

Pacific Railway Acts

Pacific Railway Acts, (1862, 1864), two measures that provided federal subsidies in land and loans for the construction of a transcontinental railroad across the United States.

The first Pacific Railway Act (July 1, 1862) authorized the building of the railroad and granted rights of way to the Union Pacific to build westward from Omaha, Neb., and to the Central Pacific to build eastward from Sacramento, Calif. The act also granted 10 alternate sections of public domain land per mile on both sides of the railway, and it provided loan bonds for each mile of track laid. The loans were repayable in 30 years, and the dollars per mile escalated in accord with the difficulty of the terrain.

Two years later, the railroads were still hampered in their quest for sufficient capital for the vast construction project. Congress obliged with the second Pacific Railway Act (July 2, 1864), which doubled the size of the land grants and allowed the railroads to sell their own bonds. After the transcontinental railroad was completed in 1869, congressional investigations revealed that some railroad entrepreneurs had illegally profited from the two Pacific Railway Acts.

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