Mr. BLAINE. I said that you contradicted my statement, and that it was a question of veracity between us.

Mr. KNOTT. I did not contradict any statement you made.

Mr. BLAINE. When I had stated that this committee had been appointed to examine this matter, you rose and said this committee had been appointed before, and that you had not heard of my name in connection with the matter.

Mr. KNOTT. I understand that Mr. Blaine has called the attention of the reporters—

Mr. BLAINE. I called the attention of the committee and the reporters.

Mr. KNOTT. Precisely so. We will now have the facts, and I will be obliged to the reporters to give the facts as I state them. Some time after what is known as the Luttrell resolution was introduced, (how long I do not know, but within a comparatively short time,) I proposed to appoint a subcommittee to investigate the subject-matter of that resolution. I went to my friend Mr. Hurd and asked him if he would take a place on that subcommittee: he declined to do so, or asked to be excused. I went to Mr. Frye and proposed to him to take a place on the committee, but Mr. Frye remarked that he was in the minority and did not propose to do any more work than was necessary, or words to that effect. I then went to Mr. McCrary and asked him if it would be agreeable for him to serve on the committee. Mr. McCrary remarked that there was a gentleman of his State who was involved in those railroads in some way, and he would rather not serve on the committee. I then went to Judge Hutton and told Judge Hutton that I wanted him to take charge of that resolution, as chairman of the committee. He remarked that he would like to have me as chairman. I told him I would give him what assistance I could, but I wanted him to act as chairman of the committee. I went immediately to Mr. Ashe and told him also that I would appoint him on the committee, to which he assented. I then

went to Mr. Lawrence and told him that I wanted him to act on that committee, and he in his usual good-natured and pleasant manner, remarked in, I think, precisely these words, "Anything you say, Mr. Chairman." Now the precise date of this I cannot fix, but it was before Mr. Frye went North on the canvass. Whether I omitted to inform the clerk of the appointment of that committee or not, or whether I did inform him and he did not make the entry on the docket, I do not know. The committee, however, was appointed at that time, each gentleman consenting to act upon it. A day or two after the Tarbox resolution was passed, (I do not speak by the record,) the clerk of the committee asked me to whom I would refer it. I replied, "To the committee on the Pacific Railroad resolution." He looked at the docket and remarked that the names of the committee were not there, and asked me who they were. I responded, "Judge Hunton, Judge Ashe, and Mr. Lawrence." I suppose he made the entry at that time. I did not look to see whether he made the entries in both cases at that time or not, but those are the facts.

Mr. BLAINE. I desire to make a short statement at this point.

Mr. KNOTT. I desire first that those gentlemen who have heard me make my statement shall say whether I am correct or not.

Mr. HUNTON. So far as I know, your statement is, I think, the exact truth. I cannot state the day on which you mentioned this matter to me, but you had mentioned it to me, as chairman of the subcommittee to take charge of this investigation ordered by the Luttrell resolution, some long time before this other resolution was passed.

Mr. LAWRENCE. I do not think I was in the Hall when the Luttrell resolution passed, and I do not know under what resolution the subcommittee on the Pacific Railroad was appointed, but Mr. Knott called my attention to his having asked me to serve on the subcommittee, a fact which I had forgotten until he did call my attention to it, and I then remembered that he did, as he says, come to my seat, I think, in the House, and asked me to serve on that subcommittee; and I said to him, in substance, that anything he said, I would do. That matter escaped my attention entirely, as I have said, until he reminded me of it. There was nothing done under that appointment—

Mr. BLAINE, (interposing.) Until after the Tarbox resolution?

Mr. LAWRENCE. Until after the Tarbox resolution.

Mr. BLAINE. That is the point I want to get out.

Mr. LAWRENCE. When the Tarbox resolution was adopted on the 2d of May, General Hunton said to me that I was to act with him under the resolution, or something to that effect, and said to me that I should notify Mr. Blaine, or could notify him, and that he would arrange the time for commencing the examination to suit the convenience of Mr. Blaine. That was the first time that I had heard any intimation, so far as I can now remember, that there was to be any investigation of Mr. Blaine.

Mr. BLAINE. We found it out very quickly when the committee met, however.

Mr. LAWRENCE. Then it was arranged that nothing should be done until after we should return from the opening of the Exposition at Philadelphia the next week. Mr. Hunton notified me that he would commence the examination of witnesses on this subcommittee at his house on the evening of the 4th of May, which was the evening of Mr. Ham's examination.

Mr. BLAINE. That was the first thing that was done under the Luttrell resolution.

Mr. LAWRENCE. That was the first thing done under any resolution. I was not present at this examination, although I was notified of the time of meeting. The examination has gone on since, as we all know; that is about the condition of the matter, as I understand it.

Mr. KNOTT. Mr. Lawrence, at the time I came to you and told you that you were appointed on the subcommittee, that was a long time before the Tarbox resolution?

Mr. LAWRENCE. O, yes; a long time before the Tarbox resolution; and according to my recollection there was nothing said or thought of any investigation as to Mr. Blaine; at least I had not heard it spoken of so far as I can remember, and when I was notified by Mr. Hunton, the fact of our previous conversation had escaped my memory, and I supposed it was a new appointment.

Mr. FRYE. I desire to say simply that Mr. Knott, the chairman of the Judiciary Committee, notified me to serve on the committee under the Luttrell resolution, as my recollection is, as a member of the committee, but that I declined; that in a laughing way, in declining, I said to him, which I believed to be true, that the democrats were engaged in a great deal of dirty work, in which I, being of the minority, did not propose to help them. Thereupon I disappeared from the subcommittee, but that was before I went to New Hampshire in the political campaign of March.

Mr. BLAINE. You went to New Hampshire about the 10th of March.

Mr. FRYE. Yes, and it was prior to that time.

Mr. HURD. I desire to state that the chairman of the Judiciary Committee (Mr. Knott) about the time that Mr. Frye speaks of, requested me to act upon this committee, and that I declined on the ground that I was already on two investigating committees, and that I had got tired of the work of investigation so far as I was concerned, and did not intend to be on any more committees.

Mr. ASHE. I will state that so far as I recollect, as to the time when it was first announced to me that this committee was formed, my recollection corresponds with Mr. Knott's statement.

Mr. HUNTON. I desire to state that we held the first meeting at my room and took the testimony of Mr. Ham in relation to the lost bonds of the Union Pacific Railroad. Whether after or before that examination I would not be certain—

Mr. BLAINE, (interposing.) You held that meeting on the 4th of May.

Mr. HUNTON. I understand that.

Mr. BLAINE. That was before the Tarbox resolution.

Mr. HUNTON. I have not said a word about that. If you will let me finish my statement you will understand what I say. I say, whether it was before or after the examination of Mr. Ham, I am not able to say, but *soon*, after the introduction of the Tarbox resolution—probably after its reference (I am pretty sure) to the subcommittee to which the Luttrell resolution had been referred—I did send a message to Mr. Blaine, substantially as Judge Lawrence has stated it; and probably on the same day, (if I had to state it I would state that it was on the same day or immediately thereafter,) Mr. Blaine sent for me to come into the room of the Ways and Means Committee, and there this same statement was made by me to Mr. Blaine (except that it was fuller and more in detail) which I had asked Mr. Lawrence to tell him. I told him among other things that I desired to conduct this examination kindly and impartially, but that it should be as thorough as I could make it, and he requested me not to enter upon it at once, because he desired to go to the Centennial. This was the week before the celebration at Philadelphia, at which so many members of Congress attended.

Mr. BLAINE. Was not that rather mutual? Did it not transpire that you were wanting to go to your courts, and was it not a mutual arrangement?

Mr. HUNTON. No, sir; there was not a word about my courts.

Mr. BLAINE. But you did go to your courts.

Mr. HUNTON. Yes.

Mr. BLAINE. You say no mention of it was made between us?

Mr. HUNTON. No, sir.

Mr. BLAINE. My recollection of it is different.

Mr. HUNTON. Mr. Blaine said he wanted to go to the Centennial, and that he meant to get back in time to attend the meeting on the date for which the adjournment was then set. It was agreed that the examination of witnesses on the Tarbox resolution should be postponed until the week succeeding the Centennial week; I believe until the first day of that week. On that very day the examination began, and I have endeavored to live up exactly to what I told Mr. Blaine, namely, that the examination should be kindly, impartial, and thorough. I am wholly unconscious of having ever departed from that rule. There has been no delay, (as my colleagues on the subcommittee will bear me out,) in this investigation that could have been avoided by the committee. There have been several postponements of examinations, but they have generally been at the instance of Mr. Blaine. For the larger part of one whole week (I am speaking somewhat at random as to the time, but for a considerable period at least of one week) the examination was postponed from day to day because Mr. Blaine was sick and unable to be present at the examination of witnesses, and to cross-examine them if he pleased. The witnesses were kept here and the work of the committee postponed on account of his request to have it postponed that he might be in attendance, he being then sick at his house. On several occasions other than that the committee has failed to go on because of the absence of Mr. Blaine, notably on Monday.

Mr. BLAINE. O, no; not on any other day than during the time I was sick.

Mr. HUNTON. Yes, sir; I think so.

Mr. BLAINE. I think not, sir; never except when I was sick, so sick that I was in bed.

Mr. HUNTON. Well, that question is not up at any rate. The committee acted upon your request, and upon the statement that you were too sick to attend, and that you requested a postponement. The committee did postpone accordingly, and on last Monday met again at 10 o'clock. You again were not present. One of your friends, I think Mr. Hale, appeared in the committee-room and requested that there be no examination that day, because you had been informed by Mr. Frye that there would be no meeting on that day. The committee were all here, pursuant to our regular adjournment on Saturday, at 10 o'clock. It has been my earnest desire, and I feel assured it has been the desire of both my colleagues, to hasten this examination as fast as practicable, and, as far as Mr. Blaine was concerned in the investigation under either the Tarbox or the Luttrell resolution, to come to a conclusion at the earliest moment practicable.

Mr. BLAINE. Yes; but you mix the two up so that you never can get to a conclusion.

Mr. HUNTON. I cannot help it.

Mr. BLAINE. I could help it if I were chairman of the subcommittee.

Mr. HUNTON. Yes; I understand that. You probably could, but in the course of the examination that the committee have thought it their duty to make—

Mr. BLAINE, (interposing.) Has this any connection with the \$64,000 matter?

Mr. HUNTON. I did not say that it has.

Mr. BLAINE. I say, therefore, that you keep all these things mixed up together, and it is impossible to give me a report on that matter.

Mr. HUNTON. This is a separate matter from that.

Mr. BLAINE. Then why do you not finish that up?

Mr. HUNTON. Because the witnesses are not here ; I have tried to get the witnesses here, but they are not here.

Mr. KNOTT. I want to say one thing before Mr. Blaine goes farther. Having appointed this committee under the sweeping resolution of Mr. Luttrell, when the Tarbox resolution was introduced, it being in the same line, and relating to the same subject, I for that reason referred it to the committee already appointed, without any reference to Mr. Blaine at the time. When I appointed the committee on the Luttrell resolution, I had never heard the remotest insinuation that Mr. Blaine would be involved in any shape or form, nor that anybody else would.

Mr. BLAINE. I now desire to make a statement. The fact has been stated by the chairman of the committee, (Mr. Knott,) and by the various gentlemen present who are members of the committee, that he went round to see if people were willing to serve on that Luttrell committee.

Mr. KNOTT. I told them that they were appointed.

Mr. BLAINE. I did not interrupt you, sir. I do not know anything about what you told, but what I do know is this: that the Luttrell resolution passed the House of Representatives on the 31st January last. That resolution Mr. Hunton represents as a very important resolution—a resolution so important that he could not possibly neglect any part of it; and yet this important resolution lay ninety-two days dead and dormant, and never had the breath of life breathed into it by the chairman or by Mr. Hunton until the 4th day of May. Mark that. This very important resolution was never taken up by any of you. There is not the slightest evidence anywhere that you ever gave that resolution the least attention until the 4th day of May, and that was the day after the Tarbox resolution was adopted. When the Tarbox resolution was adopted I said to Mr. Frye, (but he did not bear the message,) "I wish you would see Knott and tell him that I want northern democrats put on that subcommittee." I went so far as to specify Mr. Lynde and Mr. Hurd, although I had no acquaintance whatever, hardly, with those gentlemen. I did not want this resolution to go to the gentlemen to whom it has gone. Mr. Frye, however, did not think it was a prudent message to bear, and so did not deliver it. Instantaneously, on the passage of the Tarbox resolution—the ink was hardly dry on that resolution before I heard that Messrs. Ashe and Lawrence were appointed; and on the same day, as if designed, (I do not say that it was designed,) to give a larger jurisdiction to the gentlemen acting under the Tarbox resolution, and who found themselves very much restricted by its terms—on that very same day, as your record shows—and I appeal to that record—the Luttrell resolution was also given to you, and there is no record anywhere that it was ever given to you before that day. If it was in your hands ninety-two days before, it is certain that you never did anything under it until the 4th day of May, and you then examined Mr. Ham in regard to the lost bonds. Now, I do not pretend to raise any question of veracity, any further than the record itself. Questions of veracity are the last and most disagreeable to raise, but on that record I here state that that Luttrell resolution was never touched for ninety-two days, and that then it was referred to the same committee to which the Tarbox resolution went. My attention was not called to it until a certain question was asked one of the witnesses, and I think there were myriads of questions asked that were wholly irrelevant. So much was this so, that a committee of his own [Mr. Hunton's] party had to rein him in, the whole committee, I believe, by a large vote restricting the investigation. When I heard the question asked to which I refer, I was amazed at it, as having nothing whatever to do with the investigation; and when I inquired upon the subject, Mr. Hunton pulled out the Luttrell resolution. I said, "Why, what has that to do with it?" It looked as if the Luttrell resolution was a postscript to the Tarbox resolution, giving the committee an enlarged jurisdiction, and giving them powers that under the Tarbox resolution they did not have. I state here that the record shows that to be the fact. If that resolution was an important resolution, as in its scope it is, why was nothing done with it between the 31st day of January and the 4th day of May,—over three calendar months—five days in excess. That is the question which I wish Mr. Knott to answer.

Mr. KNOTT. I will answer it, sir.

Mr. BLAINE. Wait one minute. While answering that question I want to know also something to which I did not get a full answer the other day from the chairman of the subcommittee. When I asked him [Mr. Hunton] on the floor of the House if he knew of the possession, by the chairman of the Judiciary Committee, [Mr. Knott,] of a telegram from Josiah Caldwell, he told me that he [Mr. Hunton] would answer that question if it was not answered satisfactorily by Mr. Knott. It was not answered satisfactorily by Mr. Knott; and when I rose to claim the floor, in order to ask Mr. Hunton to fulfill his promise to give a satisfactory answer, I was cut off by the rules and could not ask it. I now ask the honorable gentleman, chairman of the subcommittee, if he knows of, and has read, a telegram from Josiah Caldwell?

Mr. HUNTON. Go on, sir.

Mr. BLAINE. I want an answer to that.

Mr. HUNTON. You shall have it.

Mr. BLAINE. And I want to know from the gentleman from Kentucky [Mr. Knott] whether he intends to produce that telegram.

Mr. KNOTT. I do, sir; this question of veracity has been raised by Mr. Blaine in my absence after having been assured by his friend that it would not be raised.

Mr. FRYE. I said it would not be raised in the House.

Mr. KNOTT. Did you know that it would be raised here?

Mr. FRYE. No, sir; I did not.

Mr. KNOTT. I did not suppose it would be after your statement, for I know you are a gentleman.

Mr. FRYE. You will find that there has been no double-dealing upon my part with you or any other gentleman.

Mr. KNOTT. Not in the least, sir; I never have found it so. I stated in the House and I state here, verified by Mr. Frye, Mr. Lawrence, Mr. Hunton, Mr. Hurd, and Mr. Ashe, that I appointed the subcommittee on the Luttrell resolution long before the Tarbox resolution was heard of.

Mr. BLAINE. May I ask a question just here?

Mr. KNOTT. Yes, sir.

Mr. BLAINE. Who subpoenaed Mr. Ham?

Mr. KNOTT. I do not know.

Mr. BLAINE. [To Mr. Hunton.] Did you subpoena Mr. Ham?

Mr. HUNTON. I think so, sir.

Mr. BLAINE. I am informed, and I would like that to be established, that Mr. Ham was subpoenaed by the chairman of the committee, [Mr. Knott,] and that therefore this Luttrell committee, as you call it, was not in organization at that time, but that after Mr. Ham came here, this committee having been appointed contemporaneously with the Tarbox resolution, he was turned over to them; therefore this committee was not in existence to subpoena him.

Mr. HUNTON. I think you are mistaken about that, sir.

Mr. BLAINE. I think not; I think that before that period there was no committee in existence to investigate that matter.

Mr. KNOTT. I have told the whole truth about this matter, and I have proved that this Luttrell committee was appointed long before the Tarbox resolution was thought of, and before Mr. Frye went to New Hampshire.

Mr. BLAINE. I will say that I do not consider nor admit that that has been proved.

Mr. KNOTT. Very well, sir; I do not care whether you do or not. You ask why this matter slumbered until the 3d or 4th of May. There were before the Judiciary Committee several investigations. There was an investigation of the Texas and Pacific Railroad Company, which consumed considerable time, and upon which Judge Hunton was engaged. There was at the same time going on (and it continued some time after that was dropped) an investigation of the safe-burglary conspiracy, upon which Mr. Ashe and Mr. Lawrence were engaged. In the mean time the impeachment of Belknap was referred to the Judiciary Committee, and Mr. Hunton was appointed on the subcommittee to investigate that, so that at that time the committee was absorbed, we were as busy as we could be, upon these matters. You have asked some question about that telegram.

Mr. BLAINE. Yes; I have several to ask if you will do me the honor to answer them.

Mr. KNOTT. What was your question?

Mr. BLAINE. I want to know whether you are going to produce that telegram to the House of Representatives?

Mr. KNOTT. I never had any other intention than to produce that telegram to the Judiciary Committee.

Mr. BLAINE. You had it in your pocket five days at the time I brought it into the House.

Mr. KNOTT. I am aware that I had it five days.

Mr. BLAINE. Did you, during Thursday, Friday, Saturday, or Sunday, deny to newspaper correspondents that you had heard from Josiah Caldwell?

Mr. KNOTT. I will make a statement about that telegram in full.

Mr. BLAINE. That is a question susceptible of a very direct answer.

Mr. KNOTT. I received that telegram on Thursday morning. I will state, as particularly as I can recollect, the circumstances. I had gone to my breakfast. After breakfast I took a walk as usual—somewhat protracted. I came back to my room and my wife called my attention to the telegram. I took it up and read it, and immediately started to the Capitol. That telegram excited my suspicion for this reason: A proposition had been made some time before, by some member of the Judiciary Committee, (I don't know by whom, for I was not present,) that a telegraphic dispatch should be sent to Josiah Caldwell to know if he would return to this country and testify. That proposition was recalled, as I was informed, by Mr. Blaine and by Mr. Blaine's friends.

Mr. BLAINE. On the ground that it was utterly and preposterously absurd, because you could not get him to come.

Mr. KNOTT. On the ground that he could not be got.

Mr. BLAINE. Yes; and that if he would not come, it would then be said that he would not come because his testimony would be unfavorable to me. It would be said, "O, yes; he cannot come; he is conveniently absent in Europe."

Mr. KNOTT. I do not desire to be interrupted any more in my statement. Some days

afterward the question was again raised in the Judiciary Committee as to whether a telegraphic dispatch should be sent asking Mr. Caldwell if he would come and testify. In that instance, also, Mr. Blaine's friends resisted the motion.

Mr. BLAINE. On the same grounds.

Mr. KNOTT. It nevertheless prevailed. The Committee on the Judiciary instructed me to send such a telegraphic dispatch to Mr. Caldwell. I did not know where Mr. Caldwell was to be found. I went to the Representative from Boston, Mr. Warren, thinking that he would know, and asked him where Mr. Caldwell might be found. He told me he did not know; I asked him to inquire, telling him that I had been instructed by the committee to send a dispatch to Mr. Caldwell. He said he would write to a gentleman in Boston and ascertain. In the mean time I went to Judge Hunton and told him I had a great variety of things on hand and asked him to take hold of that matter and find out where Mr. Caldwell was, and to telegraph to him in my name. Mr. Warren, some days afterward, came to me and told me that he had received a letter from his friend in Boston, informing him that Mr. Caldwell was somewhere, I think, in Italy. When, therefore, I received a dispatch from Mr. Caldwell, without having dispatched to him, it occurred to me that it was suspicious.

Mr. BLAINE. Would not the publication of it have exposed it?

Mr. KNOTT. I beg the gentleman not to interrupt me. Furthermore, there was simply at the top of the dispatch the word "London," no month, no day, no place, no street, no house. I knew nothing about these cable-dispatches—had never sent one in my life, and never even saw one before that. I have since been informed that it is customary in London to keep the addresses of persons sending dispatches, and not to put the address in the dispatch itself. I did not know it at that time, and I don't know it now except from information. As soon as I could, after reading that dispatch, I came to the Capitol and read it to Judge Lynde, and, I think, to Judge Lord, Mr. Jenks, and Mr. McMahon. I think it was to these four gentlemen that I read it; I know that these four gentlemen were present at the meeting, and my impression is that they were there when I read the dispatch. I am confident that Judge Lynde was. That was on Thursday. On Friday there was a meeting of the committee. A variety of subjects were under consideration, and this matter, so far as I know, was not mentioned.

Mr. BLAINE. You did not think of mentioning the telegram to the committee?

Mr. KNOTT. I did not think of it. The truth is, Mr. Blaine, I had a great many things to think of besides your presidential aspirations. I am free to say I do not recollect that it occurred to me at all.

Mr. BLAINE. I am not alluding to myself, but to the dispatch. That might have occurred to you.

Mr. KNOTT. I say I do not recollect that it occurred to me at all.

Mr. BLAINE. Did you read it to any other members of your committee besides Mr. Hunton and Mr. Lynde?

Mr. KNOTT. Those were the only persons.

Mr. BLAINE. Are those the only persons that you mentioned it to?

Mr. KNOTT. Let me get through. I have told you I did not want to be interrupted. On that same occasion, while we were in the committee-room, Mr. McMahon came over and described a scene which was taking place in this room, and in which he said Mr. Mulligan had stated that Mr. Blaine had come before him and got letters from him under promise to return them, almost getting on his knees, &c.—describing the scene as it had been described by the witness. Whether it was on the next day or on that same day I do not now remember, I mentioned the fact to Mr. Hunton that I had received a telegraphic dispatch from Mr. Caldwell, and repeated to him the contents of the dispatch. I did not read it to him. I told him of it, however.

Mr. HUNTON. And you stated your suspicions in regard to it?

Mr. KNOTT. I stated my suspicions in regard to it, saying I thought it was a trick. I did not regard the telegraphic dispatch as a matter of evidence in any sense of the word. Had a dispatch come from Mr. Caldwell saying that Mr. Blaine was guilty—that he had got the bonds from him—it would have been injustice to Mr. Blaine to have given it to the public.

Mr. BLAINE. You will permit me, however, to believe that it would have got out pretty soon.

Mr. KNOTT. What did you say, sir?

Mr. BLAINE. I do not think that you would have kept back testimony that would have hurt me; that is what I have said, sir.

Mr. KNOTT. Do you mean to say that I would have done you such injustice as that?

Mr. HUNTON. Let it be understood, gentlemen, that there must not be any interruptions.

Mr. BLAINE. I shall not interrupt the gentleman further; I know that the Cheeseborough dispatch—let me make that remark—

Mr. HUNTON. No, sir; the floor has not been conceded.

Mr. KNOTT. So far as the Cheeseborough dispatch is concerned, I know nothing about it. I have not read it. All I have to say is, that I have had a variety of other things to think about and to attend to, and I know nothing about it. So far as this dispatch is concerned, however, it was my object to verify it, if possible; but in any event to present it to the com-

mittee to do with as they saw proper, and to take any action that they saw fit. That was my intention even had not the scene taken place which did take place on Monday; that dispatch would have been presented to this committee, perhaps, on the next day.

Mr. BLAINE. Or some time along.

Mr. KNOTT. Before the report would come in and in time to subserve your purpose. I want to add here, and Judge Huntón will bear me out in it, that when the Tarbox resolution was introduced, he and I agreed that, in justice to Mr. Blaine, that thing ought to be investigated as soon as possible, and that he should be exonerated, if he were innocent. I understand it to be his desire, and the desire of his friends—

Mr. BLAINE, (interposing.) Yes; but in case this dispatch were *genuine*—

Mr. HUNTON. The rule must be observed that interruptions must not take place.

Mr. KNOTT. After the order of the committee had been made that I should telegraph to Mr. Caldwell I several times talked with Mr. Huntón and asked him if he had found out where Mr. Caldwell was. I will say further, that I considered it due to Mr. Blaine that Mr. Caldwell's testimony should be taken, if possible, and that if he refused to come at the request of the committee, Mr. Blaine could not be blamed for it. As to the statement that I was suppressing that telegraphic dispatch or that I had any intention of keeping it from the committee, I denounce here, as I have denounced elsewhere, all insinuations to that effect as absolutely false.

Mr. BLAINE. But I did not understand you to deny that you kept it in your pocket five days.

Mr. KNOTT. I say I kept the dispatch from the time I received it.

Mr. BLAINE. Now, if you are through, I will ask you a simple question or two.

Mr. KNOTT. I did not myself receive that dispatch, or receipt for it. I do not know who executed the receipt for it, but one night a boy, wearing the uniform of the telegraph company, came to my room and asked me to give him my initials, saying that there was a dispatch at the office which had been lying there for several days for Mr. Knott, and he wanted my initials to see whether I was the person to whom it ought to be brought. I picked up a piece of paper, wrote my full name upon it, and handed it to the boy. I did not anticipate that a report would be made in this case before this time, but I did intend that that telegraphic dispatch should be laid before the committee, and let the committee do what it pleased in the matter.

Mr. BLAINE. When were you intending to do that?

Mr. KNOTT. I had not fixed any particular time for doing it.

Mr. BLAINE. Then I understand that you do not call that suppressing a dispatch?

Mr. KNOTT. I do not.

Mr. BLAINE. Was it not suppressing it from the public for the time being?

Mr. KNOTT. What right had the public to it?

Mr. BLAINE. The same right that the public had to all the inculpatory testimony against me that went out.

Mr. KNOTT. It was not my fault that it went out.

Mr. BLAINE. But it was your fault that that dispatch did not go out.

Mr. KNOTT. My colleagues will all bear me witness that in every investigation that has taken place before a committee in which I have been engaged, I have been particularly careful to prevent anything from getting out that would inculpate anybody before a report was made. I have been blamed by newspaper reporters for being so reticent, for the simple reason that I did not want any man to be blamed through me, by *ex-parte* statements made in a committee-room.

Mr. BLAINE. You stated that you wanted to hold that dispatch for the purpose of verifying its authenticity; you thought that there might be something indirect, or bogus, or "put up" about it. What steps did you take to verify its authenticity?

Mr. KNOTT. I wanted to find out Mr. Caldwell's address.

Mr. BLAINE. You had this dispatch in your hands from Thursday morning, the 1st of June, and never brought it to the notice of the public until I interrogated you on the floor of the House on Monday, the 5th of June. In those intervening five days what steps did you take to acquire information as to whether that was an authentic dispatch?

Mr. KNOTT. I took the only steps that I thought I ought to take to find out where Caldwell was, and to telegraph to him.

Mr. BLAINE. Did it ever occur to you to telegraph to the London office?

Mr. KNOTT. No, sir.

Mr. BLAINE. You are a lawyer, and, I presume, a lawyer of prominence, else you would not be chief of the Judiciary Committee. If a dispatch comes to you from Josiah Caldwell, what is the presumption as to its authenticity; that it is from Josiah Caldwell or that it is not?

Mr. KNOTT. That depends upon circumstances.

Mr. BLAINE. What is the presumption?

Mr. KNOTT. If I knew that Josiah Caldwell was in London, and if I had no other information to give me ground for suspicion, I would presume that the dispatch came from Josiah Caldwell.

Mr. BLAINE. You had information that he was building a railroad in Italy, near Turin;

and Turin is only forty-eight hours from London. During the course of Thursday, Friday, and Saturday, while you had this dispatch, did you not state to one or more newspaper reporters that you had not heard from Josiah Caldwell?

Mr. KNOTT. I will state about that. I was met in the rotunda by some gentleman whom I do not know, and who asked me if I had heard from Caldwell. Probably you [Mr. Blaine] know who that gentleman is. I do not, and would not know him now if I saw him. My reply to him was, "I have not yet found out where Caldwell is."

Mr. BLAINE. You got that dispatch on Thursday morning, and on that day there was a regular meeting of the Judiciary Committee.

Mr. KNOTT. No, sir; that was the day that Mulligan was examined here.

Mr. BLAINE. You were here on Friday morning, twenty-four hours after you got that dispatch.

Mr. KNOTT. Yes, sir.

Mr. BLAINE. And you had a called meeting of the Judiciary Committee on Saturday.

Mr. KNOTT. Yes, sir.

Mr. BLAINE. Specially on my case.

Mr. KNOTT. Yes, sir.

Mr. BLAINE. And it does not seem to have occurred to you at either of those meetings to say anything about that dispatch.

Mr. KNOTT. I will explain that. In the first meeting we were engaged in general business. In the second meeting we were engaged, from the time the committee convened until it broke up, in discussing the proposition presented to us in reference to the letters that you had obtained from Mulligan.

Mr. BLAINE. Did you recollect then that you had this telegram?

Mr. KNOTT. I do not know whether it occurred to me or not, and I do not know that I should have brought up the question at that time if it had occurred to me.

Mr. BLAINE. Is it not probable that if you did not recollect it when it was quite fresh you would have forgotten it afterward?

Mr. KNOTT. No, sir; I think not.

Mr. BLAINE. When it was fresh you forgot it, but you think that after it got old you would have recollected it? Do I understand you correctly in that? I merely want to wind up by having the world know that on the day that this dispatch came to Mr. Knott, Mr. Lynde, Mr. Lord, Mr. Jenks, Mr. McMahon, and Mr. Hunton, of the House of Representatives, all knew of it. Mr. Lawrence, of this subcommittee, I believe, knew nothing of it.

Mr. LAWRENCE. I heard nothing of it.

Mr. ASHE. [To Mr. Blaine.] I informed you this morning that I heard nothing of it before I heard it in the House.

Mr. BLAINE. I have not mentioned your name as one who had heard it.

Mr. KNOTT. I gave it as my impression that those four gentlemen, whom I first named, were present when I read the dispatch. I am confident that Mr. Lynde was present, and my impression is that the others were all present, too, when I read it out, without any reservation whatever, in the room of the managers at the Senate end of the building.

Mr. BLAINE. Can you tell me what processes or steps you are waiting on to publish the dispatch, or to give it to the House?

Mr. KNOTT. I am going to give the dispatch to the House through the regular channel; that is, through the Judiciary Committee.

Mr. BLAINE. You had a meeting of this committee, I think yesterday?

Mr. KNOTT. Yes, sir.

Mr. BLAINE. Did you bring that subject up?

Mr. KNOTT. I referred the matter of your resolution to the subcommittee. I suppose we will take our own way of transacting our own business.

Mr. BLAINE. Can you give any information to the public as to when you expect to produce that dispatch?

Mr. KNOTT. I do not choose to do so; I choose to transact business in my own way, so far as I am concerned. The public has had the substance of that dispatch from my own lips. I stated it on Monday.

Mr. BLAINE. You said then that Mr. Caldwell in that dispatch stated that he would send an affidavit if necessary?

Mr. KNOTT. Yes, sir.

Mr. BLAINE. That approaches to something like testimony. You said that that dispatch was no testimony. I understand you now to say that Mr. Caldwell offered to send an affidavit?

Mr. KNOTT. To send an affidavit if it were required or if it were necessary.

Mr. BLAINE. That looked a good deal like a man who was ready to give testimony.

Mr. KNOTT. It looked to me a good deal in this way: that if I had sent to a man in London, asking him to send over a dispatch exculpating me I would probably make that very suggestion; and if he were an intelligent man, he must have known that an *ex parte* affidavit made in London could not be received as evidence at all.

Mr. BLAINE. Do you mean to imply by that that you have any evidence of the slightest character that I have had, directly or indirectly, any communication with Josiah Caldwell?

Mr. KNOTT. I have never said that you had.

Mr. BLAINE. Your intimation just now meant that or it meant nothing.

Mr. KNOTT. Well, suppose it did?

Mr. BLAINE. I want you to state whether you have the slightest evidence of it; although I have heard that you have been rummaging the telegraph offices through the country for such evidence.

Mr. KNOTT. Then you have heard a lie; that is what you have heard.

Mr. BLAINE. I am very glad to hear it is a lie, but I want this to be understood, whether you have the slightest evidence that I have had, in any manner whatever, any communication with Josiah Caldwell.

Mr. KNOTT. I have no evidence of it, and I never have pretended that I had any.

Mr. HUNTON. I desire to make a brief statement in regard to the efforts to find Josiah Caldwell. I went to Mr. Knott a day or two after that order of the Judiciary Committee to telegraph to Caldwell was made, and asked him if he had sent the telegram. He said no; that he had not been able to find Caldwell's address. He asked me to assist him, and he authorized me, if I found Caldwell's address, to telegraph to him in his name. My first step, I believe, was (I am not certain that it was the first) to go to the Sergeant-at-Arms and give him a written memorandum directing him to find out from Arkansas people, or from any other source, the address of Caldwell. I asked several other gentlemen to assist in that work, and I myself went around to several persons and asked if they could inform me of Caldwell's address. From the moment that I went to Mr. Knott to know whether the telegram had been sent, I have been diligently (and I have reason to believe that several other gentlemen, at my instance, have been diligently) employed in seeking to get this information.

Now, in regard to the delay, Mr. Knott has stated correctly that after the reference of the Luttrell resolution to the Judiciary Committee, and after I was notified that I was to be chairman of that subcommittee, the labors of the Judiciary Committee have been of such a character that it was impossible for us to address ourselves to the Luttrell resolution. I was first engaged on the investigation of the Texas Pacific Railroad Company. Mr. Lawrence was on that subcommittee. This kept us many weeks. Not long after, and before that investigation was closed, (though it never has been formally closed,) this Belknap matter came up, and I was made chairman of the subcommittee to investigate that and to prepare the articles of impeachment, and to ascertain whether, on evidence, the articles could be sustained. It was not long after that committee was discharged when work was attempted under this resolution. On the 24th of April, (certainly before the Tarbox resolution was introduced and before anything had been said about Mr. Blaine,) a witness was summoned to the city of Washington to be examined under the Luttrell resolution.

Mr. BLAINE. By whom was the witness summoned?

Mr. HUNTON. He was summoned by myself, in my opinion.

Mr. BLAINE. That is a point on which I think you are in error.

Mr. HUNTON. It is possible, but I think I am not.

Mr. BLAINE. I think that that witness was summoned by Mr. Knott.

Mr. HUNTON. To what witness do you refer?

Mr. BLAINE. To Mr. Ham.

Mr. HUNTON. I refer to a different witness.

Mr. BLAINE. Who is he?

Mr. HUNTON. Mr. Spence. According to the stub of this book, from the room of the Sergeant-at-Arms, he was here on the 24th of April.

Mr. BLAINE. Before whom did he appear?

Mr. HUNTON. Before me.

Mr. BLAINE. Did Mr. Lawrence have anything to do with it on the 24th of April?

Mr. HUNTON. No, sir.

Mr. BLAINE. Then you fail to connect that committee at all with it. That committee was not appointed until the 3d of May.

Mr. HUNTON. I think, if you will wait a while, you will see the connection. I was informed, by a gentleman who had made an investigation in the case of the lost bonds of the Union Pacific Railroad Company, that Mr. Spence knew more than any body else about these lost bonds, and that he had in his possession memoranda, &c., which would guide the committee in its search for the lost bonds. Hence it was that Mr. Spence was summoned here first, so that I might see the memoranda and prepare for the examination. In the mean time, I was reading (as well as I could, in the multiplicity of my engagements) the proceedings of the Credit Mobilier investigation, to see how far that committee had gone into this question of the lost bonds of the Union Pacific Railroad Company.

Mr. BLAINE. (To Mr. Ashe.) Were you present when Mr. Spence was examined?

Mr. ASHE. Spence was never examined.

Mr. BLAINE. There is no mistake about Ham. He was examined on the 4th of May.

Mr. ASHE. He was examined before that.

Mr. HUNTON. On the 24th of April, according to this stub in the book of the Sergeant-at-Arms, which I presume is correct, Benjamin W. Spence was summoned. [To Mr. McGuire, a witness in the case.] Was it at your instance that I summoned him?

Mr. MEGUIRE. Yes, sir.

Mr. HUNTON. The summons ran in the usual way, signed by the Speaker and attested by the Clerk. Mr. Spence was here several days, and we were preparing to examine into this question of the lost bonds. I had several interviews with Mr. Spence and Mr. Meguire for the purpose of finding out how I should conduct the examination, and what Mr. Spence knew about it. It was determined that we would not examine Mr. Spence at that time. Mr. Ham was summoned. I find by the subpoena, which was issued in the regular way, that Benjamin F. Ham, of the office of the president of the Union Pacific Railroad Company, Nassau street, New York, was ordered to appear before the Judiciary Committee of the House of Representatives forthwith. This subpoena [reading from it and then handing it to Mr. Blaine] is dated the 1st day of May, 1876. Now these two facts show that before the Tarbox resolution was introduced in the House, two witnesses had been summoned by the committee under the Luttrell resolution.

Mr. LYNDE. I wish to make a statement, as my name has been brought in in this matter.

Mr. BLAINE. Not by me.

Mr. LYNDE. No, but it has been brought in. I will state that the day when that telegram was received by Mr. Knott, (I presume on a Thursday, as stated,) Mr. Knott, when he came to the House, said to me, "I have received a telegram this morning which I want to show you." He took the telegram out of his pocket and showed it to me, and I read it. Whether it was in this room or in the room of the managers, I do not recollect, nor do I recollect who was present at the time. There were others present. I remarked to him when I read the telegram, "This is not evidence either before a committee or a court or anywhere, in the shape that it now comes."

Mr. FRYE. You did not know what kind of evidence they were receiving here?

Mr. LYNDE. I said to Mr. Knott, "It is necessary that you should ascertain whether this dispatch is genuine, and you ought immediately to ascertain whether Mr. Caldwell is in London, or where he is, and whether it is a genuine telegram." That, I think, was about all the conversation that passed between me and Mr. Knott at the time. My attention was called off to something else. If the telegram had been in reply to one sent by Mr. Knott, (after the committee had instructed Mr. Knott to telegraph to Mr. Caldwell,) the fact that it was in reply to a telegram addressed to Mr. Caldwell would have been sufficient, in my opinion, to have it introduced before the committee as testimony; but in the shape in which it was I thought that Mr. Knott had no right to make use of it before the committee or anywhere else until he had some evidence of its authenticity. That was my impression at the time, it is still my impression, and I believe it is in accordance with the principles of the law of evidence.

Mr. FRYE. Those principles have nothing to do with this investigation.

Mr. LYNDE. (to Mr. Frye.) I believe you have insisted before this Judiciary Committee over and over again, that a committee of investigation had no right to hear testimony that was not legal testimony: and the committee ruled in your favor on the question of evidence according to the principles of law.

Mr. FRYE. Yes; two or three times.

Mr. LYNDE. That was my view of this telegram. And further, I did not think, and I do not think now, that Mr. Knott had any right to report that telegram to the House until there was some evidence of its authenticity. He might have reported it to the committee for instructions, but he had been already instructed by the committee to telegraph to Mr. Caldwell.

Mr. BLAINE. That seems very reasonable, but according to Mr. Knott's statement, five days elapsed, and now two days more have elapsed, in which he has not taken the slightest steps to ascertain the authenticity of that dispatch.

Mr. KNOTT. I never said so. On the contrary, I have taken every step to find out where Mr. Caldwell is.

Mr. BLAINE. But Mr. Lynde states that he said to you that the dispatch should not be laid before the committee until process was taken to authenticate it, and to show that it actually came from Caldwell in London. The way to do that was just as simple as it is to walk down stairs, and yet, up to this time, Mr. Knott has taken no steps leading to it.

Mr. KNOTT. I say again that that is not true. I have taken every step to find out.

Mr. BLAINE. You have not telegraphed to the London office to find out whether Josiah Caldwell gave that dispatch to be sent.

Mr. LYNDE. In regard to telegraphing to the London office, that would be very faint evidence; for, if this were a spurious dispatch sent from London, (if it ever came from London,) the party who delivered that dispatch at the London office must have claimed to be Josiah Caldwell, and given his name and address, and any telegram addressed to Josiah Caldwell in London would be received by that man. Therefore it is very different from a telegram sent to a man at his residence, and delivered to him in the first instance before his name had been registered in the telegraph office, and a reply from him.

Mr. BLAINE. There is not an American of the slightest note or prominence living in London who does not register his name and address at the telegraph office, and it is the simplest thing in the world to identify a person. Your proposition goes on the assumption that the whole line of telegraph offices from Washington to London were in collusion to deceive this committee.

Mr. LYNDE. Not at all.

Mr. BLAINE. This dispatch must necessarily be a true and valid dispatch. The telegraph office here knows whether or not it came through the cable, and you could have telegraphed to the London office to know who delivered it there.

Mr. LYNDE. Could not I, if I were in London, have gone into the London office, presented this telegram, and signed my name to it as Josiah Caldwell, and would it not have come here just as it came?

Mr. BLAINE. But the slightest inquiry indicating a doubt as to whether the person was Josiah Caldwell or not would have led to an investigation as thorough as the law can make it, and you could have had the thing certified in 24 hours. If you had intimated a doubt from here that this was a genuine dispatch, you would have had all the enginery of the police at London to detect whether a trick had been played upon the telegraph office. I cannot imagine [to Mr. Lynde] that a man of your breadth of information does not know that.

Mr. FRYE. Is not the telegraph in England under the government?

Mr. BLAINE. Certainly, and an attempt to do that would be imprisonment in Newgate for 20 years. No one would attempt to do that.

Mr. HUNTON. Does any one else desire to make an explanation.

Mr. BLAINE. I should think it would be in order for Mr. Jenks and Mr. Lord and Mr. McMahon to make an explanation. I am glad to see that Mr. Ashe was anxious to have it noted that he did not know anything about that dispatch.

Mr. ASHE. I did not know anything about it.

Mr. BLAINE. I appreciate the fact that you wanted it to be known that you did not know anything about it.

Mr. ASHE. I want to state the reason why I wished it to be known. It is because, when you introduced your resolution in the House the other day, you said that it involved the honor of the Judiciary Committee.

Mr. BLAINE. I said so, sir.

Mr. ASHE. In saying that, however, I do not mean to reflect on my colleagues on the Judiciary Committee.

Mr. FRYE. I want to ask Mr. Hunton a question.

Mr. HUNTON. On what ground do you wish to ask a question?

Mr. FRYE. Because the Judiciary Committee is all here and we are all asking questions. I simply wish to ask whether information was conveyed to you a fortnight ago, (immediately after the dispatch to Caldwell was ordered,) giving the address of Caldwell and the address of his correspondent in whose care your dispatch could be sent?

Mr. HUNTON. That is certainly not so.

Mr. FRYE. I am glad to hear it, because I understood that it was so.

Mr. HUNTON. The nearest that I ever got to Mr. Caldwell's address was this: I went over to the Senate chamber and sent in, while the Senate was in secret session, (so anxious was I to find Mr. Caldwell's address,) for one of the Senators from Arkansas, and I asked if he knew the address of Caldwell. He told me that he did not; that he had heard he was making a railroad in Italy, one of the points of which was Milan, but he could not tell whether he was there or in London, or anywhere else.

Mr. BLAINE. You probably have seen a dispatch in the morning papers, dated Boston, June 6—

Mr. HUNTON. You do not propose to put a newspaper article into the proceedings of this committee?

Mr. BLAINE. You have examined lots of witnesses on mere newspaper reports.

Mr. HUNTON. I have asked them whether the reports were true or not.

Mr. ASHE. This resolution of Mr. Blaine's in regard to the telegram was referred. I understood, to the Judiciary Committee, and we are going on examining about it here before the committee has directed it to be taken up.

Mr. BLAINE. The committee has had forty-eight hours to consider it.

Mr. ASHE. And it has forty-eight hours more.

Mr. BLAINE. I am perfectly willing that it should take six months.

The committee adjourned until 10 o'clock to-morrow.

WASHINGTON, D. C., June 8, 1876.

Examination of THOMAS A. GREEN continued.

The WITNESS. The full record in the case of Joseph B. Stewart against the Kansas Pacific Railway Company is now on file in the office of the clerk of the supreme court of this city, and contains nearly 3,000 pages of manuscript, which has been printed, and makes about 1,100 pages of printed matter. In addition to that, in that case there were about 600 pages of printed briefs and arguments, which, altogether, makes an entire history of the Kansas branch of the Pacific Railway Company from its inception up to the time of the com-

mencement of this suit, some time in 1863, I believe. The facts brought out in that record show that Thomas C. Durant and those constituting the Credit Mobilier—

Mr. HALE (who appeared for Mr. Blaine) objected to the witness stating what the record would show, as the proper proof would be the production of the record itself.

After some discussion, the witness was allowed to proceed and continued, (resuming the sentence where he left off,) as follows: got Government lands under their contract with the company, estimated to be worth \$20,000 per mile for the line of the road, and United States 6 per cent 30-year bonds, amounting to \$16,000 per mile. Under the tenth section of the act of July 2, 1864, which Stewart says he pushed through Congress, the contractors of the Credit Mobilier got \$16,000 per mile again for the road, amounting in all to \$52,000 per mile, aggregating, at a guess, about \$18,000,000. The approximate estimate of the actual cost of building the road was about \$23,000 per mile, leaving the contractors about \$29,000 per mile over and above the expense of building the road, and amounting in all to about eight or nine million of dollars. The first evidence in the record showing Mr. Blaine's connection with the two hundred and fifty thousand dollars of construction-bonds placed in the hands of Joseph B. Stewart by Thomas C. Durant on the 24th of October, 1864, is a copy of a report in the form of a letter made by Joseph B. Stewart on the 23d of April, 1868, to John D. Perry, of Saint Louis, at that time president of the Kansas Pacific Railway Company. Here is the certified copy of the copy which is on file in the court at Topeka:

NEW YORK, April 23, 1868.

JOHN D. PERRY, Esq.,
Prest. U. P. R. R. Co.:

DEAR SIR: In compliance with your request, I will state that the total claims on me for any portion of the Union Pacific Railroad, Eastern Division construction-bonds are as follows:

Thomas Ewing, jr.....	10
— Blaine.....	15
C. T. Sherman.....	20
H. G. Fant.....	4
J. P. Usher.....	5
U. J. Keeler.....	5
<hr/>	
Total.....	59

I have settled with all the other parties. The three last named, that is—

H. G. Fant.....	4
J. P. Usher.....	5
U. J. Keeler.....	5
<hr/>	

14 bonds,

are to be paid in full as per orders. These were stipulated to be paid since the agreement of the 6th of January, 1866, and are for distinct and specific considerations: Fant's for money, Usher's for some railroad-stock I purchased of him, and Keeler's for a private contract between him and myself. But the Ewing 10, Blaine 15, and Sherman 20, are all subject to the amount of deduction (about 20 per cent.) agreed on between Mr. Durant and myself before and at the time he ratified the settlement of the 6th of January, 1866; which deductions, applying to the whole 174 bonds then outstanding, makes the difference between the whole amount (174) series B construction-bonds outstanding and the lesser amount in your hands to be exchanged. I was compelled to accede to the deduction in favor of Durant in order to induce him to agree to the settlement and compromise of the 6th January, 1866, and he was careful to draw the deductions as well on the 174 that were not returned at the time of the general exchange, as well as those that were exchanged, just leaving the exact amount in hand that were to be exchanged for the whole 174. Of this amount, 174 bonds, 50 are lost and gone, and have been for over two years: 20 I have here with Schiffer & Co., 38 Vesey street, pledged for \$12,000, borrowed for Charles T. Sherman; and 4 are with H. G. Fant, of Richmond, pledged by me. These are the four I recovered in the replevin suit against Bayne & Co.'s assignees.

There are, therefore, the 50 lost, the 20 here, and 4 in Richmond, in all, 74 bonds, that are in a condition to be relieved from all practical means of embarrassment to the Union Pacific Railroad Company, Eastern Division.

Those that I am specially pursuing are the 50 in the National Mechanics' Bank, 10 in the National Exchange Bank, 30 with Purvis's assignees, and 10 on the Latham order never received or accepted, in all, 100 bonds. These 100 bonds I am litigating for, but the 50 lost bonds I shall not spend more time or money about, as they are no longer important.

I must then pay—

Fant.....	4
Usher.....	5
Keeler.....	5

(less the amount paid him,) and these in full; and—

Ewing.....	10
Blaine.....	15
Sherman.....	20

less the, say, 20 per cent deduction, as per agreement with Durant, and already received by him as stated. When the above is complied with I will stand right, honest, and square with all parties.

I will remark, too, that the 30 bonds reserved to me for my personal services rendered for the Union Pacific Railroad Company's cause were all more than absorbed in the, say, 20 per cent. conceded to Durant to secure the settlement.

This I was compelled to do to get the settlement made, so as to get what I could on those that I had traded for and bought, so that in any event, besides the loss of my whole time and labor and personal expense, (and it was large,) I must lose money out of my pocket on what I bought for a profit. This would be the case were I to-day to receive the full exchange for all the bonds after paying the parties above named, that is, Ewing, Blaine, and Sherman: the remark does not apply to Fant, Usher, and Keeler. And every additional bond that I am compelled to pay to get rid of the banks simply increases that loss so much. I am thoroughly punished, let even the most hopeful results come hereafter.

Now, to relieve myself and save my property from sacrifice here I thought the company might lend me, say, fifty bonds covering those that are lost, that is, loan them, not to me, but to Mr. D. Randolph Martin, president of the Ocean National Bank of this city, for my use, he giving his personal bond or obligation to return them on notice so to do. By this I could get the mortgage off of my property here, and sell it during the summer, and replacing the money borrowed could then return the bonds if no settlement was made in the mean time, which, I feel sure, would be done, as the banks never can escape from the position I now place them in. I inclose Mr. Martin's letter expressing his willingness to receive the bonds and execute his obligation to return them. He is well known to Mr. Usher, and also to Mr. John E. Burrill here as his responsibility. This, I think, could be done without risk to anybody.

Or, I will say, give me one hundred of the bonds, less the five sold to Usher, four to Fant, and the five to Keeler, leaving 86 to be delivered to me. I will settle with Blaine, Ewing, and Sherman, and give the company a full release. This would give the company some \$30,000 to resist any annoyance the banks might be able to inflict upon them, and I firmly believe that the moment they discovered that their mere possession as against me done them no good, their only hope of forcing me to terms would be gone, and the whole matter would end. This I do not doubt.

But I do feel that the 50 bonds could be loaned to Martin for my convenience, as stated, and earnestly request that you will be so good as to do it.

The inclosed copy of my amended bill against the Baltimore banks will show Mr Usher the grounds I take under the 29th section of the banking law. The facts, as stated in the amended bill, are copied from the answer to my original bill, and I require no other proof than bill and answer.

I know of nothing further I could say, and begging your immediate consideration of my request,

I am, your obedient servant,

JOS. B. STEWART.

(Indorsed :) No. 153 E. Statement Jos. B. Stewart, April 23, 1868. Exhibits of written testimony proposed by the defendant to be submitted to the master or to the court, as it shall be ordered. Filed December 3, 1873.

A. S. THOMAS,
Clerk, (by Stewart.)

UNITED STATES OF AMERICA, *District of Kansas*, ss :

I, A. S. Thomas, clerk of the circuit court of the United States of America for the district of Kansas, do hereby certify the foregoing to be a true, full, and perfect copy of a paper, with the indorsements thereon attached, as an exhibit in testimony.

In testimony whereof, I have hereunto set my hand and affixed the seal of said court at my office in Topeka, in said district of Kansas, this 29th day of May, A. D. 1876.

[SEAL]

A. S. THOMAS,
Clerk.

On the 3d of February, 1874, during the progress of said trial, the original of that statement was put in evidence, and here is the copy of the record which was used. It is exactly

the same as the other, except that the word "Blaine" is left blank in this, and the word "James" is before the name Blaine in the original.

The copy is as follows :

NEW YORK, April 23, 1868.

JOHN D. PERRY, *President Union Pacific Railroad Company* :

DEAR SIR : In compliance with your request, I will state that the total claims on me for any portion of the Union Pacific Railroad, Eastern Division, construction-bonds are as follows :

Thomas Ewing, jr.....	10 bonds.
James Blaine.....	15 bonds.
C. T. Sherman.....	20 bonds.
H. G. Fant.....	4 bonds.
J. P. Usher.....	5 bonds.
W. J. Keeler.....	5 bonds.

Total..... 59 bonds.

I have settled with all the other parties. The three last named, that is—

H. G. Fant.....	4 bonds.
J. P. Usher.....	5 bonds.
W. J. Keeler.....	5 bonds.

14 bonds,

are to be paid in full as per orders. These were stipulated to be paid since the agreement of the 6th January, 1866, and are for distinct and specific considerations : Fant's for money, Usher's for some railroad-stock I purchased of him, and Keeler's for a private contract between him and myself. But the Ewing 10, Blaine 15, and Sherman 20 are all subject to the amount of deduction (about 20 per cent.) agreed on between Mr. Durant and myself before and at the time he ratified the settlement of the 6th of January, 1863, which deduction, applying to the whole 174 bonds then outstanding, makes the difference between the whole amount (174) series B construction-bonds outstanding and the lesser amount in your hands to be exchanged. I was compelled to accede to the deduction in favor of Durant in order to induce him to agree to the settlement and compromise of the 6th January, 1866 ; and he was careful to draw the deduction as well on the 174 that were not returned at the time of the general exchange, as well as those that were exchanged, just leaving the exact amount in hand that were to be exchanged for the whole 174.

Of this amount, (174,) 50 are lost and gone, and have been for over two years ; 20 I have here with Schiffer & Co., 38 Vesey street, pledged for \$12,000, borrowed for Charles T. Sherman ; and 4 are with H. G. Fant, of Richmond, pledged by me. These are the four I recovered in the replevin suit against Bayne & Co., assignees.

There are, therefore, the 50 lost, the 20 here, and 4 in Richmond, in all, 74 bonds, that are in a condition to be relieved from all practical means of embarrassments to the Union Pacific Railroad Company, Eastern Division.

Those that I am specially pursuing are the 50 in the National Mechanics' Bank, 10 in the National Exchange Bank, 30 with Purvis's assignees, and 10 on the Latham order never received or accepted ; in all, 100 bonds. These 100 bonds I am litigating for, but the 50 lost bonds I shall not spend more time or money about, as they are no longer important.

I must then pay Fant 4, Usher 5, Keeler 5, (less the amount paid him,) and these in full, and Ewing 10, Blaine 15, Sherman 20, less the, say, 20 per cent. deduction, as per agreement with Durant, and already received by him as stated.

When the above is complied with, I will stand right, honest, and square with all parties.

I will remark, too, that the thirty bonds reserved to me for my personal services rendered for the Union Pacific Railroad Company, were all more than absorbed in the, say, 20 per cent. conceded to Durant to secure the settlement.

This I was compelled to do to get the settlement made, so as to get what I could on those that I had traded for and bought, so that in any event, beside the loss of my whole time and labor, and personal expense, (and it was large,) I must lose money out of my pocket on what I bought for a profit.

This would be the case were I to-day to receive the full exchange for all the bonds after paying the parties above named, that is Ewing, Blaine, and Sherman. The remark does not apply to Fant, Usher, and Keeler, and every additional bond that I am compelled to pay to get rid of the banks simply increases that loss so much. I am thoroughly punished, let even the most hopeful results come hereafter.

Now, to relieve myself and save my property from sacrifice here, I thought the company might lend me, say, fifty bonds, covering those that are lost ; that is, to loan them, not to me, but to Mr. D. Randolph Martin, president of the Ocean National Bank, of this city, for my use, he giving his personal bond or obligation to return them on notice so to do.

By this I could get the mortgage off my property here, and sell it during the summer, and, replacing the money borrowed, could then return the bonds, if no settlement was made in the mean time, which I feel sure would be done, as the banks never can escape from the position I would place them in.

I inclose Mr. Martin's letter, expressing his willingness to receive the bonds and execute his obligation to return them. He is well known to Mr. Usher, and also to Mr. John E. Burrill here, as to his responsibility. This, I think, could be done without risk to anybody.

Or, I will say, give me 100 of the bonds, less the 5 sold to Usher, 4 to Fant, and the 5 to Keeler, leaving 86 to be delivered to me. I will settle with Blaine, Ewing, and Sherman, and give the company a full release. This would give the company some \$30,000 to resist any annoyance the banks might be able to inflict upon them. And I firmly believe that the moment they discovered that their mere possession as against me did them no good, their only hope of forcing me to terms would be gone, and the whole matter would end. This I do not doubt.

But I do feel that the 50 bonds could be loaned to Martin for my convenience, as stated; and earnestly request that you will be so good as to do it.

The inclosed copy of my amended bill against the Baltimore banks will show Mr. Usher the grounds I take under the twenty-ninth section of the banking law. The facts in the amended bill are copied from the answer to my original bill, and I require no other proof than bill and answer.

I know of nothing further I could say; and begging your immediate consideration of my request,

I am your obedient servant,

JOS. B. STEWART.

(Indorsed :) Statement Jos. B. Stewart. April 23, 1863. Filed February 3, 1874. Ross Burns, special master.

The copy was filed in the court on December, 1873, and the original on the 3d of February, 1874.

Mr. HALE moved that that part of the witness's answer containing the words "Showing Mr. Blaine's connection with the two hundred and fifty thousand dollars' of construction-bonds" be struck out of the record.

Decision reserved.

Witness continuing: Prior to the interlocutory decree in the case, a stipulation between Joseph B. Stewart and John P. Usher, attorney for the railroad company, appeared in the evidence. This stipulation is in the name of John E. Blaine. Here it is:

"It is agreed in this case that John E. Blaine was the holder of fifteen of the bonds described in the pleadings in this cause as the construction-bonds of the defendant, series B, and that he received said bonds of the plaintiff, and which were returned to him by said Blaine; that afterwards, at the instance and request of the plaintiff, the defendant delivered to said Blaine twelve land-grant bonds, of \$1,000 each, in full satisfaction of the fifteen bonds in the hands of the plaintiff which have not been delivered to the defendant; that the delivery of the twelve bonds was made since the commencement of this suit, but said Blaine was the holder of the construction-bonds aforesaid in the year 1864."

By Mr. HUNTON:

Q. When was this agreement which you have just read filed in the case?—A. I cannot tell you the date. It was filed, however, before the interlocutory order.

Q. It is dated July 18, 1870. Can you form an idea from that date when it was filed?—A. No; I cannot.

Q. How long before the date in this paper, July 18, 1870, was it that this report of Stewart's was made, if it was made before?—A. It was made before, on the 23d of April, 1868. The stipulation was made on the 18th of July, 1870, and the report of Stewart to John D. Perry is on the 23d of April, 1868.

Q. Was that printed report which is in your hand, and the manuscript report which you have handed to the stenographer, of the same date?—A. Of the same date, and precisely the same, with the exception that in the copy filed the place for "James" was left blank, and in the original, which was afterward demanded and filed, the name James appears.

Mr. BLAINE. Never James G. Blaine?

The WITNESS. Never James G. Blaine. After the argument in the general case and interlocutory decree, Usher and Stewart got into a dispute about the stipulation, Usher charging that Stewart asked for it, and obtained it.

Mr. HALE. Are you now stating what occurred?

The WITNESS. I am stating what occurred, and what is in the reports, and what I heard, and everything about it. I was through the case as one of the counsel. It is in the printed arguments, and it was in the old arguments.

By Mr. HUNTON:

Q. Did you hear this misunderstanding between Usher and Stewart?—A. I heard a good

deal of it. It was a continual dispute between the two gentlemen, from the time the suit commenced until the end of it. After the interlocutory decree, the case was returned to a master. It went back to the court and it was referred to another master, Ross Burns, with power to take an account and to take additional testimony in the case. It was after the interlocutory decree that this copy was first filed by the railroad company, as I understood—I mean the first copy of that statement of Stewart's to Mr. Perry. A month or six weeks afterward the original was demanded and filed. There is also, at page 69 of Stewart's depositions, a power of attorney from John E. Blaine to Joseph B. Stewart, as follows:

Exhibit No. 8, with Joseph B. Stewart's deposition.

“STATE OF KANSAS, *City of Leavenworth:*

“Know all men by these presents that Joseph B. Stewart, of Washington, D. C., is fully empowered and authorized by me to settle my claims against the Leavenworth, Pawnee and Western Railroad Company, bearing date May 3, 1862, and to adjust the same on any basis that may seem to him fair and equitable; and to receive and receipt for in my name all dues to me from said Leavenworth, Pawnee and Western Railroad Company.

“Witness my hand and seal this 19th day of May, 1863.

“JOHN E. BLAINE. [SEAL.]

“Witness:

“THOS. P. FENLON.”

That refers to the Leavenworth, Pawnee and Western Railroad, which subsequently became the Union Pacific, eastern division, and has since been changed to the Kansas Pacific.

Q. State, if you know, what the claim of John E. Blaine was.—A. I will read from Joseph B. Stewart's own statement, page 40. It is his deposition:

“My name is Joseph B. Stewart. I am a citizen of the State of New York. I am in the forty-ninth year of my age. I am attorney and counselor at law by profession and occupation. I am a plaintiff in the above-entitled action. I am well acquainted with the corporation defendant, sued as the Union Pacific Railway Company, eastern division, and now known as the Kansas Pacific Railway Company. I knew said corporation when it was the Leavenworth, Pawnee and Western Railway Company. I acquired my knowledge of said company from the inspection of the charter and evidences of corporate organization which, duly substantiated, were brought to Washington City, where I then had and still have a law-office, in 1861 and 1862, by J. C. Stone, A. J. Isaacs, John H. McDowell, and Thomas Ewing, jr., for the purpose of procuring the means from the Government of the United States for the building of said railway, the said company being but a paper corporation, without any capital for the construction of its road, and was in fact the private property of the said Stone, Isaacs, McDowell, and Ewing, the few shares outstanding in the names of other parties being but nominal, the parties above named having plenary power to speak and act for said corporation, as was shown by resolutions of the board of directors of said company, and ample authority under its corporate seal, which was seen and personally inspected by me, and from such inspection and information I was advised and believed and know the same to be true.”

Q. I understand, from all the facts in the case, that John E. Blaine was the holder of some of this capital stock—the stock which Stewart says was only nominal; was that an accepted fact in the progress of the case?—A. I will state that about nineteen-twentieths of the entire record had not the remotest connection with the legal points involved in the issue. The law suit itself was within a very narrow limit indeed. Joseph B. Stewart dragged this history into it.

Q. Was it an accepted fact in the progress of the case that John E. Blaine did own a portion of the stock referred to in Stewart's deposition?—A. Not according to my understanding.

Q. State to the committee what evidence you have on which you have based the statements that John E. Blaine was the owner of a portion of that stock referred to by Mr. Stewart, and which was the claim alluded to in the power of attorney, I mean the stock of the Pawnee, Leavenworth and Western Railroad Company?—A. I have the statement of Joseph B. Stewart, and I have also seen the published statement of Thomas Ewing, that John E. Blaine was the owner of the stock, and I believe that a statement of that kind was in Mr. Blaine's letter which he read recently to the House.

By Mr. LAWRENCE:

Q. Do you know what the powers of attorney referred to are?—A. No, sir; only what the testimony showed, and what I learned from outside statements.

By Mr. HUNTON:

Q. Did that power of attorney from John E. Blaine to Stewart refer to his claim for that stock which you have just alluded to?

Mr. HALE objected to giving parol evidence as to the meaning of a power of attorney which was in evidence, and which spoke for itself.

After some discussion, the witness was allowed to proceed, and continued as follows :

This suit was brought by Joseph B. Stewart, to recover \$154,000 of bonds from the railway company, less \$30,000, which he threw off, in order to make a compromise with Thomas C. Durant, making the suit an action for \$124,000 of bonds. Stewart swears that he bought these \$124,000 of bonds, and swears that he got the \$30,000 (being equal to the amount thrown off) for services. These were temporary construction-bonds, and he brought his suit to convert the construction-bonds into land-grant bonds. He further swears, or states, that his service to the company was worth about seven millions of dollars. He swears that he put the 10th section through, and that that was worth about seven million dollars to the company. It really, I suppose, amounted to about \$5,760,000; so it is not a very wild statement, after all, if he did put that section through. He then further swears that he threw off the \$30,000 which he was to have for his services, and that the suit stands for \$124,000 of bonds which he purchased. That power of attorney is to collect a claim off the railroad company for John E. Blaine, and has no earthly connection, in any way, with Stewart's claim against the company for his bonds, so far as I know.

Mr. BLAINE. It is outside of the lobby interest that you spoke of?

A. Entirely, so far as I know; that is what I understood. It nowhere appears, nor does Stewart anywhere pretend that he ever purchased this claim from John E. Blaine, which is included in this power of attorney. The power of attorney itself shows that Stewart did not purchase it. Under the pleadings and testimony in the case, the power of attorney had no connection with the subject-matter of that suit with these temporary construction-bonds, for which Stewart was suing.

Mr. BLAINE. Those which were supposed (as you have interpreted it) to have gone to the lobby.

The WITNESS. I do not interpret the \$124,000. Stewart swears that he bought \$124,000 of the \$250,000 in bonds. There is a good deal of testimony contradicting him on that point, but that will be all found in the record. That is about all that I know about this instrument, unless the committee should ask for an explanation of the stipulation.

By Mr. HUNTON :

Q. What stipulation do you mean?—A. The stipulation between Stewart and Usher.

Mr. HUNTON. Make whatever explanation you have to make about it.

After some discussion on an objection by Mr. Hale, the witness continued as follows :

As a matter of fact, Joseph B. Stewart himself states that that stipulation is founded on that power of attorney, and they are both connected, so far as the suit is concerned. If the power of attorney applies to this case, or to the \$15,000 mentioned in this report, then the stipulation was a true stipulation as to John E. Blaine. There is no conflict in the testimony as to that stipulation except as to the name John E. Blaine. The amounts and the delivery of the bonds is not contradicted by any of the record.

Q. Then, I understand you to say that it was a fact that that agreement to which you have referred was the subject-matter of the power of attorney?—A. Yes, sir; so Stewart states.

Q. And that that power of attorney did not refer to the bonds involved in this suit?—A. No, sir; the suit was an action by Joseph B. Stewart to recover his individual bonds, and the other was a power of attorney from John E. Blaine to Stewart to collect a claim. The two hung together. The one is founded on the other as a question of fact. Here is Stewart's statement to the same effect, that the stipulation is founded on the power of attorney, [handing to Mr. Hunton a copy of the New York Tribune of 20th May, 1876.] He quotes the power of attorney in that letter, and refers to the stipulation. In Mr. Stewart's own deposition, on page 43, he states as follows :

"I further state that during the summer of 1864 I purchased and paid for one hundred and twenty-four of the said corporation-defendant's series B bonds, and I was paid thirty of said bonds as a fee for my services, and I never received any other compensation. I purchased the hundred and twenty-four bonds in this way : said Hallett and Durant, acting for the corporation-defendant, had issued various stipulations and agreements to be paid in bonds, and having faith in the success of such corporation, I was induced to purchase and take in said stipulations. I mainly purchased through George W. Chase, of New York; but before I purchased any of them I consulted with said Hallett and Durant, and I purchased some of them from said Hallett direct, who required money, and I was induced to let him have it, agreeing to take said bonds. I further state that besides the hundred and twenty-four bonds I purchased and the thirty paid me for my services, there were ninety-six of said bonds placed in my hands in trust for other parties, making in all two hundred and fifty or said bonds which came into my hands, which was the amount accredited to and agreed to be paid to me after the second of July, 1864, at which time I had a full and complete settlement with said Hallett and Durant, and surrendered to said Hallett the several orders for bonds which I had purchased, and took his general order on Durant for that amount, which the latter accepted and agreed to pay."

He nowhere states or pretends anywhere in the record that he ever purchased any bonds from John E. Blaine.

Mr. BLAINE. Or for him ?

The WITNESS. Or for him. He states somewhere in his testimony that he adjusted John E. Blaine's claim as attorney for John E. Blaine. That is the claim mentioned in the power of attorney.

Mr. BLAINE. What is the date of that power of attorney?—A. 19th May, 1862. Mr. Stewart states in that paper [referring to the newspaper] that he adjusted it before the Leavenworth, Pawnee and Western Railroad became the Kansas Pacific Railroad. In his testimony he refers to it as some nominal claim. There were some nominal claims held by certain parties along the line of that road, and I understood that that power of attorney was for one of those claims.

Mr. HUNTON. Then I understand you that this suit, which was a suit of Joseph B. Stewart against the Kansas Pacific Railroad Company, was a suit to recover certain bonds which Stewart held of that company?—A. Yes, sir.

Q. He claimed to have bought a portion?—A. One hundred and twenty-four thousand dollars of them, and he claimed that the company gave him \$30,000 for his services, but that in the settlement with Durant he threw off 20 per cent. in order to bring about the settlement. He complained bitterly against the company for compelling him, after having rendered such valuable services as he claims to have done—to throw off so much in order to bring about the settlement. If the statements are true, the services rendered by Joseph B. Stewart to the Credit Mobilier were of very great value to them, and on the principle of "honor among thieves," I think it very mean in the company not to pay him his money. I state that in justice to Joseph B. Stewart. But the defense was that these bonds were for lobbying, and that the contract was immoral. It was that which called my special attention to the fact of Blaine's name being connected with them.

Mr. BLAINE. Please to repeat that statement.

The WITNESS. The general line of defense was that all these bonds were for lobbying purposes, and that it was an immoral contract, and, as I represented clients who claimed about \$79,000 of the money, my attention was called especially to every feature of the case which tended to show that the contract was immoral. I gave that up, entirely satisfied that that was the nature of the contract, and I fell back, in my argument to the court, entirely upon the compromise of the 6th of January, 1866, by which Durant made a general settlement of all his business and went out of the company. In that settlement, the company gave him a certain amount of these bonds, and he then recognized Stewart's claim to the \$25,000, less 20 per cent.

Mr. HALE. So that, as counsel in part of the case, you abandoned the lobby part of the defense?—A. I abandoned any defense of the case except upon the agreement with Durant.

Mr. LAWRENCE. For whom did you appear as counsel in the case ?

The WITNESS. Joseph B. Stewart had made an assignment of the temporary-construction bonds (the subject-matter of the suit) to Benjamin Bonney, of New York, to secure him in something like \$30,000 of loaned money, and to William A. Coit, of New York, as security for a large amount of money. Stewart agreed with Bonney in writing to go to Topeka, Kans., and to commence a suit against the company in Stewart's name, and to enter it on record for the use of Bonney, and then Bonney was to pay Coit. Instead of that, Stewart went and commenced his suit, and made a subsequent assignment to Hamilton G. Fant, of this city, of the entire subject-matter of the bonds. I was then employed by Bonney's estate, (Bonney having died in the mean time,) by William A. Coit, to attend to their rights. As Coit and Bonney and Stewart were all citizens of the same State, and as the suit was pending in the United States circuit court, and as that court could not adjudicate questions of citizens of the same State, I could not file an answer and a cross-bill, but I commenced original suits in the same court, one for the estate of Bonney against the Kansas Pacific Railroad Company, taking Stewart's case against the company, and then alleging the assignment of it. I also commenced a suit in the name of William A. Coit against the company in the same way. That made three suits that were pending in the same court against the same defendant for the same subject-matter. Stewart then settled the Bonney case by stipulating that \$20,000 of the bonds, when recovered, should be held by him, and then the Coit and Bonney cases were consolidated, and, as my clients represented a large portion of the bonds in issue, the judge agreed that I should have control of the suit, and Stewart and I, with the assistance of some other attorneys, prosecuted the suit against the railroad company for the recovery of the bonds. The decree of the court held the bonds there for distribution to the parties entitled.

Mr. HALE. Do you refer to the decree of Judge Dillon ?

The WITNESS. Yes.

Mr. HALE. So that, practically, the suit was maintained ?

The WITNESS. Yes; on the compromise. The court held that the compromise was binding, and that there was nothing in the compromise to show anything immoral in the transaction. It was a very voluminous and difficult lawsuit, and one which I watched with very great care.

Mr. HUNTON. What was the style of that suit ?

The WITNESS. During the time that the case was tried against the railway company, it

was Joseph B. Stewart and William A. Coit against the Kansas Pacific, or the Union Pacific, Eastern Division, (which was the same thing.) After the interlocutory decree, Stewart agreed with me (as the record was so voluminous) that \$50,000 of these bonds, when recovered, should be held for William A. Coit, and we agreed to set aside the consolidation, so that the case appears here simply as Joseph B. Stewart against the Kansas Pacific Railroad Company.

Mr. LAWRENCE. You have no knowledge of any connection of James G. Blaine with those bonds at all?

The WITNESS. There was a good deal said during the trial.

Mr. BLAINE. I speak of your own knowledge.

The WITNESS. No; not of my own knowledge.

Mr. HUNTON. The scope of the inquiry is larger than that. [To the witness.] You may speak of your own knowledge, or from information derived from others, provided those others are within the United States.

Mr. LAWRENCE. My question was as to your own knowledge.

The WITNESS. I have no knowledge at all, except what I understood from Joseph B. Stewart, and from the testimony as the case progressed, and from conversation, and consultation.

Mr. LAWRENCE. The testimony is all in the record.

The WITNESS. Yes; but there were days and days of talking in court, and the conversation is not in the record.

Mr. HUNTON. [To the witness.] Now, I repeat Mr. Lawrence's question, and I desire you to answer it according to the practice of this committee. State what you know about it, from your own knowledge or information derived from others, provided those others from whom you derived the information are within the United States.

The WITNESS. From all the facts in the case, and from the conversations with Joseph B. Stewart—

Mr. LAWRENCE, [interrupting.] The purpose is not to ask your deductions or inferences or conclusions from what you have heard, but to state any facts you have heard.

Mr. HUNTON. State any facts within your own knowledge, or derived from others, provided those others are within the United States.

The WITNESS. All I can state is my understanding from conversations and the like.

Mr. HUNTON. Give the purport of the conversations.

The WITNESS. That is the only way I can do it, in order to be exact; and, as this is a vital point, I wish to be exact.

Mr. LAWRENCE. I object to the witness stating mere deductions, mere conclusions, mere inferences.

Mr. HUNTON. I have stated to the witness that I desire him to state, as nearly as he can, the conversations between him and anybody else, on which he proposes to answer the question.

The WITNESS. I will state precisely all that occurred, as nearly as I possibly can. As I before stated, my clients claimed a large amount of these bonds. As a lawyer, on the examination of the record, I was very much afraid of the defense, that it was an immoral contract. I turn my attention especially to the investigation and consideration of that point. I consulted with Joseph B. Stewart, and said to him that I was afraid of that point, and that I did not like the looks of Mr. Blaine's name connected with the case. I will correct that. My statement was that I did not like the looks of Congressman Blaine connected with the case.

Mr. LAWRENCE. Do you not know that Mr. Blaine was not in Congress when this claim against the company for bonds originated?

The WITNESS. The conversation took place while Mr. Blaine was in Congress. Mr. Stewart simply said that a large portion of the bonds were for lawyers' fees—attorneys' fees. (He called it attorneys' fees,) and he thought that we could make a good case. He never denied that Congressman Blaine was connected with it, nor did he say that he was not connected with it.

Mr. HALE. Did he intimate that he was connected with it?

The WITNESS. He did not.

Mr. BLAINE remarked that he wanted that answer of the witness emphasized.

Mr. HUNTON. I want this examination conducted in order, if you please.

Mr. BLAINE. So do I.

Mr. HUNTON. Any question that you want to ask, or that anybody wants to ask, shall be asked, but I do not think it right that third parties should interpose here to have a portion of an answer repeated or to have it emphasized, because I consider that a fact once stated is as much emphasized as if it were repeated a dozen times. Now, if you want to ask the witness whether Mr. Stewart intimated anything of that sort, I have not the slightest objection.

Mr. HALE. I think that Mr. Blaine is entitled to the emphasis of that denial.

Mr. HUNTON. I do not think that Mr. Blaine, or his counsel either, has a right to ask any question until the examination-in-chief is ended. By way of accommodation to you and Mr. Blaine, I agreed to let you do so, but if that is pressed too far, of course, the rule will have to be enforced.

Mr. HALE. As to your form of conducting the inquiry, there is no complaint.

Mr. HUNTON. I have no objection to you putting the question.

Mr. HALE. (To the witness.) Did Mr. Stewart ever intimate to you that James G. Blaine was connected with those bonds?—A. At that time, nothing more than was contained in the conversation.

Mr. HALE. Did he ever intimate to you that James G. Blaine was connected with him?—A. I cannot recollect that. Stewart and myself talked a great deal; he is a wonderful talker. I have no distinct recollection of any specific conversation except that one time. I have a distinct recollection of that particular conversation on the street after we came out of the court-house, and it was after Mr. Blaine was Congressman. The case was pending for about five years, commencing in 1868 and ending somewhere in 1874, I believe.

Mr. HUNTON. Did Mr. Stewart ever explain to you why, in the copy of this report of his to Perry, the name was simply Blaine, whereas in the original it was James Blaine?—A. The copy was made out in the office by Mr. Usher, attorney for the railroad company, and the record shows that the defendant (the railroad company) filed it as evidence and also filed the original. Joseph B. Stewart, as I understand it, was not the man who filed either the copy or the original. It was filed by the railroad company after Usher and Stewart had got quarreling and wrangling about the stipulation. This copy was made out, I think, by a clerk named Elias Shull, in the law office of Mr. Dennison, which was occupied by Usher while he was in Topeka attending to the case.

Mr. HUNTON. That is not coming to my question. Did or did not Mr. Stewart ever state in conversation, or did you ever hear him state why, in that copy now filed by you in manuscript, there was a blank before the name Blaine, while the original contained the name James Blaine?—A. I do not. Usher and Charles Brotherton, I think, will be able to state all about that. I wish to be specific in regard to what occurred between Stewart and myself in the before mentioned conversation. He neither said that Hon. James G. Blaine (that is always how he spoke of him,) was or was not the party whose name appeared as a party interested in the bonds. That will make my answer specific.

Mr. HUNTON. In speaking of the honorable Mr. Blaine, did he ever say James G. Blaine or James Blaine?

The WITNESS. Mr. Stewart always, so far as I know, spoke of him as the honorable James Blaine. I always spoke of him as Congressman Blaine, and as Speaker Blaine after he was Speaker of the House. I never used his first name. On page 66 of Stewart's printed book of depositions he speaks as follows: "I further state, as in direct examination, that the president of the defendant, Mr. John D. Perry, and its counsel, the Hon. John P. Usher, have both repeatedly stated to me, and, I believe, to others, that I was entitled to my bonds, and ought to receive them whenever I should be able to produce the said series B bonds. Among others, I am informed and believe that Mr. Usher made that statement to Mr. Alexander Hay and the honorable James Blaine, in Washington, and that Mr. Perry made it to General Robert E. Mitchell, of Kansas, and others, and I have never doubted their good faith toward me until disclosed in the defense now made against paying me my bonds." He spoke of Mr. Blaine there as the honorable James Blaine.

The committee here adjourned until 2.30 p. m.

WASHINGTON, June 8, 1876—2.30 p. m.

THOMAS A. GREEN recalled.

By Mr. HUNTON:

Question. Have you now stated to the committee all that you know about the disposition of the bonds or other assets of the Kansas Pacific Railroad from its inception to the present time?—Answer. There were \$96,000 of those temporary-construction bonds that Joseph B. Stewart testifies he got in trust for other parties. Alexander Hay testifies that he exchanged \$76,000 out of those \$96,000 as the agent of Joseph B. Stewart. Joseph B. Stewart testifies that Alexander Hay exchanged \$76,000 for himself and other parties for whom he, Hay, held them in trust. That accounted for about one hundred and fifty-four that Joseph B. Stewart sues on, less the \$30,000 and the \$76,000 which Hay exchanged for unknown parties, leaving \$10,000 only that are not mentioned, so far as I know.

Q. Ten thousand dollars of what character of bonds?—A. Of the temporary-construction bonds.

Q. What was the original amount of those construction-bonds?—A. Two hundred and fifty thousand. \$150,000 Stewart sued on. He is only entitled to that amount, less \$30,000.

Q. Who got the \$76,000?—A. Alexander Hay, of Philadelphia, testifies that he, as the agent of Stewart, exchanged them for these new land-grant bonds.

Q. As the agent of Stewart?—A. Yes. Colonel Stewart testifies, as I understand it, that Hay exchanged them for himself and others not named.

Q. For Stewart and others?—A. Yes; others not named. This \$96,000 is over and above

the \$10,000 to Ewing, \$15,000 Blaine bonds, and \$20,000 Sherman bonds. I will state here that the four bonds which were given to, and which are marked as due, H. G. Fant, and the five bonds to J. P. Usher, and the five bonds to W. J. Keeler, are wholly independent transactions. They bought from or traded with Stewart himself for those; the printed statement explains that; but the others are all subject to 20 per cent. discount. I make the statement because I know that to be so.

Q. You say that the four bonds to Hamilton G. Fant, and the five bonds to J. P. Usher, and the five to William J. Keeler, were owned by the parties respectively by purchase?—A. By purchase from Joseph B. Stewart or by trade. I will say purchase.

Q. How were the bonds of C. T. Sherman acquired by him?—A. It simply appears that they were delivered to Mr. Sherman. I do not know what they were for—only what I understand.

Q. Who is C. T. Sherman?—A. I think he is a Judge Sherman, of Ohio, and I think a brother of Senator Sherman. I will not be certain about that.

By Mr. BLAINE :

Q. Why did not you infer at once that they were Senator Sherman's bonds?—A. I examined into that matter very closely, and was satisfied that they were not Senator Sherman's bonds, so far as I could understand it. I thought at first they might be, so I investigated the matter and found that they were not.

By Mr. HUNTON :

Q. That they were not whose?—A. That they were not Senator Sherman's bonds, so far as my investigation went.

Q. You investigated the subject and found that they did not belong to Senator Sherman?—A. Yes; I investigated it.

Q. Do you know upon what consideration they were acquired by C. T. Sherman?—A. No, sir.

Q. Upon what consideration were the Blaine bonds given? State all you know about them.—A. I know of no consideration at all for the Blaine bonds, except the statement that Mr. Stewart makes.

Q. We do not know what Mr. Stewart did say.—A. Well, strike that out. I will just simply say that I know of no consideration at all.

Q. How did Thomas Ewing, jr., get his 10 bonds; for what consideration?—A. He testified that he acted as the attorney of Joseph B. Stewart in arguing a case, and was to have those bonds as attorney's fee. I will refer the committee to Thomas Ewing's own testimony on that subject. I read from page 148 of the report of the special master, Ross Burns, which contains the deposition of Thomas Ewing himself, in the suit of Joseph B. Stewart against the Union Pacific Railway Company, eastern division. On his cross-examination Thomas Ewing, jr., testifies as follows :

"First cross-interrogatory. Were you not, in 1866, owner of or interested in some of the bonds known as series B construction-bonds, purporting to have been issued by defendant? If yea, state the nature of such your interest; how acquired; to what bonds it extended; what disposition you made of such your interest; to whom, and for what consideration.

"Answer. The complainant became indebted to me in the sum of \$10,000 for arguing a cause in his behalf before the Solicitor of the Treasury, in Washington, and for other professional services rendered him in 1865-'66. Subsequently I verbally agreed to accept, in payment of that obligation, 10 of the construction-bonds of the defendant. Those bonds were not delivered to me, and no order or writing was ever given me for them. Subsequently, in the same year, I agreed to accept eight of the land-grant bonds of the defendant in lieu of the construction-bonds, and for those eight bonds I received the order dated in 1866, a copy of which is annexed to the interrogatories.

"Second cross-interrogatory. Did you or the complainant, or any person on your behalf, ever enter into any contract with the defendant for the exchange of said series B construction-bonds for other bonds? If yea, state fully when, how, on what terms, and under what circumstances such transaction took place.

"Answer. The complainant entered into a contract with defendant for the exchange of construction-bonds, series B, for other bonds; but he did not do it on my behalf, further than in this, that before that contract was made by complainant, I had consented to accept ten of the said construction-bonds of \$1,000 each in payment of the \$10,000 complainant then owed me, and soon afterward consented to take eight of the land-grant bonds, instead of the construction-bonds, in payment of the debt."

The case as it stands with Mr. Ewing is, that Mr. Stewart simply owed him for legal services and agreed to pay him ten of these bonds.

Q. And that is all you know on the subject of his ownership?—A. Yes. Mr. Stewart states that he had given, in all, an order for \$25,000 of these bonds, (I do not understand the matter except just as it appears in this book.) On page 28 of the special master's supplementary report, (I believe it is a supplementary report; there were two or three reports,) I find the following order :

"JOHN D. PERRY, Esq. President K. P. R. R. Co., E. D. :

"Please deliver to Thomas Ewing, jr., or order, eight of the land-grant bonds of your said company held for exchange for the construction-bonds claimed to have been made by the company, and by you placed in the hands of J. C. Kennedy, and now owned by me, and this shall be your receipt to the company for eight of said land-grant bonds, when said construction-bonds shall be presented for exchange.

"I have heretofore given to said Ewing an order on the company for the equivalent in land-grant bonds of twenty-five of said construction-bonds. This order now being given, the holder of the former order presenting it will be entitled to the equivalent in land-grant bonds of fifteen of said construction-bonds, instead of twenty-five.

"WASHINGTON, *October 29, 1866.*"

"JOS. B. STEWART.

Q. Why was he to get twenty-five; there are only ten mentioned here?—A. That seems to be a remainder; I do not know, sir; I will take that back; I will let it stand just as it is here:

"This order now being given, the holder of the former order presenting it will be entitled to the equivalent in land-grant bonds of fifteen of said construction-bonds, instead of twenty-five."

Q. Are there any other papers that you have with you that bear upon this question at all?—A. There is a paper that bears upon the question of that power of attorney of John E. Blaine, if I recollect, from the Kansas Pacific Company.

By Mr. LAWRENCE :

Q. What is the date of the power of attorney?—A. It is the first power of attorney.

Mr. HALE. It is dated May 13, 1863.

The WITNESS. That power of attorney purports to be a power from John E. Blaine to Joseph B. Stewart, dated May 19, 1863, to collect an obligation against the Leavenworth, Pawnee and Western Railroad.

By Mr. HUNTON :

Q. Does the power of attorney say "obligation"?—A. I will have to ask some gentleman to read it; I do not remember exactly the terms.

Mr. HALE read the power of attorney, which proves to be a power to settle a "claim," bearing date May 23, 1862, of John E. Blaine against the Leavenworth, Pawnee and Western Railroad Company, the power of attorney being dated May 19, 1863, signed by John E. Blaine, and witnessed by Thomas P. Fenlon.

Q. You use the word "obligation;" you mean to say a "claim"?—A. Yes, a claim. On the 3d of February, 1864, Samuel Hallett entered into a contract with Thomas C. Durant with regard to the building of the Kansas Pacific Railroad.

By Mr. HALE :

Q. What paper are you now referring to?—A. [Indicating a paper in his hand.] This is a contract entered into between Hallett and Durant in regard to the building of the road.

Q. Was the contract with Durant, or with Perry?—A. It was between Hallett and Perry.

Q. You said Durant; it was really with Perry?—A. It is really between Hallett and Durant, this one is; it is between Thomas C. Durant and Samuel Hallett. This contract is headed by a schedule of all the debts and assets of the railroad at that time, and the contract is made to depend entirely for its validity upon the truthfulness of the schedule of indebtedness and assets of the company at that time. There is nothing at all in this schedule which shows that the road was at that time indebted to John E. Blaine.

By Mr. LAWRENCE :

Q. Or to Sherman?—A. No; Sherman did not pretend to have it until afterward.

Q. Or to Ewing?—A. Yes; this schedule shows a lawyer's fee of \$2,500 for Ewing in the case of Ross, Steele & Co.; you will have to determine whether it was due or not.

Q. Who made that schedule?—A. This is made by Samuel Hallett.

By Mr. HALE :

Q. It is no adjudication, is it? It is simply a memorandum for the convenience of the parties who were making a trade, is it not?—A. It is a memorandum, or schedule, made by Perry to Durant, and the validity of the entire contract with Durant depends upon the accuracy of the schedule; that is the provision of it.

By Mr. HUNTON :

Q. Of the debts reported and the credits due?—A. Yes.

Q. What was that contract about? State in brief.—A. That is this Credit Mobilier contract that I spoke of in my examination above.

By Mr. HALE :

Q. It is a contract to build the road?—A. Yes. The contract is as follows :

Contract between Thomas C. Durant and Samuel Hallett.

The conditions of the Union Pacific Railway Company, Eastern Division, as to stocks and rights to subscribe for stock, now is the same as it was when Fremont, Hallett & Co. purchased of J. C. Stone, A. J. Isaacks, T. Ewing, jr., and J. H. McDowell, except as herein-after mentioned. For the condition thereof at that time, I refer to their agreement of May 23, 1863, and the exhibit accompanying the same.

Grading on forty miles of the main line completed.

Bridging completed, except the draw on Kansas River. This draw is delivered to the company, and is in transit from Chicago. The piling for this draw-bridge was not quite completed when Mr. Hallett , but I suppose it is now.

Telegraph-poles set, and insulators will be on in about a week; wire purchased and delivered.

The ties are distributed on the entire forty miles. The iron for the forty miles of main line and necessary side-tracks is delivered and in transit, together with the chairs and spikes for the same.

The following equipments are delivered:

- 3 locomotives, (2 first-class and one small one.)
- 2 first-class passenger-cars.
- 4 second-class passenger-cars.
- 30 box freight-cars.
- 30 platform freight-cars.
- 1 mail-car.

This mail-car is not yet delivered, and the payment of the same is not provided for.

The right of way and station-grounds are all obtained, including the station-buildings, except the station grounds and buildings at Lawrence, which are not yet provided for. But if the line as now located is adopted, the station will be on the company's lands.

The machine-shops are provided for, except as above stated, and with the following exceptions, viz:

Amount due from Hallett's draft to N. B. Kidder, being in one draft of \$1,800 and two drafts of \$1,000 each.....	\$3,800
There are two other small drafts that will not exceed together	200
Due on draw-bridge.....	6,000
Due Hubbard, agent, for tents and blankets.....	10,000
Due on excavation.....	3,000
Due on Wyandotte-station grounds, in cash.....	4,000
Due on Holley's drafts in Canada, about.....	4,000
Due Wyandotte, Kansas City, and Armstrong station-buildings, and payable in stock	40,000

Amount claimed of the company:

Thomas Ewing, charges for legal services in the Ross, Steel & Co. case.....	\$2,500
General Stone charges salary.	
A. J. Isaacks.	
S. A. Stinson.	
Claims due Isaacks & Stone, \$2,000 each.....	\$4,000

Due for some ties delivered by contract, the exact amount of which I do not know, and a small amount due for bridging.

The last two items are on the Lawrence branch; on branch about twenty miles graded and bridging commenced, but not much done; about 40,000 ties delivered. I cannot say as to the ties correctly on the branch; telegraph-poles out, but not yet delivered on the line of the road.

Right of way and station-grounds all procured.

The above-named work and lands all paid for, except as herein stated.

ASSETS.

Stock said to be full paid, about.....	\$500,000
Stock subscribed for.....	9,500,000
(See statement of May 23, in contract of Stone & Co.)	
Government bonds, 16 per mile, (360 miles).....	5,760,000
Land-grant bonds, 20 per mile.....	7,200,000
Wyandotte County bonds.....	100,000
Lawrence City bonds, not yet concluded.....	200,000
Kansas City bonds.....	150,000
Ferry rights, valued at.....	100,000

BRANCH.

Bonds convertible into Government bonds, if Government gave bonds to aid in construction	\$480,000
Leavenworth City bonds.....	200,000
Fort-lands, valued at.....	500,000

The land-grant bonds are secured by a mortgage which is a lien on the road and equipments, subject to Government lien only, and a first and only lien upon the lands granted by Congress to aid in the construction of the road, and upon the lands acquired by the company by Indian treaties, except the amount due the Government.

See land-grant bonds attached.

The present condition of securities :

None of the land-grant bonds are yet issued.

No city or county bonds have been used. No bonds issued upon the Leavenworth section. The only bonds issued are \$640,000 on the first section of forty miles of the main line (Government bonds) to J. D. Perry, \$95,000 of which are not yet used. The remaining \$545,000 are to secure Mr. Perry's advance of \$500,000 and a commission of \$45,000, or one-ninth of \$400,000 commission. This arrangement with Mr. Perry is to continue for nine sections; that is, Mr. Perry is to advance \$500,000, as required for construction, on \$545,000 of the bonds, receiving upon each section \$45,000 of the bonds as commission for such advance, and also to do all he consistently can to aid the completion of the road.

Mr. Winchell, under a contract with S. Hallett & Co., was to have \$100,000 for what he has done, and for his services to the time the road is completed, which amount is to be paid as each section of the road is completed and accepted, in the securities that may remain in the hands of Messrs. Hallett & Co., as profits on the construction of the section of the road so completed.

Two hundred and fifty thousand dollars to sundry parties, (S. I. McD.,) payable in same manner as Mr. Winchell; and for services rendered and to be rendered, \$50,000 to T. J. Stead, conditioned on his making loan of \$500,000, which has not been done.

To McDowell for difference in what he realized from Mariposa stock (one-fourth interest) and what he allowed Mr. Fremont. The whole stock received amounting to not more than \$20,000 or \$30,000 at its par value; difference small, if any.

The road is being constructed by S. Hallett, and no part of the same is sublet, and no contracts are out for materials, except for the ties for the next forty miles, which are under contract to be delivered at 28 to 30 cents each. In addition to the material and equipments on hand, as heretofore enumerated, are the tents and blankets, six patent excavators, engineering instruments, carts, machines, oxen, patent-right to use excavators on the Pacific Road and its branches, for \$10,000, on which \$2,000 has been paid; horses, shovels, picks, and everything in the way of tools and outfit required for the rapid prosecution of the work.

Mr. Hallett states the above to be the present condition of the enterprise. That he holds a good and valid contract for building the road by resolution of the board of directors, and is entitled to a formal contract for the same from the company, providing for the delivery to him of all the securities and stock mentioned in this statement, which now are, or hereafter shall, be under the control of the company.

Mr. Fremont or Messrs. Hallett & Co.'s contract, in which Mr. Haskell was interested, was never ratified by the board of directors, but was made void by a resolution and notice given to all parties in writing, with a personal service in each case. No resolution is on record giving General Fremont any control or transfer of either stock or bonds.

Mr. Haskell has no interest whatever in the contract. The Indian lands are to be paid for and the money to be invested in the land-grant bonds of the company under an agreement already made.

A resolution authorizing S. Hallett to do all acts and make transfer of securities belonging to the company has been passed and is on file with the Secretary of the Treasury, dated December 18, 1863. All outstanding stock upon which the company has received no payment is to be forfeited unless payments are made as fast as called for by the company, only five thousand dollars (Winchell) is recognized as *bona-fide* stock which can be transferred since Hallett has had control.

Mr. Lane has the assurance of the President that the Government commissioner shall be appointed when forty miles are completed. * * * The advances of Mr. Perry are to be paid as hereinbefore noted. Of the money advanced by Mr. Hallett's New York house, \$25,000 is not yet provided for, and is to be paid in cash. The \$200,000 advanced by Hallett's family to stand advanced to the contractor until such time as the securities of the company are available at fair prices. This advance to be repaid out of the securities upon the first section of forty miles.

SUMMARY.

Money received of Mr. Perry	\$500,000
Money received from other sources	75,000
Money received from J. S. Hallett	200,000
<hr/>	
Loss expended on branch, estimated	775,000
	100,000
<hr/>	
	675,000
Paid for transportation of men, to be paid in cash	25,000
Cost required to complete draw-bridge and track-laying	26,000
<hr/>	
	736,000

Due on liabilities in cash	\$30,600
Due on liabilities in stock	40,000
Forty miles track-laying, say	20,000
Amounts to become due on outstanding contracts :	
To Clark Bell, as per contract	\$10,000
To G. W. McDowell, on land-grant bonds	100,000
To Geo. Fras. Train in kind, as Hallett has left for profits	300,000

For the city and county bonds hereinbefore mentioned, the company are to issue full paid shares of the company's stock in amounts equal to such bonds respectively.

The foregoing statement of facts in relation to Union Pacific Railroad Company, Eastern Division, and its road, business, contract, and operation, and the situation of the company and its officers, being made by Samuel Hallett to Thomas C. Durant; thereupon, on the basis of said statement and on condition of the same proving to be correct, said Durant enters into the following agreement with said Hallett:

[U. S. revenue 5-cent stamp.]

All the above-mentioned securities and all securities to come from said company to said Hallett, including rail road shares, United States bonds, and land-grant bonds, city bonds, county bonds, and other obligations shall be delivered to said Durant as often and in such quantities as may be requisite, to be held, managed, used, and disposed of by him as follows:

Said Durant will undertake to raise money on said securities by sale of pledge thereof to enable said Hallett to perform his contract for constructing and equipping the said railway, and in case said Durant shall himself make advances for that purpose, he shall have the right to re-imburse himself by sale or pledge of said securities for such advances. Said Durant shall keep full accounts of all said securities and the proceeds thereof, which shall be open to the inspection of said Hallett, and said Hallett shall keep full accounts of transactions in the construction and equipment of said railway, which shall be open to the inspection of said Durant.

For the services and advances of said Durant to be done and made under his agreement, he is to have from said Hallett one-third part of all the net profits made and to be made by and under said contract of said Hallett with said company, to be ascertained by deducting the actual cost of construction and equipment of said railroad from the amounts received from said company for the same; such net profits to be determined, and such payments to be made as to each section of forty miles of said railroad upon the completion of such section, and the occupancy of the same by the United States Government, and the re-imburement of all advances made thereof; and the remaining two-thirds of such net profits belonging to said Hallett, whether in the hands of said Durant or of said company, all to be placed in the hands of John D. Perry, trustee, and not to be sold or put on the market until the completion of the whole of said railway, except by the written consent of said Durant.

Before making up any estimate of net profits, the items in said statement of facts consisted of \$200,000 received from John S. Hallett, and \$75,000 received from other sources, shall be reimbursed to said John S. Hallett, or his order, in land-grant bonds, at par, out of those which shall be received for the first section of forty miles of said railway, and in estimating the net profits of each section of forty miles of said railway, the actual cost of construction of such section shall include one-ninth part of all other items payable by said Hallett, as mentioned in said statement of facts, except the amount payable to George Francis Train, for his services heretofore rendered, which last-mentioned amount is to be paid by said Durant for said Hallett to said Train out of said Hallett's securities pertaining to his two-thirds part of net profits. Such \$300,000 to be paid in the above-mentioned securities at par, in like proportion of each class of said securities as the same shall be received from said company, payable one-ninth part on and contemporaneously with the payment of said Hallett of securities for his two-thirds of net profits upon the completion and acceptance of such section of forty miles of said railway. Such securities of said Train to be held by said Durant as trustee for the benefit of W. D. Train, wife of said George Francis Train, and not to be sold or put on the market before the completion of the whole of the said railway without the written consent of the said Hallett and said Durant.

Said Durant shall also pay, at his own expense, to said George Francis Train, for the same services in like manner, at like times, and in like proportions, and held on like terms for said W. D. Train's benefit, other \$150,000. All payments for items mentioned in said statement of facts, except said \$275,000 and said \$300,000, above provided for, and except \$100,000 to G. W. McDonnell, (which is to be paid in land-grant bonds at par,) shall be made in such above-mentioned securities as shall be received from said company, and remains on hand after all of the payments for each section respectively, and the same (including said securities paid to said McDonnell) shall be placed in the hands of trustees, and be held and not sold, nor put on the market until the whole railway is completed, without the written consent of said Hallett and said Durant.

Any deduction which may be made in any of the amounts to be paid, or any item in said statement of facts contained, shall be included in said net profits.

One-half of the shares of stock of said company, to which said Hallett shall become entitled as part of his two-thirds of the profits, shall be put in the name of said John D. Perry, as trustee for said Hallett, it being the intention of the parties to this agreement that said Durant, said Hallett, and said Perry each, shall have the power to vote on one-third of all shares of said company which may be received from the company.

Said Hallett is to procure the choice of a board of directors, a president, and a treasurer of said company, who shall be satisfactory to himself, and said Perry and said Durant.

Said Hallett, once a month shall furnish to said Durant, copies of the pay-rolls, vouchers, and statements for the month, and copies of all monthly estimates of the work.

No salary or wages shall be charged for Thomas Hallett nor for John S. Hallett.

The Leavenworth section of said railway, and the securities to come from the same, as mentioned in said statement of facts, are included in this agreement, but said Hallett is not to do any work on that section without said Durant's written consent.

No subcontract for work or material, nor any large operation affecting the interest of the parties hereto, shall be made or done by said Hallett without the written consent of said Durant, and no sacrifice of securities nor any large sale thereof shall be made by said Durant without the written consent of said Hallett.

Said Hallett agrees to procure the execution of a formal contract from said company conformable to the matters in relation thereto in said statement of facts contained.

The said Thomas C. Durant and the said Samuel Hallett, in consideration of the premises and of the mutual agreement in these presents contained, do mutually agree severally to perform and fulfill their several and respective agreements above written.

The telegraph is included under the term "railroad," and the profits of said Hallett from using both, and subject to all the above provisions as to profits of construction.

In witness whereof the said parties last above named have hereto set their hands and seals this 3d day of February, 1864.

THOMAS C. DURANT. [SEAL.]
SAMUEL HALLETT. [SEAL.]

Sealed and delivered in the presence of—

N. B.—Last page those lines inserted in the margin by writing in the margin.

EBENEZER COOK.

[U. S. int. rev. stamp, five cents.]

It is hereby further agreed and understood that in case the said Durant does not raise the money necessary under the above statement of facts, and contract to prosecute the work upon the said railroad and telegraph line to meet the equipments of the act of Congress, then and in that case, if the said Hallett shall through J. D. Perry or other responsible parties, raise the money for the purpose above specified, the said Durant shall transfer a reasonable amount of the securities to be placed in his hands, under the above agreement to said John D. Perry or other parties, but said securities shall not be sacrificed or disposed of in any large amount without the written consent of said Durant, and the proceeds of such securities, when disposed of, shall be applied to the payment of the money so raised, and all such advances shall be reimbursed, the same as if made by said Durant before any division of profits so made, as in the agreement hereinbefore provided.

THOMAS C. DURANT. [SEAL.]
SAMUEL HALLETT. [SEAL.]

Sealed and delivered in the presence of—

JOHN E. HENRY.

[U. S. int. rev. stamp, five cents.]

Supplementary agreement between Thomas C. Durant and Samuel Hallett:

Said Durant is to pay five thousand dollars to said Hallett in hand on account of the advances mentioned in the principal agreement.

Said Durant is not to make any other advance until the contract with the company is executed according to the principal agreement and the securities are placed in his hands.

He is also to raise or advance the money required to complete the first forty miles, say twenty thousand dollars, and to pay the six thousand dollars due on bridge and other indebtedness of said Hallett, as shown in his statement of facts, including the amount paid for transportation of men, it being understood that said payments shall be extended by said Hallett, say four months after the said contract shall be executed and securities delivered as aforesaid, if said Durant so desires. Beyond the above sums said Durant shall not be under any obligation to advance any money faster than he raises it on securities received from the company, according to the principal contract.

In witness whereof the said parties have hereunto set their hands and seals this third day of February, A. D. one thousand eight hundred and sixty-four.

THOMAS C. DURANT. [SEAL.]
SAMUEL HALLETT. [SEAL.]

Sealed and delivered in the presence of—

CHAS. TRACY.

(Indorsed :) No. 153. The United States circuit court for the district of Kansas, in chancery. Joseph B. Stewart, complainant, vs. The Union Pacific Rail Company, eastern division, case No. 153, Exhibit A.

DENTHETT & SPENCER AND GEO. W. HOYT,
Complainants' Sol's.

Filed May 26, 1869.

A. S. THOMAS,
Clerk.

By Mr. HUNTON:

Q. Then the claim which was mentioned in this power of attorney from John E. Blaine to Stewart in 1863 was not mentioned as a debt of this company in 1864, when that contract was made?—A. No, sir; it is not mentioned, unless I have made a mistake in examining it. I think I have examined it very carefully; of course, if I have made a mistake, it will appear.

Q. Does that paper [indicating pamphlet in the hands of the witness] contain anything about the contract and the schedule?—A. This is Mr. Stewart's original bill in this suit, with the exhibits; he makes that contract an exhibit, and it is a certified copy of the original bill in the case filed by Stewart, with all its exhibits. Those contracts are all exhibits.

Q. Do you know anything of any contract between Stewart or the Kansas Pacific Company and John E. Blaine, by which the company or Stewart became indebted to John E. Blaine after the date of that contract?—A. I know of none.

Q. Have you any reasons or facts to give the committee which would indicate whether there was anything due John E. Blaine after the date of that contract?—A. Yes; I have Mr. Stewart's sworn testimony in regard to it. On page 40 of Mr. Stewart's printed book, his deposition appears as one of the depositions in his case against the Union Pacific Railroad, eastern division. That deposition of his is verified on the 22d of November, 1871, before Frank B. Hoff, notary public. In that deposition I find this allegation: "I knew said corporation when it was the Leavenworth, Pawnee and Western Railway Company. I acquired my knowledge of said company from the inspection of the charter, and evidences of corporate organizations, which, duly substantiated, were brought to Washington City, where I then had, and still have, a law office, in 1861 and 1862, by J. C. Stone, A. J. Isaacs, John H. McDowell, and Thomas Ewing, jr., for the purpose of procuring the means from the Government of the United States for the building of said road, the said company being but a paper-corporation, without any capital for the construction of its road, and was, in fact, the private property of the said Stone, Isaacs, McDowell, and Ewing, the few shares outstanding in the names of other parties being but nominal, the parties above named having plenary power to speak and act for said corporation, as was shown by resolution of the board of directors of said company, and ample authority under its corporate seal, which was seen and personally inspected by me, and from such inspection and information I was advised, and believed, and know the same to be true." I know of no connection with the claim of John E. Blaine, unless it was included in those nominal claims outstanding in connection with General Ewing's statement that John E. Blaine's claim was founded on stock. These shares that Stewart states were merely nominal I supposed were worthless in some way, or of no validity.

Q. Does Ewing claim that his claim was for stock?—A. It was so stated in some letter or paper that was published, and which I believe Mr. Blaine read in his vindication. It was there stated, I understand, that this claim was for stock that John E. Blaine obtained from this Leavenworth road, and this is the only mention I find in it. Mr. Stewart swears positively that all that stock belonged to Isaacs, McDowell, Ewing, and Stone, except a few outstanding shares, which were merely nominal. Isaacs, Stone, Ewing, and McDowell, in their contract of sale to Hallett and other parties, state that there are some outstanding claims, that they will not determine whether they are binding or not binding, but that they will not be responsible for them. Taking that all in connection with Ewing's statement, I take it that that refers to the outstanding claims; they are the only claims I know of included in the testimony anywhere.

Q. They stated that they would not be bound by them?—A. They had nothing to say about them; they would not pass any judgment as to whether they were legal or not legal, but that Stone, Isaacs, McDowell, and Ewing would not be responsible for them. If there was any validity in them, the Union Pacific Railroad, eastern division, was, according to them, to be responsible for them. Joseph B. Stewart himself, in his deposition, swears that they were merely nominal.

Q. Have you any other fact that you can give the committee upon which you formed the impression that that claim of John E. Blaine's had been settled prior to this contract?—A. Not in the record, that I can remember.

Q. Do you know of any other fact in connection with these shares that are put down in one report to "Blaine," and in another to "James Blaine"?—A. No, sir, except the statement made in the papers by the different parties.

Q. I mean, have you any other fact bearing upon that question, whether from the record or otherwise?—A. I read from Joseph B. Stewart's statement in the New York Tribune, of May 20, 1876, as follows:

"But fortunately every one of the 174 bonds mentioned in my letter to Mr. Perry can be accounted for.

"1. The 20 belonging to Sherman, and pledged by me to Schiffer & Co., were paid, and taken up by the company, as shown by a further stipulation proposed and signed by Mr. Usher on the part of the company, and added to the Blaine stipulations at page 97 of the record, just two days later, as follows :

"It is further stipulated that Samuel Schiffer was the holder of 20 of the construction-bonds, series B, described in the proceedings in this cause; that he obtained them from the plaintiff in 1864, and that he held them in his possession until 1867, when he exchanged them with the company for certain income-bonds of the company; and this statement is made to be read in evidence in this cause.

"J. R. USHER, *Solicitor for Defendant.*

"JOS. B. STEWART, *Complainant, in person.*

"These were the Sherman bonds, and were exchanged and are in possession of the company. It is shown by the report of the special master, Burns, that I presented for exchange 124 of the construction-bonds, and made proof of the loss or destruction of 50 bonds that were in the Union National Bank, Baltimore, thus accounting for 174, all of which, except the 50 that were stolen or destroyed in 1866, are in the registry of the United States circuit court at Topeka, Kansas, under the control of the special master, Ross Burns. As suggested by Mr. Riddle, it is very easy to see whether the name of James W. Knowlton appears as a witness to the transfer thereof, and I shall immediately address a request to the special master to inspect those bonds, and if he finds the name of Mr. Knowlton, as must be the case if the statements of General Boynton, Mr. Knowlton, and others are true, to be so good as to send a certified copy of the fact to the Hon. A. G. Riddle, General Boynton, or General Mussey, to use in such manner as their duty to the public may prompt them."

That statement is mostly incorrect.

By Mr. LAWRENCE :

Q. That is, Mr. Stewart's statement is mostly incorrect?—A. Yes, it is mostly incorrect. Mr. HALE. Do you propose to allow the witness to read a letter (which has not been put in his testimony) of a party who has not been here as a witness, in order that the witness may go on and contradict what there may be in that letter?

Mr. HUNTON. Yes; I did not know what he was going to say; but if I had known, I should have asked him to go on and say whether he agreed with the facts therein stated; and, if not, in what respect he differed from them.

Mr. BLAINE. How do you know that Mr. Stewart wrote the letter?

Mr. HUNTON. His name is signed to it.

Mr. BLAINE. It is only a publication; it is not proved to be Mr. Stewart's letter.

Mr. HUNTON. I do not know anything about the letter, nor whether it was written by Mr. Stewart or not, except that his name is signed to it. [To the witness.] State to the committee, without putting this letter in evidence, any facts that you may know that are stated differently in that letter.—A. There are only 74 bonds of all the 250 on file with the master in Topeka, Kansas; there are 50 such bonds that Colonel Stewart got credit for, making, as I figure it, 124 bonds. I examined those bonds, in connection with the master in chancery, a week ago last Monday or Tuesday.

Q. What bonds?—A. The 74 that are on file with the master in Topeka; those bonds all belonged to other parties, having been assigned by Joseph B. Stewart to other parties, and delivered there, by them, as his assignees, except, possibly, ten, that I do not know who delivered.

Q. State who filed those bonds.—A. Hamilton G. Fant files four; they are put up and labeled in his name; Birdseye & Crosby, of New York, file five; William A. Coit, of New York, files five; Baldwin (of Baltimore, I believe) files fifty; ten are not labeled, but they are included in two or three assignments to Joseph B. Stewart, Bonney, Coit, Fant, and others. As to what purports to be the fifteen Blaine bonds, it is stated in a stipulation as to Blaine and Schiffer, page 71 of the pamphlet that I have quoted from, that the bonds were received by Mr. Blaine from the plaintiff, and were returned to him by said Blaine, showing that the Blaine bonds went back to Joseph B. Stewart. That stipulation is as follows :

"*Stipulation as to Blaine and Schiffer.*

"It is agreed, in this case, that John E. Blaine was the holder of fifteen of the bonds described in the pleadings in this cause, as the construction-bonds of the defendant, series B, and that he received said bonds of the plaintiff, and which were returned to him by said Blaine. That afterward, at the instance and request of the plaintiff, the defendant delivered to said Blaine twelve land-grant bonds of one thousand dollars each in full satisfaction of the fifteen bonds in the hands of the plaintiff, which have not been delivered to the defendant. That the delivery of the twelve bonds was made since the commencement of this suit, but said Blaine was the holder of the construction-bonds aforesaid, in the year 1864.

"This statement is made to be read in evidence in the cause by the plaintiff, July 16, 1870.

"It is further agreed that Samuel Schiffer was the holder of twenty of the construction-bonds, series B, described in the pleadings in this cause; that he obtained them from the plaintiff in 1864, and that he held them in his possession until 1869, when he exchanged them with the company for certain income-bonds of the company; and this statement may be read in evidence in this cause.

"J. P. USHER,
"Solicitor for Defendant.
 "JOS. B. STEWART,
"Complainant, in person.

"JULY 18, 1870."

This shows that the fifteen Blaine bonds, as specified, never were deposited with the master, and never were in court at all, and that there are only seventy-four of the bonds actually there. There are no assignments upon the back of those bonds. All the assignments that I saw were made on separate pieces of paper. The bonds were regarded and conceded by every one not to be negotiable, and were only legally assigned and transferred in writing. Stewart's assignments were always on separate pieces of paper, and not upon the back of the bonds, so far as those I saw were concerned, and I saw at least five or six in all.

Q. Are there any other facts stated in this alleged letter of Mr. Stewart's which are not, in your opinion, true?—A. All I can do is to make a general statement about it. This statement of Colonel Stewart's in the New York Tribune is a perversion of the facts and a collection of misstatements almost from the beginning to the end.

Q. Is there any other fact or paper, within your knowledge, or derived from information from others, with the exceptions heretofore alluded to, that bears upon the subject of this investigation? If so, state it.—A. I know of none, except General Ewing's statement.

Q. Have you got that?—A. No, sir.

By Mr. HUNTON:

Q. Is that in the depositions?—A. No, sir; I know of no more in the depositions at present. I cannot think of anything.

Q. Have you any statement in the paper purporting to be from Mr. Ewing already mentioned?—A. I have, sir.

Q. State whether the facts are stated correctly in that publication; and, if not, in what particulars are they not correctly stated?—A. Mr. Ewing states that this claim of \$15,000, Blaine bonds, was due John E. Blaine for stock that he held in the Leavenworth, Pawnee and Western Railroad. If so, it has no possible connection with the subject-matter of the suit of Joseph B. Stewart. According to the record, Joseph B. Stewart does not pretend to have bought it, nor does he pretend to have it. He does not relate it in his petition. On the contrary, he puts a power of attorney there, which shows that he does not pretend to have bought it. He does not pretend to have bought any claim of John E. Blaine for stock, or to have any rights accruing under such claim. His sole claim in the suit is for his bonds—temporary construction-bonds.

Q. Whose sole claim?—A. Joseph B. Stewart's. The claim in his petition is for the thirty bonds which he was to have for his services, and the one hundred and twenty-four which he says he bought.

Q. And of those construction-bonds which he claimed to have, the fifteen mentioned in those papers to "Blaine" or to "James Blaine," formed a part of it, as I understand it?—A. Yes; part of the construction-bonds.

Q. And had no sort of reference to stock?—A. No, sir; had no sort of connection possible, according to the record, with the stock. There was no such claim made, or ventured, or alleged, or agreed in the case.

Q. Is there any other fact within your knowledge?—A. Not unless my attention were called to something. I wish, however, for my own protection, here to state that in stating from memory what I saw in the papers I do not pretend to be perfectly accurate, unless I have the papers before me. I further state that in my estimation of the amounts throughout I do not pretend to be correct, but merely make rough approximations in my mind as to the Credit Mobilier transactions of the company.

By Mr. HALE:

Q. When did you first come into association with this suit of Stewart against the company, acting, as you did, for the Bonney estate?—A. I cannot state, without the record, accurately when it was. The suit had been pending for a year or two before there was much done in it; but Coit and Bonney supposed Stewart was prosecuting it for their benefit.

Q. At what time did you come into it?—A. I think along somewhere about 1870 or 1871 it was that I became identified with the suit, but I will not be positive as to that date.

Q. Previous to that, had you had any association with the company, either as counsel or otherwise?—A. None at all, sir.

Q. Had you in your business any transactions that led you to a knowledge of the company's doings and workings?—A. None at all; nothing till that time.

Q. Had you then any knowledge of your own as to the origination of the claim of John

E. Blaine, or of the transaction of the original Leavenworth and Pawnee Railway Company?—A. None, except what I got from the facts connected with the suit.

Q. None, except what you got from the developments of the suit?—A. Only what I got from the developments in the suit, and the statements referred to in the papers.

Q. Then, at the time of the origination of the claim of John E. Blaine in 1862, of the date of his power of attorney to Stewart in 1863, and of the settlement made by Stewart with Blaine, had you any knowledge whatever of the transactions of the company?—A. None at all; that was all prior to any knowledge that I had of either the parties or their business.

Q. Had you had any acquaintance with the parties at that time?—A. I think not with any of the parties until I was brought in contact with them in the suit.

Q. In what years?—A. 1862, 1863, 1864, and 1865.

Q. Where were you living then?—A. At Galena, Illinois.

Q. Where are you now living?—A. At Saint Joseph, Missouri.

Q. You have referred to a statement of the parties who mainly owned this corporation in its early stages, as stated by Mr. Stewart, in which he gives the names of the owners, and in which he says that those comprehend all excepting nominal amounts—you say that that was the only knowledge you had of anything in which James E. Blaine's amount could be embraced—the mention of "nominal amounts"?—A. In connection with Mr. Ewing's statement, that it was in connection with those bonds.

Q. You mean by that, that they were small amounts as compared with the others?—A. Yes; and merely nominal; I supposed that they were merely nominal—small amounts along the line of road.

Q. Have you no knowledge?—A. No; I will state that I never inquired particularly into that, except what was in the record.

Q. And that is the extent of your knowledge of those transactions running back a period of about ten, twelve, or fourteen years?—A. That is the extent of it, yes, sir. I derived all my information from the suit, and what I learned in connection with the suit, and from these statements in the papers recently made.

By Mr. BLAINE.

Q. Your elaborate participation in those suits of course gave you a large knowledge of the affairs of the Kansas Pacific Railroad in all its details?—A. Yes; a considerable knowledge.

Q. It would take you a long while to exhaust that knowledge in your testimony?—A. I do not suppose I could do it in a great many days.

Q. You said in answer to the chairman (Mr. Hunton) that you had stated all that you knew bearing upon the subject of this investigation; you mean by that the Blaine bonds?—A. Yes.

Q. You understood that this investigation was not an investigation into the Kansas Pacific Railway, but into the Blaine bonds?

Mr. HUNTON. That is not what I meant by the question.

Mr. BLAINE. I want to get what the witness understood as to what he is brought here for.

The WITNESS. I supposed an investigation into the Credit Mobilier, and all the parties in it.

By Mr. BLAINE:

Q. You stated when you were asked to relate all you knew of the subject of this investigation, you understood that to mean the Blaine bonds; you have answered to that effect—that that is what you thought you came here for.—A. I thought I came here to give testimony in regard to the workings of the Credit Mobilier, and the disposition of all the bonds that I had any knowledge of.

Q. Those bonds that you spoke of going to John E. Blaine were never in the Credit Mobilier, were they?—A. That is what I insist all through, that they were not.

Mr. BLAINE. I merely wanted to point out that this investigation, like these other large investigations into railways, are investigations of myself.

Mr. HUNTON. It is not right to point out any such thing to the witness.

Mr. BLAINE. I can only do it by his testimony. When he is asked to relate all he knows about this subject, he says he has related all he knows upon the subject of this investigation; whereas he tells you that if your object is to inquire into the affairs of the Kansas Pacific Railroad, it would take him a great many days to do it in; of course it would.

Mr. HUNTON. What is your object, Mr. Blaine?

Mr. BLAINE. I only want the country to understand that.

Mr. HUNTON. What you want the country to understand must come from the questions which are asked, and the answers which are given by the witness.

Mr. BLAINE. Yes; let me rehearse the questions and answers: I took him, I think, in regular legal form, although I am not a lawyer. I asked him whether his long connection with these suits did not give him an intimate knowledge of this Kansas Pacific Railroad. He said it did. I asked whether he could tell all he knew about it in a short time. He said it would take him a great many days to tell all he knew about it. Then I asked him what he

understood by your question, which required him to tell all that bore upon the subject of this investigation; and he answered, like a truthful man, that it was upon the Blainet bonds, as he understood.

By Mr. HUNTON :

Q. When I asked you if that was all you knew about the subject-matter, I meant about the disposition of the bonds and the other assets of this Kansas Pacific Railroad—anything which bears upon the subject-matter of this investigation, or anything connected with that road, in which they had violated their charter, misapplied their assets, or been guilty of any fraud toward the Government. That is what I meant by it, and I supposed you so understood it, and had answered it. I repeat that question now with that explanation.—A. I have stated all that I know in particular in regard to the transactions of the railroad company with the Government of the United States, and the disposition of the bonds and assets of the railroad company. The records of course explain the matters more fully than I have done; for instance, the contract between Hallett and Durant shows the particulars of the amount received for building the road, and estimates throughout of what the road cost. I have, however, mentioned every name that I know of that was connected with the bond business, except it may be Frémont, and there were two boards of directors. I do not really know who constituted one of the boards of directors, but John D. Perry was controlling the road at the time.

Q. I will direct your attention to some other parts of the case to which, I supposed, you had already responded; but it seems that you did not understand the scope of the question: Do you know anything of the disposition of the lands of this company granted to it by the Federal Government?—A. The contract between the railroad and Hallett, I think, turns over all the lands, together with the land-grants obtained from the Indians, to Hallett, Perry, and Durant, being the parties constituting what I call the Credit Mobilier of the Kansas branch of the road. It is all recited in the contract, which mentioned bonds, including county bonds, of which there were a large amount, and everything else.

Q. Do you know anything of the disposition of their lands, other than that recited in the contract?—A. No, sir; except that they have issued a great many land-grant bonds, to secure which, I presume, they have given mortgages and deeds of trust upon the lands. I suppose they take them subject to those.

Q. Do you know anything about those land-grant bonds, or are they those which you have been talking about?—A. The temporary construction-bonds were really a kind of land-bonds; there was a deed of trust executed to secure them, and they were made to trustees; the deed of trust was afterward canceled by decree of the court of chancery, and the entire amount of temporary construction-bonds legally blotted out by that decree, and these other land-grant bonds were substituted for the temporary construction-bonds.

Q. Did they fulfill the requirements of the law in regard to their lands and bonds?—A. I cannot state that.

Q. Do you know anything about the commissioner of the Government going out to receive the road, so that they might get their lands?—A. Nothing specific.

Q. Do you know of any instance in which this company has defrauded the Government in any particular?—A. I can specify no part of an instance except in lobbying operations.

Q. And that refers to the bonds which you have already spoken of?—A. Yes; I think that that was a huge swindle upon the Government; that is my opinion of it.

By Mr. LAWRENCE :

Q. Which was a huge swindle?—A. The lobbying business; I suppose there is no controversy about that.

By Mr. HUNTON :

Q. Then you do not know of any other instance in which this company has defrauded the Government or failed to discharge its obligations under its charter and amendments?—A. I know of no specific matter.

By Mr. LAWRENCE :

Q. Have you any knowledge of your own of any lobbying by the company or its agents?—A. Only just what I learned from the declarations of the officers of the company and stockholders and from the depositions of the parties.

By Mr. HUNTON :

Q. Did you learn anything on that subject?—A. Let me make an explanation here: When I speak of the company, I refer to Durant, Hallett, and Perry, who constituted the Credit Mobilier, and had control of the company.

Q. Do you know anything about this lobbying business other than that you have described in your preceding examination?—A. No, sir; I do not.

Q. You do not know of the use of any money, or how any money was used in the lobby?—A. No, sir.

Q. Have you never heard how it was used?—A. I will state that in the examination of

Joseph B. Stewart, John P. Usher, attorney for the railroad company, subjected him to about 123 searching cross-interrogatories, a portion of which were intended to find out what Stewart did with the \$250,000 of bonds that were placed in his hands by Thomas C. Durant, but utterly failed to trace all the bonds into the hands of the parties who had received them.

Q. Did he not in that examination refuse to answer what he did with them?—A. He evaded it; he did not say what was done with the \$96,000 trust-bonds.

Q. What do you mean by the \$96,000 trust-bonds?—A. I mean that Stewart states that \$96,000 of the \$250,000 were put in his hands in trust for other parties.

Q. He refused to tell what he did with those?—A. He refused to tell what he did with those except that he states that Alexander Hay; of Philadelphia, exchanged \$76,000 of them for Hay himself and other parties for whom he, Hay, held them in trust. Hay states that he exchanged them as the agent of Joseph B. Stewart; \$154,000 of the \$250,000 he accounted for.

Q. That leaves \$96,000 unaccounted for?—A. Yes; except as I have above stated. I will state furthermore that there were a number of assignments made of these bonds, portions of those one hundred and fifty-four in trust for different parties. Several assignments went to Hay and several to Fant, that were made in trust for other parties. The names of the *cestui que trusts* were not given.

Q. Is that all you have to say on the subject-matter of the investigation in the enlarged sense to which I referred awhile ago?—A. I believe I have stated in the first part about Train and his bonds—yes. I believe I have stated now all, unless I should refresh my memory.

Q. I request that if any other fact bearing upon this investigation in the enlarged sense to which I have called your attention, comes to you recollection, you will communicate it to the committee.—A. I will do so. As to those bonds of Train's I have no means of tracing them, but the record shows that George Francis Train and his wife got \$500,000 of those temporary construction-bonds.

By Mr. BLAINE :

Q. For what consideration?—A. I do not know. The proposition upon which the settlement of January 6, 1860, was made is, that it settles as to the \$150,000 in contract coming to Mrs. Train from T. C. Durant, but leaves Train's claim for \$350,000 against Hallett, with interest, *in statu quo*, without recognizing it.

Q. He never got it, did he?—A. Afterward Durant states that he did get it. Furthermore, this record shows that George Francis Train and his wife got \$500,000 of those bonds in all, for services.

By Mr. HUNTON :

Q. George Francis Train got \$500,000, as you understood, for lobbying?—A. As I understood, yes, sir; George Francis Train and his wife.

Adjourned.

WASHINGTON, D. C., June 10, 1876.

The committee met, to proceed with the examination of Joseph B. Stewart.

Mr. BLAINE asked that, in consequence of the absence of his two colleagues, (Messrs. Hale and Frye,) and of the absorption of his own time, the examination be postponed.

After an interchange of views between the members of the committee, Mr. Blaine, and the witness, it was agreed that the examination of the witness should be postponed till Monday next.

The following proceedings then took place :

Mr. HUNTON, (to Mr. Blaine.) The committee has instructed me to request the production of those letters which you obtained from Mr. James Mulligan.

Mr. BLAINE. The Judiciary Committee?

Mr. HUNTON. No, sir; the subcommittee.

Mr. BLAINE. You know the ground that I have taken in respect to the proper ownership of those letters?

Mr. HUNTON. Yes, sir.

Mr. BLAINE. I have not changed it.

Mr. HUNTON. Then you decline to produce them?

Mr. BLAINE. Yes, sir.

Mr. HUNTON. The committee also requests the production of the memorandum made by Mr. James Mulligan.

Mr. BLAINE. I cannot vary my ground as to matter of right on that.

Mr. HUNTON. You decline also to produce that?

Mr. BLAINE. I do, on the ground that if I have the right to the letters, that is a right which involves a protection against the multiplication of copies of them, and the abstract was of the nature of a multiplication of copies. All goes to the question as to who had the right to the ownership of the letters. One follows the other. If I have the right to my letters, I have the right to copies of them.

Mr. LAWRENCE. It seems to me, so far as we have had any evidence before us, and without reference to what was in the letters as they were produced in the House, that there is but one of them that seems to have any pertinency to the subject-matter before us.

Mr. BLAINE. The witness has sworn to that.

Mr. LAWRENCE. I do not myself see how, acting under the resolution, we can ask the production of any letters unless they have some pertinency to the subject-matter of inquiry.

Mr. HUNTON. [To Mr. Lawrence.] Have you any definite proposition to make?

Mr. LAWRENCE. It was stated that the subcommittee required the production of these letters.

Mr. HUNTON. That is true, is it not?

Mr. LAWRENCE. Certainly. I am merely stating my view.

Mr. BLAINE. You did not concur in it.

Mr. LAWRENCE. I did not.

Mr. BLAINE. I am glad to have that noted—that it is a majority report, and not a report of the entire committee.

Mr. ASHE. [To Mr. Lawrence.] Do you think that the committee has a right to call for the production of that one letter?

Mr. BLAINE. I offered to give you that; I will send you that letter; that is, I will send you that letter provided you put your request for the letter which, according to the evidence, bears on the case. I am not going to send you that letter on the ground that you can have that and then ask for the others; but if you put your request on the ground that you have no right to any letter except that which, you have some evidence, bears upon the case, I will comply with your request. But if you ask for a general rummage of my correspondence, I decline it.

Mr. HUNTON. We do not ask for any general rummage of your correspondence; we ask for letters which you got from the witness Mulligan. Our request to you is in writing, and it is for the letters which you obtained from James Mulligan. That request you have declined.

Mr. LAWRENCE. Mr. Ashe asked me a question that is entirely pertinent, and I will answer it. I think that we have a right to require the production of that one letter which, we have evidence, may be pertinent to the inquiry.

Mr. HUNTON. [To Mr. Blaine.] Without waiving the request of the committee for all the letters delivered to you by James Mulligan under the circumstances described heretofore, the committee requests that any one or more of the letters, and especially the statement of Mr. Mulligan, be produced by you.

Mr. BLAINE. That does not change the original proposition. I have declined.

Mr. HUNTON. Then you decline to produce any one of them?

Mr. BLAINE. Under the general assumption of authority that you have the right to call for all of them, I do.

Adjourned.

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