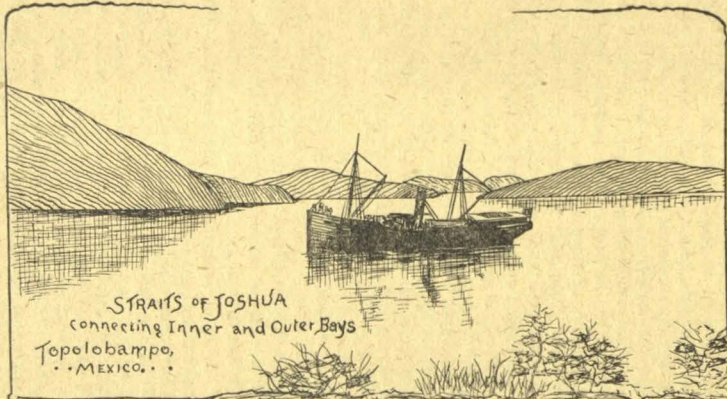


I hereby subscribe for.....shares of the Capital Stock of the SINALOA AND CHICAGO RAILROAD COMPANY at ten dollars a share, making a total amount of..... Dollars.

This subscription is based upon the condition that no part of it will be due till there are fifty thousand dollars subscribed, when a company will be organized, and legally incorporated, under the laws of the state of Colorado, and a Board of Directors will be elected by vote of persons subscribing for the first five thousand shares, each share so subscribed for being entitled to one vote. Upon notification that these conditions are fulfilled, I will pay fifty per cent of my subscription and the balance as follows:

Name..... Address.....



SINALOA
AND
CHICAGO

RAILROAD

A
CO-OPERATIVE
RAILROAD

OWNED
OPERATED
AND MANAGED
BY ITS BUILDERS

THE REED PUBLISHING Co., PRINTERS
DENVER

A . . . CO-OPERATIVE RAILROAD

It is proposed to build a trunk line of railroad that shall be controled, owned and operated by its employes.

Starting from the magnificent harbor on the Bay of Topolobampo, on the western coast of Old Mexico, near the lower extremity of the Gulf of California, it is proposed to build eastward and northward to a connection with the United States system in Texas.

The line crosses three of the northern states of Mexico and passes the Rio Grande del Norte at Presidio del Norte. This is about midway between El Paso and Eagle Pass. Branch lines are to be extended into other states so as to secure the trade of important mining centres.

The concessions for the trunk and branch lines have been secured from the Mexican government at great cost of time and money.

The Concessions

Grant to Colonists the free importation of all household goods and personal effects. Exemption from taxation and military service for ten years. There are no export duties on the products of Colonists. They give the right to import all railroad materials free of duty for fifteen years. For twenty years the property will be exempt from taxation. A right of way for seventy metres in width (about two hundred and thirty feet) is given through the public domain. The Company has the the right to take any material for construction or repairs from any govern-

ment lands. All gold, silver and other precious metals, coal, copper, iron, marble, salt or other valuable deposits, found while prosecuting the work, belong to the Company. The government gives a credit of three thousand dollars for every kilometre (about one and one-half kilometres make a mile) of road built, for which it issues land script. This permits the location of any public lands at government prices, anywhere within the five northern states of Mexico, viz.: Sinaloa, Sonora, Durango, Chihuahua and Coahuila. They may be agricultural, timber, coal or mineral lands, on mountains or plains. At established government prices this is equivalent to a land grant of about fourteen million (14,000,000) acres, with privilege of selection, on the estimated length of trunk and branch lines. A parallel line within sixty kilometres (about thirty-seven miles) is prohibited for ten years. All officers and employes are exempt from military duty. Very favorable tariff rates are fixed for passengers, freights and telegrams. No duties, custom house or port fees, are to be charged on mails, goods or passengers in transit through Mexico, except the Company is charged with the duty of collecting one dollar for each passenger in transit. There is to be no forfeiture of any of the rights of the concessions so far as earned.

The concessions also include steamship lines to foreign as well as Mexican ports. We will not enlarge upon these at present. They will command earnest attention in the near future.

Work must begin by December, 1895, and in one year thereafter fifty kilometres must be finished. That is about thirty-two miles. The road must be completed to Presidio del Norte in ten years or else concessions will be forfeited beyond amount earned.

The Line

Has been already surveyed, mapped and profiled from the western coast to the summit of the Sierra Madre mountains. The location has been accepted by the government. A preliminary survey has been made from the summit over the rest of the line.

A careful estimate demonstrates that the road will cost, for material, for which cash must be paid, about three thousand dollars per mile. Labor and material obtainable along the line, which can be had for the work expended upon it, will make the road cost to not exceed ten thousand dollars per mile, probably a considerable under this figure.

Colonel Albert K. Owen has labored for twenty years and has now secured the very favorable concessions from the Mexican government which are above summarized. In the following letter to me, Colonel Owens makes this very reasonable offer:

32 LAFAYETTE PLACE, }
NEW YORK CITY, June 6, 1895. }

Dr. B. A. Wheeler:

DEAR SIR—In accordance with our conversation this day, I herewith put in writing what was agreed by me in regard to my railroad concessions. That is to say, that if you and your friends will subscribe \$50,000, and pay \$25,000 in cash to the treasurer of a railroad Company, which you are to incorporate, to build and operate from Topolobampo eastward and northward, and will pay me \$8,000 cash, in installments as we may agree, and twenty per cent in the stock of the same—the said stock not to exceed \$20,000 per mile of railroad built by said Company, and it being agreed that said Company is not to issue any bonds or preferred stock

for any purpose connected with said railroad, I will turn over to said Company my railroad concessions, surveys and maps, free from incumbrance, together with all rights of way and terminals therefor, that I own or can control.

You and your friends and associates may rest assured that you and they have and will have my earnest support in your efforts to construct and operate the railroad in accordance with the principles of integral co-operation.

Respectfully,

ALBERT K. OWEN.

Basic Principles

The following are the cardinal principles upon which it is proposed to fund this enterprise:

FIRST—There shall be no element of speculation in the scheme. There shall be no bonds nor preferred stock. It is to be built by the people for the people.

SECOND—Titles must be absolutely secure before money is paid.

THIRD—Capital stock shall exactly represent the amount of labor, material and money put into the enterprise. No fictitious valuation shall be put upon either capital, material or labor.

FOURTH—Capitalization shall be only sufficient to build the road to a point where it is reasonably certain it will begin to pay a sufficient profit with which to continue construction. Say this point will be one hundred and fifty miles. We believe it will be less than one hundred. On that basis the capitalization should be one and a half million dollars (\$1,500,000). When the full length of six hundred and fifty miles of main line, and three hundred and fifty of branch lines, or more, shall have been completed, the stock-holders who have constructed

the first one hundred and fifty miles will be the owners of a thousand miles of railroad. This will make an actual increase in the value of the stock of between six and seven hundred per cent. Such an immense increase in its value will attract attention and tempt the cupidity of capital. To prevent the stock from being bought up in detail, and the enterprise thus lost to co-operation, gives rise to a plan to prevent it. It is as follows:

FIFTH—A majority of the stock shall be voluntarily pooled and placed in the hands of a trustee with no power to sell a part or the whole without a vote of ninety-five per cent of its owners.

In accordance with the above letter we now ask any and all friends who are interested in this great work to send in their names and the amount they are able to subscribe upon the conditions herein embodied, viz.: One-half to be paid upon call, at such time as the full fifty thousand dollars are subscribed, and the balance in such manner and at such time as they may be able. If the full amount is not subscribed, there will be no call made.

Co-operative Plan

The new Company to be organized and incorporated is to be entirely independent of the co-operative Colony already established at and around Topolobampo Bay. The affairs of one Company must not complicate those of the other. They will, however, work in harmony and co-operate with each other. The new Company will receive great assistance and many benefits from the advantages already acquired by the Colony. Its farm products will be for use by the railroad builders. So, also, will its machine shops, which

will be enlarged as work increases. Its saw-mills will get out ties and other lumber.

The new Company will be legally incorporated and directors elected by subscribers as soon as the requisite \$50,000 is subscribed. The cash payments upon these subscriptions will then be called for. When \$25,000 is in the treasury, the Company will immediately proceed to secure perfect titles to the valuable railroad concessions, the rights of way already obtained by the concessionaire, terminals, surveys, maps, etc. It can be relied upon that these titles, before they are accepted, will be absolutely perfect, and will pass the closest legal scrutiny. The balance on subscriptions will be paid according to agreement of each individual. New subscriptions will be continually taken. The balance of money on hand will be immediately used in the purchase of rails and other material for construction and for paying transportation for a steam grader, capable of handling one thousand yards of dirt per day. This grader was built by a co-operative friend, Mr. R. E. Nevin, of Wampum, Pa., for this very purpose. It is now ready to be shipped when freight money is provided.

Mr. Nevin has also constructed a well-boring machine with capacity for putting down an eight inch well to the depth of one thousand feet. This latter machine will also go with the steam grader, and be of great value along the line of road. The work will then be pushed with all vigor. Men and material will be called for to prosecute the work. Stores and commissaries will be established, at which employes can purchase needed supplies of clothing and food with the products of their labor. After expenses are paid, all amounts standing to their credit will be paid for in stock of the Company. Material for use in the work, such as scrapers, wagons,

harnesses, horses, mules, etc., will be received and paid for in stock of the Company. Stockholders will be employed in any department wherein they are fitted to labor, and only stockholders when that is found practicable.

Superior Advantages

The waters of Topolobampo Bay measure fifty-four square miles of surface. Twelve and a half of these have a depth of from thirty to ninety feet of water coming directly to the shores, so that deep draughted vessels may unload without expensive wharfs.

The Bay indents the western shore of Old Mexico at twenty-five degrees and thirty-two seconds north latitude. Its waters lie behind mountain ramparts, which are effective protectors to storm-tossed vessels which are fortunate enough to reach its hospitable shelter. The bar at the entrance to these placid waters has a depth of twenty feet at low tide, with an average rise of four to five feet, so its safe shelter is always proffered to the largest shipping.

A railroad from Topolobampo by way of Presidio del Norte to Chicago would be about four hundred miles shorter than from San Francisco to the same point by shortest existing lines. Topolobampo to Galveston is eight hundred miles shorter than is the road from San Francisco there. The distance from Australia to Topolobampo is more than a thousand miles less than to San Francisco. Three to four days' time would be saved if the Australian mails were sent over this proposed line, above any other possible route. No snow blockades can ever delay mails or travel on this line.

Prospective Traffic

The mineral resources of the section of Mexico through which it is proposed to build this road are alone sufficient to furnish a profitable traffic.

The silver mines already known and worked number many hundreds. They are among the richest in the known world. Gold mining promises to rival the silver industry as soon as railroad facilities make it possible to introduce heavy machinery. Marble and granite are found

along the line, and their quarries will swell the volume of profitable freight.

Some of the silver mines, close to the point where the road will first enter the mountains, have produced billions of dollars, and are now producing hundreds of thousands each, per month. They support cities with thousands of inhabitants. Notably among these are the Batopilas and Urique districts. Their trade will surely come to this road before fifty miles are completed. In traveling through this district one constantly meets pack animals, mules and jacks, carrying their burdens to and from the mines. It is estimated by a recent traveler these pack trains are now carrying enough freight, which would legitimately come to the railroad, to load ten cars a day. How much will this traffic increase under the inspiration of railroad facilities? The vast deposits of coal in Sonora will be untold wealth-producers for the road. The government agent reports one vein as being ninety feet thick.

About one hundred and fifty miles from the Bay the line enters the vast pine tree belt, which extends along the crest of the Sierras, above 6,500 feet altitude. The road will run for nearly three hundred miles in these forests. A fine market awaits this lumber at very remunerative prices. Fifty dollars a thousand is now the price paid for common pine lumber all along the coast; and to the interior, the price is increased by transportation.

Groves of Spanish cedar are found at intervals, and merchantable oak is not uncommon. Mexican rare woods, such as mahogany, lignum vitæ, ebony, logwood and many other kinds will swell the total of the lumber traffic.

The cattle trade is sure to be a profitable branch of the road's business. Already many hundred thousand head are grazing on the rich grasses on the plains and plateaux, where no winters disturb them or cause loss. With an open market this industry will surely grow to vast proportions.

Agriculture will add its vast contributions. Sugar cane and cotton are native to this climate and soil. Already three sugar mills are doing a thriving business close to the line near the coast. Fruits and early vegetables will not be an insignificant part of the business of the road, supplying northern markets in advance of any other country accessible by quick transportation. As

yet, the home market is all-sufficient for all that is produced. Production for exportation will soon follow the completion of the road. Even the sea, out of its abundance, will yield up her wealth to enrich the co-operative builders of a country and a railroad.

Remarks

The lands acquired by construction will be worth more than the completed road will cost. They should be retained, so far as is practicable, for colonization purposes; for home building, for co-operators. It may, however, be advisable to sell some parts of them to aid in the construction of the road.

We expect Mexican merchants, mine owners, cities and towns to aid largely in this work by contributions in cash and bonds, in return for the immeasurable benefits they will derive from it. Before asking them, we must first demonstrate, by actual construction, that the road is sure to be built.

The nominal price of stock will probably be fixed at ten dollars a share.

The treasurer of the Company should be put under bonds in some approved fidelity company. No money will be called for unless the full fifty thousand dollars is subscribed and a legal organization is effected by those contributing.

If that amount is secured the success of co-operative railroad building is assured.

When there are two or three friends within reaching distance of each other, it is suggested that they organize themselves into a club for the promotion of this great work. A club could estimate what amount it could gather within the next few months and base its subscription upon that. It can unite the savings of all its members and when ten dollars is in the treasury one share of stock could be taken, to transfer to the member first reaching that figure in his contributions.

The addresses of any friends whom you may think might become interested in this scheme, or in a co-operative Colony, will be thankfully received. Correspondence is solicited.

If any information or suggestions are needed upon these matters, all friends may be sure they will be cheerfully given by the undersigned.

B. A. WHEELER,

1441 Stout street, DENVER, COLO.