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With the Compliments of the Author

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Mexico
Today and Tomorrow

*An Outline of the Present Earning Power
and Future Possibilities of Her
Railroad Systems*



*Facts, Figures and Suggestions Regarding the Principal
Traffic Producing Centers*

By Ralph Waterman Vincent
Of the Staff of The New York News Bureau

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By Transfer

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Introduction and Addenda.

These letters were published originally in the daily bulletins of the New York News Bureau Association and in the "The Wall Street Summary." Upon my return from Mexico indulgent readers of the letters suggested that they be revised and published in pamphlet form for distribution in the interest of Mexico. I acted on the suggestion and here is the result. The letters are in their original form, except for typographical corrections and changes, and the illustrations intended to give a more concrete general idea of the principal cities and sections of country mentioned. Neither fine writing nor a description of Mexico has been attempted. On the contrary many of the letters were hastily prepared on railroad trains, and under other equally unfavorable conditions. My one idea was, not to describe the beauties of Mexico or the attractiveness of her people, great as both are, but simply to emphasize the fact that the railroads of Mexico are operated in a country in which there are numerous large cities and towns, which in turn supply the railroads with vast amounts of valuable traffic.

Since the letters were prepared, many of the predictions which they contain, have been realized. For instance, the earnings of the railroads have increased at a greater rate than was expected. The traffic of the Mexican Central has expanded so rapidly since September last, that additional equipment is needed. Some has been ordered already, although at that time the officials thought they could get along for many months with what they had. The new monetary system is working out even better than was hoped. Silver is higher than at any previous time in the last five years and Mexican dollars have sold above par for the first time in several years. This price is in contrast with 37 cents three years ago, previous to the decision of the Mexican Government to consider a new monetary system. This wonderful change for the better is of vast importance to the railroads of Mexico, which earn a silver dollar but pay about 40 per cent. of their operating expense on the basis of gold. Mexico is rapidly getting on a complete gold basis. Silver dollars held in the vaults are being exchanged for gold, and recently President Diaz

issued a decree providing for the issuance of gold certificates.

The Mexican Central management is making rapid progress with its plans to equip all of the company's locomotives for the use of oil as fuel, and also with the construction of the Pacific Coast extension to Manzanillo. The construction of the new Tampico short line will be begun sooner than was generally expected. It is not unlikely that this will be one of the most eventful years in the history of the company thus far.

The trade between the United States and Mexico is steadily increasing. The latest official statistics made public show that, of the total exports from Mexico for a single month, of \$21,067,221, the United States took \$14,852,738. For the same month the United States contributed \$6,251,275 of the \$12,183,750 products imported into Mexico. In other ways the business relations between the two countries are growing closer daily. As this pamphlet goes to press there are several prominent Mexicans in New York seeking American capital for meritorious enterprises, and Americans have gone to Mexico to increase their investments or make them for the first time.

Finally, in considering the future of Mexico it should not be forgotten that Senor Don Porfirio Diaz is still president of that Republic and that he is likely to hold that office for many years to come. Although since these letters were originally written the "Great Man of Mexico" has celebrated his 75th birthday, he is still hale and hearty and there is nothing to indicate that, in the ordinary course of events, he will not be able to at least serve out his present term. If that proves to be the happy reality, Mexico will have even a greater degree of peace and prosperity than she has enjoyed during the Diaz administration thus far.

Grateful acknowledgement is made herewith of the courtesies extended by officials of the Mexican Government, the railroads and banks of the Republic, which made it possible for me to present the information and illustrations contained in this pamphlet.

RALPH WATERMAN VINCENT.

New York, February, 1906.



HIS EXCELLENCY, PRESIDENT DIAZ.

Mexico: Today and Tomorrow

EL PASO, Tex., Aug. 19.—We have now travelled nearly 2,600 miles from New York city through a land of plenty. Prosperity everywhere abounds in the States in which the soil is freely cultivated. Even the grazing sections of Colorado and New Mexico, which people in the East who have never seen the Far West are accustomed to regard as deserts, are in a flourishing condition. Abundant rains have supplied food and water for the cattle and they are as sleek as those seen in the pastures in New York State.

But your readers are supposed to be familiar, in a general way at least, with conditions in the United States. They are well supplied with Government and private data regarding growing crops, the products of the mines, the extent of the manufacturing industries, the earnings of the railroads, etc., etc. Although they read just before I left New York the latest Government statistics and estimates, which indicated a record corn crop, if they could only ride through the thousands of acres of corn in Ohio, Indiana, Illinois, Missouri and Kansas as I did the past week, they would have a much more concretè idea of the great prosperity prevailing in the agricultural sections of our country.

My trip, however, is not for the purpose of telling your readers about a country regarding which they are supposed to have full knowledge, but about Mexico, a country regarding which the busy people of New York city have only inadequate ideas, unless they have been so fortunate as to travel through that Republic. It is my purpose to give some up-to-date information regarding the business that is being done in the principal cities reached by the Mexican Central and the National Railroad Company of Mexico, the two great railroad systems of Mexico. When this proposed series of articles is completed I hope that the people who are daily trading in the securities of these two companies will have a better idea of the position of the properties, their value and possibilities.

I know that there are busy men in New York who never have had the time to study Mexico, who assume that the lines of these railroads are so many streaks of rust through a desert. In order to dispel this delusion, I will give you a few general statistics regarding Mexico, before taking up the great centres of population in detail. The following figures should suffice for this purpose. While the Mexican Central and the National Railroad are the two principal systems, Mexico has many other smaller roads, the aggregate mileage of which is considerable. I will confine myself, however, to the two big systems in the following statistics. Here they are for the last fiscal year:

	Mileage.	Gross earnings.	Net earnings.
Mexican Central....	3,500	\$26,097,699	\$8,498,523
National Railroad...	3,400	23,170,000	7,926,000

The following figures give some idea of the value of Mexico's crops, output of mines and banking operations for a single year:

	Mex. currency.	U. S. currency.
Corn	\$75,000,000	\$37,500,000
Sugar cane products.....	28,000,000	14,000,000
Wheat	19,000,000	9,500,000
Cotton	18,000,000	9,000,000
Henequen	17,000,000	8,500,000
Sugar cane drinking mat....	17,000,000	8,500,000
Beans	12,000,000	6,000,000
Barley	7,000,000	3,500,000
Tobacco	6,000,000	3,000,000
Oak trees, cut.....	4,000,000	2,000,000
Mesquit wood	2,000,000	1,000,000
Silver mines.....	100,000,000	50,000,000
Copper mines.....	14,000,000	7,000,000
Gold mines.....		10,000,000
Bank capital.....	120,600,000	60,300,000
Bank deposits.....	282,000,000	141,000,000
Bank loans.....	240,000,000	120,000,000
Bank surpluses.....	27,800,000	13,900,000

The above figures represent average values for several years back. In the cases of some crops the yield for single years has been much larger. For instance, the value of the henequen crop, which I have given as \$17,000,000 Mexican

currency, was worth \$33,000,000 for a recent year, or nearly double the average. I learn from competent sources that this year's corn crop in Mexico will be large and that cotton promises remarkably well. The wheat crop in some States, Chihuahua for instance, was good. In other States it was not quite so good.

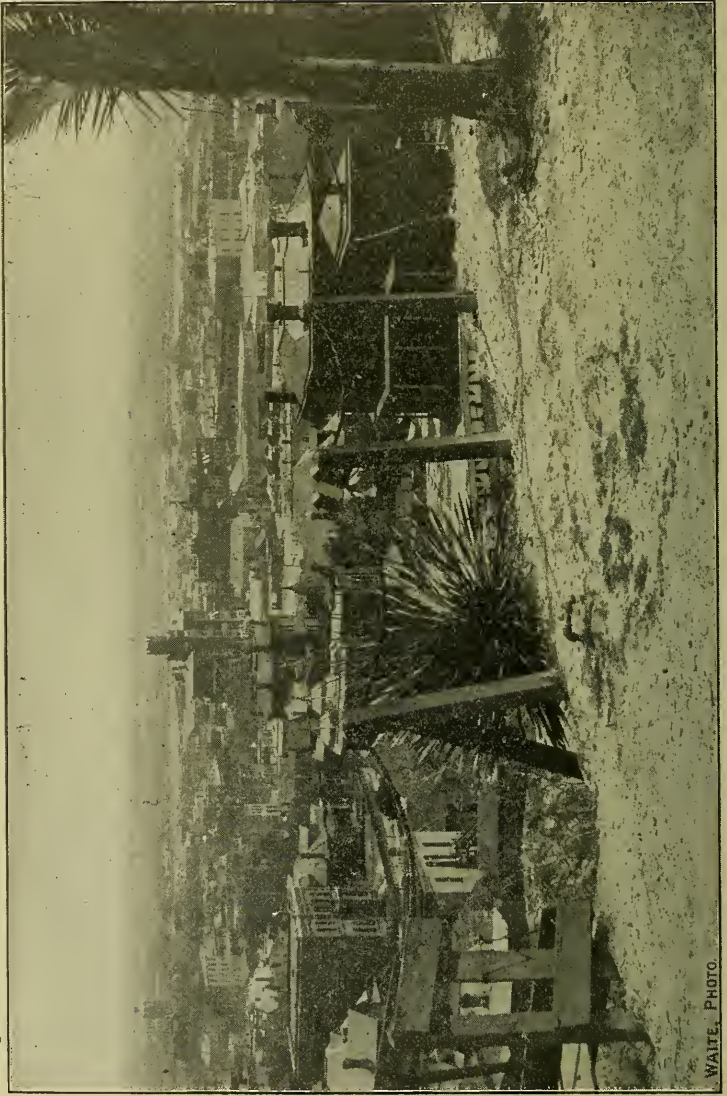
The figures for this year's crops are not obtainable, simply because many of the crops have not been harvested. The figures given in the above table are for the past. Mexico is to develop wonderfully agriculturally. In fact, it is evident that the greatest development in the Republic is to be along this line. I will speak more in detail of this matter in subsequent letters. The value of Mexico's crops a few years hence will be represented by much larger figures than those appearing in my table.

It is plainly to be seen that this will mean a great expansion in the earnings of the railroads of the Republic, particularly of those of the two great systems, as they command the gateways of the country and serve all the cities and large towns. The mines of Mexico are by no means worked out. Here at El Paso nearly all the passengers for to-day's south bound train on the Mexican Central are men interested in mining in Mexico. Several of them are going into the country for the first time to inspect mining propositions.

Mexico's Principal Railroad Gateway.

EL PASO, Tex., Aug. 21.—This city is the northern terminus of the Mexican Central Railway system. It is one of the greatest gateways of the Republic, in fact, the greatest land gateway. El Paso is the most important railroad centre in the far southwest. The city is served by eight railroads, among which are the Southern Pacific, Atchison, Rock Island, Texas & Pacific and Mexican Central. The other lines are smaller.

A glance at a general railroad map will show the vast territory which these large systems, with their numerous connections, serve. Take the Southern Pacific, whose western line comes direct from California to El Paso. Over this route, of course, a vast amount of fruit is brought from California and not a little of it finds its way into northern



WAITE, PHOTO.

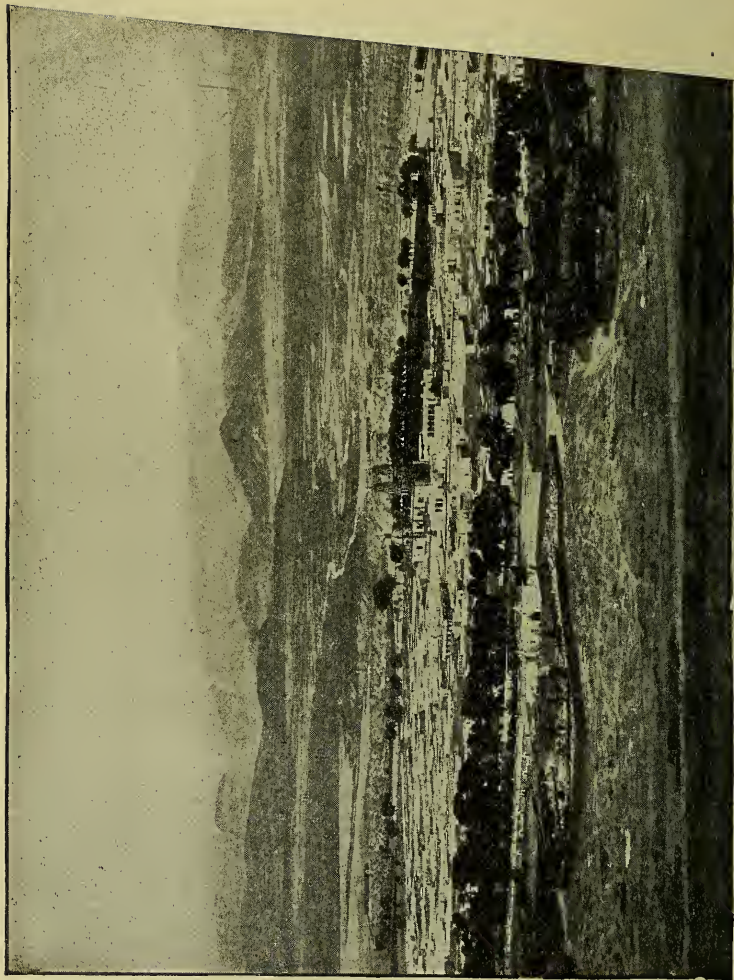
BIRD'S-EYE VIEW, EL PASO, TEXAS.

Mexico over the Mexican Central. It should have been stated at the outset that the Mexican Central is the only through line running south in Mexico from El Paso. The latter road carries a large number of passengers from California all through Mexico. Several persons from Los Angeles are going down on today's train. The eastern line of the Southern Pacific runs the entire length of Texas from El Paso to New Orleans, where, of course, it has important water connections. The Mexican Central receives traffic from this direction also.

Then take the Atchison and Rock Island with all their ramified branches in the West, reaching, as the Rock Island does, to Minneapolis and St. Paul on the north, and as both do, to San Francisco on the west and Chicago on the east, where they have valuable direct connections with all eastern points. The Texas & Pacific is the great "All Texas route," which, by the way, is the company's principal characterization of its road. El Paso, as you know, is at the extreme western end of Texas, and the Texas & Pacific goes all the way across the State, east to New Orleans. The smaller roads, such, for instance, as the El Paso & Northeastern, which Phelps, Dodge & Company, of New York, recently bought, give El Paso a large additional amount of traffic. From this rough outline it is apparent that the Mexican Central has as its northern starting point, a great railroad clearing house, and as it is the only important Mexican railroad starting from this point, it is certain to receive a vast amount of traffic for transmission throughout Mexico.

But El Paso has industries of her own and a large amount of traffic originates here, and the Mexican Central also brings from Mexico many thousand of tons of ore for treatment at the El Paso smelter of the American Smelting & Refining Company. This, by the way, is one of the company's largest smelters.

The population of El Paso is about 20,000. In addition to the large smelters there are in, or near, the city a foundry and machine shop, extract works, a tannery and other minor industries. Grapes are produced in large quantities in this vicinity and large quantities of grapes and wine are shipped through El Paso. Grains and vegetables are freely cultivated and silver, gold, lead and iron are mined



GENERAL VIEW OF CHIHUAHUA.

in the vicinity of this city. El Paso is also a famous resort for people suffering from tubercular trouble.

It is altogether evident that the projectors of the Mexican Central made no mistake in selecting El Paso as the northern terminus of the system. C. F. Berna, the company's commercial agent here, tells me that the outlook is bright for a satisfactory business on the Mexican Central this Autumn.

It is well to remember that not only does the Mexican Central have a good beginning on the north, but that the main line ends at a no less important point than the City of Mexico, the capital of the republic, with a population in excess of 400,000. The system also comprises many important branches. Subsequent letters will deal with the principal intermediate cities and towns on the main line and with those on the branches as well.

The next letter will tell about Chihuahua, the capital of a State by that name, which has an area of about 90,000 square miles, an area larger than that of all New England. It is the largest State in Mexico.

Chihuahua and Its Enterprises.

CHIHUAHUA, Mex., Aug. 22.—Leaving El Paso on the American side and Juarez on the Mexican side, this is the first large city on the Mexican Central as you go south on that road. Several of the intermediate stations, however, are important distributing centres for large sections of country, both east and west, and this means a big traffic for the Mexican Central at these points.

For nearly 100 miles between El Paso and Chihuahua the railroad runs through one of the many ranches of General Luis Terrazas, who is the largest land owner in the entire republic, his holdings being estimated at between 2,000,000 and 3,000,000 acres. He owns between 200,000 and 300,000 cattle and last year he branded 55,000 calves and this year expects to brand 65,000. The shipping of cattle from his ranches alone is a big item in the freight traffic of the Mexican Central.

Chihuahua is a city of about 35,000 inhabitants, and, as I said in my last letter, it is the capital of a state by that name about the size of all the territory in the United

States east of the Hudson River. Here are the homes of General Terrazas and his son-in-law, Enrique C. Creel, who is well known in New York as one of Mexico's greatest financiers and business men.

This city is thoroughly modern and American in very many respects. Its upbuilding is due more to the enterprise and capital of General Terrazas and Mr. Creel than to anyone else. With the exception of Mexico City, Chihuahua is in many respects the most important city in Mexico and is in the most important state in many ways in the whole republic. Not only has the city of Chihuahua numerous profitable enterprises within its own limits which give the Mexican Central many thousand tons of traffic regularly, but it is a great distributing point for a vast territory lying to the westward.

The population of the State of Chihuahua is about 327,000, of which 200,000 persons are located west of the city, and in it they do all their banking business, buy all their materials and supplies, and through it do all their business with the outside world. The Mexican Central handles all of the latter traffic—both in and out of Chihuahua.

The following figures will give some idea of the business that is done annually in and through the city of Chihuahua. The principal industry is an iron and steel plant, located alongside the Mexican Central tracks and which is controlled by General Terrazas and Mr. Creel. This plant gives the Central a large amount of traffic. A big brewery, controlled by the same interests, is also a notable factor in the Mexican Central's traffic at this point. There are also a good sized macaroni plant, an overalls factory, a broom factory, and several smaller industries.

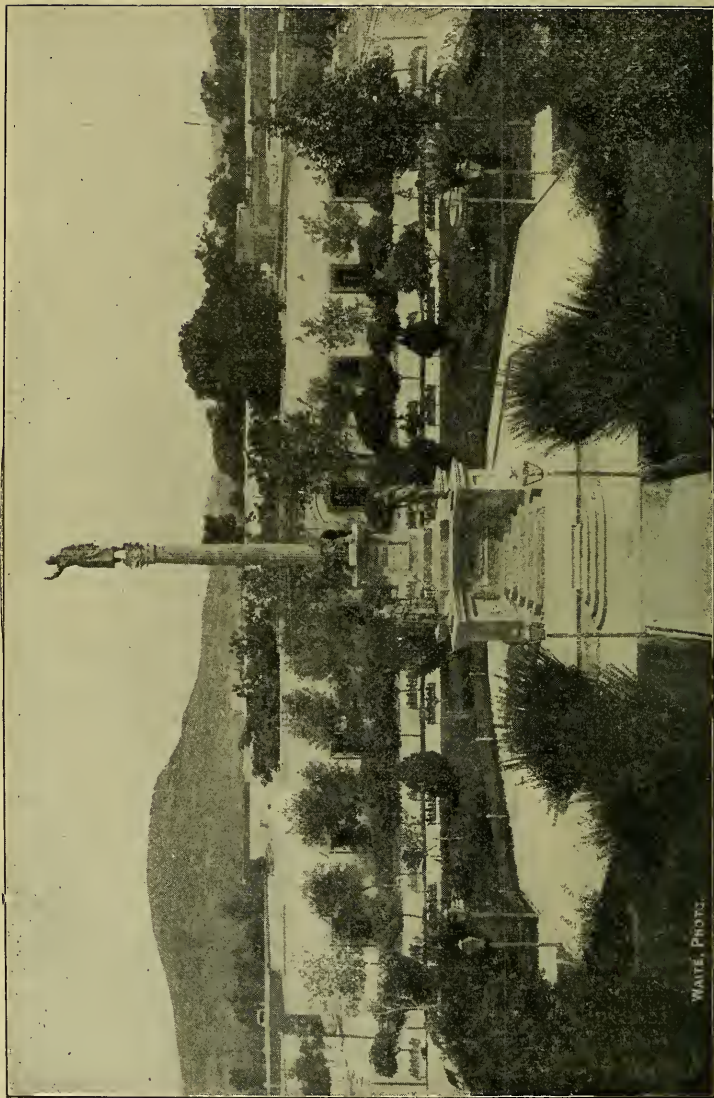
Mr. Creel tells me that the value of the products passing in and out of Chihuahua in a year in connection with these various industries is about \$6,000,000 Mexican currency, or \$3,000,000 gold. The value of the cattle and flour passing through the city as a distributing point amounts to \$6,000,000 more Mexican currency, a total of \$12,000,000 for this city alone. The ores mined in the State each year are valued at \$12,000,000, a good part of which are shipped through this city.

Chihuahua has five banks, with an aggregate capital of \$7,500,000. The combined deposits of these institutions

amount to \$5,500,000; the loans to \$12,000,000, and the surplus to \$1,800,000. The largest of these banks is the Banco Minero, or the Miners' Bank, of which Enrique C. Creel is president. This bank has a capital of \$5,000,000 and surplus and undivided profits of \$1,259,925, and does a big business with the miners west of the city. It is a modern institution in every respect. One of the large mines west of here is that of the Batopilas Mining Co., the general manager of which is L. N. Stevens, No. 45 Broadway, New York, who has long been closely identified with enterprises in Mexico.

The eastern terminus of the Chihuahua & Pacific Railroad is here. This road is controlled by Grant B. Schley, of New York, and others, and extends westward 125 miles to Minaca, with an important branch northward, recently opened for traffic. It is the chief feeder of the Mexican Central in this section, and is to form a part of the Kansas City, Mexico & Orient Railroad, which A. E. Stilwell is building from Kansas City to Topolobampo Bay on the Pacific Coast of Mexico. I called on Mr. Stilwell in Kansas City this week and he tells me that soon he expects to have 250 miles of his road in operation in Mexico and about the same amount in the United States. The completion of this road by sections west of Chihuahua will open up rich mining, agricultural and timber sections and will greatly increase the traffic of the Mexican Central at Chihuahua. In the meantime the latter company is hauling a large amount of material for the construction of the Orient road in Mexico.

It is not necessary to say more to show the value to the Mexican Central of the City of Chihuahua. Before stopping I must add that the city is well paved, lighted with electricity and has an American population of about 700 souls. It is currently reported here that J. W. Conger, a brother of E. H. Conger, for a short time Ambassador to Mexico, has obtained an option on the local street car system and electric light and power plant and that he proposes to establish a thoroughly modern trolley system for Chihuahua and vicinity. If this is accomplished the city will develop even more rapidly than heretofore and, of course, all these things will mean larger earnings for the Mexican Central.



WATKINS, PHOTO.

STATUE OF HIDALGO, CHIHUAHUA.

In my next two letters I expect to give interviews with Enrique C. Creel and General Snyman, the Boer general who has established a flourishing colony for his people near Ortiz, about 50 miles south of here on the Mexican Central.

Enrique C. Creel on Mexico.

CHIHUAHUA, Mex., Aug. 23.—Today I had the honor and pleasure of a personal interview at the State Capitol, or Palace, as it is called in Mexico, with Enrique C. Creel, Governor of the large and important State of Chihuahua, president of the Banco Minero of this city, the Banco Central of Mexico City, and actively identified with numerous other enterprises here and at other well known centres in the Republic.

Mr. Creel said that matters are moving along smoothly in Mexico and that the business of the country is steadily expanding. While he does not look for a boom in this country as a result of the establishment of the new monetary system a few months ago, he does look for a gradual and permanent growth. Neither Mr. Creel nor any one else who has the interests of Mexico at heart wishes a boom in the business of Mexico.

The Governor is a wonderful student of affairs, not only in Mexico, but throughout the world as well. He is greatly interested in the railroads of the Republic, as he realizes that they will be, as they ever have been, highly important factors in the development of the country. Mr. Creel is specially interested in the Mexican Central, as Chihuahua, his home city, is on the main line, and also as he is a stockholder and director in the company.

He is an ardent believer in the future of this company and is deeply interested in the plans of the directors and officers to develop the system by the construction of feeders. Mr. Creel is confident that the route of the main line of the Mexican Central was well selected and that now the two important steps are a recasting, to some extent, of the company's finances and the building of contributing lines.

In this connection he pointed out that, at present, there are important centres in Mexico east and west of the main lines of the two principal railroad systems that need to be

developed by the construction of arms to the main stems. He says that the Manzanillo line to the Pacific Coast, work on which has actually been begun, will open a wonderfully rich section on and near the Pacific Coast.

In the opinion of Mr. Creel the proposed Mexican Central short line from Tampico to Mexico City will be second in importance only to the Manzanillo branch in the development of the railroad and of Mexico. He fully realizes that the accomplishment of all this work will greatly increase the earnings of the company.

Mr. Creel is much interested also in the plans of the Mexican Central management to introduce the use of oil as fuel on the company's locomotives. He points out that this will not only result in a great saving to the company in its fuel bill, but will also aid in materially developing the section of Mexico in the vicinity of Tampico, in which large quantities of oil have been discovered, and from which section the company will get its supply.

Mr. Creel intimated that plans are well developed for still another kind of motor which he believes will be feasible, particularly in Mexico, and which if introduced here, he believes would increase the value of Mexican lands from 1 to 10. I should have said that Mr. Creel expressed the opinion also that the construction of such branch lines as the Mexican Central and National road have projected will increase the value of land in the sections reached all the way from 1 to 5 to 1 to 10.

It is needless to say that Mr. Creel is thoroughly well informed regarding conditions in Mexico and when he expresses entire confidence in the future of the country and of the Mexican Central, as he did to me today, his words should be accorded unusual importance.

I trust I may be pardoned for saying that Mr. Creel greatly appreciates the work that the New York News Bureau has done for Mexico.

General Snyman's Boer Colony.

ORTIZ, Mex., Aug. 24.—This town is located on the main line of the Mexican Central, about 50 miles south of Chihuahua. Some 12 miles west from here General W. D. Snyman, a general in the recent Boer war, and a Boer

himself, in company with General Valjean, a fellow Boer general, has established a flourishing colony for his people.

Already 28 families have come over and joined the colony and more will follow soon. The colony has a concession from the Mexican Government for 87,000 acres of valuable agricultural lands. This season General Snyman and his people have cultivated 3,500 acres of wheat, and the crop is worth about \$20,000, Mexican money. They have also raised a large amount of corn and other grains. The colony now owns 3,000 head of cattle.

The land is remarkably well situated and has an abundant water supply from the river which runs through it. I had several interviews with General Snyman in Chihuahua yesterday. We drove together, had two meals together, and discussed in detail his plans for the future of his project.

These plans include the formation of a corporation for the permanent financing and development of the enterprise. Governor Creel is really the god-father of the colony, as he financed the scheme for General Snyman originally. I do not think it would be well to disclose the original price paid for the concession, but it may be taken as a fact that the colony is not burdened with an exorbitant purchase price.

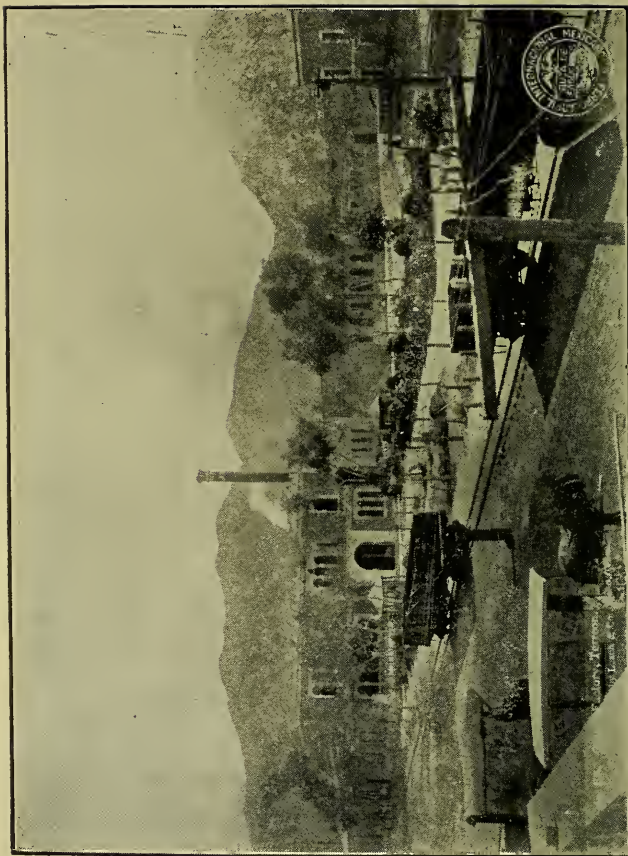
General Snyman is a magnetic and noble fellow and he not only deserves success, but is certain of it. He has an excellent helper in his good and brave wife.

Already the establishment of this colony has meant a large amount of inbound traffic for the Mexican Central, but from this time on not only will this class of traffic increase, but the colony will ship big quantities of grain and other agricultural products. Those 87,000 acres and 28 or more Boer families will figure prominently in the earnings of the Mexican Central within a few years.

The establishment and development of this colony is certain to be followed by others soon.

Other Centres of Activity in Northern Mexico.

TORREON, Mex., Aug. 26.—I neglected to say in my letters from Chihuahua that the American Smelting & Refining Company will build a large smelter in that city near the junction of the Mexican Central and Kansas City,



THE TORREON COTTON FACTORY.

Mexico & Orient railroads. Ultimately this will be one of the company's largest smelters. At the outset it will have a daily capacity of about 450 tons.

Torreon is nearly 300 miles south of Chihuahua on the Mexican Central and is the next largest city on the way to the City of Mexico. There are, however, several important intermediate stations. The first is Jimenez, second only to the City of Chihuahua as a distributing centre for the great State of Chihuahua. At Jimenez the Mexican Central has a branch to Parral, the centre of one of the richest silver mining districts in all Mexico. Recently there has been a great rush of prospectors to this district. I am not able to give at the moment the value of the ores which are delivered annually to the Mexican Central at Parral and Jimenez, but I know that it is several million dollars. Parral is rapidly becoming a winter resort for northern people. When I was in Mexico last year I met persons from Philadelphia who had passed the entire Winter there for their health. Jimenez has a population of 10,000 or more, while Parral already has 16,000.

Escalon is the next station of importance going south on the main line of the Mexican Central. Here is the junction point of the Mexican Northern Railway, whose line runs northeastward to the Sierra Mojada mining district, where is one of the most valuable carbonate camps in the world. From this source the Mexican Central gets a considerable amount of traffic in and out.

About 15 miles west of Bermejillo, the next station of special importance, is a big silver-lead mining camp, which gives the Mexican Central a large amount of business. The company that owns this camp is said to be one of the richest in Mexico. Important copper discoveries have also been made in this region.

Gomez Palacio is the next station which figures in the traffic of the Mexican Central. It is a flourishing town only three miles north of Torreon. The two are connected by a thoroughly modern trolley system. They are situated in the heart of the Laguna district, which is the great cotton section of Mexico. Before I left New York I was trustworthily informed that the cotton crop in Mexico promised exceedingly well. Since arriving in the country I have received the same information from several good

sources. I can assure you that it is in excellent condition and that the yield undoubtedly will be very large.

Lerdo, in the State of Durango, with a population of nearly 8,000, is near Gomez Palacio, on the Nazos River. At Lerdo are large oil mills, soap factories, an electric light plant, etc. The Mexican Central has constructed a branch eastward through the heart of the cotton district to San Pedro, a distance of 40 miles. Already this branch has proven very profitable. The owners of cotton lands in this section realize large profits from their crop and are very prosperous. The report of the Mexican Central for the present fiscal year will show big returns from the cotton traffic.

The usefulness of Torreon as a railroad centre is greatly increased by the fact that the company's northern Tampico branch begins here. This line is 548 miles long and affords a direct route to Tampico for traffic from the United States and points in Mexico north of Torreon, destined for Tampico, which is already the greatest harbor of Mexico. Monterey is about half way from Torreon to Tampico on this line. It is a city of 70,000 population and among the leading industries is a large steel plant, the largest in Mexico. Monterey is the most important manufacturing city in Northern Mexico. The capital invested in the various industries in this centre aggregates nearly \$25,000,000, and nearly \$10,000,000 in banks and banking houses.

Probably the most important industry in Monterey is the recently established steel plant, with a capital of \$10,000,000. The company owns extensive iron mines and will manufacture all classes of iron and steel products.

At Tampico there is the most important harbor in Mexico. The Government has expended \$12,000,000 or more, and the Mexican Central a considerable amount. The latter has steamship lines plying between Tampico and Galveston, Port Arthur and New Orleans, and lines also run direct to Havana and New York.

A little later I hope to visit Tampico and to give more detailed information regarding that important point.

From Eagle Pass to Torreon.

TORREON, Mex., Aug. 27.—At Torreon is the junction of the Mexican Central and the Mexican International Railroad, which, as you know, is now a part of the National Railroad Company of Mexico system. It is an important part of the system, too. The latter has two gateways on the north, one at Laredo, where the National Railroad proper begins, and the other at Eagle Pass on the American side and Ciudad Porfirio Diaz on the Mexican side, the northern end of the Mexican International. At Eagle Pass connection is made with the Southern Pacific and at Laredo with the International & Great Northern, which, with the connecting roads, affords a direct short line to St. Louis and Chicago on the north and to New Orleans, Washington and New York on the east.

I shall not have the pleasure on this trip of going over the Mexican International from Eagle Pass to Torreon, but I am able to give trustworthy information regarding conditions along that section of the line.

The country in the neighborhood of Ciudad Porfirio Diaz is very productive and corn and wheat are raised quite extensively. The ranches there produce a large number of cattle.

Near Sabinas, about 75 miles south of Ciudad Porfirio Diaz, is located the 40,000-acre ranch and coal property of the National Railroad Company of Mexico. I learn from very good sources that the returns from this property have been satisfactory to the owner. At Sabinas there is a branch to the coal mines at Hondo and Felipe, where the supply of bituminous coal is practically inexhaustible.

At Hermanas are hot springs, which are said to be equal to the famous hot springs of Arkansas. Near the city is a valuable mine of magnetic iron, while the whole region is rich in the more precious metals.

Monoclova, 147 miles south from Ciudad Porfirio Diaz, is the centre of a rich agricultural district. A few miles from the railroad either way I am told that there are veritable garden sections. From Monoclova the cotton goods, cattle and grain shipments are large. From this point also an important branch extends to Cuatro Ciénegas.



A MODERN MEXICAN MINING TOWN.

From Reata there is a branch to Monterey, a city of 70,000, where connection is made with the National Railroad and the Mexican Central. Jaral, the next important station, ships ixtle, barley and hay.

We are now approaching Torreon, being only about 100 miles distant. At intermediate points are heavy traffic producing branches to San Pedro, Tlahualilo and Bermejillo.

Torreon is one of the newest cities in Mexico. No better proof of this statement is needed than the marked absence of church spires, which are so numerous in all the older towns and cities of the Republic. It is an important city for the Mexican International and the Mexican Central, the two railroads which serve it. Here is located a large smelter, for the purchase of which the American Smelting & Refining Company recently negotiated. It gives both railroads a large amount of business. There is a big flour mill at Torreon, and the International road has its shops here also.

In my next letter I will deal with the business of the Mexican International from Torreon to Durango.

Some of the Attractions of Durango.

DURANGO, Mex., Aug. 28.—This city, which is the capital of the State of that name, is the western terminus of the Mexican International Railroad and is nearly 160 miles from Torreon. The ride between these two points is one of constant delight. The route, most of the way, is across a broad expanding plain, or mesa, to use the Spanish term. A few miles back on either side successive ranges of mountains form a grand and imposing background. Whoever takes this trip will be well repaid with the scenery along the route.

The Mexican International is often spoken of as a coal and ore road, but its native passenger traffic is already large and its tourist traffic is certain to increase rapidly. As on all the other railroads of importance in Mexico, the Pullman service is found, and traveling with a great degree of comfort is thus made possible.

But the International carries something besides coal iron and passengers. For a good part of the way from Torreon to Durango the road runs through one of the finest

agricultural sections that I have seen in Mexico. Corn fields several miles long and a mile or two wide are frequent sights. Horses and cattle are raised in great numbers on the vast ranches comprising many thousands of acres each. While there are no large intermediate towns, every station is a distributing centre for a tremendous area, as the International is the only railroad extending westward through this section. At each of these stations I saw a dozen or more stages and carts which carry travelers and freight 100 miles or more in various directions to villages, mining camps and ranches.

Durango is one of the most interesting cities that I have visited in Mexico. It is nearly 400 years old and is a happy combination of the ancient and modern. The city has about 50,000 population, less than 200 of which are Americans. It is the capital of the second largest State in the Republic. The streets are paved, lighted by electricity and a street railway system reaches the important sections of the city, connecting it with the International Railroad station. The town is well supplied with hotels, but no one who goes to the New Richelieu will make a mistake. It has a charming location on the principal plaza of the city. The proprietor is H. J. Benson, who is one of the most active and public-spirited young Americans in the city. Mr. Benson is likely to be heard from soon in connection with an important new enterprise for Durango.

The city is also well supplied with banks, the Banco de Durango being the principal institution. It has a capital of \$2,000,000 Mexican currency, a good-sized surplus, and pays its stockholders 9 per cent. in dividends. I had an interview today with Francisco Asunsolo, the general manager, and he told me that the profits this year will be \$500,000, or double the original paid-in capital. The bank building is a handsome structure, while the interior appointments and methods are modern in every respect. Mr. Asunsolo is one of the most progressive citizens of Durango and has had a prominent part in its development. He is firmly of the opinion that the outlook for business of all kinds in Mexico was never brighter. A. L. Negrete, another aggressive young Mexican, a citizen of Durango, but who spent last Winter and Spring in New York city on an important mission, is an officer of the Banco de Durango.

Mr. Negrete is a lawyer and intends opening an office in New York next month. The Banco de London y Mexico and the Banco Nacional both have large and flourishing branches in Durango.

This city is the centre of an immensely wealthy mining, agricultural and grazing district. Here, near the Mexican International station, is located the famous Iron Mountain, which contains a practically inexhaustible supply of iron ore. This ore averages from 75 to 90 per cent iron. On the western side of the mountain, at the foot, is a talus of ore which has broken off from the main body of ore and rolled down. I am trustworthily informed that there is enough ore in this talus to supply 1,000 tons per day for years. Near the mountain is a large iron mill which supplies the railroad with much traffic.

Durango, like Chihuahua, is a big clearing house for an immense district. The value of the ores mined in the State last year was nearly \$14,100,000 Mexican currency. The value of the products of the mines cleared through the City of Durango annually amounts to several million dollars.

The official records do not show the value of the cattle, grain and other agricultural products raised each year, and I was not able to get exact figures from other sources. In each instance I learned, however, that the values run well into the millions.

A representative of the International road told me today that the inbound freight traffic at Durango averages \$100,000 a month, while the company ships from Durango every month all the way from \$250,000 to \$500,000 worth of freight. The passenger receipts average \$5,000 a month, while the returns are often greatly in excess of that amount. An important feature of the freight traffic recently has been the large amount of agricultural machinery shipped in for the haciendas.

As I have already indicated, Durango is the centre of a vast and rich mining section, but the operators have suffered for the lack of a smelter. Anyone who knows the conditions in the Durango district realizes the large profits that can be made by the operation of a modern smelter at Durango. It is expected that the construction of such a plant will be begun Oct. 15. Work will be pushed as rapidly as possible. Provision will be made for handling a

large amount of ore ultimately, but at the outset the capacity will be moderate. The smelter will be independent of the Guggenheim interests in Mexico.

I had an interview today with Lic. Esteban Fernandez, Governor of the State of Durango. He, like the other governors in Mexico, is a very progressive man and is extremely friendly and well disposed toward Americans planning to invest in enterprises in Mexico. He is thoroughly confident regarding the future of his country.

Mexico's Growing Activities.

ON Board Mexican Central Train From Torreon to Zacatecas, Mex., Aug. 29.—It may be well for readers of these letters to know that the information they contain is not easily gathered and that much of it must be prepared on the train, as in the present case. Before taking up Zacatecas and the other intermediate towns and cities to the City of Mexico, I wish to give some items of information that have been overlooked in the necessarily hasty preparation of previous letters

In order to avoid the payment of the higher duties that become effective Sept. 1 Mexican merchants have placed unusually large orders in the United States and the freight traffic through El Paso over the Mexican Central is increasing in proportion. The company's freight clerks at that point are in the midst of the busiest August that they have known in years.

The company's passenger traffic is increasing rapidly also. The other night, coming from Chihuahua to Torreon, the best my party could do was upper berths, although our order for accommodations was filed well in advance. Practically every berth in the car was taken. At present only one Pullman is run from El Paso to Mexico City, but the conductor told me that night that the traffic was so heavy that undoubtedly another car would be put on soon. Last night every berth on the north bound train was sold before it pulled into Torreon, and I met several people who were obliged to sit up or wait until the next train. These facts are particularly significant as this is not the regular tourist season. Most of the Pullman passengers are Americans on business to Mexico, although

it is true that many Americans now go to Mexico City for a summer resort.

Readers of the New York News Bureau service will recall that several weeks ago we announced that the Mexican Central management had decided to introduce oil as fuel on its locomotives. C. R. Hudson, the new vice-president, says that the company already is erecting oil tanks to hold the oil which will be obtained near Tampico. Eight large tanks will be erected at once. The first one will be at Ebano and the last in Mexico City. Mr. Hudson says that at first only the Aguascalientes and Tampico divisions will be equipped for the use of oil, but that as soon as possible all of the divisions of the main line and its branches will be placed under the oil burning system. It is probable that the Guadalajara division will be the next to be equipped for oil. Already this fuel is being used on several locomotives with excellent results.

As I stated in a recent letter, Torreon is one of the newest cities in Mexico. It is growing rapidly and new industries are being started constantly. Among the latest is a broom factory, which is owned and operated by Aurelio Lamadrid. The plant will have a daily capacity of 1,000 brooms. Juan Creel, a brother of Enrique C. Creel, has started a broom factory in Chihuahua. In both instances the broom corn is to be raised near the respective cities in which the plants are located.

Speaking of Torreon, F. E. Young, Assistant General Passenger Agent of the National Lines of Mexico, says that both the passenger and the freight business of the Mexican International Railroad through Torreon is increasing steadily and that now the company is doing the largest business at that point in the history of the company. Although I was not able to get the exact figures, I understood that the Mexican Central's business at Torreon is also growing rapidly.

In a previous letter I referred briefly to the Monterey Iron & Steel Works. I hear that the plant is working full time on the structural iron for two iron wharves which the Mexican Government will construct at San Benito at a cost of \$450,000.

The Mexican Central is now carrying fruit from Tampico to the States that was formerly shipped to New Orleans by water.

A cotton expert from Texas, who is thoroughly familiar with conditions in Mexico, says that the grade of Mexican cotton is improving rapidly and that this year's yield will be so large that it will be necessary to import only a small amount from Texas. He expresses the opinion confidently also that the time will soon come when Mexico will be independent of any other country in the matter of cotton and will be able to export some of her surplus production.

Owing to the operations of the Beef Trust, Mexican cattle raisers are not sending nearly as many cattle to the United States as formerly. Mr. Creel told me in Chihuahua the other day that Mexico City is now the principal market for Mexican cattle. A large number of Mexican cows and breeding stock are now being exported from Tampico to Havana. The Cuban cattlemen are said to prefer the Mexican varieties to those of any other country, because of their hardiness and adaptability to the climate and range conditions in Cuba. In the fiscal year ended June 30 last nearly 70,000 head of Mexican cattle valued at \$2,000,000, were exported through Tampico to Cuba. These facts show also the growing importance of Tampico as a harbor.

Readers of this service will recall that official announcement was made recently that the Mexican Central management had decided to build a Pacific Coast extension to Manzanillo. The company has exercised its option on the narrow gauge road of the Mexican National Construction Company, which it will use as a part of the proposed new line. I understand that the Mexican Central officials are confident that this new road will pay from the outset. It is estimated that not less than four trainloads of lumber will be carried each day as soon as the road is open to traffic. This class of freight is there merely waiting for transportation. This new line will tap a timber district in which are remarkably fine woods. Reports which the traffic officials of the Mexican Central have received indicate that hundreds of cars will be needed each month to move the timber. Even four trainloads a day will go a long way toward showing a profit in the operation of the line.

Large quantities of sugar and coffee are grown in the territory that will be reached by the Manzanillo extension and the carrying of these products will swell the gross earnings materially.

The company also expects to do a large transcontinental business over the new line in connection with the present Tampico division. It is also expected that the former will be one of the best divisions in the whole system for local freight.

Where Irrigation Has Told.

ZACATECAS, Mex., Aug. 30.—Yesterday, soon after leaving Torreon, I was greatly impressed with the luxuriant growth of corn and cotton to be seen from the car window in a section that looked absolutely barren when I passed through it last year. That was the dry season; this is the wet season, and irrigation has been used more freely this year. Alongside of the growing cotton were large fields of corn that compare very favorably in quality with the crop in Kansas and Missouri.

The excellent condition of the crops between Torreon and Zacatecas only serves to illustrate what may be accomplished in Mexico agriculturally with a free supply of water. In this connection I have had several long interesting conversations during the last few days with John M. Irwin, who represents the Stover Manufacturing Co., of Freeport, Ill., manufacturers of windmills. Mr. Irwin, during the last eighteen years, has made frequent trips through the civilized countries of the world in which the water problem is conspicuous. He told me that, within this period, he has seen the situation regarding this problem completely changed. For instance, in Texas, where Mr. Irwin began his work, the ranches were nearly all located along the rivers. Gradually the windmill idea was taken up, so that now some of the finest ranches and farms are found many miles from the streams.

Mr. Irwin has devoted nearly a lifetime, not simply to selling windmills, but also to educating the people to a realization of the importance of storing water in times of plenty. In this connection he has been instrumental in having large land owners build immense storage tanks, into



BIRD'S-EYE VIEW OF ZACATECAS.

which the surplus water is pumped during the rainy season. The water, as needed, is drawn from the bottom of the tank. This plan, with the size of the receptacle, makes it possible to give the cattle nearly as cool water as if it were pumped fresh every day.

This plan of giving the cattle an unfailling supply of water is being introduced very generally in Mexico. The irrigation facilities are being materially increased every year. Mr. Creel told me in Chihuahua the other day that water can be found at various depths in all parts of Mexico. The Government will lend all aid possible, financial or otherwise, to increase irrigation facilities. A few years hence it seems altogether probable that the earnings of the railroads in Mexico will be from one-fourth to one-third larger than now, simply by reason of the great increase in the agricultural products that will follow a more general use of water.

The towns on the Mexican Central between Torreon and Zacatecas, while not large, are important as distributing points. At all of them I saw many stages, carts and heavy wagons, which bring the people and products of the ground to the railroad and take the people, supplies and machinery back to the haciendas. Jimulco marks the terminus of a division on the Mexican Central and it is plainly to be seen that this is an important point.

Zacatecas has been the centre of a rich mining section for more than four centuries. It is said that mining was begun here in September, 1546. And although it is estimated that the mines in this section up to 100 years ago had produced ores valued in the aggregate at about ten billion dollars, they are still producing large quantities of rich ores steadily. The idea has gained circulation in the States that the Zacatecas mines are worked out, but I am trustworthily informed that this is by no means the fact.

I had a long interview today with H. Bartning, general manager of the Banco de Zacatecas. He tells me that the Mexican Central is carrying 400 tons of ore a month from this city. These figures do not include the production of several large private mines; they represent only the output in the immediate vicinity of this city. The output of the whole State is very large.

Both Mr. Bartning and Mr. Gmelin, a prominent mining engineer and ore buyer here, assure me that matters in Zacatecas show decided improvement. There is some talk of a smelter being constructed at this centre. At present the ores are shipped to Aguascalientes, Torreon and Mapimi for treatment. The sentiment in favor of a smelter does not seem very strong.

Business in general in Zacatecas is flourishing. The city has a population of about 35,000. Many of the stores are large, and as I walked through the streets this morning they showed unmistakable signs of doing a flourishing business. Mr. Bartning told me that they have a large trade with the outlying districts also.

There are two banks here, the Banco de Zacatecas, with a capital of \$1,000,000 and available cash of \$1,500,000, and a flourishing branch of the Banco de Nacional. Mr. Bartning told me that large quantities of a fine grade of wool are produced in the vicinity of Zacatecas and that there is an excellent opportunity for a well managed woolen factory. The city has many points of interest for the tourist.

Points of Interest in Aguascalientes.

AGUASCALIENTES, Mex., Aug. 31.—The name of this city in English would be Hot Waters. While the hot waters have given the place its name and made it famous, there is much here besides the waters and the baths. It should be mentioned in passing, however, that they are patronized by many people living in other parts of the Republic and that from this source the Mexican Central derives a large passenger traffic at this point.

Aguascalientes is the chief city and capital of a State of the same name and has a population of about 38,000. Of this number nearly 500 are Americans. Zacatecas, of which I spoke in my last letter, is situated in a small valley between high mountains. Aguascalientes is located on a beautiful plain, and although the State is one of the smallest in the Republic, in it are to be found some of the largest and most productive haciendas or ranches, in all Mexico. Through this city most of the traffic in connection with these haciendas is distributed.

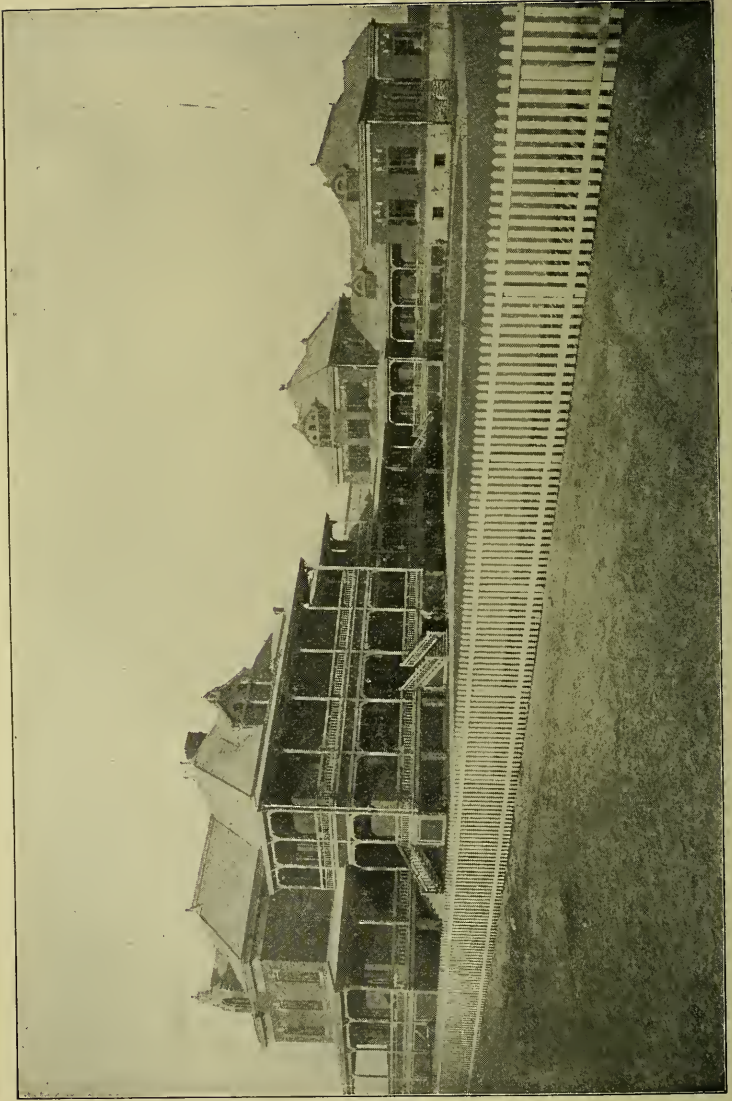
Aguascalientes is also a mining State of considerable importance. Silver, lead and tin are the principal ores. The great industry of the place, however, is the immense smelter of the American Smelting & Refining Company. The starting of this plant has greatly increased the general business of the city. The company treats about 45,000 tons of ore a month on the average and employs 1,600 men. I am trustworthily informed that at this smelter ores all the way from Arizona and from all parts of Mexico are treated. As the Mexican Central is the only railroad entering this city, no argument is needed to show that the smelter is a very important factor in its traffic. I am told, by the way, that last year the net profits of the smelter, above charges of all kinds, were \$1,500,000 gold. I am also told that the company distributed about \$150,000 among its employees here.

This city has four banks, the Banco de Aguascalientes, branches of the Banco de Nacional, Banco de London y Mexico and the Banco de Zacatecas. The first named institution has a capital of \$600,000.

Next to the smelter the shops of the Mexican Central are the great industry of Aguascalientes. These are the principal shops of the company, although it has division shops at several other points, like Chihuahua, for instance. The land on which the shops are located consists of no less than 15 or 20 acres and is surrounded by a fine stone wall.

Some idea of the extent of the plant may be had from the single fact that the payroll averages about 1,600 men, largely Mexicans. At these shops freight cars are rebuilt and locomotives repaired. About 500 cars and 20 locomotives are turned out every month.

The shops are complete in every respect. There is a rolling mill, the product of which is about 90,000 kilos a month. In the blacksmith shop the company makes all the axles needed in its repair work, while in other shops connected with the plant are made the materials for all departments, such, for instance, as frogs, switches, etc. At the foundry all castings needed are produced. The company makes here also all its own tinware, such as oilcans and buckets of every variety. Another important feature is the tie-treating plant, in which 150 men are employed and 80,000 ties treated each month.



MEXICAN CENTRAL HOSPITAL, AGUASCALIENTES.

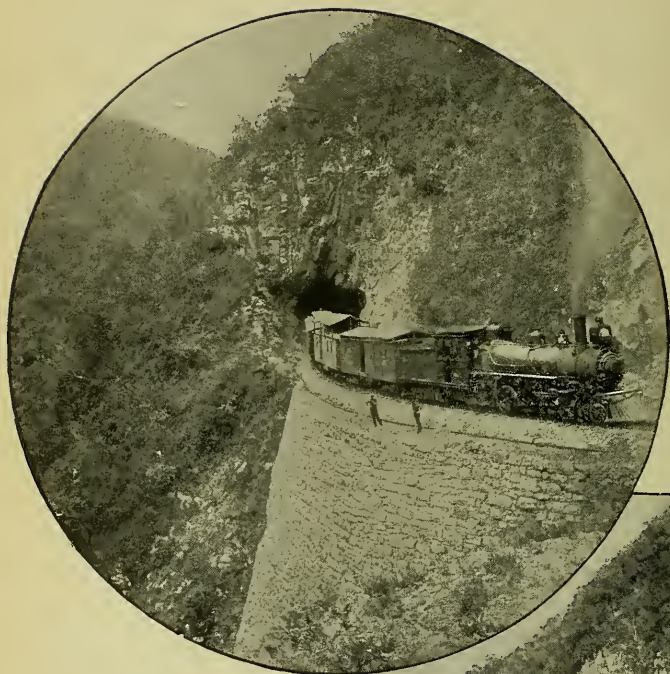
It will be recalled that I have spoken of the plans of the Mexican Central management to substitute oil for coal as fuel on its locomotives. The work of remodeling the locomotives is being done at the Aguascalientes shops. Already 20 are under way and the foreman told me today that by Jan. 1 next he expects to have 50 ready for service.

Not only has the company decided to use oil on its locomotives, but in its shops as well. The furnaces in the shops here which supply power are now using oil instead of coal, with entirely satisfactory results. It is proposed to substitute oil for coal throughout the entire plant. A representative of the company told me today that this will mean a saving of 50 per cent. in the operation of the shops.

After the shops the next point of interest is the company's hospital. Without exception it is the finest, best equipped and best managed hospital I have ever seen. If my ability to pass judgment on this point is doubted, permit me to quote Dr. Agnew, of New York, who, I am told, has said there isn't a hospital in the United States that excels it. There is a series of beautiful brick buildings located in the centre of magnificent grounds which command a splendid view of the mountains beyond the city to the west. Dr. H. S. Squires, the chief surgeon of the company, and his good wife are in charge.

Another fact that adds to the importance of Aguascalientes is that it is the junction of the main line with the Tampico division, which passes through Salinas, noted for its extensive salt works, and San Luis Potosi, a city of 60,000 and one of the most important business centres in the Republic. At Aguascalientes the Mexican Central has built a considerable number of neat houses for its employees.

While on my trip to the company's shops here today, I had the unexpected pleasure of meeting C. R. Hudson, vice-president in charge of operation, and E. E. Styner, general manager of the Mexican Central, who are making a tour of inspection. I had a long interview with Mr. Hudson and I am glad to report that he is entirely confident regarding the future of both Mexico and the Mexican Central. I understand that the gross earnings for the first three weeks of August showed a large increase in comparison with the same period of last year, and Mr. Hudson



TUNNELS NEAR FAMASOPO.

expects these increases to continue throughout the present fiscal year. He is confident also that the net earnings will be proportionately as large. He told me that the company is prepared to handle a considerably larger traffic with only a small proportionate increase in operating expenses. This, of course, would mean excellent net receipts.

Mr. Hudson says that this year's cotton crop in Mexico will be the largest ever gathered in the Republic. As I have said before, the outlook for corn is excellent. The passenger traffic is increasing rapidly. I understand that the company will effect important economies this year that will still further increase the net earnings and in no way work to the detriment of either the service or the property.

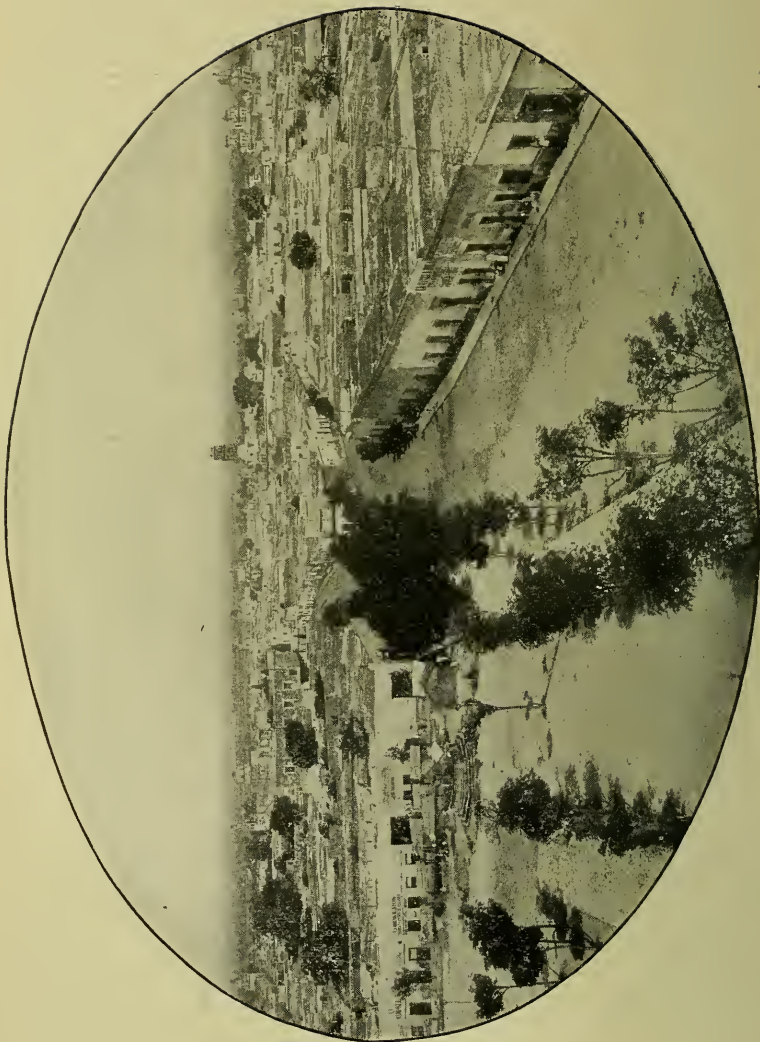
Mr. Hudson believes that from this time on the benefits of the new monetary system will be realized in a marked degree. Wise provision for the miners was made in the monetary plan, so that it is not working any hardship or loss for them, but a profit.

I can only repeat that both Mr. Hudson and Mr. Styner, in company with all the close observers of conditions in Mexico whose opinions I have quoted, are entirely confident regarding the future of this Republic.

From Aguascalientes to the Capital.

MEXICO CITY, Mex., Sept. 1.—Here we are in City of Mexico, with its 400,000 population, 10,000 of which are Americans; the Capital of a Republic with 14,500,000 population. Although I have been here only a few hours I have seen distinct signs of marked progress over the already satisfactory conditions that existed when I visited the city last year. But more about Mexico City in another letter; in this one I wish to outline the big business that is being done along the line of the Mexican Central from Aguascalientes to the metropolis.

Lagos, the first place of importance, is the centre for the trade from a very rich agricultural district, and has a population of about 25,000. Leon, with nearly 65,000 inhabitants, comes next. It is situated in a valley noted for its great fertility of soil and is a big manufacturing city. Immense quantities of rebosos, tapalos and mantillas, the



GENERAL VIEW OF QUERETARO.

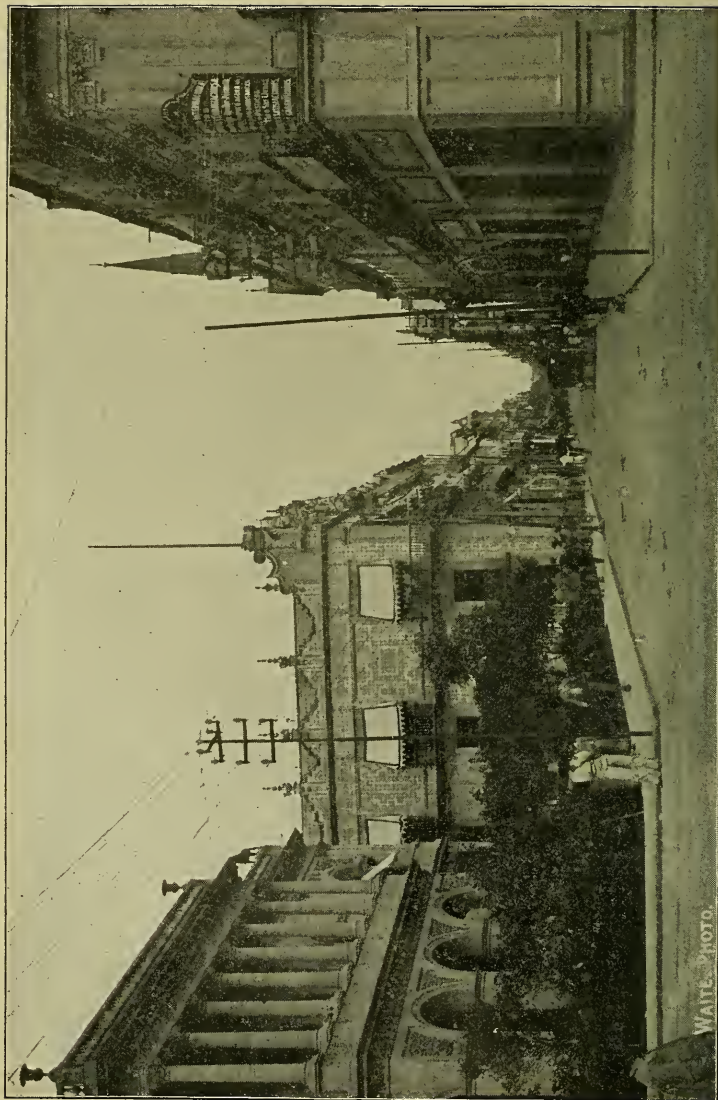
three grades of shawls worn by the Mexican women, are made at Leon. Zarapes, the blankets almost universally worn by the Mexican men of the lower class, are also extensively manufactured in the same city.

Silao, with 15,000 to 20,000 souls, is the terminus of a division on the Mexican Central, and is, therefore, a railroad centre of considerable importance. A branch runs to Guanajuato, the rich mining town which had a disastrous flood two months ago. In the vicinity of Silao there is a great abundance of water ordinarily, and even in dry seasons it can be found at a depth of a few feet below the surface. Silao is in the centre of a district in which the soil is said to be the most productive in Mexico.

Irapuato has a population of 20,000. At nearly every important railroad station in Mexico a special kind of ware or fruit is sold by the natives. Irapuato is the "strawberry" station. There this fruit can be bought every day in the year for a nominal sum. From Irapuato the Mexican Central has a line 217 miles long running west through a rich agricultural and fruit-growing country, which produces large crops of wheat, corn, sugar and the finest oranges in the Republic. From Guadalajara the Mexican Central already has a line to Tuxpan, and it is from the latter point that the new Manzanillo branch to the Pacific Coast is being built.

Going south on the main line of the Mexican Central Salamanca, with 20,000 inhabitants, is the next town of importance. This place exports large quantities of kaolin and white clay, and also sells large quantities of leather goods of all kinds, which constitute the chief articles of commerce. The straw sombrero, the universal hat of the Mexican of the common class, is made here very extensively.

Celaya, with more than 25,000, and extensive cotton mills, is next in order. The city is also noted for its confectionery, and is, in fact, the "candy" town of Mexico. Here the Mexican Central crosses the main line of the National Railroad of Mexico and this adds considerably to the importance of the place as a railroad centre. Large quantities of soap are made in Celaya and the town is also the centre of a very productive agricultural section.



WAITE PHOTO.

THE FIFTH AVENUE OF MEXICO CITY.

Queretaro is the opal station of Mexico and has large cotton mills.

San Juan del Rio is a thriving city of 25,000, and also is the outlet for a rich agricultural district. For some distance south from this station the main line of the Mexican Central runs through miles of corn fields which appear to be as extensive as those of Kansas, for instance. Fields of the maguey plant, from which is made pulque, one of the most common drinks among the common people of Mexico, begin to appear. The making of this beverage is one of the important industries of Mexico. Even ten years ago, in one of the smallest States in the Republic, the maguey haciendas were valued at \$8,000,000.

Tula, the last place of importance on the main line of the Mexican Central before reaching Mexico City, is the terminus of the Pachuca branch. The town is located in a fertile section and one noted for its fine landscape scenery.

The towns outlined in this letter are located on a section of the main line of the Mexican Central 365 miles long, and from this rough sketch I think it is plainly to be seen that they furnish a large amount of local traffic to the railway.

Future of Mexico Promising.

MEXICO CITY, Mex., Sept. 2.—I have not yet found a close observer of conditions here who is not confident that Mexico is on the eve of a big development. These men are not looking for a boom in Mexico—they sincerely hope that it will not come—but they do believe that the foundations have been laid for a healthful growth.

Today I had a long interview with A. A. Robinson, president of the Mexican Central Railway Company. Mr. Robinson has lived in Mexico many years and during that time has been a close student, not only of the affairs of his company, but of those of the whole Republic as well.

He told me that he is entirely confident regarding the future of Mexico and that he looks for distinct improvement in business during the next few months. Three or four months ago Mr. Robinson told me in New York that he looked for business in Mexico to begin to respond to the new monetary system about the first of September.

He now says that the improvement expected has come a little earlier than he anticipated.

The gross earnings of the Mexican Central for the first three weeks of August were about 15 per cent. larger than for the same three weeks a year ago. Mr. Robinson expects the gross receipts to continue to show correspondingly large gains.

When the provisions of the new monetary system became known it was feared that they would tend to check the mining industry of Mexico, temporarily at least. That whatever effect of this kind may have been produced was of brief duration is clearly proven by the fact that while the plan was officially declared operative in April, the ore movement of the Mexican Central for June, only two months later, was larger than for preceding months, and for the corresponding month of 1904. In July and August it is understood that the gains were still larger.

Speaking of the ore movement, it will be recalled that a few days ago I spoke of the large amount of ore which the Mexican Central handles in connection with the smelter of the American Smelting & Refining Company, at Aguascalientes. Upon information furnished me at the time I said that the latter company is handling about 45,000 tons of ore a month. President Robinson tells me that his company is carrying an average of 2,000 tons a day, or 60,000 tons of ore a month for the Aguascalientes smelter. This, of course, means a large additional amount of collateral traffic.

Mr. Robinson says that work is progressing satisfactorily on the construction of the new Manzanillo line. At present about 1,700 men are employed. Later it is expected that the number will be increased to 7,000 and that the road will be completed in 18 months.

I understand that the Mexican Central has facilities for handling about 35 per cent. more traffic than at present. This could be accomplished with only a small proportionate increase in the operating expenses, which would mean excellent net receipts.

I also had a long talk today with A. V. Temple, industrial agent of the Mexican Central, and who has lived in Mexico for 30 years. He said very emphatically that agricultural, industrial and financial conditions here are all

right. Mr. Temple points out that Mexico has ideal conditions for becoming an extensive manufacturing country, and he confidently expects this industry to develop very materially within the next few years.

He also calls attention to the fact that, within the last two or three years, two plants have been discovered in sections of Mexico that were regarded as unproductive, which promise large returns. The one, the *ixtle*, yields a fiber for which there is a big demand already in the manufacture of brushes, and the other, the *guayule*, contains rubber in large quantities.

Mr. Temple further says that the ore bodies of Mexico have scarcely been scratched, that there are vastly greater mines of gold, copper and iron ore and of coal in Mexico than is realized except by a very few who have investigated the matter closely.

In the opinion of Mr. Temple the next few years will see a still further development of existing industries in Mexico, rather than the organization of a larger number of new ones.

Mexico's Increasing Business.

MEXICO CITY, Mex., Sept. 4.—Still another man who realizes that business is on the increase in Mexico and who looks for much better things for this country is E. N. Brown, president of the National Railroad Company of Mexico. Mr. Brown has resided in Mexico for 15 years or more and his opinion on conditions here is highly regarded by President Diaz and his associates and by every one who has the pleasure of his acquaintance.

Mr. Brown told me, in the course of a talk which we had at his office today, that he believes there will be a bigger development in Mexico during the next five years than there has been during the last ten or fifteen years. He said his associates have reported that, within the last three weeks, the business on the National lines has shown a distinct response to the new monetary system. During that time the gross earnings increased about 10 per cent. Mr. Brown believes that the traffic of the system will continue to grow from this time on.

President Brown and his associates are watching with considerable interest the plans of business men in Durango to establish a smelter in that city. It will be recalled that I spoke of this proposed new enterprise in a letter from Durango. Mr. Brown says that the opening of that smelter would be of great importance to the business interests of Durango, and would also materially increase the earnings of the International Railroad, which belongs to the National system. He adds that the smelter would mean the re-opening of many mines in the vicinity of Durango which have been closed because they could not be operated profitably without a smelter at that centre. The smelter would also mean a further development of the coal properties on the International lines.

The new smelter at Saltillo on the main line of the National will soon begin to give the company considerable traffic. Still another smelter in the vicinity of Torreon will add very materially to the business of the International.

Mr. Brown says the reports recently circulated that his company will soon build a line to Guadalajara are incorrect and that in the near future the management will devote its energies and the resources of the company to the development of existing lines.

I also had a talk with W. B. Ryan, traffic manager of the National Railroad Company of Mexico. He is optimistic regarding the future of Mexico and of the company with which he holds such an important position. Mr. Ryan says that the passenger business on the National Railroad, both local and from across the border, is increasing very satisfactorily. Mr. Ryan has also been actively identified with the railroads of Mexico for many years, and is therefore in a position to speak with authority. He looks for the business of the country to grow steadily from this time on. Both Mr. Brown and he expect the earnings of the Interoceanic Railway to show up considerably better this year. The new management has made liberal expenditures in raising the physical condition of this road to a satisfactory standard. As soon as I have an opportunity to travel over the National lines I will have more to say regarding the business that is being done on them.

Mexico's Pioneer Railway.

ORIZABA, Mex., Sept. 7.—This evening I am spending a few hours in Orizaba waiting for the night train to Mexico City. This city is on the Mexican Railway, which runs from Vera Cruz to Mexico City and is about one-third of the way from the former to the latter. Because of its location on the western border of the really tropical section of Mexico and its delightful climate, Orizaba is one of the best known resorts in this country.

As you may recall, the Mexican Railway Company was the first corporation to build a railroad in Mexico. It was originally, and is still, an English corporation. English capital and skill built the road. Unfortunately the same degree of skill that was displayed in the construction of the mountain division has not always been in evidence in the operation of the whole property. Since I was here last year, however, Walter Morcom has assumed active charge as general manager and it is not too much to say that he has very greatly improved the service.

As already indicated, the Mexican Railway operates between two of the most important cities in Mexico—Vera Cruz and the City of Mexico. For many years the former has been the principal gulf port in the Republic; now evidently Tampico is to get its share of the business. The Ward Line steamers from New York connect with the Mexican Railway at Vera Cruz and this fact gives the railroad company a large tourist passenger business to Mexico City. Very many people take the trip over the railroad largely to see the marvelously beautiful scenery above and in the vicinity of Maltrata. The local passenger traffic on this road is also large.

The company is doing a good freight business. Orizaba is a big city. Along the line, both above and below here, are important mills, which supply many thousand tons of traffic. The city itself swells these figures very materially.

A few miles east from here is Cordoba, a good-sized city in the banana and coffee section of Mexico. Above Orizaba, toward Mexico City, the most important town is Esperanza, which furnishes a big freight and passenger traffic. Still further west on the main line is Apizaco, whence goes the branch line to Puebla, one of the largest and most nota-

ble cities in southeastern Mexico. Apizaco is the "cane" town of Mexico.

With the exception of short distances through the mountains, both the main line and the Puebla branch of the Mexican Railway run through a fertile agricultural and grazing country. On these two lines I have ridden along side of many thousands of acres of corn, some of which has been topped and will soon be gathered. The cattle are looking extremely well. It is evident that the company's freight traffic will be heavy this Fall, and in that case the passenger receipts will be good also, for when the Mexicans make money they travel. The stockholders of the Mexican Railway have not always been satisfied with the results obtained from operation, and they have had reason to complain. Perhaps they should not expect full dividends this year, but they will have occasion to congratulate Mr. Morcom, the new general manager, on the excellent work he has done. Under the former management I understand that the passenger conductors indulged in a profit-sharing plan that was much more remunerative to them than to the stockholders. Now I am trustworthily informed that, by having inspectors in the service, the stockholders are getting at least the big end of this game.

I neglected to say that at Puebla the Mexican Railway connects with the Mexican Southern, while at Cordoba it forms a connection with the Vera Cruz & Pacific Railroad, which, it will be recalled, brought the Maryland Trust Company, of Baltimore, to grief, but which is now owned and successfully operated by the Mexican Government. The Vera Cruz & Pacific in turn connects with the National Tehuantepec Railroad, which is likewise owned by the Government. Through Pullman cars are run over the last two named roads from Cordoba to Salina Cruz on the Pacific Coast.

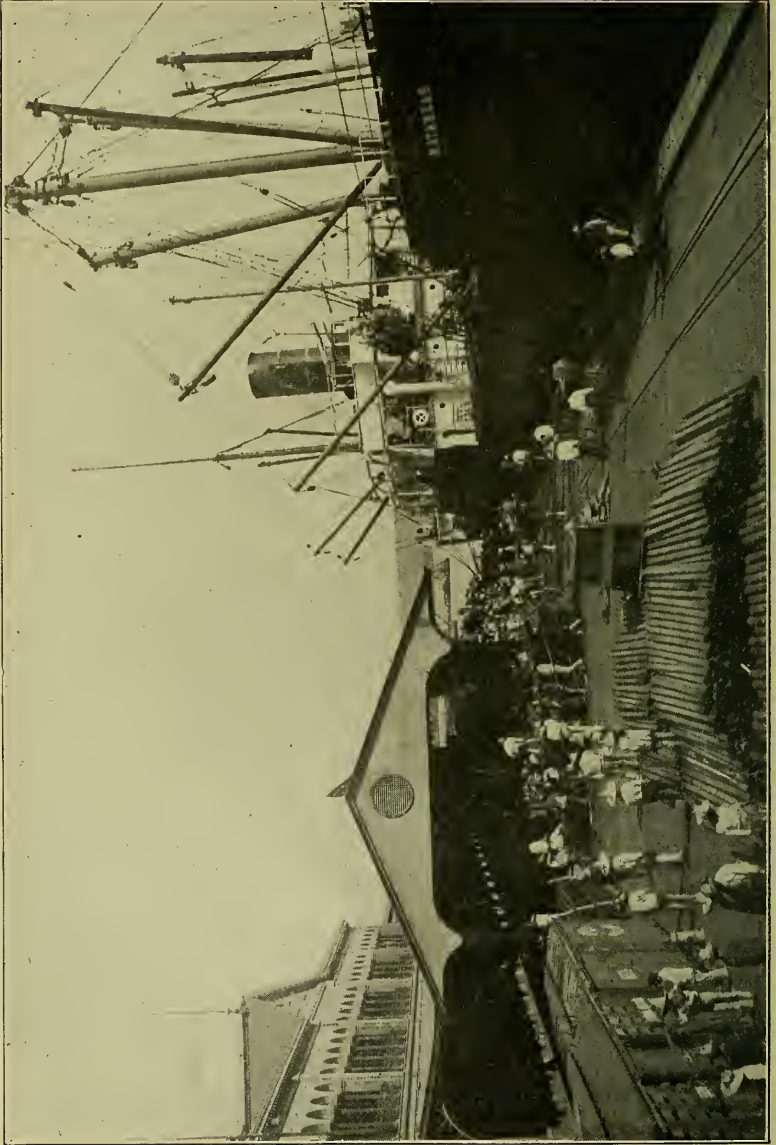
Tampico as a Gulf Port.

MEXICO CITY, Mex., Sept. 8.—I regret exceedingly that I will not have time to visit Tampico, but I am fortunate in being able to secure thoroughly up-to-date information regarding that important point.

Tampico as a local business centre and as a gulf port is advancing at a rapid rate. The population of the city is now about 17,000, but the marked development that is going on is attracting people to the place constantly. Both the Government and the Mexican Central Railway Company have expended large sums of money in making the harbor and the railroad terminal second to none. Big ocean going vessels are able to discharge their passengers and freight without transfer or lighterage. The port is served by steamers running to New Orleans, Havana, New York and all European ports.

The movement of traffic through Tampico, both in and out, is larger now than ever before. Recently, in spite of the fact that Mexico is not regarded as an exporting country, the outbound cargoes at Tampico have exceeded those coming in. This condition is highly gratifying both to the railroad and the steamship companies. There is a big and growing bullion movement through Tampico and to meet the additional requirements, the Mexican Central is building a wharf to be used exclusively in the handling of bullion. The volume of hides, fibre and cattle through the Tampico gateway is rapidly increasing also. The Waters-Pierce Oil Company is adding to its facilities there; other companies are doing the same thing.

The sanitary conditions at Tampico are worthy of special mention. The new water works and sewerage systems are nearly completed and will soon be turned over to the city. The Mexican Central has constructed about 330 modern cottages which are rented to the employees for a nominal sum. The company also has at Tampico one of its thoroughly up-to-date hospitals. The most notable fact about this hospital, or rather about Tampico, is that there are only four patients in the institution, and they are there only to receive treatment for slight injuries. In spite of the fact that this is the rainy season, and although cases of malarial fever are expected at this time of the year, the Tampico hospital hasn't even a case of the latter, not to speak of yellow fever, of which there isn't a single case in or about Tampico. These facts are all the more significant, inasmuch as the hospital serves a large territory in the vicinity of Tampico. The Mexican Central hospital at Monterey is without patients of any description. When I



SCENE AT TAMPICO HARBOR.

was in Aguascalientes, the company's hospital there had only a few surgical cases and no medical patients. These facts clearly show that the health conditions are excellent in the territory served by the Mexican Central.

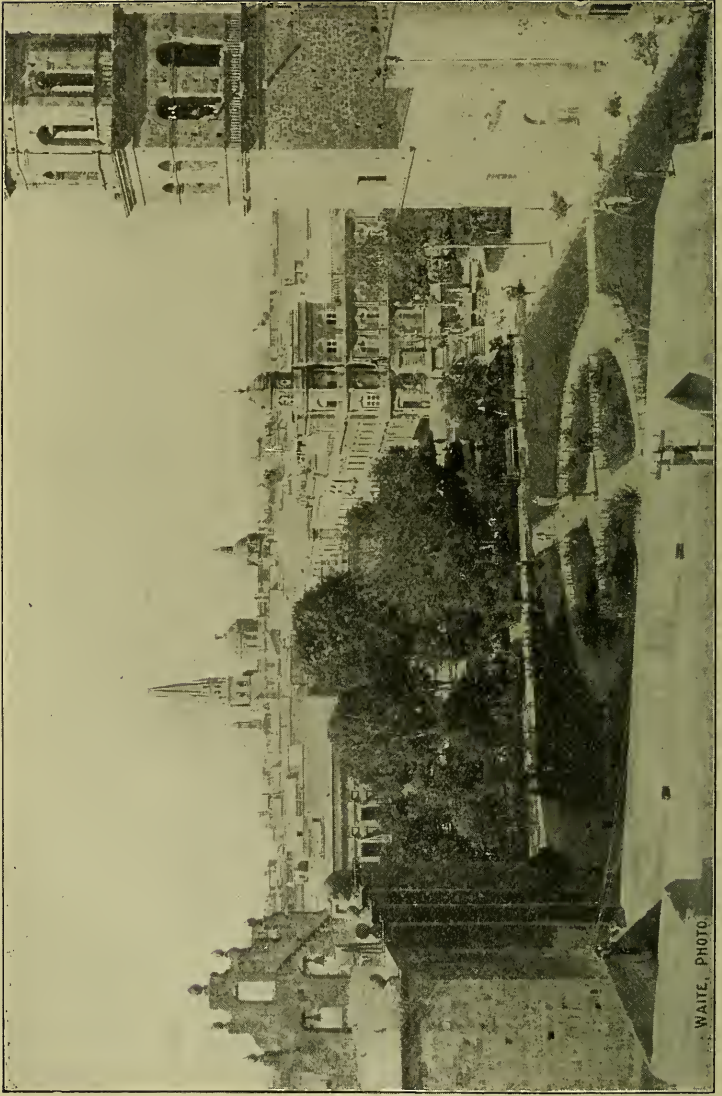
The railroad company is increasing its facilities at Tampico constantly. Just now additional tracks are being laid. Tampico is already one of the great harbors of Mexico and many close observers believe it is destined to be the most important on either coast. The exports and imports at that point last year were 47 per cent. of the total for the entire Republic. The fisheries are a notable feature of Tampico and excellent opportunities are afforded for the establishment of canneries. They are sure to come.

The Mexican Central already has two lines to Tampico, one from Torreon, that passes through Monterey, a city of 75,000 inhabitants, and in which are a large smelter and steel plant. This line traverses a country well adapted to grazing and to the culture of semi-tropical fruits. Garden vegetables are being raised in large quantities already and exported to the United States.

Victoria, located between Monterey and Tampico, is a city of 10,000 population and an important shipping point for a large surrounding section. Large plantations of henequen are profitably cultivated and a fine quality of oranges is raised. Half way between Victoria and Monterey is Linares, with a population of 8,000. In that vicinity are sugar haciendas which produce annually 3,000 tons of refined sugar and 1,800 barrels of rum. In the vicinity of Montemorelas are oil seepages and the country is well adapted to grazing.

The other Mexican Central line to Tampico begins at Aguascalientes and is 415 miles in length. This division passes through San Luis Potosi, the largest city in that section of Mexico. It has a population of over 60,000 and is one of the most important business centres in the Republic of Mexico. The scenery along the Mexican Central between San Luis Potosi and Tampico, is, in some respects, the finest in Mexico and many tourists make the trip simply to see it.

The plans of the Mexican Central management include the building of a short line from Mexico City to Tampico and one northeast to the border. Undoubtedly both of



WAITE, PHOTO.

BUSINESS SECTION OF GUADALAJARA.

these lines will be built in due time. When the former extension is completed Mexico City, the capital, largest city and centre of activity in the Republic, will be connected with Tampico, already an important harbor, and destined to be a much greater one, by the most direct railroad line possible. With the completion of the Pacific Coast extension to Manzanillo, now under way, the company will have a direct line from the Gulf to the Ocean. The proposed short line to the border would give the Mexican Central another gateway on the north and a valuable additional outlet to the central west and eastern centres of the United States.

The Show City of Mexico.

GUADALAJARA, Mex., Sept. 9.—Mexico City is not only the southern terminus of the main line of both the Mexican Central and of the National Railroad of Mexico, but is also the terminus of several important divisions of these two great systems. The most important division of this kind on the Mexican Central beginning in the City of Mexico is the one running to Guadalajara, a distance of 380 miles. I don't know that I am entirely correct in saying that the division has its southern terminus in the capital city, as it diverges from the main line at Irapuato, but at any rate, the company runs excellent trains, with Pullman accommodations, direct from Mexico City to Guadalajara.

I have learned from several trustworthy sources that this is one of the best paying divisions on the whole Mexican Central system. Only a few facts are needed regarding the territory served by the Guadalajara division to show why it yields such handsome profits.

In the first place the line passes through one of the very best agricultural States in the whole Republic. Even ten years ago the State of Jalisco produced more than 18,000,000 bushels of corn; more than 3,000,000 bushels of wheat, and 1,000,000 bushels of beans. A large part of the land which grew these crops is in sight as one passes along the Mexican Central track. The latter railroad, by the way, is the only one that serves this highly productive sec-

tion. As stated, the figures just given were for ten years ago. The yield of these various crops in recent years has been, and this year will be, very much larger.

Along the Guadalajara division of the Mexican Central are raised also, in great quantities, what are regarded as the best oranges produced in the Republic. In the vicinity of Atequiza, a station about 25 miles east from Guadalajara, one man is said to have 500 acres of oranges. The native oranges grown in that locality are of excellent quality, but within the last year or two the culture of navel oranges, introduced from California, has been carried on successfully. At the breakfast table this morning the proprietor of the Hotel Pleasanton served us with some of this variety and they certainly surpass in every respect any oranges that I ever tasted in the East, and I am told that they are of a finer quality than the same variety grown in California.

Some idea of the importance of the orange industry in this section to the Mexican Central may be had from the single statement that the company now has an order from orange growers for 200 fruit cars, 100 of which are to be loaded at La Barca, perhaps the most important station on the Guadalajara division between Irapuato and this city. In glancing over the company's detailed freight and passenger receipts on this division for 1903 I see that La Barca alone contributed \$231,595. This year's excellent crops and the general prosperity of the section should swell these figures materially. It should be stated in passing that the corn in this section looks well and promises a large crop.

If time and space would permit much more might be said regarding the agricultural wealth of this section. I will only repeat, however, the statement made by a prominent American in this city, who has been actively identified with its development for 20 years or more. It was this: "I regard the State of Jalisco as the granary of Mexico."

Not only does this division of the Mexican Central run through such a productive section, but it serves this city of Guadalajara, the second largest city in the Republic. The population is certainly in excess of 100,000, and one authority estimates it as high as 125,000. Much has been written regarding Guadalajara. It has long been called

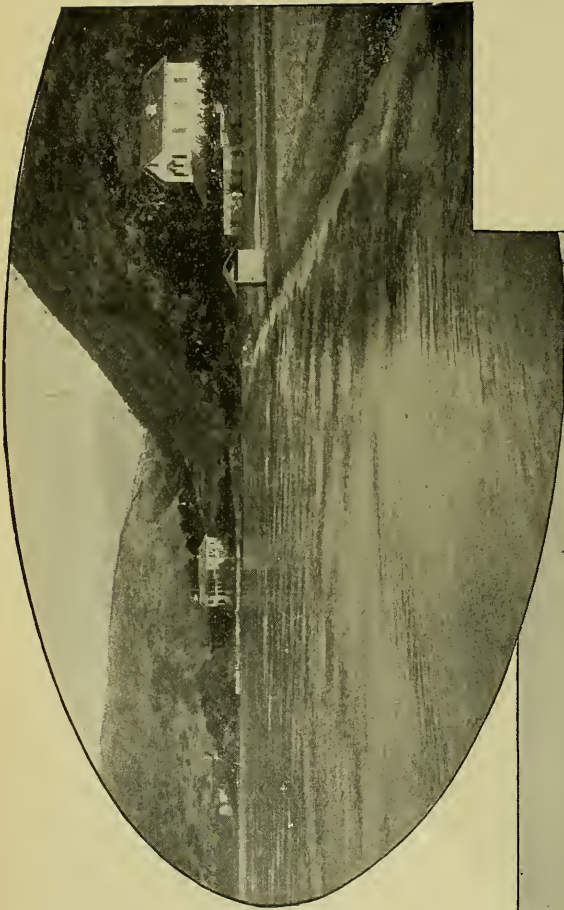
"The Pearl of the West," and the "Show City of Mexico." The citizens and municipal officers undoubtedly have much of which they may justly boast. The streets are asphalted and are lighted by electricity, while it is claimed that the municipality has the best waterworks and sewerage system in all Mexico. The Government buildings are elaborate, while the business houses are modern and evidently exceedingly prosperous.

In 1901 Guadalajara gave the Mexican Central \$453,123 worth of traffic, while in 1903 the amount was increased to \$2,017,612. This year I am informed that the railroad traffic here will yield nearly \$4,000,000. These figures clearly show the rapid growth of the city and surrounding country during the last few years.

C. H. M. Blake, who is perhaps the best American authority in Guadalajara, tells me that the demand for electric lighting has grown so rapidly that the electric light companies are soon to increase their facilities. They already have work well advanced on extensions that will increase the horse power materially and cost \$600,000. Since I arrived here, the management has decided to add another 4,000 horse power, to cost still another \$600,000. Mr. Blake also tells me that within the last ten years the earnings of the street car lines of Guadalajara have increased about 350 per cent.

Within the last few days George W. Cook, who is one of the most prominent American business men in the Republic, has bought for \$80,000 a property in the business section of this city, on which he will erect a five-story and basement steel and masonry structure that will cost approximately \$125,000. The building will be the most modern business structure in Guadalajara.

Dr. V. H. Hobson, of Richmond, Ky., has obtained a concession for a distillery, the construction of which he will soon begin on a tract of land along the Mexican Central track south of this city. The ultimate plans of the doctor call for the operation of a large plant. The starting of this new industry near Guadalajara suggests a fact that is to be extremely potent in the further development of the city. Near by is abundant water power, which can easily be conveyed to the city, while to the west and south is a practically inexhaustible supply of timber. President



Robinson of the Mexican Central, and men here well informed confidently believe that Guadalajara is certain to be a great manufacturing city.

There is a colony of about 500 Americans here, which includes a flourishing American club of 180 members. The city boasts also of two American newspapers. One, "The Jalisco Times," is conducted by Rufe E. March and Austin C. Brady, both experienced and clever newspaper men. This paper would be a credit to any town in the United States, and apparently the proprietors are well rewarded for their labors. Besides those mentioned, the city and vicinity have other features that will materially increase the traffic of the Mexican Central. A well managed branch of the famous sanitarium of Battle Creek, Mich., located in Guadalajara, attracts many patients. The whole city for that matter is a sanitarium, for the air is delightful and healthful, and the health conditions excellent. Near here is the charming Lake Chapala, more than 50 miles long, 18 miles wide and the largest lake in Mexico. It is remarkable, not only for the grand mountain scenery on both sides, but also for the fact that it is higher than Mount Washington and nearly the highest navigable body of water on the globe. Already a goodly number of both Mexicans and Americans have elaborate homes along the shores, and it is destined to be the great water resort of Mexico. A large number of tourists visit the lake every year, and they all travel over the Mexican Central, as no other railroad serves the section.

Close observers in Guadalajara believe that the greatest development in the next few years will come to the city and vicinity by reason of the additional railroad facilities that are assured. This division of the Mexican Central extends westward 55 miles to Ameca. From La Vega a branch extends to San Marcos. From Guadalajara another important branch runs to Tuxpan, 120 miles. From that point the company is now building its Pacific Coast extension to Manzanillo. This line will not only afford an outlet to the coast at an excellent harbor, but will open up a vast and valuable timber section. It is expected that the extension will pay from the outset and in a short time yield handsome returns. This road will make the Mexican Central a transcontinental railroad. The business men in

Guadalajara realize that their city, already the great distributing point for this section, will profit greatly thereby.

It is confidently believed also that the Harriman interests will build the railroad from Guaymas, on the Pacific Coast, to Guadalajara, for which they have secured a valuable concession. That road would open up a vast section on the central west coast of Mexico and would give the Mexican Central a large amount of business.

Mexico's Alexander Hamilton.

MEXICO CITY, Mex., Sept. 11.—I have had two interviews with His Excellency, Jose Y. Limantour, the brilliant Minister of Finance, or Secretary of the Treasury, in President Diaz's cabinet. Everyone at all familiar with Mexico realizes and appreciates the great work that Mr. Limantour has done for his country in establishing its finances on a sound and permanent basis.

The Mexican Central gross earnings for August increased about \$260,000, or 20 per cent., and the National Railroad earnings \$100,000, or at least 10 per cent. over the corresponding month of last year. The division officials on both systems began last month to report an increase in traffic at the principal stations and the chief executive officials here attribute the improvement largely to the establishment of the new monetary system. The new coins are coming into circulation rapidly here in the city and are also appearing in the principal cities throughout the Republic. They are tangible tokens of the great work of Mr. Limantour and others during the last two years for the finances of the country.

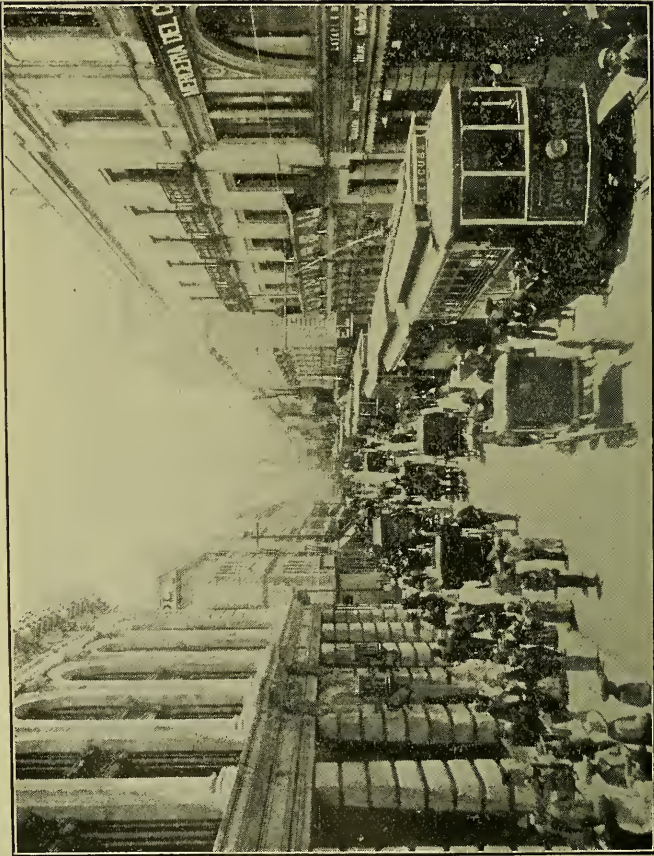
A prominent young Mexican in this city, a member of Congress, with whom I dined a few evenings ago, told me that he believes that Mexico would have a deficit yet if Limantour had not been elected head of the Finance Department. During both of my interviews with Mr. Limantour, who is justly called the Alexander Hamilton of Mexico, he spoke with characteristic modesty of his work. It is only fair that the people in the financial district of New York be reminded again of what the Finance Minister has accomplished for his country.

After having a brilliant legal career he was appointed Under Secretary of Finance in 1892. The next year he succeeded Matias Romero as full Secretary, an office which he has held with distinction and honor continuously since. Prior to 1867 the annual deficit of Mexico averaged about \$7,000,000. From 1867 to 1893-94 the average was reduced to approximately \$3,000,000. An idea of Minister Limantour's great work in his department may be had from the single fact that, in the budget which he made public less than two years after assuming the duties of full Secretary, he was able to announce the astounding fact that the Republic had a surplus of \$1,113,046. That memorable year the revenues aggregated \$43,951,699 and the expenditures \$42,838,653. The surplus for that year was the first Mexico had enjoyed since the war of independence in 1810. In order to demonstrate clearly that that surplus was the beginning of a new era of sound and continuous prosperity for Mexico, I will present the following official figures:

Fiscal year.	Cur. revs. in specie.	Cur. expdts. in specie.	Surpluses.
1894-1895 . . .	\$43,951,699	\$42,838,653	\$1,113,046
1895-1896 . . .	50,521,470	45,070,123	5,451,347
1896-1897 . . .	51,500,629	48,330,505	3,170,124
1897-1898 . . .	52,697,985	51,815,286	882,699
1898-1899 . . .	60,139,213	53,499,542	6,639,671
1899-1900 . . .	64,261,076	57,944,688	6,316,388
1900-1901 . . .	62,998,805	59,423,006	3,575,799
1901-1902 . . .	66,147,049	63,081,514	3,065,535
1902-1903 . . .	76,023,416	68,222,522	7,800,894
1903-1904 . . .	86,473,801	76,381,643	10,092,158

It will be seen by a glance at these figures that the surpluses have been continuous since the memorable fiscal year 1894-95, although there were not increases each successive year. Still the figures disclose the striking fact also that during the ten years the surplus of the Republic expanded from \$1,113,046 to \$10,092,158.

Many are the reforms which Secretary Limantour has introduced and carried out. One of the first was the abolishment of inter-State duties. When he took charge of the country's finances the exterior debt of 1888 amounted to £10,000,000 and called for 6 per cent interest; that of 1890 to £6,000,000, also for 6 per cent. interest, while the



ONE OF THE PRINCIPAL STREETS IN MEXICO CITY.

loan for the Tehuantepec railway of £270,000 paid 5 per cent. interest. The floating debt paid 3 per cent. Laws were passed providing for the issue of bonds to consolidate the interior debt at a material saving to the Government. The plans were entirely successful.

Mr. Limantour next directed his attention to the still more important and difficult task of consolidating the exterior debt. An idea of the proportions of the task may be had from the fact that the interest on the public debt at that time amounted to more than 43 per cent. of the estimates for 1893-94. After negotiating with foreign bankers Mr. Limantour was able to consolidate the exterior debt at a saving to Mexico of about \$17,519,000.

Two years or more ago Mr. Limantour decided that it would be well to effect a good sized loan to complete public works, make various improvements and pay for obligations already contracted. Although several offers were made, President Diaz recommended the offer of Speyer & Company as most advantageous. The loan was for \$40,000,000, and Wall Street is familiar with the details.

Mexico's next great financial stroke, under the leadership of President Diaz and Secretary Limantour, was the establishment last April of the new monetary system, by the terms of which the Mexican dollar is worth practically 50 cents, on the basis of gold. I need not dwell on the advantages of the new monetary system, for it is generally realized that it will do more for Mexico than any plan that has ever been brought out for the country's development. Already the results have greatly surpassed expectations.

Mr. Limantour is still a young man, being only 49 years old. If life and health are spared to him he will have an opportunity to make many more brilliant financial strokes for his country, but no more are needed to classify him as one of the greatest financiers in history. Mr. Limantour appreciates keenly the work that the New York News Bureau is doing for Mexico.

Mexico's National Capital.

MEXICO CITY, Mex., Sept. 12.—Very much more might be written regarding this city than I have either time or space for. As you know, it is the Capital of the Republic and the greatest centre of activity. It has



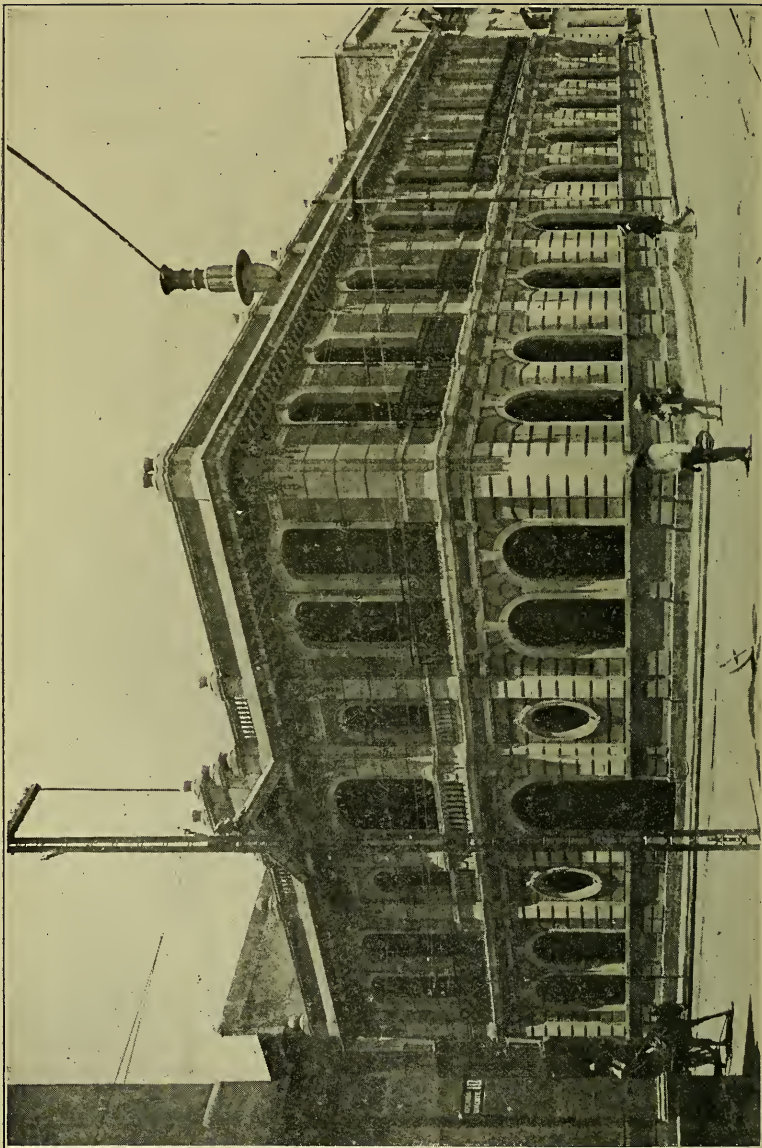
TWO GENERAL VIEWS OF PACHUCA.

some points in common with our own Capital City and also differs from it in many respects. Mexico City has a population of 400,000, while Washington has only about 280,000. Probably more foreign nations are represented here than in Washington. An American coming here for the first time must be strongly impressed with the idea, however, that his fellow countrymen are well represented and not only that their ideas regarding the management of business and of a great city have been introduced, but also that a large number of Americans are actually on the ground engaged in the widely varying activities of the city.

Mexico City is a thoroughly modern town in many respects. All of the principal streets are asphalted, the whole city is generously lighted by electricity, while it and a large group of suburbs are served by an excellent system of trolley cars. The trolley company has as its general manager, W. W. Wheatley, formerly of Newark, N. J. The streets are well kept and the principal thoroughfares present, particularly at night, a decidedly American appearance.

There are some handsome and thoroughly modern structures in the business district. One of the latest to be completed is that of the Mutual Life Insurance Company. The architecture is much the same as that of the company's Nassau street building in New York. In the Mutual Life building here may be found the offices of the passenger traffic manager, freight traffic manager and industrial agent of the Mexican Central Railway Company. Adjoining this building is the new post office building, which is nearing completion. It also is a handsome structure and considerably larger than its next door neighbor. Directly across the street from the two buildings work was recently begun on the new National Theatre building, which is expected to be the finest structure of the kind in all Mexico. I am told that it will be the first building in the city to be built of marble.

Several articles might be written regarding the real estate and building business in this centre. Land values, the prices of houses and rents have increased enormously, Ignacio Mariscal, Minister of Foreign Relations in President Diaz's cabinet, who himself has a beautiful home in one of the most elaborate sections of the city, told me a few



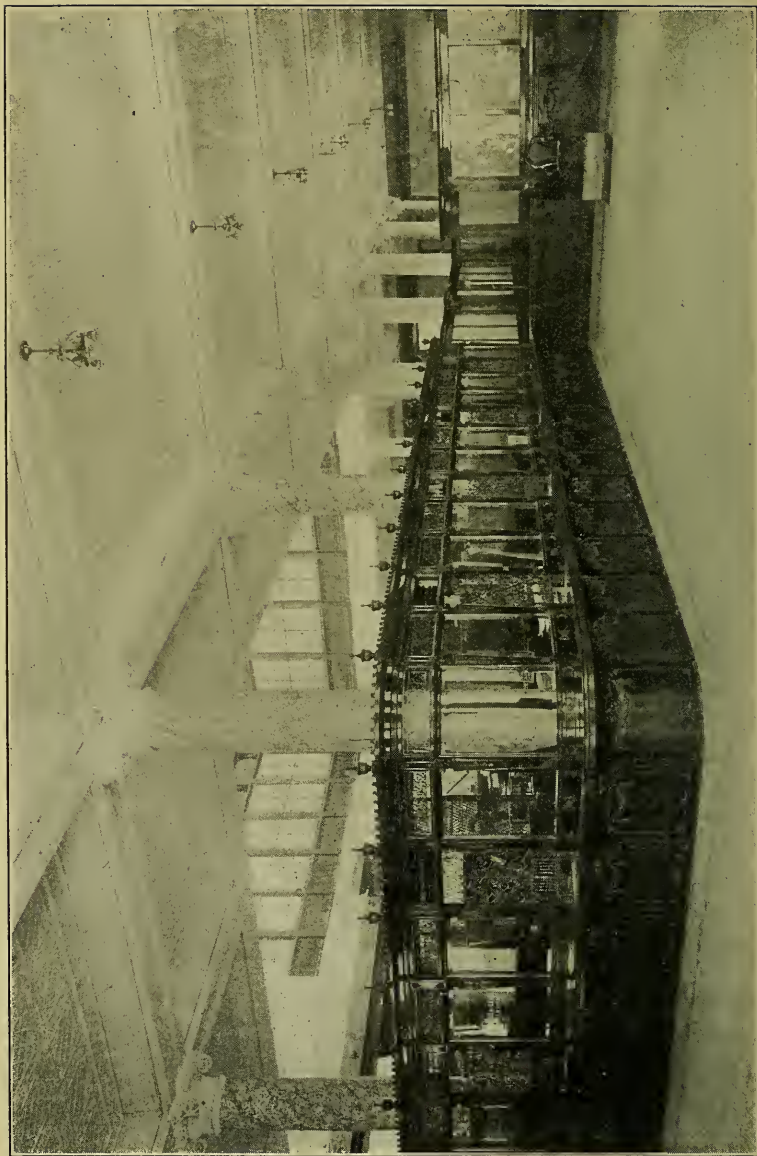
EXTERIOR VIEW, BANCO CENTRAL MEXICANO.

days ago in the course of an interview in his home, that the prices of real estate in Mexico City have increased 250 per cent, and rents 300 per cent. during the last ten years. Fernando Pimentel, general manager of the Banco Central Mexicano, tells me that the prices of land and property in the city are still advancing, and that recently there have been transfers of property on Plateros and San Francisco streets (two of the prominent streets in the city) at \$400 a square meter, the highest price recorded for those particular thoroughfares. Another important new building which is going up soon is that which the insurance company, La Mexicana, will erect.

Among the many improvements which are in progress in the city, and which will be important factors in its development, is the new water service, which is well in hand. Mr. Pimentel tells me that the new service will give the city a large surplus of water, and with a pressure that will be ample for regular use and also in case of fires.

The suburbs of Mexico City are beautiful and easy of access, by reason of the excellent trolley service. In those sections many well-to-do and wealthy Mexicans and Americans have summer homes. As about New York, very many people live in suburban homes throughout the year. Frederic R. Guernsey, editor of "The Mexican Herald," the principal American daily in the Republic of Mexico, lives all the year round in San Angel, ten miles out from the city, and one of the most charming of all the outlying towns. By no means all of the land in the vicinity of Mexico City, suitable for suburban homes, has been taken up. Still it is being bought up rapidly by individuals and companies. One of the most recent companies formed for this purpose is the City of Mexico New Additions Realty Company, organized under the laws of the State of Delaware with a capital of \$3,000,000. The company has a very valuable concession from the Mexican Government and will purchase 2,507,124 square meters of land in a very promising suburban section. The colony will be named "Colonia Porfirio Diaz," in honor of the President. Emeterio de la Garza, Jr., a prominent lawyer and member of Congress, is the controlling factor in the new company and he is entirely confident of its complete success.

Mexico City is not pre-eminently a manufacturing city, and the products of its mills are largely consumed within



INTERIOR VIEW, BANCO CENTRAL MEXICANO.

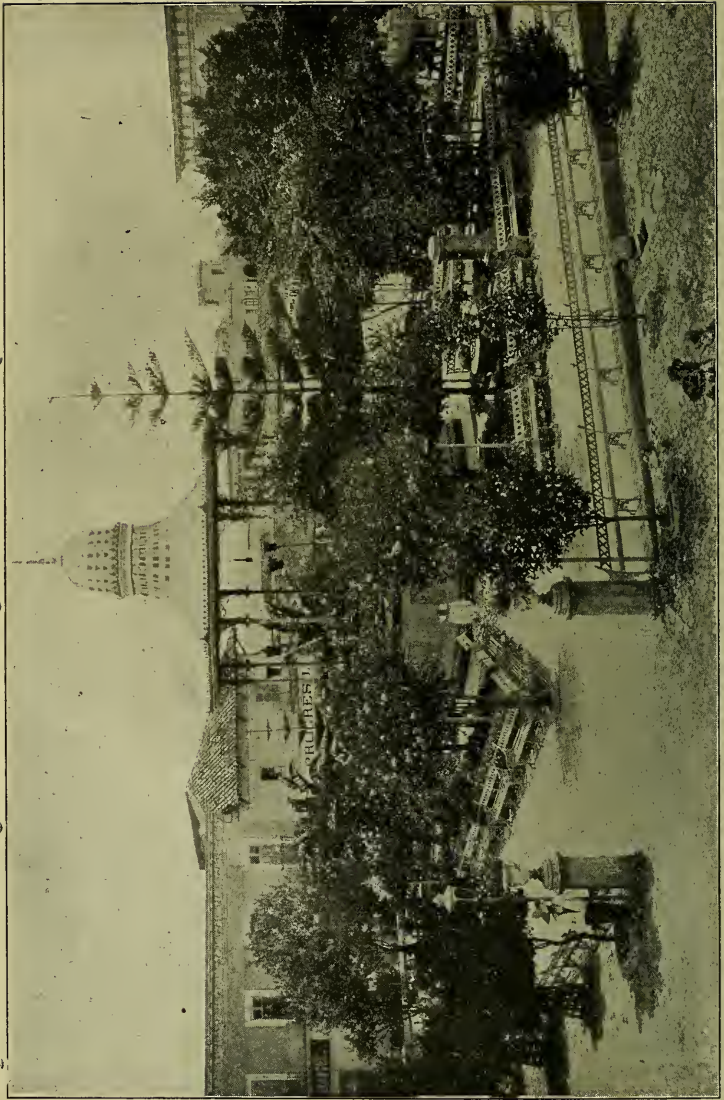
its limits. The city has many large, elaborate and prosperous stores. Several of them would do credit to Fifth avenue or Broadway in New York. I said early in this letter that not a few nationalities are represented in the city. Foreigners figure prominently in its business. The Germans and French, for instance, own and operate most of the beautiful stores to which I have referred.

The city does an immense banking business. The three principal institutions are the Banco Nacional, which, as the central bank, is a big affair, and it has besides branches in practically every city in the Republic. It is the Government depository. This institution is about to increase its capital, but not to the extent that has been reported. I understand that only about \$6,000,000 par value will be issued, but that as the subscription price will be in the neighborhood of 320 the bank will get nearly \$20,000,000 of fresh money.

The Banco de London y Mexico, a branch of the Bank of London, is another strong and flourishing institution. It will be recalled that last Spring it increased its capital materially and that a large proportion of the new issue was taken by French capitalists.

The Banco Central Mexicano, although one of the young financial institutions in the city, has grown very rapidly. This bank also increased its capital by \$11,000,000 last Spring and here again the French came in for a large share of the new stock. The Banco Central alone had a cash turnover in 1904 of \$1,375,930,244, which gives some idea of the business that it is doing. Enrique C. Creel is the president and Fernando Pimentel the general manager. Recently interests closely identified with this bank bought the stock of the International Mortgage Bank of this city, owned for some time by H. B. Hollins & Company, of New York. It is rumored that it is proposed to consolidate this bank with the Banco de Agricola, also a mortgage bank.

A point in which Mexico City differs from Washington is that it is more of a railroad centre, at least a terminus for a greater number of railroads. As I have stated in a previous letter, here is the southern terminus of the main lines of both the Mexican Central and the National Railroad of Mexico. The Cuernavaca division of the former railroad starts here, while the company runs through trains



PRINCIPAL PLAZA IN CUERNAVACA.

from Mexico City over both the Guadalajara and the Tampico divisions. Less important divisions, such as the Pachuca and Panuco, have their southern terminus here, or at least direct connections with the city.

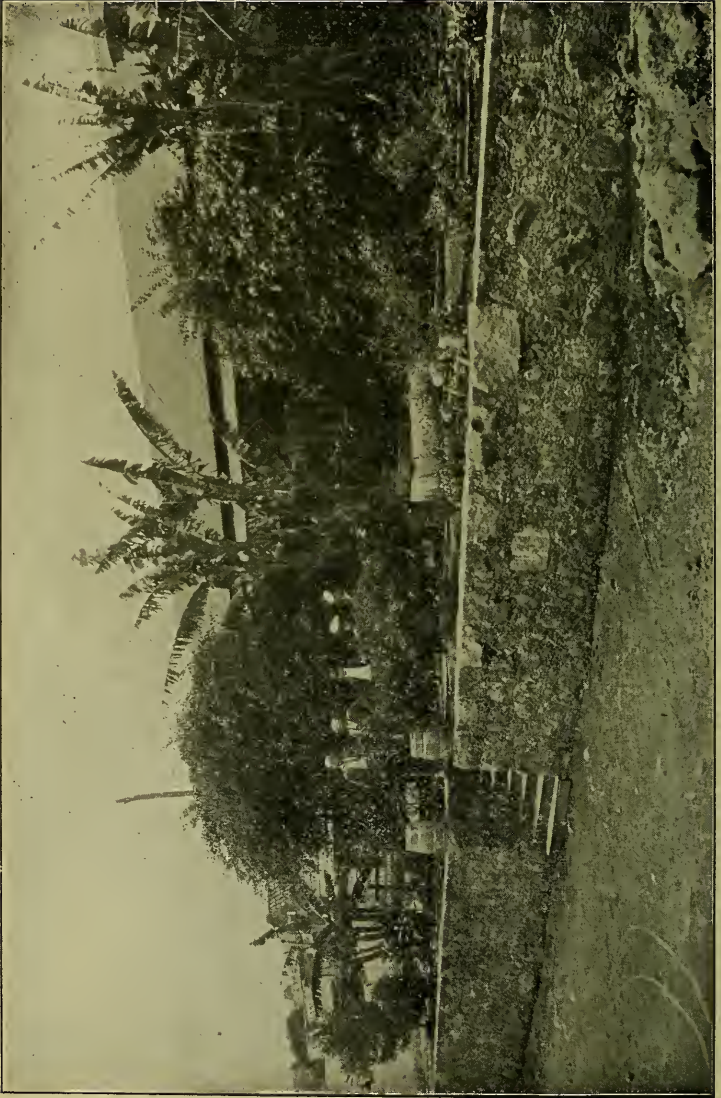
The National Railroad has branches from this city to Toluca and several other important points. Then the Interoceanic Railway, which is a part of the National system, begins in Mexico City and runs to Vera Cruz, with branches to various good sized centres. On its main line between here and Vera Cruz the Interoceanic has established a fast night train, which connects with the steamers at the latter point. The company has an excellent day train, which enables its passengers to view the beautiful scenery, particularly in the vicinity of Puebla and Jalapa.

From what I have jotted down hurriedly in this letter I think it is plainly to be seen that Mexico City is an important factor in the business of the railroads in the Republic. I have not mentioned the tourist business, which is rapidly increasing. The hotels of the city have been busy all Summer and it is evident that this centre will soon become a summer resort for people in the Southern States. I can only say in this connection that the air is delightful and that every evening I have worn a light overcoat and slept under one or more blankets at night.

From Mexico City to Cuernavaca.

CUERNAVACA, Sept. 14.—It is only a few years ago that the Mexican Central acquired the Cuernavaca & Pacific Railway and made it a division of the system, but already it promises to be a good investment. The road runs from the City of Mexico south 181 miles to Balsas. The route is over mountains 10,000 feet high at one point and the scenery much of the way is regarded by many as the best in the Republic.

As the train leaves the city, it passes through, or near, several of the numerous suburban towns to which I referred in a previous letter. At Santo Julia, formerly a large hacienda, a flourishing suburb is being developed, and within a few years the place will be an important one for the railroad. A little further on is the Morales flour mill, a large affair which should be a factor in the traffic



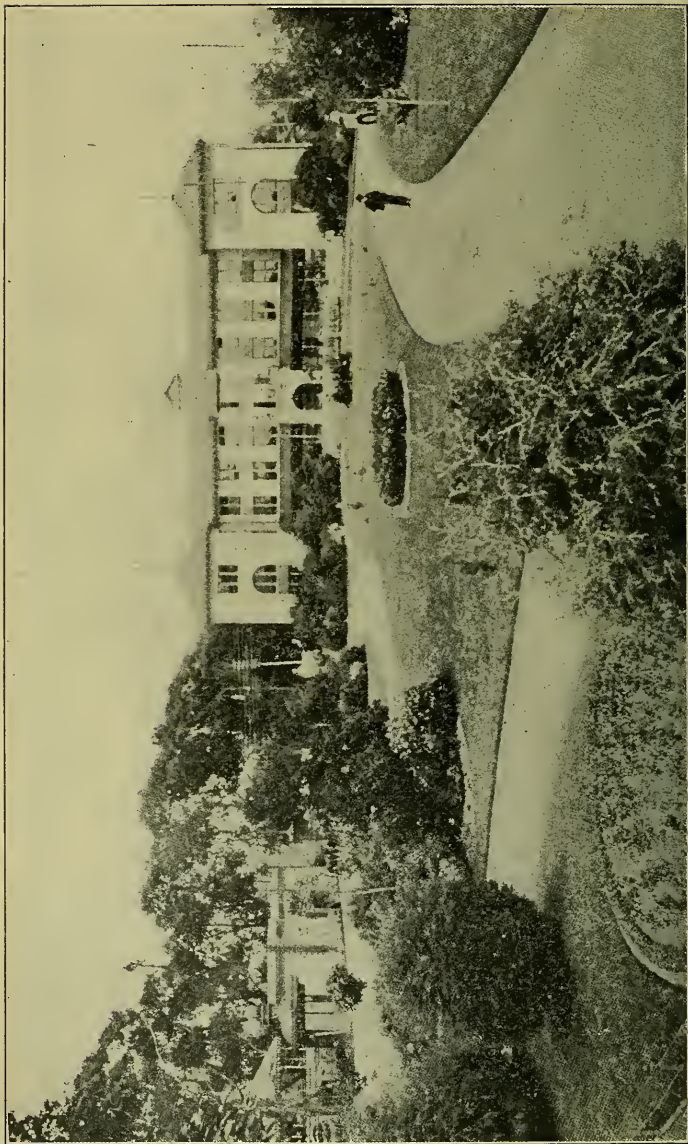
MEXICAN CENTRAL STATION, CUERNAVACA.

of the Mexican Central. The next most important station is Tacubaya. The town has a population of about 20,000 and is the chief suburb of Mexico City. There wealthy men from the metropolis have built magnificent houses and gardens as summer resorts. Not far from Tacubaya and connected with the Cuernavaca division of the Mexican Central by a branch line, are the Valdes and Santo Domingo flour mills.

Near the station Olivar are several cotton and paper mills. At San Geronimo large quantities of fruit, particularly strawberries, are grown. The town is well supplied with water for irrigation. Contreras, a little further up the mountain, is said to have the oldest cotton goods factory in the Valley of Mexico. Considerable fruit is grown in the vicinity of that town also. Still further up the mountain the road enters an excellent timber district, and large quantities of wood and not a little timber may be seen stored near the railroad tracks at the various stations.

After reaching La Cima, with an elevation of 10,000 feet, the road descends rapidly to this fine old city Cuernavaca, situated in a wonderfully fertile valley. Cuernavaca has a population of about 16,000 and is a pleasure and health resort, not only for tourists, but for the wealthy people of Mexico City. The elevation is more than 2,000 feet lower than that of Mexico City and the air considerably softer. Consequently the passenger traffic between the two cities is large. I was pleased to note that when I came over today there were fully twice as many first class passengers as there were when I came here a little more than a year ago.

H. L. Hall, formerly of Boston, owns and runs the Hotel Morelos, the principal hotel in Cuernavaca. It is a quaint old building, but Mr. Hall has put into it practically all the conveniences found in a first class hostelry in the States. Additional evidence of the marked increase in the railroad company's traffic to this point is found in the fact that since I was here last year Mr. Hall has been compelled to double the capacity of his place and now he is planning to add still another story to his already large building. People from Mexico City used to come to Cuernavaca when they were obliged to travel over the moun-



NATIONAL RAILROAD STATION AT MEXICO CITY.

tains in diligencias, or stage coaches, and before the city had a great hotel like the Morelos, but now with the comfort of this place, the charming air of Cuernavaca, and the magnificent scenery, both on the way and all about the city for miles in every direction, it seems certain that the passenger traffic of the Mexican Central to this point must double again soon.

Cuernavaca is the capital of the State of Morelos, which is wonderfully productive and has still greater possibilities. There are rich mines, a few of which are being operated, and still others that haven't been scratched. The soil in the valleys is extremely fertile, and a few miles beyond here are large sugar plantations, which give the railroad company profitable traffic. Still, the best informed American in this city, with whom I have had several talks, tells me that the possibilities of the State agriculturally are far greater than are generally realized.

From Balsas, the present southern terminus of the Cuernavaca division, the Mexican Central has projected lines to Acapulco and to Sihuatanejo, both on the Pacific Coast. The development of the territory along the existing line and the construction of the proposed new lines will result in a large additional amount of traffic.

From Mexico City to Laredo.

LAREDO, Tex., Sept. 18.—This town, on the border between Texas and Mexico, is the northern terminus of the main line of the National Railroad Company of Mexico. The distance from the City of Mexico to this point is 802 miles, or a little over 400 miles less than by any other rail route from the Capital City to the border. The road as originally built was narrow gauge, but after the new company was formed early in 1902 the work of standardizing the gauge was taken up and completed in the Fall of the following year. The entire line was opened for service as a standard gauge road on Nov. 8, 1903. As I said, this is the main line of the National system, but the new company operates about 3,500 miles of road all told. In previous letters I have spoken in detail of the Mexican International, which runs from Eagle Pass on the Texas border to Durango, a distance of about 540 miles, and of the In-



TWO VIEWS OF SAN LUIS POTOSI.

teroceanic Railway, the main line of which extends from Mexico City to Vera Cruz, for many years the most important Mexican port on the Gulf of Mexico. The main line of the Interoceanic road is about 270 miles long.

The main line is the best paying part of the National system, as the monthly statements of gross and net earnings show. The traffic officials make a special effort for international traffic, particularly passenger, because they are able to offer the advantages of a short route to St. Louis, the Central West and even the far eastern and southern States. I believe that if one is able to make all the connections, it is possible to go from Mexico City, via the National route, to New York city in four days and 14 hours. The National company makes a specialty of its through sleeping car service to St. Louis, Kansas City and other points in the Southwest. This class of traffic has been very satisfactory.

Within the last few weeks both the National and the Mexican Central have given considerable attention to securing the student business, which has become an item of importance in the passenger traffic of both roads at this season of the year and late in June and early in July. The number of Americans with families in Mexico is increasing rapidly and many of them send their children back to the States for high school, college and technical training. Many Mexicans are also sending their sons and daughters, particularly the former, to be educated in our institutions of learning. Another fact that will contribute appreciably to the passenger business of the railroads of Mexico during the next few days will be the celebration of Independence Day and the attending feasts. The railroads running to Mexico City have offered special rates for these occasions.

But to speak more directly regarding the main line of the National. It starts in Mexico City from the Colonia Station, situated at the beginning of the Paseo del Reforma, the beautiful boulevard of the city. While the route at the outset is not through large towns or cities, it is through a very productive agricultural section, which yields the company a large amount of local traffic.

Among some of the larger places which should be mentioned is Queretaro, 160 miles north of Mexico City, which has cigarette, soap and match factories and a brick plant.

In that town Emperor Maximilian and his generals were executed. San Miguel is in the heart of a rich agricultural district, the principal products being corn, beans and wheat. Mantillas and zerapes are manufactured in that town. At San Felipe, a town of 10,000 inhabitants, just south of San Luis Potosi, a large amount of pottery is manufactured.

San Luis Potosi, which I have mentioned in previous letters, is the largest and most important city on the southern half of the main line. The city has a population of over 60,000; one of the largest smelters in the Republic is located there, while the general business of the place is big. The surrounding valley is fertile, while the mountains bordering the valley have rich mineral deposits. Large quantities of fruit and eggs are sold in the market. There are big tracts of valuable lands for sale and I am told that there are excellent opportunities for investments.

Passing northward from San Luis Potosi, we come in due time to Saltillo where connection is made with the Coahuila & Zacatecas Railway running southwest to Concepcion del Oro, and with the Coahuila & Pacific Railway, which the Mexican Central Railway Company bought recently. Above Saltillo, the National runs through fertile fields and gardens.

The next big city is Monterey, with a population of about 75,000, and it is the most important city in northern Mexico. It is the capital of the State of Nuevo Leon and the centre of a wealthy mining district, and is notable also for its manufacturing industries. It will be recalled that in a previous letter I gave considerable data regarding the iron and steel plant located in Monterey. About three miles distant, and connected by a tram line, are the famous Topo Chico Springs, which are annually visited by many tourists and health seekers, and from which is gotten the principal mineral water in the Republic. "The Monterey News" is the second American daily newspaper in the Republic, "The Mexican Herald" being first. Recently the National opened an important branch line from Monterey to Matamoras, on the Gulf of Mexico. It is expected that this line will add materially to the company's traffic.

Between Monterey and Laredo there are no large towns or cities, but at Villaldama a branch runs to the Guadalupe mines. The traffic of the National system is steadily in-

creasing, the gross earnings for August were \$100,000 larger than for the corresponding month of 1904. Last year when I went over the main line of the National there was still left a considerable number of the short ties in use when the road was narrow gauge, but now most of them have been replaced with standard length ties. All the lines of the company are being put in good shape and President Brown and his associates are confident of material increases to both gross and net earnings this year.

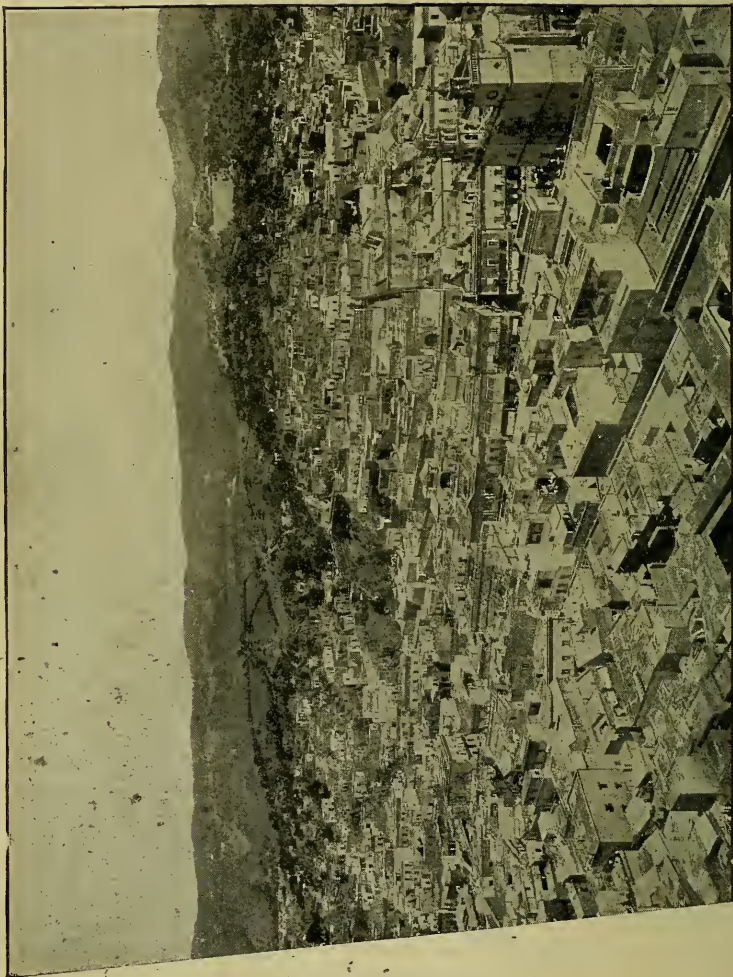
Some Impressions of Mexico.

CHICAGO, Sept. 23.—While reviewing in my mind the hastily prepared, and consequently imperfect, letters which I have sent regarding the business that is being done along the lines of the principal railroads in Mexico, it has occurred to me that it might be well to summarize briefly a few of the impressions which I am sure every thoughtful and sympathetic student of Mexico receives upon seeing the country. I make no claim for originality for the ideas that I shall jot down, for as I have said, they must occur to everyone visiting Mexico who approaches it from the right viewpoint. Here are a few:

1.—Under the administration of President Diaz the people have not only enjoyed the benefits of peace, but have also been brought to realize that their country can prosper only through a continuance of the same conditions of peace and order that now exist. The party now in power, which may roughly be termed the financial party, is so strong and has such large interests at stake that, in the event of any attempt of the military faction to exercise authority when President Diaz is no longer the Chief Executive, it is believed its leaders will be able to demonstrate the great danger of attempting to change the form of government.

2.—Minister of Finance Limantour, even during the period that the currency of Mexico was fluctuating most widely, brought the finances of the country out of the rut of deficits in which they had been for about 80 years up to where the statement for the fiscal year 1904 showed a surplus in excess of \$10,000,000.

3.—Not only has he accomplished this great feat but he has also given Mexico a stable monetary system which is in successful operation.



GUANAJUATO, THE FLOOD-STRICKEN CITY.

4.—The banks and other financial institutions of the Republic are on a sound basis and noteworthyly prosperous. The growth of the country and the still further marked development expected are indicated by the material increases in capital recently made, and soon to be made, by the three largest banks in Mexico City.

5.—The rains this season have been abundant and the agricultural conditions and outlook in Mexico are highly gratifying. While the wheat crop was somewhat below the average in certain localities it was good in others. The State of Chihuahua alone raised 1,120,000 bushels, or double the amount raised last year. The largest cotton crop ever gathered in Mexico is confidently expected, and practically assured. There is so much moisture in the principal cotton-growing district that a good crop is assured for next year, even if the rainfall should be comparatively light. Corn promises exceedingly well. In the southern sections the crop is already matured. If there are no early frosts the late planted in the northern sections will yield a good crop. Other crops are very satisfactory.

6.—The principal railroads of Mexico are in good shape. It is specially noteworthy that during the period of the greatest depression in the currency of the country, these corporations were not only able to keep up their properties and to meet their obligations, but also developed their properties and added to them very materially. The Mexican Central, for instance, acquired the Monterey & Mexican Gulf Railroad, the Cuernavaca & Pacific, the Coahuila & Pacific, the narrow gauge line of the Mexican National Construction Company, which is being utilized in the construction of the new Pacific Coast line to Mazzanillo, also other shorter lines. The system now embraces 3,500 miles instead of 1,800, when President Robinson assumed the duties of his office about 12 years ago. The National Railroad Company of Mexico has been formed, control of the Mexican National, Mexican International and the Inter-oceanic lines acquired by Speyer & Company and a practically controlling interest sold by that firm to the Mexican Government. During the period of depression the properties embraced in both systems were wonderfully improved until now, as I have said, they are in very good shape. The Mexican Central, for instance, has 70 and 75-pound rails



GARDEN OF MAXIMILIAN'S HOUSE, CUERNAVACA.

on a large part of its mileage, and a good proportion of the main line is rock ballasted. The stations at the principal centres are handsome brick and stone structures and are considerably better than those seen on some of the trunk lines in the States. The rolling stock is in good condition.

7.—The principal railroads of Mexico would be paying substantial dividends today except for the big depression in the currency of the country during recent years. When President Robinson and his associates took hold of the Mexican Central the Mexican dollar was worth nearly 80 cents on the basis of gold. They have seen it go below 40 cents. Now that the value is fixed at approximately 50 cents they will be able to make, not only large gross earnings, but also very much larger net returns, as 40 per cent. of the operating expenses have been payable in gold, although only a widely fluctuating silver dollar was earned.

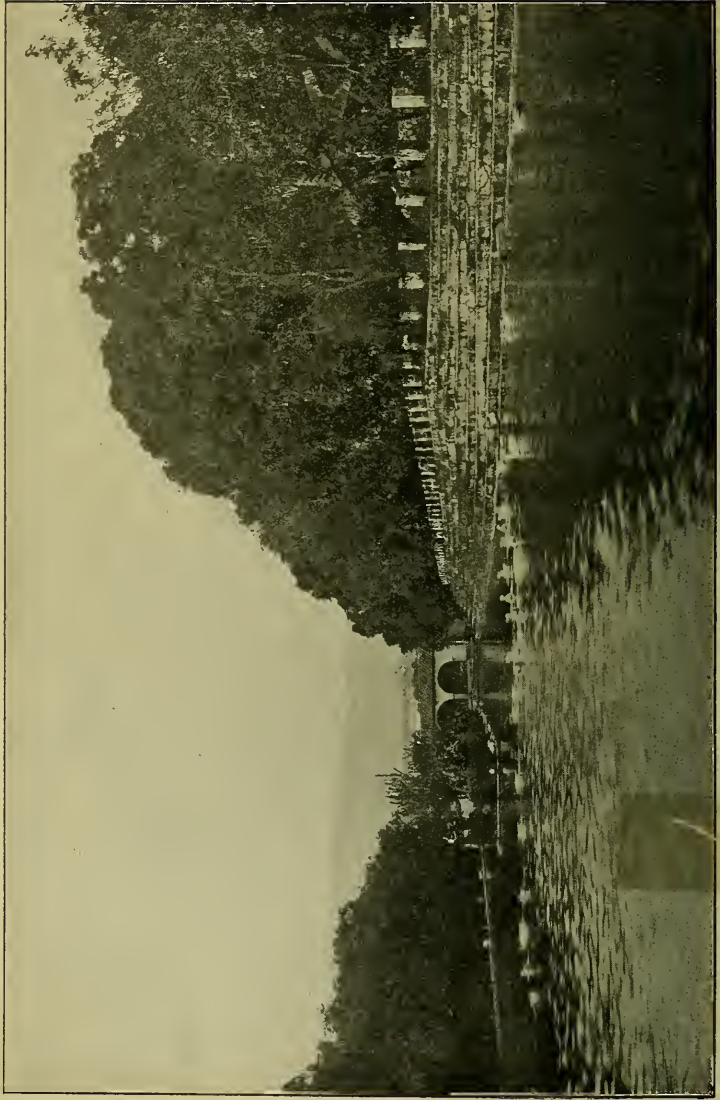
8.—The adoption of the new currency system has resulted already in the influx of a large amount of foreign capital and very much larger amounts are sure to come.

9.—President Diaz, Vice-President Corral, Minister of Finance Limantour, Enrique C. Creel, A. A. Robinson, president of the Mexican Central; E. N. Brown, president of the National Railroad Company of Mexico; Frederic R. Guernsey, editor of "The Mexican Herald," and many others familiar with conditions in Mexico, and who are in a position to observe closely, are altogether confident that Mexico is on the eve of a big development.

10.—The towns and cities and business of the country are growing rapidly. Torreon, for instance, one of the youngest cities in the Republic, really only a few years old, and with a population of not more than 15,000, is developing very rapidly and is giving the Mexican Central \$4,000,000 of traffic a year. The earnings of the railroads are increasing materially. The Mexican Central gross for August was \$250,000 and the National Railroad \$100,000 larger than for the corresponding month last year.

11.—The mines of the country are by no means worked out, many of them have scarcely been scratched. Prospective investors in mining propositions, should, however, exercise great care in their selections of property.

12.—The agricultural possibilities of the country are beyond calculation. All that is needed is greater irrigation



GENERAL VIEW, BORDA GARDEN, CUERNAVACA.

facilities. These are being increased rapidly. Governor Creel, of the State of Chihuahua, is building a dam on one of his properties that will furnish water for the irrigation of 6,000 acres of new land. The owners of another hacienda in the same State are planning for a dam capable of furnishing water for 80,000 acres. General Terrazas is planning a series of dams on his haciendas, one of which will impound water sufficient for 200,000 acres.

13.—President Diaz, Minister of Finance Limantour, and other associates of the Chief Executive and likewise governors of all the States throughout the Republic, will encourage in every legitimate way, the investment of foreign capital in enterprises in Mexico.

14.—Finally, it seems altogether certain that holders of good Mexican securities of all kinds, particularly railroad securities, should hold them for much higher prices, as they should advance very materially within the next few years.



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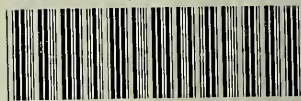
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