

CHAPTER XXX

Kansas City, Mexico and Orient Railway—First trunk transcontinental line—Territory traversed—Traffics in prospect—Operating divisions—Topolobampo terminus—The bay—Ocean arrangements—Construction—Bridges and tunnels—Rolling stock—The conception of the scheme—President Arthur E. Stilwell—A remarkable struggle against powerful opposition—Triumphant success—Officers of the railway—Financial history—Date of completion.

OF the many railway schemes conceived and accomplished in the Republic of Mexico, none is destined to wield a greater influence, nor to prove of greater commercial importance, than the Kansas City, Mexico and Orient, in which undertaking both American, British and Continental capital is involved. The railway, which, by the time these pages are in the hands of my readers, will have become practically *un fait accompli*, stretches from Kansas City, Missouri, U.S.A., to the Bay of Topolobampo, on the Pacific coast of Mexico, a total distance of some 1,659 miles. It will be the first trunk-line to cross the frontier between the U.S.A. and Mexico, and both from a strictly utilitarian point of view and as an essential factor in the future prosperity of the two Republics, it will prove to have been abundantly justified. It will save in actual haulage, and consequently it will prove an economy in transportation expense; and although other transcontinental lines are contemplated, the Kansas City, Mexico and Orient Railway must always remain the more important, as it is the pet project of both Governments of the sister Republics. Both the U.S.A. and the Mexican Governments have displayed keen interest in the accomplishment of this enterprise, a fact which is not at all difficult to understand when it is remembered what an enormous area of magnificent country, hitherto unserved by any steam communication, has been opened-up, thus adding

fresh revenue to the coffers of both countries and increasing commercial prosperity in their respective territories. The line develops *inter alia* a wide expanse of prairie-land, hitherto devoted almost entirely to cattle-grazing, but which, being possessed in many portions of a magnificent soil, is easily adapted to corn and maize cultivation, fruit-culture and agriculture generally. More important even than agriculture, however, will be the mining facilities afforded; for now that the Kansas City, Mexico and Orient line is in being, several hundreds of mines, up till now found unworkable owing to the heavy cost of transportation of the ores, will come into active operation, many having already started with a new and vigorous lease of life.

The new trunk-line taps a variety of districts, and from its main track numerous small mineral tram-lines will branch out to connect-up with it. It need scarcely be repeated here that the silver mines of Mexico have in their time produced one-third of the total silver output of the world; and the State of Chihuahua has turned out almost as much silver from its mines as any other State in Mexico. In regard to the State of Sinaloa, through which the new Railway will also pass, its mining possibilities have not as yet been even guessed at; but even supposing these should not prove as productive as is anticipated, the vast virgin forests of timber and the splendid agricultural opportunities which will be opened should more than compensate the railway in the return of freights.

The daily estimated revenue from all kinds of freights to be carried by the Kansas City, Mexico and Orient Railway through the principal mineral districts, namely upon the south part of the line (Oklahoma to Topolobampo Bay), is put at \$9,000 (£1,800). This amount, however, in all probability, is underestimated by at least 25 per cent. A smelter is being erected at Chihuahua, and is practically completed, while another is to be constructed on the coast at Topolobampo. Assuming that these very modest figures are correct, however, the railway would from this source alone enjoy a revenue of \$63,000 weekly, or \$252,000 monthly, or \$3,024,000 (£604,800) annually, sufficient to pay the whole working expenses of this section of the line, and leave a handsome surplus besides. It will be observed that, in my calculation, I have allowed for



MR. ARTHUR E. STILWELL, PRESIDENT OF THE KANSAS CITY, MEXICO AND ORIENT RAILWAY.—see pp. 275-276.

seven working days in the week, for in Mexico there is no Sunday relaxation for the railways, which work day-in and day-out all the year through. There are between 400 and 500 mines, prospects and denouncements upon the line of route followed by the new railway, while several important *haciendas*, producing sugar, raising cattle and growing general agricultural produce, are all likely to contribute their *quota* to the railway's daily freights. Thus we see that besides the heavy mining traffics, there will be cattle, grain, timber, fruit, coal and machinery to transport, in addition to which the railway owns a large number of valuable town sites located along both sides of the road in the U.S.A. and Mexico. In the State of Kansas there are about 430 acres; in the State of Oklahoma about 6,000 acres in lots, and in the State of Texas between 4,000 and 5,000 acres. The railway's town-sites in Mexico amount in the aggregate to but very little less in acreage, and it may be pointed out that one acre cuts up into ten lots of 25 ft. frontage.

In regard to the construction of the Kansas City, Mexico and Orient Railway, experience has taught the promoters that the best—and only the best—kind of material and work should be used, and this has been the keynote of the undertaking. The rails are of heavy steel, 75 lbs. to the yard, with the most modern fish-plates, switches, etc., while the ties, closely laid together, are of red-wood tarred, all being imported from California. The bridges, upon which but little masonry work has been found necessary, are well piled, and provided with safe approaches and abutments, the erections being in every case exceptionally strong and well-constructed. All the bridges, of which there are several, are strong enough to meet the necessities of transportation through this portion of the country. On the first hundred kilometres of the line, starting from the Pacific coast end at Topolobampo, there is but one bridge of any importance, namely that crossing the Fuerte River, comprising three truss spans, each measuring 300 ft. in length. Several smaller bridges are from 15 to 50 ft. in length.

Upon the second division, from Chihuahua east, there has been but little necessity for bridging to any extent, and it is only when the Sierra is reached that the amount of bridging and tunnelling becomes of serious importance, the country

being extremely wild and difficult to negotiate, necessitating the utmost skill in engineering. In this long section the tunnelling has been both expensive and difficult, the longest of the excavations being 1,520 ft., while there are two others each measuring 810 ft., and a considerable number averaging from 200 to 300 ft. in length. The length of the main line in the Republic of Mexico, namely from the Rio Grande at El Oro to Topolobampo, is 634.5 miles, which distance includes a portion of the Chihuahua and Pacific Railway, namely from Tabalaopa to Miñaca, a distance of nearly 126 miles. East of Chihuahua, there is erected a fine bridge across the Chuviscar River, near Aldama, consisting of ten spans of 50-ft. deck girders, on concrete piers and abutments. Further on there is yet another fine steel structure crossing the Rio Conchos, at a point about half-way between Chihuahua and Rio Grande. This bridge consists of 17 spans of 50-ft. deck plate girders, on concrete piers and abutments. West of Miñaca all bridges, culverts and openings for water-way are of the most permanent nature, no timber having been employed in any of these structures, all of which are made of masonry and steel, concrete being used in the majority of cases in the construction of the bridges.

The operating divisions of the railway in Mexico are as follows :

- (1) El Oro to Chihuahua, 169 miles, 1 per cent. compensated maximum gradients, except at the Conchos River, where 1.5 pusher grades are introduced for a short distance each side of the river. Here the maximum curvature is 6°.
- (2) Chihuahua to Bocoyna, 172 miles; 2 per cent. compensated maximum gradients with a maximum curvature of 12°.
- (3) Bocoyna to La Junta, 178 miles; 2½ per cent. compensated gradients, and maximum curvature 12°.
- (4) La Junta to Topolobampo, 117 miles; 1 per cent. compensated maximum gradients, and a maximum curvature of 6°.

The terminus of the whole system will be at the Bay of Topolobampo, which is considered one of the finest ports on

the west coast of Mexico. It is completely mountain-locked, and measures about 7 square miles in area, with a depth, over the bar at the entrance at low tide, of about 22 ft. The expenditure of a very small amount of money, relatively speaking, will suffice to deepen the harbour to 35 ft., thus enabling any vessel drawing 33 ft. of water to pass-in at low tide, and to approach within 100 ft. of the shore on the north side of the Straits of Jossua, which will be the commercial front of the Port. From this Port the Railway will control a large number of well-built passenger and freight boats serving the west coast, while it will also work in connection with ocean steamers running to the Orient. The company has, for instance, entered into an important contract with the Hamburg-American line, and there can be no question that the eastern scope of the undertaking will gradually increase to considerable proportions.

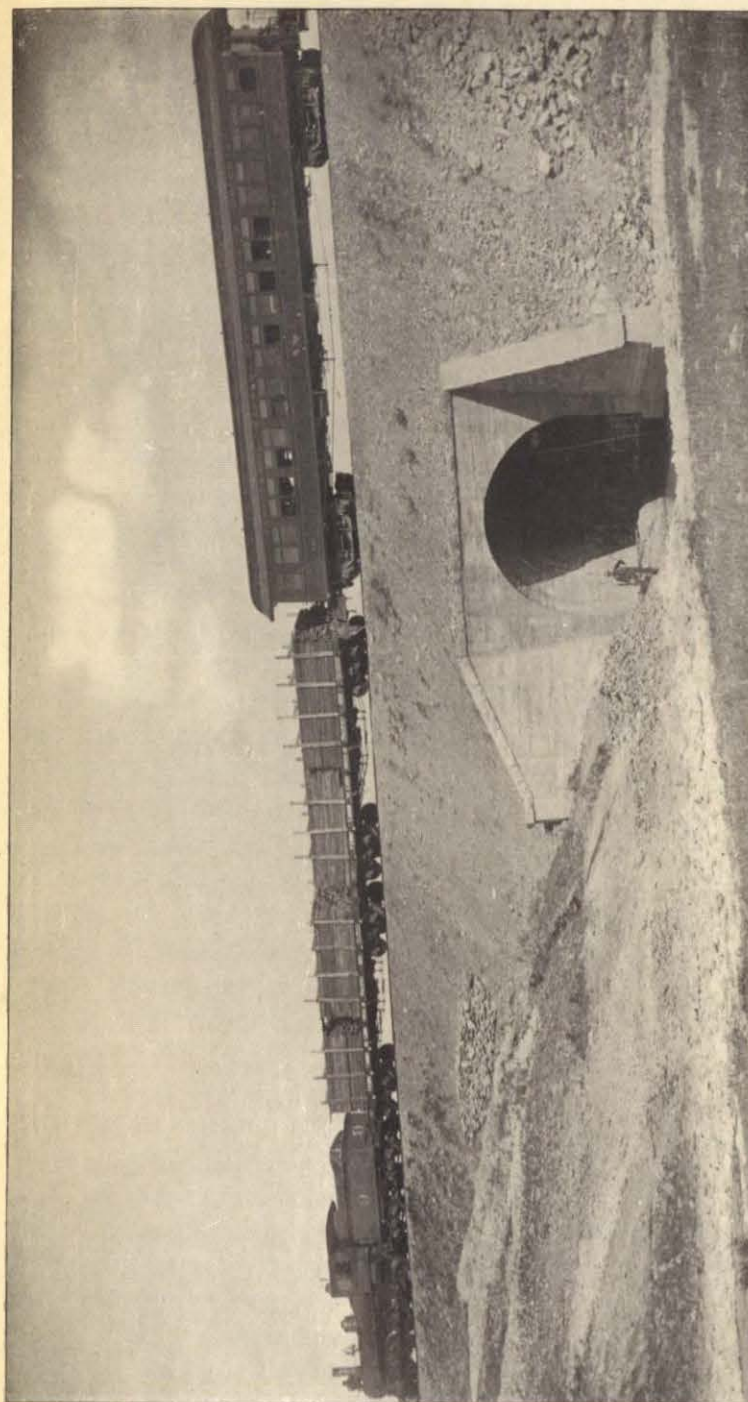
Scenically speaking, Topolobampo is one of the most beautiful ports in the world, and reminds one very forcibly of the far-famed Bay of Rio de Janeiro. Here are to be seen almost the same curiously-formed sugar-loaf mountains, the same land-locked harbour, dotted with verdure-clad islets with their waving palm-plumes, and, of course, the same beautiful atmospheric conditions. Rio is considerably larger, deeper and wider than Topolobampo; but in general appearance, as I have said, at first glance it closely resembles it.

For several months past a regular service of trains has been running to schedule time between Topolobampo, the Pacific terminus, and the town of Fuerte, a distance of some 63 miles; while, before these pages are read, daily freight and passenger trains will be running much further north, carrying cargoes sufficient to bring a substantial revenue to the company. From the other (Kansas City) end, trains have been running to West Texas, as far as Sweetwater, for some time past through Lawrence, Kansas, and the promising territory of oilfields, in Oklahoma. Unlike most railways, which have to create both the towns they serve and the freights which they carry, the Kansas City, Mexico and Orient Railway has been singularly fortunate in finding both awaiting its arrival. It has also given birth to several entirely new towns, these coming into existence almost daily, now that the railway has

arrived, such as Oakwood, in the State of Oklahoma, Carmen in the same County (Dewey) and Canton in Blane County. Upon various parts of the new line, dozens of little townlets have been commenced, and only wait the advent of their good friend the railway to make them of some importance. Oklahoma, which, but ten years ago, was an Indian reservation, and populated by semi-savages, has to-day been transformed into one of the wealthiest agricultural sections of the U.S.A., and is becoming more and more so as the new line of communication traverses it.

The rolling-stock which has been acquired and constructed is of the very latest type, as are the locomotives. It is intended to convert these to oil-burning engines as soon as it is found that a definite and unrestricted supply of fuel is obtainable. The railway will tap some extensive anthracite coalfields in Sonora, said to cover over four million acres and more.

In regard to the financial history of the Railway this has been of altogether an exceptional character. Up to the end of 1906, the Company had issued no bonds, the road having been constructed with the funds raised by the sale of stock personally placed by the President, Mr. Arthur E. Stilwell. A large amount of this stock was sold in Holland and Belgium, while a number of small investors living in the Western States of America hold a large block between them. It is worthy of note that not a cent of the capital necessary has been raised in Wall Street. The line has, unlike so many railways, been built upon other than borrowed money. Construction work has been carried on upon the proceeds realised by the sale of stock to shareholders, who have been carried down in large parties upon different occasions from the U.S.A. to Mexico, and have been shown the proposition in—to use an appropriate expression of a 'cute American critic—"its bathing suit." This has been the only form of advertisement which Mr. Stilwell has found necessary, and it has proved a most efficacious one, since by coming to Mexico, and passing over the actual route which will be followed, the prospective shareholders have been enabled to see the character of the country, its present prosperous condition, gauge the future possibilities, and, above all, find out for themselves the high esteem in which



KANSAS CITY, MEXICO AND ORIENT RAILWAY, SHOWING THE SOLID CONSTRUCTION WORK AND TYPE OF LOCOMOTIVE, FREIGHT AND PASSENGER CARS.

the promoter of the enterprise, Mr. Stilwell, is personally held, and the enthusiasm with which the enterprise generally is entertained in Mexico.

Last year it was deemed necessary to issue bonds to the value of \$20,000,000 (£4,000,000), a sum which will be found sufficient to complete the construction of the line, and to fully equip it. Mr. Stilwell personally paid a visit to Europe, and was successful in placing the majority of his bonds in London. Towards the middle of February of this year, Messrs. Foster and Braithwaite introduced a public issue of Four Per Cent. 1st Mortgage 50-year gold-bonds, for \$1,500,000 (£300,000) at par, the issue being exceedingly well received upon the London Stock Exchange and by investors generally. The bonds are amply secured, and, in my opinion, form a first-class investment. In fact, the financing of the line has been skilfully and cleanly managed from the outset; there have been no promoters' profits to consider, the result being that the railway will actually become a dividend earner for the bond-holders from the commencement of its career.

To write of the Kansas City, Mexico and Orient Railroad without fuller reference to Mr. Arthur E. Stilwell, its promoter and good genius from the beginning, would be equivalent to describing the play of "Hamlet" and omitting all mention of the Prince of Denmark. A full-bodied and romantic novel might be written of Mr. Stilwell's career as a railway pioneer, and I only regret that I am unable to handle the theme as fully and in as great detail as I could desire. It may be said, however, that while he met with the most bitter opposition, and even persecution, at the hands of some powerful Wall Street rivals, and was even robbed by one of them of the fruits of his first enterprise, namely the road running from Kansas City to the Gulf of Mexico (Port Arthur), Mr. Stilwell, with all the enthusiasm of youth, nevertheless persevered with the object he had in view, the carrying-out of a direct route which would run west from Kansas City to one of the ports on the Pacific coast, shortening the distance between the rich products of the interior and tide-water. His confidence in the Mexican plan was contagious; and probably as much by his charming personality as by the convincing nature of his figures, he induced some of the greatest finan-

ciers in Kansas City to join him in his new project, while, as I have shown, the European markets on their part have not been reluctant in supporting him. Every cent of his own means he has courageously invested; and although he is not to-day what the world would call a rich man, he has every prospect of becoming one.

Mr. Stilwell's plucky action in immediately proceeding to construct a fresh railway when deprived of that to which he had devoted so many years of his life's work and the whole of his very limited resources, has evoked the admiration of even the most prosaic among his contemporaries, reminding one of Schiller's words: "Zwang erbittert die Schwärmer immer, aber bekehrt sie nie." It must have needed something more than mere enthusiasm—consummate confidence and sublime contentment of mind—to persevere in the accomplishment of such a titanic task after a knockdown blow administered with all the force and all the malice which the combined energy of Wall Street could bring to bear. From Mr. Stilwell himself one never hears of the cruel and relentless treatment of which he was made the victim. It is to others less reticent than he, and possessed of fewer traits of the forgiving Christian, that one must go for details of a tragedy in modern commercial life for which few parallels can be found in history.

Knowing as I do all the dramatic circumstances connected with Mr. Stilwell's brave struggle against adversity and unscrupulous enemies in the early days of his battle of life, I can but join in the general tribute of admiration for a typical Anglo-Saxon, whose heroism—none the less commendable because it was displayed within the four walls of a prosaic office-building instead of upon the tented field—is bound to leave a lasting impression upon the minds of those who learn of it; but the full and true history of "Stilwell *versus* Wall Street" will have to be told some day.

Joined with Mr. Stilwell in this great enterprise have been several loyal and trusty colleagues, who have stood by him through good days and bad, in shine or rain, such as Mr. M. V. Watson, a Vice-President of the United States and Mexican Trust, and allied to other enterprises with which Mr. Stilwell is connected. Mr. Watson's shrewd common sense and wide experience have been of the utmost value

to the successful prosecution of the Kansas City, Mexico and Orient Railway; while Mr. E. Dickinson, who was for 30 years in the employ of the Pacific Railroad and for some time its General Manager, recognised as one of the most able railroad men of the day, has been associated with Mr. Stilwell for a considerable number of years as a Vice-President and General Manager of the Railway. Mr. W. W. Sylvester is another Vice-President, and a highly-esteemed official of the Company.

It may be said that Mr. Stilwell has displayed as much shrewdness and ability in the selection of his colleagues as has been shown by him in the carrying out of the entire Railway. Its completion will mean a further bond of commercial union between the U.S.A. and the Republic of Mexico, while the cosmopolitan character of its proprietorship, represented by American, British, German, Dutch and French bondholders, gives the undertaking almost an international value. The list of subscribers, indeed, contains the names of some of the most prominent bankers, diplomats and financiers in Europe and the U.S.A., a fact which cannot fail to prove of the utmost importance to the future career of the undertaking. Towards the close of next year (1908) it is expected that the Kansas City, Mexico and Orient Railroad will be completed and in full operation, and, judging by the manner in which the business has been handled up till now, and the uninterrupted progress which it has hitherto enjoyed, I see no reason why this anticipation should not be fully realised.