

THE BLAINE LETTERS.

James G. Blaine was a member of the Fortieth Congress, (March 1867-9) and Speaker of the House in the Forty-first, Forty-second, and Forty-third Congresses (1869-75). Mr. Blaine was also elected to the Forty-fourth Congress (1875), but the House had become Democratic, and elected a Democratic Speaker. Certain charges having been made, Mr. Blaine, April 24, 1876, made a "personal explanation" in the House, in the course of which he said:

NOTES.
Chiefly cross-references to letters and statements in this Supplement.

See Blaine's letter Jan. 26, 1871, also Fisher's letter Nov. 10, 1871.

See Blaine's memorandum-book showing contract for \$157,500 bonds, also his letter Oct. 4, 1871.

See Blaine's memorandum-book and letter Oct. 4, 1871; also Fisher's letters April 11 and 16, 1872.

See Blaine's letters Oct. 4, 1869—"No one will ever know from me," Oct. 5, 1869—"I never had any connection with the road," Nov. 25, 1870—"Keep my name quiet," April 16, 1876—"Barn this letter. Do not show it to anyone."

* This act was to "extend the time for the Little Rock and Fort Smith Railroad Company to complete the first section of 20 miles of said road," passed April 18, 1870. See Congressional Globe, Appendix 1870, p. 61. It did not require the intervention of the State of Arkansas.

* This act following the proviso affecting the land grant bonds obtained by Mr. Blaine. Provided, That the land granted by the act hereby revised shall be sold to actual settlers only in quantities not greater than one quarter of a section to one purchaser, and for a price not exceeding \$2.50 per acre. See Congressional Globe, Feb. 2, et seq., 1870.

"I never had any transaction of any kind with Thomas A. Scott concerning bonds of the Little Rock and Fort Smith road, or the bonds of any other railroad, or any business in any way connected with railroads, directly or indirectly, immediately or remotely."

"To give a seeming corroboration or foundation to the story which I have disproved, the absurd rumor has lately appeared in certain newspapers that I was the owner of from \$150,000 to \$250,000 of the Little Rock and Fort Smith Railroad bonds, which I received without consideration, and that it was from these bonds that Thomas A. Scott received his \$75,000. The statement is gratuitously and utterly false."

"In common with hundreds of other people in New England and other parts of the country, I bought some of these bonds, not a very large amount, paying for them at precisely the same rate that others paid. I never heard of, and do not believe, that the Little Rock Company, which I know is controlled by highly honorable men, ever parted with a bond to any person except at the regular price fixed for their sale."

"In addition to my investment in the bonds I united with others in raising some money for the company when it met its first financial troubles. Proceedings are now pending in the United States Circuit Court of Arkansas, to which I am a party of record, for the reimbursement of the money so advanced. All the bonds which I ever purchased I continued to hold when the company was reorganized in 1874. I exchanged them for stock and bonds in the new concern, which I still own. My whole connection with the road has been as open as the day. If there had been anything to conceal about it, I should never have touched it. Wherever concealment is desirable, avoidance is advisable, and I do not know any better test to apply to the honor and fairness of a business transaction. As to the question of propriety involved in a member of Congress holding an investment of this kind, it must be remembered the lands were granted to the State of Arkansas, and not to the railroad company, and that the company derived its life, franchise, and value wholly from the State, and to the State the company is amenable and answerable, and not in any sense to Congress. Since I purchased the bonds but one act of Congress has passed in any way touching the subject, and that was merely to rectify a previous mistake in legislation."

"I repeat, the Little Rock road derived all that it had from the State of Arkansas, and not from Congress. It was in the discretion of Congress to give or withhold from the State, but it was solely within the discretion of the State to give or withhold from the Little Rock Railroad Company."

"Instead of receiving bonds of the Little Rock and Fort Smith road as a gratuity, I never had one except at the regular market price, and instead of making a large fortune of that company, I have incurred a severe pecuniary loss from my investment in its securities, which I still retain; and out of such affairs as this grows the popular gossip of large fortunes amassed in Congress."

"I have never done anything in my public career for which I could be put to the faintest blush in any presence, or for which I can not answer to my constituents, my conscience, and the Great Searcher of Hearts."

Mr. Blaine at the time of making this statement supposed that all letters which had passed between him and Mr. Warren Fisher, Jun., of Boston, a partner of Mr. Blaine's brother-in-law Mr. Stanwood, had been given up.

"There was another reason which made it particularly exasperating to me, that is, that in the month of September, 1872, Mr. Fisher and I 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."—*Testimony of Mr. Blaine before Judiciary Committee.*

In May, 1876, however, the Judiciary Committee was conducting an investigation into certain railroad matters, and subpoenaed Mr. Fisher and Mr. James Mulligan, his book-keeper. Mr. Mulligan brought with him a number of letters, memoranda, etc., which Mr. Blaine procured from him in the famous interview, and from which, under pressure from the press and his political friends, Mr. Blaine read in his second "personal explanation" of June 5, 1876. The following comprise the letters read by Mr. Blaine, that of November 25, 1870, made public through the New York Sun by Mr. Aquila Adams, and the others since furnished to the public by Mr. Fisher and Mr. Mulligan, chronologically arranged. On June 12, 1876, Mr. Blaine had his stroke, and the investigation was postponed, and it was never completed, Mr. Blaine having meanwhile been appointed to Secretary Morrill's vacant place in the Senate.

WASHINGTON, May 26, 1864.
MY DEAR SIR,—Your favor received. I am very glad, all things considered, that the Government has accepted your proposition to take all your manufacture till 1st September, 1865. It gives a straight and steady business for the company for a good stretch of time.

In regard to the tax provision you can judge for yourself, as I send herewith a copy of the bill as reported from the Finance Committee of the Senate and now pending in that body—see pages 148-149, where I have marked. In looking over the bill you will please observe that all words in italic letters are amendments proposed by the Senate Finance Committee, while all words included in brackets are proposed to be struck out by same committee.

The provision which you inquire about was not in the original bill, but was an amendment moved from the Ways and Means Committee by Mr. Kasson, of Iowa, to whom I suggested it. It is just and proper in every sense, and will effect a good many interests, including your company. I am glad to hear such good accounts of your progress in the affairs of the company, of which I have always been proud to be a member.

Tell Mr. Welles that his brother has been nominated by the Senate for commissary of subsistence, with rank of captain. He will undoubtedly be confirmed as soon as his case can be reached. I will advise as soon as it is done. In haste, yours truly,
WARREN FISHER, JR., Esq. J. G. BLAINE.

AUGUSTA, June 29, 1869.
MY DEAR MR. FISHER,—I thank you for the article from Mr. Lewis. It is good in itself, and will do good. He writes like a man of large intelligence and comprehension.

Your offer to admit me to a participation in the new railroad enterprise is in every respect as generous as I could expect or desire. I thank you very sincerely for it, and in this connection I wish to make a suggestion of a somewhat selfish character. It is this: You spoke of Mr. Caldwell disposing of a share of his interest to me. If he really designs to do so, I wish he would make the proposition definite, so that I could know just what to depend on. Perhaps if he waits till the full development of the enterprise he might grow reluctant to part with the share; and I do not by this mean any distrust of him.

I do not feel that I shall prove a dead-weight in the enterprise if I once embark in it. I see various channels in which I know I can be useful.

Very hastily and sincerely, your friend,
J. G. BLAINE.

AUGUSTA, MAINE, July 2, 1869.
MY DEAR MR. FISHER,—You ask me if I am satisfied with the offer you make me of a share in your new railroad enterprise.

Of course I am more than satisfied with the terms of the country. I think it a most liberal proposition. If I hesitate at all, it is from considerations no way connected with the character of the offer. Your liberal mode of dealing with me in all our business transactions of the past eight years has not passed without my full appreciation. What I wrote you on the 20th was intended to bring Caldwell to a definite proposition. That was all.

I go to Boston by same train that carries this letter, and will call at your office to-morrow at 12 m. If you don't happen to be in, no matter. Don't put yourself to any trouble about it.

Yours,
J. G. B.

The following are the contents of a memorandum-book in the handwriting of Mr. Blaine, produced by Mr. Mulligan before the

Judiciary Committee (containing schedules of contract of September 5, 1869), and which is labelled 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 person to deliver the stock and bonds named, on their paying the amounts named:

NAME	Residence	To Pay.	TO RECEIVE.		
			Common Stock.	Preferred Stock.	First M. Bonds.
A. & P. Coburn	Skowhegan	\$50,000	\$50,000	\$50,000	\$50,000
X Peter F. Sanborn	Augusta	10,000	10,000	10,000	10,000
X Anson P. Morrill	Readfield	10,000	10,000	10,000	10,000
Thomas A. Scott	Belfast	10,000	10,000	10,000	10,000
X C. B. Hazeltine	"	5,000	5,000	5,000	5,000
X N. P. Monroe	"	5,000	5,000	5,000	5,000
X A. W. Johnson	"	5,000	5,000	5,000	5,000
X P. H. Williams	"	5,000	5,000	5,000	5,000
X Lot M. Morrill	Augusta	5,000	5,000	5,000	5,000
X A. B. Farnell	"	5,000	5,000	5,000	5,000
X J. H. Williams	"	5,000	5,000	5,000	5,000
X 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.]

[Fourth 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 the preceding page, Mr. Fisher agrees to deliver to J. G. Blaine a similar amount of land bonds and 25 per cent. of first mortgage bonds, viz.:

Land bond, 75 \$130,000
First mortgage bonds, 68 32,500
The same to be delivered by Mr. Fisher as soon as ready for distribution.

[Fifth page of memorandum-book.]

The other contracts on different bases are as follows:

I. With Joseph A. Sanborn and Charles M. Bailey, Mr. Fisher agrees to deliver:
\$8,000 common stock.
\$2,000 preferred stock.
8,000 land bonds.
10,000 first mortgage bonds.
All for \$12,500, payable—
\$2,500 November 25, 1869.
\$2,500 December 5, 1869.
\$2,500 January 5, 1870.
\$2,500 February 5, 1870.
\$2,500 March 5, 1870.
\$2,500 April 5, 1870.
\$2,500 May 5, 1870.
\$2,500 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.

The sixth and seventh pages of memorandum-book contained three contracts similar to the last, in which the amounts to be paid Mr. Blaine were respectively \$3500, \$1150, and \$6000.

AUGUSTA, ME., October 4, 1869.

MY DEAR MR. FISHER,—Find enclosed \$10,000 check in pay't of A. & P. Coburn's subscription. I presume you will receive by same mail the 20 per cent. due on all the subscriptions already forwarded to you, and also on the following:

Philo Hersey, Belfast \$5000
A. W. Johnson, " 5000
R. C. Johnson, " 5000
Nahum P. Monroe, " 5000
C. B. Hazeltine, " 5000

This makes \$125,000 in all I have disposed of. It is doubtful if I dispose of any more; but I shall know by to-morrow. So there will be no delay to embarrass you in any way. No one will ever know from me that I have disposed of a single dollar in Maine. So there need be no embarrassment in talking with Mr. Caldwell. I don't wish you to settle that matter with Mr. Caldwell till you hear from me again. Please send receipt to A. & P. Coburn, Skowhegan, Maine. Yours truly,
J. G. BLAINE.

P. S.—I send only \$8000 this morning. Will send \$2000 remaining to-morrow morning.

[Personal.]

AUGUSTA, MAINE, Oct. 4, 1869.

MY DEAR SIR,—I spoke to you a short time ago about a point of interest to your railroad company that occurred at the last session of Congress.

It was on the last night of the session, when the bill renewing the land grant to the State of Arkansas for the Little Rock road was reached, and Julian of Indiana, chairman of the Public Lands Committee, and by right entitled to the floor, attempted to put on the bill, as an amendment, the Fremont El Paso scheme—a scheme probably well known to Mr. Caldwell. The House was thin, and the lobby in the Fremont interest had the thing all set up, and Julian's amendment was likely to prevail if brought to a vote. Roots and other members from Arkansas, who were doing their best for their own bill (to which there seemed to be no objection), were in despair, for it was well known that the Senate was hostile to the Fremont scheme, and if the Arkansas bill had gone back to the Senate with Julian's amendment, the whole thing would have gone on the table and slept the sleep of death.

In this dilemma Roots came to me to know what on earth he could do under the rules; for he said it was vital to his constituents that the bill should pass. I told him that Julian's amendment was entirely out of order, because not germane; but he had not sufficient confidence in his knowledge of the rules to make the point, but he said General Logan was opposed to the Fremont scheme, and would probably make the point. I sent my page to General Logan with the suggestion, and he at once made the point. I could not do otherwise than sustain it; and so the bill was freed from the mischievous amendment moved by Julian, and at once passed without objection.

At that time I had never seen Mr. Caldwell, but you can tell him that without knowing it I did him a great favor.

Sincerely yours,
W. FISHER, JR., Esq., 24 India Street, Boston. J. G. BLAINE.

AUGUSTA, October 4, 1869.

MY DEAR MR. FISHER,—Find inclosed contracts of parties named in my letter of yesterday. The remaining contracts will be completed as rapidly as circumstances will permit.

I inclose you part of the Congressional Globe of April 9, containing the point to which I referred at some length in my previous letter of to-day. You will find it of interest to read it over and see what a narrow escape your bill made on that last night of the session. Of course it was my plain duty to make the ruling when the point was once raised. If the Arkansas men had not, however, happened to come to me when at their wits' end and in despair, the bill would undoubtedly have been lost, or at least postponed for a year. I thought the point would interest both you and Caldwell, though occurring before either of us engaged in the enterprise.

I beg you to understand that I thoroughly appreciate the courtesy with which you have treated me in this railroad matter, but your conduct toward me in business matters has always been marked by unbounded liberality in past years, and of course I have naturally come to expect the same of you now. You urge me to make as much as I fairly can out of the arrangement into which we have entered. It is natural that I should do my utmost to this end. I am bothered only by one thing, and that is definite and expressed agreement with Mr. Caldwell. I am anxious to acquire the interest he has promised me, but I do not get a definite understanding with him as I have with you.

I shall be in Boston in a few days, and shall then have an opportunity to talk the matter over fully with you. I am disposed to think that whatever I do with Mr. Caldwell must really be done through you.

Kind regards to Mrs. Fisher. Sincerely,
J. G. BLAINE.

AUGUSTA, ME., 5th Oct., 1869.

MY DEAR MR. FISHER,—I inclose you two thousand dollar check, balance of A. & P. Coburn's installment; two thousand dollars in pay't of Anson P. Morrill's installment; one thousand dollars in pay't of Lot M. Morrill's installment. Lot M. Morrill's subscription of \$3000 is additional to those already advised, making in all \$130,000. There may possibly be \$20,000 more, but \$150,000 will be my limit.

I received yours inclosing P. R. Hazeltine's letter from Belfast. By mail succeeding this you will receive Cashier Check for \$1000, and hereafter you will have no trouble with any of the Maine subscriptions. All will come to you in Cashier Checks or money direct by express.

and fairness of a business transaction. I fully appreciate your wisdom and your kindness, and shall endeavor to do just as you desire in the premises. The letter enclosing the Globe by same mail with this can be read by you to Mr. Caldwell, if you think it expedient. I have in writing endeavored not to be indelicate. I shall see you in Boston Thursday noon. Don't send any receipts to Maine folks till I come.

Yours,
J. G. BLAINE.

AUGUSTA, ME., 18th Nov., 1869.

MY DEAR MR. FISHER,—It is quite evident to my mind that at the approaching session of Congress there will be an expansion of the currency to the amount of fifty to seventy-five millions of dollars. The form it will take, I think, will be an addition to the National Bank circulation West and South.

My object in writing is to ask in season if your friends would desire to establish a Bank at Little Rock. It will be to some extent a matter of favoritism as to who gets the Banks in the several localities, and it will be in my power to "cast an anchor to the windward" in your behalf if you desire it. Please think over the matter, and confer with Mr. Caldwell, and let me know your desires as soon as you reach any conclusion. There is, of course, no special hurry; but I thought I would suggest the matter in order that you might mature your thoughts in good time.

It would be well to determine the amount to which you might wish to go. I suppose it might be practicable to secure a \$500,000 bank; but in that locality you would hardly wish to go so deep. But they are very profitable institutions—say \$250,000.

Yours very truly,
J. G. BLAINE.

WASHINGTON, May 14, 1870.

MY DEAR MR. FISHER,—I think on the whole I had better not insist on the \$40,000 additional bonds at the same rate. My engagement was not absolute, and I can back out of it with honor. I would rather do this than seem to be exacting or indelicate.

Besides, I have always felt that Mr. Caldwell manifested the most gentlemanly spirit toward me, and designed to treat me handsomely in the end. On the whole, therefore, I shall be better off perhaps to let things remain as they are. But I will follow your judgment in this matter if I can find what it is.

Very hastily,
J. G. BLAINE.

AUGUSTA, ME., Nov. 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 & Co. have twelve. The interest I speak of is one-eighth of one-twenty-fourth, or one one-hundredth-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 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 \$25,000 thus invested you would get ultimately \$42,000 stock and the avails of some 27,000 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 ninety, 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 the honor and a considerable amount, and certificates of land stock also. Of course, in conferring with others, keep my name quiet, mentioning 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.

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 Northern 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.

WASHINGTON, D. C., December 7, 1870.

MY DEAR MR. FISHER,—You have rec'd Mr. Boutwell's answer. I presume you will deem it necessary to come on here; if so, let me know of it a day or two in advance.

I have written Mr. Caldwell about the Bank, no trouble in securing a Bk of \$500,000.

Sec'y of War will not allow the use of the Arsenal at Little Rock—says it is impossible.

Very hastily & truly,
J. G. B.

HOUSE OF REPRESENTATIVES,
WASHINGTON, D. C., December 9, 1870.

MY DEAR MR. FISHER,—I wrote very hastily, both to yourself and Mr. Caldwell, in regard to the Bank. A further conference with the Comptroller of the Currency gives some additional facts which are of interest, and this letter is intended alike for yourself and Mr. Caldwell. Please show it to him. They are now allowing 90 per cent. circulation on 10-40 Bonds, instead of 80, and then 85 at different periods in the past. They give me the assurance that they shall have full \$450,000 circulation on a Bank of half a million capital.

You can, of course, deposit 5-20's if you please; but you will get no more than 90 per cent. circulation. They will cost you more, of course; and though you get more interest, you will very likely be disturbed in the quiet possession of them very soon by the operation of the Funding Scheme.

The opinion gains ground here quite rapidly, as you might infer from Secretary Boutwell's Report, that the debt can not be funded at less than 5 per cent.

By taking 10-40 Bonds, therefore, you would be undisturbed as long as the Banking System lasts, or at least for thirty years and more. None of the 10-40's mature before A. D. 1904, and that is quite long enough to embrace within the scope of any financial operation. It might be well to have your formal application for your increase of capital, and then take such time as you may wish for getting your Stock subscribed. If you desire, I will confer with Senator Rice in regard to forms, &c. It might be better now to let him take the lead.

Yours very truly,
J. G. BLAINE.

AUGUSTA, ME., 29 Dec., 1870.

MY DEAR MR. FISHER,—I am in hopes now that I shall secure \$25,000, or nearly that. I find money very tight and rates well up to 9 per cent.—stiff at that.

The most of it will be for 5 and 6 months. If I had had more time and earlier notice I could have raised more, and at easier rates. I have seen most of the parties to whom bonds are due. I do not have much trouble about the January Coupon of the 1st Mortgage Bonds—but they of course grow slow—on six of the Bonds, I would be glad to have the Coupon. I promised them individually to make it right in the future. I did not in any way use the name of the Company nor commit you to anything—only myself.

On the Land Bonds I can not make them see the equity of removing the April Coupon, & I promised to try and adjust that matter with you after my return to Boston. They all agree with one voice that no bond shall be exposed for sale. I wish you could give me the benefit of that fraction making 32 of the 1st Mortgage Bonds for the \$31,500 due. I use the extra \$500 in adjusting the interest matter, & it fits in completely. I will make it all right with you.

What I want, then is

\$82,000 \$82,000 1st Mortgage Bonds,
\$850,000 Land Bonds,
and also for collateral to the notes for \$25,000 an additional \$50,000 of Land Bonds.

Please meet me at Mr. Caldwell's private office on Saturday at 12.15 sharp. I shall try to be there precisely at noon, but allow 15 minutes for grace. It is very important that I have everything completed that day, as a man will come to Boston with me to take charge of the Bonds.

Yours in g't haste,
J. G. BLAINE.