

1st ed. (scarce)

In Lawan

How Congressmen Are Bribed.

The COLTON LETTERS.

Declaration of Huntington that
Congressmen are for Sale.

THE COLTON LETTERS.

The Inside History of an Infamous Procedure.

HUNTINGTON'S PRIVATE OPINION OF SENATORS
AND REPRESENTATIVES.

They are "Good Fellows" When He Can Handle Them;
"Agrarians" When He Cannot.

SHALL THE GOVERNMENT BE AGAIN PLUNDERED?

From 1873 to his death, some seven years later, David D. Colton held a fifth interest in the Southern Pacific management. His holdings in the Central Pacific proper were very small. Prospectively he had large interests in the Southern Pacific, which, when he came in, was arbitrarily leased to the Central Pacific at a rental, which materially aided in the absorption of the profits by the Southern Pacific construction department.

Colton was a shrewd business man and was made financial director of the Central Pacific. During his administration as such, Huntington, who, as purchasing agent, bond manipulator and Congressional manager for the Company, made his headquarters in New York, where he was in easy reach of Washington, wrote him many letters—some 500 or 600—detailing the financial and political operations of the company.

After the death of Colton, the four interests represented by Stanford, Hopkins, Crocker and Huntington, attempted to swindle the widow out of her rights in the company, and liti-

gation followed, during which the Huntington letters to Colton were introduced in evidence.

This correspondence exposes the infamous policy of the men, who, as directors of the Government-aided Central Pacific, absorbed its earnings in the construction of a system of roads of their own with which they intended to destroy, and have succeeded in destroying the Government's security for \$77,000-000 paid from the United States Treasury for account of the Central Pacific.

It proves that the men named were almost from the date of the company's incorporation, engaged in debauching Senators and Representatives, buying up Legislatures, publishing fraudulent reports, declaring dividends with money that should have been reserved to meet the road's liabilities, subsidizing newspapers and agents of the Associated Press, and misrepresenting the condition and resources of the Southern Pacific Company.

It proves beyond question that Huntington maintained a powerful lobby, of which he was the head, in Washington, for the purposes of bribery and corruption. It refers by name to Cabinet officers who could be relied upon to aid the schemes of the infamous combination, and Senators and Representatives are named who can or cannot be trusted—who may or may not be reached with the proper argument, which in all cases meant money.

In almost every letter there is reference—sometimes directly, sometimes impliedly—to Huntington's manipulation of Senators and Representatives, the fixing of committees and the preparation of bills. The Pacific Coast Congressional delegation, with the exception of Booth and Piper, is almost continuously mentioned as the chattel of Huntington, ever ready to do his bidding. Sargent was "very mad" for a time, but he was "argued with" and realized the error of his ways. Luttrell is characterized as "a wild hog," but he too was converted. It is admitted that money was loaned to Jones and his Los Angeles & Santa Monica railroad bought, that his influence might be had in the Senate. Gwin was used to influence the Southern people and Southern Representatives.

There is an admission that the earnings of the Central Pacific were a million and a half dollars per month, one-half of which

was clear profit; yet the floating debt was so great that the bondholders became alarmed, and Huntington confesses his inability to satisfy them without acknowledging that the earnings and the credit of the Central Pacific were diverted to and absorbed in the construction of the Southern Pacific.

Throughout the letters there is an acknowledged and abetting of the practice of a system of fraud and corruption of the most extensive and infamous nature.

When the United States Pacific Railway Commission was investigating the affairs of the Central Pacific in 1888 an effort was made to get these letters in evidence, but the United States Courts responded to the appeal of Stanford and associates, and by injunction the Commission's purpose was defeated.

For years the original letters were in the custody of the attorney of Colton's widow. It is now reported that when Huntington purchased the Colton residence in San Francisco the surrender of the letters was included in the purchase negotiations.

The following extracts are taken verbatim from a few of the letters, all of which are signed by C. P. Huntington, and bear date and number as given.

“What Plain Proceeding is More Plain Than This?”

A Hungry Congress.

No. 389.

NEW YORK, Nov. 20, 1874.

Friend Colton: Scott is prepared to pay, or promises to pay, a large amount of money to pass his bill, but I do not think he can pass it, although *I think this coming session of Congress will be composed of the hungriest set of men that ever got together, and that the d—— only knows what they will do.*

How to Sell Worthless Bonds.

No. 492.

NEW YORK, March 19, 1875.

Friend Colton: If you could get some well-written articles published in the San Francisco papers showing up the great value of the country traversed by the Southern Pacific and the vast business that road must do to take into market the product

of the country; in fact, such articles as would induce people to buy *Southern Pacific bonds and lands!*

The Falsehoods Cohen Exposed.

No. 505.

NEW YORK, March 25, 1875.

Friend Colton: I have been at work considerable of the time since you left getting up a pamphlet in relation to the S. P., giving many reasons why the bonds should be very good, and I think after you have read the book you will take some of the securities!

How to Beat Luttrell.

No. 555.

NEW YORK, May 1, 1875.

Friend Colton: I notice what you say of Luttrell; *he is a wild hog*; don't let him come back to Washington, but as the House is to be largely Democratic, and if he was to be defeated likely it would be charged to us, hence I think it would be well to beat him with a Democrat; but I would defeat him anyway, and if he got the nomination put up another Democrat and run against him, and in that way elect a Republican. *Beat him.*

The California Delegation.

No. 110.

NEW YORK, Jan. 29, 1876.

Friend Colton: * * * Scott is working mostly among the commercial men. He switched Senator Spencer, of Alabama, and Walker, of Virginia, this week, but you know they can be switched back with *proper arguments* when wanted. * * * All the members in the House from California are doing first-rate, except Piper, *and he is a d— hog any way you can fix him.* I wish you would write a letter to Luttrell, saying that I say he is doing first-rate, and is very able, etc., and send me a copy.

Luttrell and Piper.

No. 228.

NEW YORK, Nov. 11, 1876.

Friend Colton: *I hope that Luttrell is elected and Piper defeated, and it was generally understood here that our hand was under one and over the other.*

Senator Conover.

MARCH 26, 1877.

Friend Colton: I gave to-day a letter to Senator Conover, of Florida. He is a good fellow enough, and our friend, *after he is convinced we are right.* H.

Conover and Jones.

No. 298.

NEW YORK, May 7, 1877.

Friend Colton: I notice what you say of Conover, the Florida Senator. He is a clever fellow, *but don't go any money on him.*

Jones is very good natured now, and we need his help in Congress very much, and I have no doubt we shall have it. We must have friends in Congress from the west coast, as it is very important, I think, that *we kill the open highway.*

Conover, Ingalls and Morton.

No. 305.

NEW YORK, May 15, 1877.

Friend Colton: I think I have written before about Senator Conover. He may want to borrow some money, but we are so short this summer I do not think we can let him have any in California.

I have just given Senator Ingalls of Kansas a letter to you. He is a good fellow and can do us much good, and I think is well disposed towards us.

Senator Morton is coming over, also his brother-in-law, Burbank. They are both good fellows, but B. means business; not here but in W. (Washington.)

A Slippery Congressman.

No. 38.

NEW YORK, Oct. 19, 1879.

Friend Colton: * * * I have given Gilbert C. Walker a letter to you. He is a member of the Forty-fourth Congress, ex-Governor of Virginia, *and a slippery fellow*, and I rather think in Scott's interest, but not sure. I gave him a pass over the C. P., and got one for him over the U. P., so do the best you can with him, *but don't trust him much.*

Keeping an Eye on Jones.

No. 516.

NEW YORK, April 7, 1875.

Friend Colton: I am told and am disposed to believe it, that Senator Jones has 17,000 shares of Panama R. R. stock, and that Duncan, Sherman & Co. are carrying it for him.

Stanford Gives Scott a Weapon.

No. 590.

NEW YORK, May 28, 1875.

Friend Colton: The Governor said—Governor S. (Stanford)—some good things to the *Chronicle* interviewer, but I think it unfortunate that he should so closely connect the C. P. with the S. P., as that is the only weapon our enemies have to fight us with in Congress.

The Central Pacific Pays For All.

No. 564.

NEW YORK, May 8, 1875.

Friend Colton: All the material that I buy here is paid for by the Central Pacific. Some of it, like the six coaches sent, I know are for the S. P., but just whether they are to be charged to the S. P. or the Western Development Co. I do not know.

“Money Well Expended.”

No. 208.

NEW YORK, July 26, 1876.

Friend Colton: I have been working for the last two months to get a party of say twenty-five Southern Members of Congress to go out to California and over the lines of the S. P., and see what we have done and our ability to do. Of course, I want no one to go, except the best men of the South; men that will go for the right as they understand it, and not as Tom Scott or somebody else understands it. I told Senator Gordon of Georgia if he could get up a party of the best men of the South, we would pay all expenses, which, I suppose, would not be less than \$10,000, and I think it would be money well expended.

Working San Francisco.

No. 213.

NEW YORK, Aug. 7, 1876.

Friend Colton: I have telegraphed to-day to have you get some of the prominent men in San Francisco to telegraph to Gordon, Senator from Georgia, with other Southern men to go. While Gordon and some others are not afraid to go, Gordon tells me that some of his friends do not like to go on an invitation from the Railroad Company.

Colton Did Well.

No. 221.

NEW YORK, Aug. 25, 1876.

Friend Colton: You must have had a lively time getting so many good names signed and sent on in so short a time, inviting our Southern friends to come to California.

How Central Pacific Assets Were Stolen.

No. 86.

NEW YORK, Dec. 20, 1875.

Friend Colton: Your letters of the 18th, 20th and 21st, Nos. 114, 115, and 116, are received; also your dispatch that you cannot send money for interest as fast as called for in my dispatch to you on the 27th ult. I hope it will not be very much delayed, as you can see by looking at my monthly balance-sheet that our liabilities (C. P. R. R. Co.) are getting very large here for a company with such large receipts with no apparent outlay except interest on bonded debt and operating expenses.

What He Could Do With \$200,000.

No. 107.

NEW YORK, Jan. 17, 1876.

Friend Colton: I have received several letters and telegrams from Washington to-day, all calling me there, as Scott will certainly pass his Texas Pacific bill *if I do not come over*, and I shall go over to-night, but I think he could not pass his bill if I should help him; but of course I cannot know this for certain, and just what effort to make against him is what troubles me. *It costs money to fix things so that I would know his bill would not pass. I believe with \$200,000 I can pass our bill, but I take it that it is not worth that much to us.*

Mighty Huntington.

No. 361. NEW YORK, Oct. 10, 1877.

Friend Colton: I went to Washington night before last and returned last night. I think I have the bridge question settled for the present (over the Colorado at Yuma). I found it harder to do than I expected. The Secretary of war told me that they had it up in two Cabinet meetings and had concluded not to do anything, as Congress would come together next week, but I got him out of that idea in about twenty minutes. I then saw three others of the Cabinet; then I went and saw the President. He was a little cross at first; said we defied the Government, etc., but I soon got him out of that belief.

Somebody Fell Down.

No. 373. NEW YORK, Oct. 30, 1877.

Friend Colton: The committees are made up for the Forty-fifth Congress. I think the Railroad Committee is all right, but the Committee on Territories I do not like. *A different one was promised me.*

Prices Too High.

No. 378. NEW YORK, Nov. 9, 1877.

Friend Colton: I do not think we can get any legislation this session for extension of land grants, or for changing line of road unless we pay more for it than it is worth.

The S. P. Robs the C. P.

No. 425. NEW YORK, Feb. 25, 1878.

Friend Colton: I shall go to Washington to-night. The fact is he (Tom Scott) has nearly convinced the country that the C. P. is building the S. P. to prevent competition; and I find it very hard to make them believe anything else. This should not have been so. The C. P. has been so much hurt by the reports of its large floating debt that it is next to impossible to borrow any money on their credit.

Huntington Can't (Won't) Explain.

No. 427. NEW YORK, Feb. 26, 1878.

Friend Colton: Matters do not look as well here as I wish they did. I do not know what to do with our (C. P.'s) floating debt. I had no idea the balance was so large over bills receivable. There has been so little work done on the C. P. for a long time, except what should have gone into operating expenses. Parties are coming in every day to inquire about it, and as I do not understand it I have to tell them so.

A Suggestion to Bribe Army Officers.

No. 430. NEW YORK, March 4, 1878.

Friend Colton: I think it would be well if we had more parties in California that were interested with us; there is the Oakland water front; if some of the army officers had an interest in that property I think it would be well for them and for us.

Congress an Agrarian Camp.

No. 449. NEW YORK, April 19, 1878.

Friend Colton: I returned from Washington this morning.
* * * This Congress is nothing but an agrarian camp—the worst body of men that ever got together before in this country.

Let Us Rob the Government.

No. 454. NEW YORK, April 30, 1879.

Friend Colton: As I understand the Pacific Railroad Company, we are entitled to pay for carrying the mails at the same rates as we get for like matter from other parties, which I suppose would be more like express matter than anything else. *Now the Government has started in to rob us*, I think, while we should not charge them any more than what is right, we ought to have the last cent that belongs to us, and to be very sure to get it if it is a possible think to do so.

A Kick at the President.

No. 455.

NEW YORK, May 3, 1878.

Friend Colton: I returned from Washington this morning. The President signed the Sinking Fund bill Monday, as you no doubt have learned ere this. *He was not big enough to veto it.*

Look After Fremont.

No. 467.

NEW YORK, June 14, 1878.

Friend Colton: Fremont has been appointed Governor of Arizona. I shall give him passes and I think it important that you see him on his arrival *and see that he does not fall into the hands of BAD MEN.* He is very friendly to us now.

Did All He Could.

No. 468.

NEW YORK, June 15, 1878.

Friend Colton: I have done all I can to prevent certain bills from being reached, and do not think any bills can be that will hurt us, but if there are they will pass, as *this Congress is I think, the worst set of men that have ever been collected together since man was created.*

Must Have Been Expensive.

No. 469.

NEW YORK, June 20, 1878.

Friend Colton: I think in all the world's history never before was such a wild set of demagogues honored by the name of Congress. *We cannot stand many such Congresses.*

Fixing a Committee.

No. 261.

NEW YORK, March 7, 1877.

Friend Colton: I staid in Washington two days to *fix up the Railroad Committee in the Senate.* Scott was there, working for the same thing; but I beat him for once, certain, as the committee is just as we want it, which is a very important thing for us.

Looking After the Senator.

No. 276.

NEW YORK, April 3, 1877.

Friend Colton: We should be very careful to get a United States Senator from California that will be disposed to use us fairly, and then have the power to help us. Sargent, I think, will be friendly, and there is no man in the Senate that can push a measure further than he can.

Crocker Talks Too Much.

No. 40.

NEW YORK, April 26, 1879.

Friend Colton: I notice by the *Alta* of the 18th that some correspondent of a San Diego paper has been interviewing Mr. Crocker. It is very difficult for any one to be interviewed by an infernal newspaper without getting hurt, and Mr. Crocker is not the most unlikely to get hurt of all the men I know.

Kerr Went Back on Duke Gwin.

No. 82.

NEW YORK, Dec. 22, 1879.

Friend Colton: The Doctor (Gwin) was unfortunate about the railroad committee; that is, there was not a man put on the committee that was on his list, and *I must say I was deceived*; and he was often with Kerr, and K. was at his rooms and spent nearly one evening.

How About Safford?

No. 18.

NEW YORK, Sept. 27, 1875.

Friend Colton: If we had a franchise to build a road or two roads through Arizona (we controlling, but having it in the name of another party), then have some party in Washington to make a local fight and asking for a guaranty of their bonds by the United States, and if that could not be obtained, offering to build the road without any aid, it could be used against Scott in such a way that I do not believe any politicians would dare vote for it. *Cannot you have Safford (Governor) call the Legislature together and grant such charters as we want, at a cost of say \$25,000?*

Sp. coll.
Goodman

JK
1121
.H86
1890z

Playing With San Diego.

No. 37.

NEW YORK, Oct. 18, 1875.

Friend Colton: * * * In your interesting letter of the 5th you mention San Diego matters. Now it is well to switch that people from the Texas Pacific road; but I would suggest that you keep on asking them what they will do, but not make them any definite proposition, for if you do it will be sent East at once and I am working with the South and saying to them (and getting some good articles published) that our interest lays with them; that what San Francisco and California wants is connection with New Orleans and the Gulf ports.