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GOVERNOR E. M. PEASE AND TEXAS RAILROAD DEVELOPMENT IN THE 1850's

by ROGER A. GRIFFIN

On May 14, 1853, E. M. Pease, a young Brazoria, Texas lawyer, issued a circular announcing his candidacy for the governorship of his state. In it he declared:

We have an extended territory, possessed of almost every variety of soil and climate, adapted to the production of all the great staples of agriculture; we have immense mineral wealth, as yet undeveloped. . . . It becomes therefore a question of the highest importance to our citizens, to devise and adopt some policy by which the different sections of the State can be brought into rapid and cheap communication with each other by railroads.¹

Pease went on to win election. For the next four years he would be closely associated with the making of Texas railroad policy. During his governorship the state began to offer prospective investors a vast bounty of public land to encourage the building of a railroad across Texas and on to the Pacific by way of the Gila river valley. In addition, it developed a plan to promote a comprehensive network of rails within the state. Although neither program was completely successful, the policies worked out during the period did influence later regulatory legislation in Texas.²

Railroad development was one of the great public issues in Texas during the 1840's and '50's. There had been talk of railroads since the establishment of the Republic in 1836. Several roads had been chartered after Texas became a state in 1846, though only one, The Buffalo Bayou, Brazos and Colorado, was under construction by 1853.³

Throughout the period Texans were united in their desire for a speedy and comprehensive railroad development in their state and most also wanted Congress to route the proposed Pacific railroad through Texas in order to facilitate the expansion of the South's "peculiar institution" westward into California. There was disagreement, however, on whether Texas railroads should be built by private capital, by private funds plus some sort of state subsidy, or by public funds alone. Some who opposed outright state ownership argued that railroad enterprise was not a proper object of government. Others noted that similar programs had failed in several older states and alleged that such enterprises encouraged corruption. Soon, however, scarcity of local capital and the lack of interest on the part of northern investors made it apparent that some sort of state assistance was essential. In 1852 the Legislature issued two charters, granting to the companies concerned eight sections of public land for each mile of road built. By that time there was also growing support for the state's making loans to companies to help finance construction.⁴

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State system supporters did not believe that such half-way measures would succeed. In July, 1852, many of them attended an internal improvements convention in Galveston and adopted a proposal presented by Lorenzo Sherwood, a local lawyer. Sherwood's "Galveston Plan" called for a thousand-mile system of railroads, mostly converging on that port city, to be constructed by the state and financed by the sale of bonds and the imposition of an internal improvements tax on property. Opposition to this scheme was largely sectional. Merchants in neighboring Houston thought the plan would take trade away from the port they hoped to establish. People in Austin, San Antonio, and elsewhere in west Texas looked toward the middle or lower Gulf, not toward Galveston for their most direct access to the sea. Farmers and planters in north and east Texas had long shipped their produce toward the Mississippi and preferred rail links in that direction.⁵

When E. M. Pease announced for governor in 1853, he had had extensive experience in Texas state government, having served as a representative in the First and Second Legislatures and as a senator in the Third. In the Senate he had chaired the Committee on Internal Improvements. During these years Pease had gained a reputation as an honest, conscientious legislator, characterized by intelligence, modesty and sound judgment.⁶

Pease's campaign for the governorship stressed the railroad question. In his circular he pledged support for liberal land grants and loans to private companies to encourage railroad development in the state. Later, in one of his first speeches in east Texas, he declared that he was "in favor of Texas offering every possible inducement" to secure the passage of the Pacific railroad through Texas.⁷

Pease's position in respect to railroads did not escape criticism. Another candidate, T. J. Chambers, a wealthy southeast Texas planter, accused Pease of being "the favored candidate of the coast party which is opposed to the great central [Pacific] railroad. . . ." "Mr. Pease," he continued, "has come out in his last circular in favor of railroads generally, [but] he has taken good care not to commit himself in print in favor of the great central railroad. . . ." An east Texas voter, interested in a governor who would work strongly for the routing of the Pacific road through his part of the state, commented in a letter to Senator T. J. Rusk: "We are (here) in favour of Peas [sic] but I fear he lives too *low down*." Undoubtedly Pease did lose some votes on the railroad issue, but most of the Democratic papers east and west were satisfied with his views. On August 1 he won election over five opponents.⁸

Pease's first biennial message to the Legislature, in December, 1853, urged that private railroad companies be regulated to protect the public interest. To accomplish this the Governor made several specific suggestions. Investors should be required to pay for a certain percentage of the stock at the time of subscription, and no company be allowed to organize until it had accumulated enough cash to begin actual construction on the road. Each charter should stipulate the exact terminals of the road, the date by which construction must begin, and the number of miles to be built yearly to final completion. Because charters had often been granted indiscriminately in the past, no existing charter should be extended unless the company had actually commenced construction and unless it was willing to submit to the regulations proposed for new charters.⁹

Newspaper reaction to Pease's message was generally favorable, though a few papers commented specifically on his remarks dealing with railroad policy. One which did, the *Galveston News*, expressed confidence that most of the Governor's views would be sustained by the people generally, and added: "Who will not agree . . . [with] what he says of the embarrassments likely to grow out of the numerous and conflicting railroad charters heretofore granted by our State?"¹⁰

Pease acted on his railroad views soon after taking office. First he vetoed a bill which would have revised the charter of the Galveston, Houston and Henderson Railroad on the ground that the measure did not meet the criteria set forth in his message. Later, though, he approved a general railroad bill granting to all chartered railroads sixteen sections of public land per mile constructed.¹¹

By far the most important railroad matter facing Pease was the so-called Mississippi and Pacific Bill. Passed by the Legislature just before he took office, the law directed the governor to contract with a company to build, own, and operate an 800-mile road through the state along the 32nd parallel. The contractors were to receive twenty sections of public land for every mile of road constructed, or about eleven million acres altogether. These lands were to be chosen from a reservation along the route of the road. The company would be required to deposit with the state \$300,000 in specie, federal or state securities, or "other good par stocks," to be forfeited if at least fifty miles of road were not built within eighteen months. In his legislative message Pease noted that, while he objected to several provisions of the act, he would "cheerfully" undertake the responsibilities it imposed upon him. Early in 1854 Pease advertised for bids in newspapers in New Orleans, Charleston, Washington, New York, Boston, and Philadelphia, as well as in three Texas papers. He stipulated that proposals must be submitted by May 1.¹²

Only one bidder, the Atlantic and Pacific Railroad Company, had responded by early March. The A. & P. had been chartered in New York the previous summer for the express purpose of negotiating with Congress or various state legislatures for the right to build a transcontinental railroad. The company was formally organized in November, 1853 with a capital stock of \$100,000,000, all of which was subscribed almost immediately, though only about \$25,000 in cash was actually paid in. Levi S. Chatfield, a former attorney-general of New York, was elected president. Other directors included Mississippian Robert J. Walker, former Secretary of the Treasury under Polk, T. Butler King, a Georgia Whig politician of some national prominence, and Anson Jones, last president of the Republic of Texas. Commenting on the company's organization, the *American Railroad Journal* had noted:

It will require very different timber from this to build the Pacific road. There is not what may be termed a first class name in the whole list. . . . There are on the other hand such a sprinkling of politicians and speculators as to throw doubt over the real intentions of the parties. . . .¹³

Governor Pease, probably aware of this unfavorable report, wrote to Senator Rusk on March 10, 1854, asking whether the deadline for receiving bids should be extended to give a chance for others to bid for the contract. "I have no preference for any company," wrote Pease, "but desire to see a fair competition and the contract taken by those who have the ability to execute it."

Rusk replied that the period should be extended. He noted that the A. & P. did not "command general confidence" and remarked that a contract which failed "would weaken confidence in our route and act prejudicially upon other Rail Road projects in the State." Early in April Pease extended the deadline to August 1.¹⁴

In the meantime, however, there had been a change in the management of the A. & P. Chatfield and King had disagreed over company policy when they were in Austin during the winter lobbying for the passage of the Mississippi and Pacific Bill, and bad feeling continued after their return to New York. At the end of March the directors ousted Chatfield and the other officers. Walker and King were then elected president and vice-president. Both were experienced railroad promoters. Walker had recently sold an issue of Illinois Central bonds in Europe. King had long been associated with railroad development in Georgia. On taking office, Walker and King immediately made an agreement with several prominent Texans, most notably M. T. Johnson, a popular soldier and politician, to submit a joint bid for the Pacific charter.¹⁵

At First Governor Pease was pleased with these developments, believing that the New York company now intended to operate in a more business-like manner. For a time, according to Johnson, he seemed willing to award the contract to Walker and King even before August 1 if they would come to Austin immediately with the \$300,000 deposit. This they did not do, and by mid-summer Pease had lost all confidence in them. No doubt he was influenced by a pamphlet entitled *Expose of the Atlantic and Pacific Railroad Co.*, in which the editor of the New York *Examiner* charged that Walker, King, and the other directors were penniless speculators trying to swindle the firm's assets from those stockholders who had invested actual cash in the enterprise. Senator Sam Houston, in commenting to the Governor on the pamphlet, exclaimed: "For Gods [*sic*] sake do not let these men fasten themselves upon Texas." Senator Rusk, though not completely convinced by the allegations, warned Pease that Texas must not allow her lands to fall into the hands of "greedy speculators."¹⁶

By July 15 Pease had about decided to make no contract at all if Walker and King's bid should be the only one received. It would be far better, he declared to Rusk, "that the commencement of this work should be delayed several years, than that our route shall have to bear the odium that must attach to the failure of a company organized solely on speculating purposes, as I fear this has been."¹⁷

Pease must have known, however, that there was strong opinion in Texas favorable to any movement which seemed likely to get the Pacific road under construction soon. Walker and King capitalized on this feeling when they arrived in Austin late in July. They quickly completed their arrangements with Johnson and fourteen other Texas investors, including State Treasurer James H. Raymond, Comptroller James B. Shaw, former governor J. Pinckney Henderson, John W. Harris, Pease's law partner and a former state attorney-general, and Samuel A. Maverick, reputedly the wealthiest man in the state. By informal agreement, Walker and King assumed complete responsibility for procuring the deposit required by law. Although the two promoters entered the compact as individuals, rather than as representatives of the A. & P., it was agreed that all assessment-paying members of the old company would be allowed to take stock in the new.¹⁸

On August 31, Pease reluctantly signed a contract with the new syndicate. As he later explained to his personal friend, Guy M. Bryan, he could not very well declare that he had no confidence in the Texas contractors, all of whom were highly respected by the people of the state. Pease claimed, however, that before agreeing to the contract, he exacted from the Texas members a pledge that they would do all in their power to see that "a good deposit was made and that the business of the company was honestly managed. . . ."¹⁰

There then followed a determined effort on the part of Walker and King to make an acceptable deposit, which the law specified must be done within sixty days of the signing of the contract. Before the two promoters left Austin they offered a certificate of deposit for \$300,000 in the Farmers and Merchants Bank of Memphis, Tennessee. Pease refused to accept it on the ground that it did not meet the requirements of the law. Then Walker and King offered \$298,000 of the stock of the Mechanic's Bank of Memphis plus a \$2,000 certificate for New York State stock. Pease's response, so he said later, was that he could accept only specie or securities issued by the United States or a state, county, or city. A letter from the promoters to Pease on September 12, however, asserted that the Governor had questioned them primarily about the market value of the proffered stocks, not about whether they were of the kind required by the law.¹¹

For a time the matter appeared closed, but on October 6, Walker and King informed State Treasurer Raymond that they were about to submit a new deposit, to consist of a certificate for \$300,000 of preferred stock of the Sussex Iron Company of New Jersey, and expected to re-submit the Tennessee bank and New York State stock as an additional deposit. Soon after, they forwarded the stock certificates, along with evidence which purported to prove that the iron company securities were "good par stocks" under the Texas law. They also advised Raymond that, as they understood the law, the treasurer, not the governor, was the proper official to accept or reject the deposit. Raymond nevertheless submitted the stock certificates and accompanying papers to Governor Pease, who rejected all except the New York State stock because they were "not the description of stocks the legislature intended should be deposited." Even if they were, the evidence offered had not satisfied him that they were sound securities. On November 8 Pease officially proclaimed the contract null and void, and three weeks later he called for new bids.¹²

Friends of the M. & P. responded promptly to Pease's action. In a long published letter, State Treasurer Raymond attempted to refute the Governor's legal objections to the deposit and asserted that the main reason for the rejection was Pease's belief that Walker and King were not the right sort of leaders to see the project through to completion. According to Raymond, the Pacific Bill did not allow the Governor to take such considerations into account. M. T. Johnson, who owned land along the projected route of the road, immediately issued a notice that the contractors, considering the deposit legal, would formally organize the M. & P. in Montgomery, Alabama, in December and then proceed with the construction of the road. The *Texas State Times* of Austin, edited by John S. ("Rip") Ford, a close friend of Johnson, charged on November 11 that Pease's rejection of the deposit called into question the Governor's support for railroads in general. "The friends of . . . railroads," commented the paper, "have been deceived; they have leaned upon an unstable reed: let them beware of the present, and provide for the future." Public meetings in Dallas and Ft. Worth,

both on the line of the M. & P., passed resolutions condemning the Governor's action."²³

Most of the political establishment and press of the state, however, supported Pease. Senator Houston wrote: "My Dear Pease—You have done my heart good, and the State service." Senator Rusk noted that Pease's action should make it easier to attract serious outside capital to the Pacific road project. The *Austin Texas State Gazette* remarked that the insinuation, made the previous summer, that the fifteen Texas contractors had been chosen more "for their political capacity to operate upon the judgement of the executive" than for anything else, had been "met and repelled by the firm and decided action" of the Governor."²⁴

The effort of Walker and King to obtain the M. & P. charter came to an end in December when the Texas contractors refused to organize the company in the face of Pease's rejection of the deposit. In January the two promoters informed the stockholders of the A. & P. that, while they were satisfied that the U. S. Supreme Court would rule in their favor should they attempt to force Texas to grant them the charter, the time required by the proceedings would make it impossible to complete the required fifty miles of road within eighteen months."²⁴

Governor Pease revealed something of his personal feelings about the deposit controversy in a letter to Guy M. Bryan in December.

The course that I have been compelled to pursue has been a very disagreeable one to me. I am and ever have been a sincere friend to the road. The Texas contractors were all personal friends, and all, I believe . . . [but one] supported me at the last election, but I felt I owed a duty to the people of Texas, superior to all obligations of personal or political friendships, and I have discharged it.

To another friend Pease confided that the almost unanimous support he had received in the dispute had induced him "to think of becoming a candidate for re-election."²⁵

Pease did seek the governorship again in 1855 and his stand on the Pacific road did indeed bring him political support. However, he almost lost the election because of another railroad issue. The trouble began in February, when a group of state-system advocates in Galveston asked the Governor's current views on railroad policy in Texas. He made only an oral reply at that time, but in April he published a written letter in which he declared that his opinion regarding the best mode of obtaining railroads for Texas had undergone "much change within the last year." Previously he had supposed that large land grants would be sufficient to compensate capitalists for the meager profit they could expect to make on their investment in Texas railroads, but now he had "been forced, reluctantly, to the conclusion, that if the present population of Texas desire to have the benefit of railroads, they must be built on the credit of the State, either wholly or in part."²⁶

Pease then offered his own version of a state system. It called for constructing approximately 1,200 miles of road in ten years at an estimated cost of nineteen and a half million dollars to be borrowed from private investors. This debt he proposed to service by the imposition of an internal improvements tax

of fifteen cents per hundred dollars of taxable property, the sale of public land, and the appropriation of some of the United States bonds obtained by the state in the boundary settlement of 1850. To prevent future legislatures from expanding the system beyond the state's ability to pay or from repudiating the debt—problems which had vexed other states in the past—the essential provisions of the plan should be placed in the Constitution.²⁷

The *Galveston News*, Lorenzo Sherwood, and a state internal improvements convention, dominated by Galveston delegates, all heartily applauded Pease's position on railroad development. But most politicians, editors, and railroad men elsewhere in the state did not see matters in the same light. The state Democratic convention, which met at Huntsville on April 21 found most of the delegates strongly opposed to any state plan. Seeing no alternative candidate, however, they reluctantly recommended Pease's re-election. Three weeks later Senators Rusk and Houston, speaking at Nacogdoches, praised the Governor for his past services to Texas but declared their opposition to the views stated in his Galveston letter. Houston admitted that the corporate system had not worked very well to date but declared that it had not yet had a fair trial. The state's Democratic press generally took the same line. Thus the *Austin Texas State Gazette* endorsed Pease for re-election but called his railroad program "nothing more than a reproduction of . . . the Galveston plan," and pointed out that, with interest included, the total cost of the Governor's system would be more than twice the figure he had used in the letter.²⁸

Pease did not publicly answer his critics during the campaign. To his personal friend, Paul Bremond, president of the Galveston and Red River Railroad Company [of Houston], however, he protested that he was not committed to any single railroad program and added that it was an error to suppose his proposal a carbon copy of the Galveston plan.

No sane men, not directly interested in Galveston would in the present condition of our individual and state wealth expend a million and a half in bridging Galveston Bay and making a railroad from Galveston to Harrisburg or Houston. . . . I never dreamed of commencing a railroad to communicate with Galveston Bay at any other point than at the head of navigation on Buffalo Bayou.²⁹

Until early summer it appeared that Pease's re-election would go uncontested despite the unpopularity of his advocacy of the state system. Then, near the middle of June, Lt. Governor D. C. Dickson announced for governor. The theme of his campaign was soon apparent. In his campaign circular Dickson claimed that if Texas were to adopt the Governor's proposals

speculations and frauds upon the internal improvement fund would inevitably occur; roads would be projected for the purpose of conciliating sections which would be useless if completed, and the experiment would leave us, in a few years, burdened with a *new* and heavy debt to be paid by direct taxation, and all, too without corresponding benefits.

As James H. Raymond expressed it in a letter to Dickson, "Somebody wrote 'Oh! that my enemy would write a book'.—Your opponent has written a letter. . . ."³⁰

Despite the emphasis in his circular, railroad policy was not the real reason why Dickson had decided to run. He was in fact the candidate of the new nativistic Know Nothing Party. Dickson did not immediately reveal his new political affiliation, however, and many Democrats feared that he would attempt to campaign as a Democrat opposed to Pease's position on railroad development. To prevent this Pease and other speakers, at a rally in Austin on June 16, lashed out at the Know Nothing movement as illiberal and anti-democratic. In addition, the Governor stated emphatically that he did not plan to make railroad policy an issue in the campaign. In his campaign circular, Pease charged that Dickson and his supporters were trying to use the issue of his Galveston letter as a cover for their plan to bring "into power in Texas, a secret political society, which can never find favor with the people upon its own merits." He went on to pledge that if elected, he would accept "any practicable plan... [for] the construction of such railroads as will meet the wants of the country."³¹

As the campaign neared its close, Democrats hammered away at Dickson's Know Nothingism, while Dickson and friends tried to picture Pease as a vacillating politician who had advocated a bad railroad policy in April and was now trying to repudiate it. The *Austin Texas State Times*, a Dickson paper, declared that it was opposing Pease "because we believe he favors the coast and would build up cities there at an undue sacrifice to the up country... [and] because we view him as the opponent of the Pacific railroad..." In the end, Democratic fears that the party might lose control of the state government proved a stronger influence on voters than their unhappiness over Pease's railroad views, and he was returned to office. Dickson ran a good race, however, and much of his support undoubtedly was based on the railroad issue.³²

The new Legislature assembled in November, 1855. Governor Pease, in his message to the lawmakers, summarized the history of the Mississippi and Pacific charter and asked whether they wished to continue the law in force. "The great advantages that would accrue," wrote Pease, "should induce all to favor the measure if reasonable hope is entertained that it will be constructed under the law." On the other hand, the road could be expected to attract investors only as part of a transcontinental system, not as a purely state road without connections to the east and west.³³

Concerning railroad policy in general, Pease noted that the state had thus far chartered thirty-seven railroads, offering "greater inducements for their construction, than were ever offered before by any government." Yet only one road was in operation, and it could boast of only thirty miles of track. This poor record induced Pease to recommend that no present charter be renewed or revised unless the company showed a good promise of completing its road. New charters should only be granted as the needs of the country required. Such charters should be granted only to commissioners who would supervise the subscription of stock and the formal organization of the companies. In addition, Pease recommended again the regulations he had proposed in 1853. "If we pursue this course," the Governor asserted, "we shall have no more companies organized without capital to impose upon the credulous and unwary, and stand in the way of those who have the disposition and means to construct railroads."³⁴

To develop the general system of railroads needed by the state Pease recommended again the state system, now expanded by 400 miles, that he had

advocated in his Galveston letter. He indicated, though, that should the Legislature refuse to implement his proposals, he would be willing to support additional state aid to private companies under proper safeguards. He doubted, however, whether a scheme, advanced in the last Legislature for construction loans, based upon miles completed, would produce adequate results.³⁴

Editorial reaction to these recommendations was mixed. Most papers approved of Pease's call for strict regulation of private companies but continued to oppose his state system proposals. Several expressed surprise that, considering his campaign statement the previous summer, he was still promoting such views. The Clarksville *Standard* noted that because of the Governor's Galveston letter it had been "extremely difficult to get the people to vote for him; and would have been utterly impracticable, but for the strenuous" efforts of his friends. Later the *Standard* asserted that by continuing to promote his state system, Pease had "crushed effectively, and finally, much of the confidence which many of the people were disposed to place in him..."³⁵

In the Legislature the House Internal Improvements Committee did report favorably on Pease's state system recommendations, but they progressed no further. Attempts to pass legislation authorizing the state to loan money or iron to railroad companies also failed. Several bills did pass to extend the charters of existing roads. The Governor vetoed one which would have aided the Henderson and Burkville road on the ground that to approve it would

commit the state, at least during the continuance of the present Legislature, to the extension of similar relief to all the railroad companies that have heretofore been chartered, whenever they apply for it, although they have not paid in a dollar of their stock, nor done any work under their charter, and will most likely lead to the grant of new charters of . . . like character. . . .³⁷

Because of several matters of unfinished business Pease announced at the end of the regular session that he would call an adjourned session to meet in July of 1856. In the meantime pressure was put on the Governor to lend his support to this or that railroad plan in the summer session. Lorenzo Sherwood assured Pease that the state system was not dead and urged him to be "discreetly active during the interregnum" in its behalf. Paul Bremond, on the other hand, advised Pease not to oppose the loan policy. The railroad man asserted that only the Governor's "great personal popularity" and the association of Dickson's name with Know Nothingism had saved Pease from defeat in 1855. Sam Houston had recently ruined himself politically, commented Bremond, by taking a position contrary to that held by his constituents. The implication was that Pease, whose interest in the United States Senate was known to Bremond, should avoid Houston's mistake.³⁸

A state-wide internal improvements convention met in Austin on July 4 and 5. Although Pease attended as a delegate from Travis county, he did not take an active part in the proceedings. Extended discussion of the respective merits of the state system and the loan policy produced recommendations favoring the latter.³⁹

The adjourned legislative session which followed acted on the recommenda-

tions of the convention by passing a bill authorizing the state to loan railroad companies \$6,000 per mile of road completed. The governor was made responsible for appointing inspectors to verify that the work had been done. Pease allowed the measure to become law without his signature. Its adoption settled the question of railroad policy in Texas.⁴⁰

Although Pease had taken little or no part in influencing this landmark legislation, he had, on the very first day of the session embroiled himself in another railroad controversy. He did so by vetoing an amended charter of the Texas Western Railroad Company, passed earlier in the year. Chartered originally in 1852 to traverse the state along the thirty-second parallel, the Texas Western had been purchased in December of 1853 by the Atlantic and Pacific to prevent competition with the proposed Mississippi and Pacific road. After the Texas contractors refused to organize the M. & P., leading stockholders in the old A. & P. organized the Texas Western, with Walker and King as president and vice-president, to build the Pacific railroad under its charter. Because the charter was due to expire soon, the company, in 1855, sought and obtained from the Legislature its extension and a liberalization of its terms.⁴¹

Pease's veto message took the lawmakers to task for exempting the company from most of the regulations he had recommended the previous November, especially since they had included them in almost all other amended charters passed during the session. "Why this exception and partiality?" he asked. "Is there any thing in the previous management of this company to entitle it to peculiar favor?" Pease took particular umbrage at the provision permitting the company merely to grade and furnish cross ties for ten miles within five years without requiring that the ten miles be operational. "If this company has any capital, the task will not be an onerous one. . . . And if it has not," it should not be continued.⁴²

Friends of the Texas Western immediately sought to overturn the veto. T. Butler King, in a public letter to the legislators, attempted to vindicate his actions relative to the Pacific railroad in Texas over the past several years and to "correct . . . the errors into which his Excellency [Pease] seems to have been led by rumors or reports which have no foundation in fact." State Senator E. E. Lott of Smith County, speaking on the floor of the upper house, said of Pease's action:

I am constrained to believe that this thing has been done to carry out one great, tremendous controlling idea which has long been entertained by certain gentlemen in high official places. . . . They are willing to advocate any policy for the building of railroads, provided they terminate at Galveston.

Senator W. T. Scott of Harrison county called Pease "an elastic shoe-string politician" and asserted that the veto message contained "more falsehoods and perversions of facts, than any paper of the same length" that he had ever read. Resolutions adopted at a protest meeting in Marshall in August claimed that Pease was attempting to wage a personal "war of extinction" against the Texas Western and called his veto "another evidence of his desire to destroy the corporation system of the State."⁴³

Most of the press in the state took the opposite side and sustained Pease's action. The Legislature, however, did not. On August 16 the amended charter

was passed into law over the Governor's veto. And when he vetoed several other railroad charters during the course of the adjourned session, most of them were overridden as well.⁴⁴

In the fourteen months between the close of the summer session of 1856 and the convening of the Seventh Legislature, some of Pease's friends promoted his candidacy for the United States Senate, to replace the unpopular Houston. One of them, Paul Bremond, warned the Governor that the Pacific railroad people were working very hard to prevent his election. And, although Pease carried out in good faith his responsibilities under the loan bill, when the legislators caucused in November, 1857 to elect a senator, Pease was never seriously considered.⁴⁵

Pease's last public statement on railroad policy came in his third biennial legislative message, dated November 2, 1857. He again recommended that existing railroads be required to conform to the strict regulations recommended in his earlier messages. The loan law, he noted, had not benefitted railroad companies to the extent that its advocates had anticipated. The problem was that the amount of money which could be loaned was not sufficient to afford the relief needed. Even so, he was not disposed to recommend any important change in policy. "The present system," he continued, "was adopted after mature deliberation, and seems to be satisfactory to the great majority of our citizens. . . . It enables a few companies to struggle along and accomplish something." Upon this note of seeming resignation, Pease's second term of office expired.⁴⁶

Typical newspaper evaluations at the end of Pease's service as Governor complimented his efforts to establish guidelines for the regulation of railroads but were critical of his efforts to inaugurate a state system of railroads in Texas. The friendly Austin *Southern Intelligencer* rendered what was probably a very fair verdict: "He may be said to have got behind the most sanguine men in his confidence in railroad enterprises. But the truth is he had mastered the subject and foresaw the difficulties in the way."⁴⁷

As a leader in Texas railroad development, E. M. Pease had been neither innovative nor consistently successful. Not all of his policy was sound. The visionary state system he came to espouse probably would not have worked as well as Pease expected. To his credit, however, he approached it with the same zeal for careful regulation which he exhibited toward railroad corporations. His behavior toward Walker and King's Pacific railroad schemes was surely warranted, and, considering the state of national politics at the time, did not delay nor prevent the establishment of a southern transcontinental road. Also, according to the available evidence, Pease did not deserve his reputation as a coastal sectionalist. Neither was he unduly influenced by either economic or political considerations in his formulation of railroad policy. Pease was an honest, conservative statesman who attempted to put a brake on the undisciplined enthusiasm of those who rightly understood the importance of railroads to their section of the American frontier but were careless as to the way they should be developed. Had his policies been fully implemented and maintained through the years, many of the railroad problems which beset Texas during the latter part of the century might have been avoided.⁴⁸

NOTES

¹Austin *Texas State Gazette*, May 14, 1853.

²Carter Goodrich, *Government Promotion of American Canals and Railroads, 1800-1890* (New York, 1960), 162; Charles W. Ramsdell, "Internal Improvement Projects in Texas in the Fifties," *Proceedings of the Mississippi Valley Historical Association*, IX (1917), 109; Robert E. Riegel, "Trans-Mississippi Railroads During the Fifties," *Mississippi Valley Historical Review*, XX (September 1923), 153, 171.

³Stephen B. Oates (ed.), *Rip Ford's Texas* (Austin, 1963), 208; *Nacogdoches Chronicle*, March 30, 1853; H. P. N. Gammel (comp.), *The Laws of Texas, 1822-1897* (10 vols.; Austin, 1898), III, 376-379; *Austin Southern Intelligencer*, January 21, 1857; Seth Shepard McKay, "Texas and the Southern Pacific Railroad, 1848-1860," *Southwestern Historical Quarterly*, XXXV (July 1931), 4-5. The B. B., B. & C. was the first American railroad construction started west of the Mississippi river. Riegel, "Trans-Mississippi Railroads During the Fifties," 161. For a detailed discussion of attempts to develop railroads in the Republic of Texas, see John Edwin Bramlette, "Railroad Development in Texas Before 1861" (unpublished M.A. thesis, University of Texas, May, 1941), 1-32.

⁴S. G. Reed, *A History of Texas Railroads and of Transportation* (Houston, 1941), 48; Samuel Bertram McAlister, "The Building of the Texas and Pacific Railway" (unpublished M.A. thesis, University of Texas, June, 1926), 5-6; Robert R. Russell, *Improvement of Communication with the Pacific as an Issue in American Politics, 1783-1864* (Cedar Rapids, 1948), 24-25; Gammel, *Laws of Texas*, III, 1145, 1478; Charles S. Potts, *Railroad Transportation in Texas* (Austin, 1909), 96-98; *Austin Texas State Gazette*, April 28, June 9, 1855; *Nacogdoches Chronicle*, October 2, 1852.

⁵Galveston convention proceedings, printed in *Galveston Weekly News*, August 3, 1852; Earl Wesley Fornell, *The Galveston Era, the Texas Crescent on the Eve of Secession* (Austin, 1961), 158; I. A. Paschal to E. M. Pease, February 12, 1856, Pease-Graham-Niles Family Papers, Austin-Travis County Collection, Austin Public Library, Austin (hereafter cited as Pease Papers); *Nacogdoches Chronicle*, October 2, 1852; *Marshall Texas Republican*, December 25, 1852.

⁶*Austin Texas State Gazette*, July 2, 23, 1853; *Clarksville Standard*, December 2, 1854; *Texas Senate Journal* (3rd Legislature), *passim*. Born in Connecticut in 1812, Pease had immigrated to Texas in 1835. During the Texas Revolution he served as both soldier and minor bureaucrat. After holding several posts in the government of the Texas Republic, he practiced law in Brazoria, on the lower Brazos river. By 1853 he had become one of the most prominent lawyers in Texas. Walter Prescott Webb and H. Bailey Carroll (eds.), *The Handbook of Texas* (2 vols., Austin, 1952), II, 351.

⁷*Austin Texas State Gazette*, May 14, July 30, 1853.

⁸*Nacogdoches Chronicle*, July 26, 1853; William M. Simpson to T. J. Rusk, July 17, 1853, T. J. Rusk Papers, Archives Collection, University of Texas Library, Austin; *Austin Texas State Gazette*, April 23, 1853; *Marshall Texas Republican*. For a detailed discussion of the railroad issue in the gubernatorial

election of 1853, see Roger A. Griffin, "Intrastate Sectionalism in the Texas Governor's Race of 1853," *Southwestern Historical Quarterly*, LXXVI (October, 1972).

⁹Texas Senate Journal (5th Legislature), 17-19.

¹⁰Galveston Weekly News, January 3, 1854. For general comments, see Gonzales Inquirer, January 7, 1854; Austin Texas State Gazette, December 27, 1853; Galveston Civilian, January 4, 1854.

¹¹Executive Record Book No. 276, Records of the Secretary of State, Archives Division, Texas State Library, Austin; Gammel, *Laws of Texas*, III, 1455-59.

¹²Gammel, *Laws of Texas*, IV, 7-13; address of T. Butler King, December 24, 1853, printed in Austin Texas State Gazette, January 7, 1854; Pease to Rusk, January 25, 1854, Rusk Papers; Texas Senate Journal (5th Legislature), 17; Executive Record Book No. 276, 31-34, 40, 57. On February 3, 1855, the Austin Texas State Times, speculated that the Legislature might have hurried through the Mississippi and Pacific Bill in December, 1853 to avoid a probable veto by Pease.

¹³Pease to Rusk, March 10, 1854, Rusk Papers; Andrew Forest Muir, "The Thirty-Second Parallel Pacific Railroad in Texas to 1872," (unpublished Ph.D. dissertation, University of Texas, May, 1949), 25-26; *American Railroad Journal*, XXVI (November 12, 1853), 728.

¹⁴Pease to Rusk, March 10, 1854, Rusk Papers; Rusk to Pease, March 30, 1854, *ibid.*; Executive Record Book No. 276, 76. Senator Rusk was one of the leading Congressional advocates of a southern transcontinental railroad. Muir, "The Thirty-Second Parallel Pacific Railroad in Texas to 1872," 11, 33-36.

¹⁵Anson Jones, *Memoranda and Official Correspondence Relating to the Republic of Texas, its History and Annexation* (New York, 1859; reprinted, Chicago, 1966), 110-111; T. Butler King to Rusk, April 1, 1854, Rusk Papers; James B. Shenton, *Robert John Walker, a Politician from Jackson to Lincoln* (New York, 1961), 62-63, 133-36; Edward M. Steel, *T. Butler King of Georgia* (Athens, Ga., 1964), 8-64, *passim*; Johnson to Pease, April 10, 1854, Pease Papers; Webb and Carroll, *Handbook of Texas*, I, 917.

¹⁶Pease to Rusk, July 15, 1854, Rusk Papers; Johnson to Rusk, May 22, 1854, *ibid.*; Walker and King to Johnson, June 3, 1854, *ibid.*; Corns. Glen Peebles, *Expose of the Atlantic and Pacific Railroad Co.* (New York, n.d.), copy in *ibid.*; Houston to Pease, June 22, 1854, *ibid.*; Rusk to Pease, June 24, 1854, *ibid.*; Pease to Guy M. Bryan, December 9, 1854, Guy M. Bryan Papers, Archives Collection, University of Texas Library, Austin. Pease may have been aware that the *American Railroad Journal* [XXVII (June 24, 1854)] had recently declared: "The fact that Mr. Walker is now the moving spirit in the company is sufficient to destroy all confidence in its object or management."

¹⁷Pease to Rusk, July 15, 1854, Rusk Papers.

¹⁸Austin Texas State Times, July 29, 1854; Austin Texas State Gazette, July 29, August 5, 1854; Pease to Bryan, December 9, Bryan Papers.

¹⁹Austin *Texas State Gazette*, August 12, 1854; Pease to Bryan, December 9, 1854, Bryan Papers. The contract is in Box V, Railroad Papers, Reports, Inspections, Archives Division, Texas State Library, Austin.

²⁰Austin *Texas State Gazette*, November 18, 1854; Walker and King to Pease, September 12, 1854, Governors' Letters (Pease), Archives Division, Texas State Library, Austin; Pease to Rusk, November 16, 1854, Rusk Papers. All of the securities seem to have been loaned to Walker and King by friends for their use as a deposit, with the understanding they would be returned once the first fifty miles of road were built. Muir, "The Thirty-Second Parallel Pacific Railroad in Texas to 1872," 47-49.

²¹B. F. Benton to Pease, September 8, 1854, Pease Papers; Guy M. Bryan to Pease, September 25, 1854, *ibid.*; Walker and King to Raymond, October 6, 1854, Governors' Letters; same to same, October 14, 1854, *ibid.*, Raymond to Pease, October 28, 1854, *ibid.*; proclamation dated November 9, 1854, *ibid.*; Pease to Raymond, October 30, 1854, Executive Record Book No. 276, 174-84; proclamation, dated December 1, 1854, *ibid.*, 218-19.

²²Austin *Texas State Gazette*, November 18, December 2, 1854; Austin *Texas State Times*, November 11, December 9, 16, 1854. According to Pease, Johnson, in his public notice, was only speaking for himself and four other Texas contractors, not the entire group. Pease to Bryan, December 9, 1854, Bryan Papers.

²³Austin *Texas State Gazette*, November 18, December 16, 1854; Rusk to Thomas J. Jennings, November 9, 1854. For other favorable reaction, see Austin *Texas State Gazette*, November 25, 1854; Galveston *Weekly News*, November 21, 1854; Marshall *Texas Republican*, November 25, 1854; Clarksville *Standard*, December 2, 1854; *American Railroad Journal*, XXVII (November 25, 1854), 743-44; *New York Times*, November 31, 1854; S. M. Swenson to Pease, June 9, 1855, Pease Papers. Rutherford B. Hayes, a young Cincinnati lawyer, wrote his old college friend Guy M. Bryan, on January 22, 1855: "Everybody North thinks your Governor Pease has done a very sensible thing in not taking 'moonshine stocks' as security that a 'moonshine railroad' would perform their contract." Charles Richard Williams, (ed.), *Diary and Letters of Rutherford Birchard Hayes* (5 vols.; Columbus, 1922-26), I, 478.

²⁴"Circular to the Stockholders of the Atlantic and Pacific R. R. Company," January 31, 1855, printed in an unidentified newspaper clipping in the Lorenzo Sherwood Scrapbook, Rosenberg Library, Galveston. No additional bids for the M. & P. charter were submitted to Pease. *Texas Senate Journal* (6th Legislature), 18.

²⁵Pease to Bryan, December 8, 1854, Bryan Papers; Pease to Stephen Power, December 9, 1854, Pease Papers.

²⁶M. L. Smith to Pease, January 1, 1855, Pease Papers; W. B. Perry to Pease, March 6, 1855, *ibid.*; Sherwood to Pease, April 3, 1855, *ibid.*; Oates, *Rip Ford's Texas*, 21; Austin *Texas State Gazette*, January 27, March 3, April 28, 1855.

²⁷Austin *Texas State Gazette*, April 28, 1855. Although not mentioned in his Galveston letter, it was generally understood that under the system proposed, the state was to retain ownership of the road beds and charge tolls for their use by private carriers. Austin *Texas State Times*, May 26, 1855.

²⁹Galveston *Weekly News*, April 14, 1855; Sherwood to Pease, April 3, 1855, Pease Papers; Austin *Texas State Gazette*, April 28, May 5, June 9, 1855; Marshall *Texas Republican*, May 12, 1855; Amelia W. Williams and Eugene C. Barker (eds.), *The Writings of Sam Houston, 1813-1863* (8 vols.; Austin, 1943), VI, 181.

³⁰Pease to Bremond, May 5, 1855, filed with Bremond to Pease, April 30, 1855, Pease Papers.

³¹Marshall *Texas Republican*, June 11, 1855; Austin *Texas State Gazette*, June 23, 1855; Raymond to Dickson, June 23, 1855, David C. Dickson Papers, Archives Collection, University of Texas Library, Austin; copy of Dickson's circular, dated 1855, in Archives Collection, University of Texas Library.

³²Litha Crews, "The Know Nothing Party in Texas" (unpublished M.A. thesis, University of Texas, 1925), 11-14, 66-78, *passim*; Austin *Texas State Gazette*, June 23, July 11, 1855. An anonymous writer to the *Gazette* claimed that the Know Nothing leadership had planned to nominate someone else but changed to Dickson in order to exploit the railroad issue. *Ibid.*, June 23, 1855. A copy of Pease's circular, dated June 23, 1855, is in E. M. Pease Broadside Collection, Archives Collection, University of Texas Library, Austin.

³³Clarksville *Standard*, July 14, 1855; Marshall *Texas Republican*, July 14, 1855; Austin *Texas State Gazette*, June 30, July 7, 11, 18, 1855; J. W. Latimer to John H. Reagan, August 23, 1855, John H. Reagan Collection, Archives Division, Texas State Library; Lucadia Pease to Juliet Niles, August 23, 1855, Pease Papers. M. T. Johnson had been a candidate on a pro-Pacific, anti-state system platform but withdrew before election day to help prevent a Know Nothing victory. J. G. McDonald to Dickson, June 30, 1855, Dickson Papers; E. W. Winkler, *Platforms of Political Parties in Texas (Austin, 1916)*, 67. Former governor George T. Wood, also in the race for a short time, had favored the state's using slave labor to build railroads. Israel Bigelow to Dickson, July 9, 1855, Dickson Papers.

³⁴Texas *Senate Journal* (6th Legislature), 19.

³⁵*Ibid.*, 20-22.

³⁶*Ibid.*, 22-31.

³⁷Clarksville *Standard*, December 1, 8, 1855. See also Marshall *Texas Republican*, December 1, 1855; *American Railroad Journal*, XXVIII (December 8, 1855), 770.

³⁸Texas *House Journal* (6th Legislature), 401-02; Clarksville *Standard*, December 16, 1855, January 12, 1856; McKay, "Texas and the Southern Pacific Railroad, 1848-1860," 10-11; Gammel, *Laws of Texas*, IV, 326-29, 352-53, 413-14; veto message, January 18, 1856, Governors' Letters.

³⁹Sherwood to Pease, April 5, 1856, Pease Papers; special message, dated February 1, 1856, Governors' Letters; Bremond to Pease, April 5, 1856, *ibid.* Bremond's reference to Houston concerned the senator's vote against the Kansas-Nebraska Act. Winkler, *Platforms of Political Parties in Texas*, 68.

⁴⁰Austin *Texas State Gazette*, March 8, July 12, 1856.

⁴¹Gammel, *Laws of Texas*, IV, 449, 55; Fornell, *The Galveston Era*, 179.

¹⁴Veto Message, July 7, 1856, Governors' Letters; "Circular to the Stockholders of the Atlantic and Pacific R. R. Company," January 31, 1855, Sherwood Scrapbook; J. Pinckney Henderson to Pease, April 13, 1856, Pease Papers.

¹⁵Veto message, July 7, 1856, Governors' Letters.

¹⁶Austin *Texas State Times*, July 26, August 9, 1856; Marshall *Texas Republican*, August 9, September 6, 1856. R. W. Loughery, editor of the Marshall *Texas Republican*, wrote Pease in August that he thought it "unfortunate that you should ever have fallen in love with the state system. It has given a great handle to your enemies." August 19, 1856, Pease Papers.

¹⁷Austin *Texas State Gazette*, August 16, September 13, 1856; Willard Richardson to Pease, September 17, 1856, Governors' Letters; Clarksville *Standard*, July 26, 1856; Gammel, *Laws of Texas*, IV, 622-24; Pease to Lucadia Pease, August 5, 1856, Pease Papers. See also veto messages, dated July 7, August 16 and 30, 1856, Governors' Letters. During the adjourned session Pease complained to his wife that he was daily annoyed by "the foolish, improvident and corrupt Legislators" and noted that he expected to go down in history as the "veto Governor," an appellation to which he had no objection. Pease to Lucadia Pease, August 5, 10, 1856, Pease Papers. Under its revised charter the Texas Western became known as the Southern Pacific. The company completed twenty miles of road in February, 1858. After the Civil War the road was finally completed as the Texas and Pacific. Muir, "The Thirty-Second Parallel Pacific Railroad in Texas to 1872," 94; Russel, *Improvement of Communication with the Pacific Coast*, 269-70.

¹⁸Pease to George W. Paschal, February 13, 1857, printed in Austin *Southern Intelligencer*, February 13, 1857; William Fields to Pease, March 3, 1857, Pease Papers; Bremond to Pease, September 2, 1857; *ibid.*; Austin *Texas State Gazette*, November 7, 1857.

¹⁹Texas *House Journal* (7th Legislature), 38-41.

²⁰Clarksville *Standard*, November 28, 1857; Austin *Texas State Gazette*, December 26, 1857; Marshall *Texas Republican*, January 16, 1858; Austin *Southern Intelligencer*, January 16, 1858.

²¹For scholarly discussions of railroad abuses of the 1870's and '80's and reform measures of the 1890's, see W. C. Nunn, *Texas Under the Carpetbaggers* (Austin, 1962), 34-38; Alwyn Barr, *Reconstruction to Reform, Texas Politics, 1876-1906* (Austin, 1971), 111-124; and Robert C. Cotner, *James Stephen Hogg, a Biography* (Austin, 1959), 159-224.