Credit Mobilier Scandal

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Description

One of the greatest political scandals in American history involves a company called Credit Mobilier. The scandal was traced to the highest levels of President Ulysses S. Grant's administration.

Keywords

Industrial America, Technological Development, Late Nineteenth Century, Ulysses S. Grant, Credit Mobilier, Scandal, Schuyler Colfax, Union Pacific Railroad, California, Corruption

Citation

MLA

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Credit Mobilier Scandal

NARRATOR: Scandal after scandal broke during Ulysses S. Grant’s second presidential term, embarrassing Republicans and weakening Americans’ confidence in politicians. The worst of these scandals involved a railroad construction company called Credit Mobilier.

JOHN STEELE GORDON, author:

When this came out it was a huge scandal. One third of the members in Congress were thrown out of office in the election of 1874. And most of them richly deserved it.

NARRATOR: The corruption traced back to the highest levels of the Grant Administration. The scam began with executives from the Union Pacific Railroad Company.

GORDON: Credit Mobilier was crooked from the word “go.” The Union Pacific Railroad had been chartered by the federal government to build a line to California. The management of the Union Pacific Railroad then set up a construction corporation, gave it a fancy French name Crédit Mobilier, and hired themselves to build the railroad. Well guess what? They hired themselves a handsome profits. I mean, really handsome profits.

NARRATOR: The inflated profits cheated the federal government out of millions of dollars. To avoid getting caught, the company’s executives bribed key members of Congress with Credit Mobilier stock.

GORDON: In order to make sure that people in Washington didn’t get upset, they allowed congressmen and senators to buy into the corporation without having to put up any money. “Here’s your hundred shares. You’ll pay for it out of the profits.”

NARRATOR: But in 1872, Congress investigated the situation. It found that many high-ranking Republicans had accepted these bribes including vice-president Schuyler Colfax, who squashed his chance at re-election after the scandal. Credit Mobilier left an ugly legacy for the Grant administration and was one of many scandals that derailed the president’s hope of another term.
Miami Mayoral Race Grows Heated as Hispanics Vie for Political Power

The 1983 mayoral race in Miami has become a heated contest between Hispanic ethnicities. The Cuban-American and Puerto Rican candidates compete for the support of black and white voters.

In the Zone: Effect of Enterprise Zones on Chicago's Inner City

Entreprize zones have made a comeback in Chicago as businesses are lured by low rents, tax breaks, and more space.

Andrew Carnegie and the Gospel of Wealth

A cartoon that shows two sides of millionaire philanthropist Andrew Carnegie is explained by Josh Brown of the American Social History Project.

Gambling on Water in Las Vegas

As part of NBC News' series on the worldwide strain on water resources, "Thirsty Planet," Lee Cowan reports from Las Vegas, where developers and ranchers find themselves at war over Nevada's scarce water supplies.