

32 Lafayette Place,
New York City

1896.

Dear Sir:

It has been wisely remarked that American investors have been dormant for so long a time that they would rush to get the first stocks of big and attractive enterprises which were launched upon the market by a syndicate of prominent and successful business men.

What is required at this time, to inaugurate a popular craze for new investments is the opening up of a new zone of continent like that of Northern Mexico - the building of a short free-from-snow trunk railroad to the Pacific - the putting on of steamship lines to Japan, Australia and all ports in Central and South America - the marketing of the timber from a great and up-till-now, undisturbed forest - the Colonization of vast tracts of new lands and the development of a mineral region known to be fabulously rich

2.

Through the writings of Humboldt and Ward and by the actual workings, under very great embarrassments, of thousands of distinct Silver and Copper and gold mines.

The unprecedented excitement which raged during the past Summer in London and Paris over the Kaffir Gold Stocks of South Africa and that which is now at its height, for investment in Western Australia, recall to mind what took place in the United States when Colorado and California Mining Stocks and Railroad Shares for unsettled sections of our Country were inaugurated; and let it be borne in mind that the heart of Northern Mexico, to-day, stands within four days travel by rail from New York City - that telegraph lines cross it in several directions so that the Central Office in New York City could be put, within a few weeks, in instantaneous touch with every district along the trunk line of Railroad which is to be the basis for the exploitation of the said enterprises - that the climate is such that Winter and Summer it is inviting to out-door labors, and withal that it is a part of North America and geographically just west of Texas -

— or that mass of plateaus, mountains and Coast lands of the temperate zone which lie between the Rio Grande and the Gulf of California.

Again your attention is called to the fact that there has never been offered to the public in the United States a small enough bond to be within reach of the wage earning people — within reach of those who put their money in our Saving banks. In Great Britain the Wage Classes have Savings in the banks = \$1,200,000,000; and in 1894 their deposits in the Post Office Banks of Great Britain were 40 millions of dollars, equal to twice the amount of their deposits of 1893. The number of these Post Office depositors who have taken only \$50. each amounted to 35,574; and yet these investments only receive 2½ per cent interest. France has become known as "the land of little Capitalists" because of the encouragement the people receive to invest by the Government and Cities issuing \$100., \$80., \$40. and \$20. bonds, bearing from 2½ to 3 per cent interest. See the list of The Credit Foncier of Paris of 1879, 1880, and 1891. The people in Paris are so anxious to get these small loans that they take their position in line the night before the day they are to be sold and these have their food in baskets and camp in the street until they can get their savings invested; and appropos to this, on September 2nd last, when the \$5. share

of The Barrato Bank, Mining and Estate Corporation, Limited, were put upon the market they were immediately taken by the public, and went in a few days to \$22.. The Syndicate which made this issue, made \$10,000,000. in a single day.

When we consider how many millions of dollars are lying in the Savings and other Banks, in the United States, where they are given no more than 2 1/2 to 3 per cent. at any time, and, in many instances, do not get any interest, together with the fact that our people are anxious to invest in bonds that would be secured by lands coupled with a railroad where an interest of say: six per cent. can be readily paid, why is this not the given opportunity for a Syndicate to take the Concessions we have now in hand for railroad, Colonization and Steamship lines and to inaugurate a series of enterprises which will at once become the topic of conversation in every home throughout our Country, and which will interest the people, from New York to San Francisco, to occupy with their money and industries the richest region of North America that has not yet been developed.

Respectfully,
A. K. Owen.

Copy

Topolobampo, Sinaloa, Mexico, Jan 18 '96.

John H. Rice Esq.
New York.

Dear Sir:

I received your letter of Oct. 3rd 1895, in answer to mine of Sept 1st of same year. I answered your letter about two months ago, but as yet have received no answer. The mails are very uncertain here and I thought perhaps you might never have got my letter.

In my last letter to you I gave an outline of the evidence that might be produced in the Land Suit, and I am convinced more than ever, that enough can be produced to do Old Streeter up. I have heard lately that another letter has been found, which was written by Streeter, telling a party how he had to buy his witnesses. I wish you would just drop me a line and let me know if you got my last letter, wherein I gave you an outline of the evidence.

A. Butterfield.

Copy

Topolobampo, Sinaloa, Mexico.
Jan. 18 - '96.

John H. Rice Esq.

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A. Butterfield.

Copy.

Mochicahui, Sinaloa, Mexico,

Feb. 15-1896.

Col. A. R. Owen -

Dear Sir:

* Since Feb. 4th, I am at work on the railroad line, with 21 Mexicans, 2 Cooks, and Colonist Leon Green in Charge.

I am clearing the line 50 feet wide, and grubbing it, so that the Machine Grader can work rapidly - for twenty feet will not give us sufficient room.

As we cannot work on the earth work across the flat lands near the landing, owing to the high tides, I have a party working there repairing the road around the hill and along the Estero, down to the pier, so as to make a good road above high tide, in and out from the landing, for the Mexican Merchants. This road ties in with the railroad grade in places.

With the supply of money on hand, I will be able to push the work until May; by which time I trust you will have gotten the Syndicate ready to order the ties and rails.

I notified the Prefect duly, of the Commencement of the work on the 4th of February, and asked him to send an official person to inspect the work, that report might be made to the Authorities in Mexico City - Up to date, I have not gotten an answer from Mr. Orantia, and no official person has appeared. I shall urge my request, at once, and ask for an answer.

The Colonists are all anxious to take a task in the construction of the railroad.

* * * * *

Please tell Mr Rice, that the Collector has come to me to pay the taxes on the "Mochis".

Am I regarded as Mr. Rice's representative, and shall I pay as I did before? I have written Mr. Oregon, on the subject.

Yours, etc.

Joseph Hampl.

Copy

Mochicahui, Sinaloa, Mexico,

Feb. 15th 1896.

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Am I regarded as Mr Rice's representative,
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ten Mr Oregon, on the subject.

Yours, etc.

Joseph Hampl.

Extract from letter, dated Mochicahui,
Sinaloa, Mexico, March 8th 1896, from Joseph
Hampl to Albert K. Owen.

"Two weeks ahead of your last letter I
wrote that the decision regarding appeal
in ditch suit is about to be rendered in our
favor.

As all members interested in the case de-
clared their unability to pay the \$100., I
did so in order to not endanger the appeal.

~~After getting the ditch we must file suit for
damages and so hold the pump by embargo."~~

Topolobampo, Mex. March 11th - 1896.

M^r. A. K. Owen.

Dear Sir:

The cutting and grubbing of the line will be finished today, and shall move camp of Indians near Topolobampo who will help the Colonists to get the road to the harbor in good shape and above high tide. I have money in hand to carry on work for 2 weeks.

There are some difficulties coming up between the Jefe or admira and the people. De La Pena tries to exercise full power of a tyrant. He wants the going out of our water boat for domestic water to Las Copas to be reported daily to him, and it should depend on his permission or refusal whether she can or can not go. All other boats, especially those of Mexicans can go as they please. A permission for a week or a month he refuses to give.

He is mixing himself in the affairs of the Storehouse, preventing Dickinson to charge up to certain parties the proper dues for storage, so that it seems he is interested to dissatisfy the Colonists so as to compel them to leave.

This way of tyrannny will not do. He threatened yesterday to send L. Wilber up to Puerto, a prisoner, and have him fined \$25. for not complying with above order, which I consider a war measure. He asserts that he was made Capt. of the port, to execute such

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orders according to your own wish. I hope there
is a mistake in this, and I beg you to answer
whether you will change this state of affairs by
informing the authorities in Mexico City.

Mr De La Peña acts as perfectly omnipotent, as
king of this harbor and I think it neither the
spirit of the law nor your wish that he should do
so.

The asked for and promised Official report of
our work, I have not received yet. I shall see
the the Jefe probably next week.

Yours,
J. Hampl.

copy

A. J. Streeter, President, W. A. Fraser, Vice Pres.
J. A. Widney, Cashier.

Alpha State Bank.

Capital Stock \$25,000 - Surplus \$3,400

New Windsor, Illinois,
March 11th 1896.

John H. Rice -
32 Nassau St. N.Y.

Dear Sir:

Upon reflection I have thought it might be better for all concerned if the contention between the different parties now in litigation in Sinaloa, Mexico, could be settled amicably by a agreement.

Of course I don't know that it can be settled in that way, but think it no harm to make the suggestion.

I have no proposition, and deem it useless to make any unless the parties concerned shall first signify a willingness that an effort

to that end be made. I have not counselled with anyone, and no one but myself knows the contents of this letter.

Litigation always means a waste of time and money.

Pardon me for saying that I am "at outs" with O. B. Hoffman, and this fact, more than anything else, has caused me to write this letter. I think him not altogether straight goods.

Yours very truly,
A. J. Streeter

This was answered March 21-1896.

vj
dwy

COPY.

Mochicahui, March 21-1898.

Roberto Obregon,
City of Mex.

Sir:-

I think it to your interest to confer with me although I may be mistaken, not having a very good knowledge of Mexican law, but if Streeter's written statement that he has had to buy or hire witnesses to swear in the land suit, that is the suit against John H. Rice for the \$15,500.00.. In order to give bond for the attachment of the land, he writes a letter to a friend that he had to buy or hire three witnesses to swear that he was in danger of losing the attachment by Mr. Rice putting the land out of his ~~hand~~ hands. I can produce that letter written and signed by A. J. Streeter also a letter in which he acknowledges writing such a letter, and other information which probably would be of value to your client. Write me in english if you think such information of such value to you.

Respectfully yours

(Signed) D. R. Sutton.

P. S. please write me at as early a date as convenient as I may be going to the U.S. ca A. soon.

COPY.

Mochicahui, Marzo 21 de 98.

Mr. R. Obregon
Mexico.

Dear Sir:-

A man, intentionally I do not call him a gentleman asked me yesterday for your address, that is to say for the address of the representative of the "T.T.R.R. and T.Co..

The man's name is Sutton. He was a good tool to wedge Streeter into this land business and is a very doubtful character.

He will probably write you. Be careful,

Yours truly,

(Signed) Jos. Haapl C. E..

Money promised by Mr. Rice did not come yet. J.H..

Copy

Mochicahui, March 21st - 1896.

Roberto Obregon
City of Mex.

Sir: I think it to your interest to confer with me, although I may be mistaken, not having a very good knowledge of Mexican law, but if Streeter's written statements that he has had to buy or hire witnesses to swear in the land suit, that is the suit against John H. Rice for the \$13,500., in order to give bond for the attachment of the land, he writes a letter to a friend that he had to buy or hire three witnesses to swear that he was in danger of losing the attachment by Mr Rice putting the land out of his hands. I can produce that letter written and signed by A. J. Streeter, also a letter in which he acknowledges writing such a letter, and other information which probably would be of value to your client. Write me in English if you think such information of much

value to you.

Respectfully yours
D. R. Sutton.

P.S. Please write me at as early a date as convenient as I may be going to the U.S. da A. soon.

A true Copy.
Edw. M. Hursey.

1792

Copied.
Personal.

New Windsor, Ill. March 23rd, 1896.

John H. Rice -
29 Broadway, N. Y.

Dear Sir:

Your favor of the 21st inst., just to hand and thank you for the same. I am glad that you concur with suggestion for settlement made in my letter. It is very true that I am "at outs" with a certain party. And as further evidence that I am ready to make an effort for settlement, will say: That I have written to Dr. Wheeler, Denver. Also, to President Diaz, Mexico, believing him to be favorable to a friendly settlement, and asking for his co-operation to that end. It maybe you think me a little hasty in this, but have said nothing to compromise anyone.

Yes, I will remain at home till I hear further from you. As a matter of news will say: I learn that the Court in Denver, has annulled the Credit Foncier Company Charter.* I don't think it amounts to much.

Yours &c.
A. J. Streeter.

* Streeter has been trying to do this for two years; but I have not heard that it has been done. I so will appeal at once.
A. K. Owen.

14 Montagu Mansions
Portman Square. W.
London. March 28. 1896.

Dear Mr. Owen:

The Contenders are probably impressed and are considering the business. I will not have anything to communicate till after Easter Holidays.

Let me know any news you have from Mexico, especially about the Corralitos people.

The weather in South Africa is the Egyptian weather made things look a little blue here just at present, but I think all the clouds will blow

away soon. There must I think be
something of a boom after Easter.

Keep me advised about Judge
Crosby and his railroad.

Yours truly

A. W. Gibson -

Col. A. K. Mearns

The Lexington Building

New York City

3 Popes Head Alley.

Lombard Street.

London E.C. 20th March, 1896.

Dear Mr. Owen:

I received yesterday yours
of the 20th. instant and was very glad to
hear from you. I note that you have
been most so as to comply ^{with} your Commission,
and that Governor Shepherd has taken an
interest in the matter.

I have been for some time part
in communication with one of the largest
firms of Contractors in this country, and yester-
day and to-day have had interviews
with one of their engineers. They are very much
interested in your railway and are going
thoroughly into the whole matter, and in the
course of a week or 60 days I will probably

have something definite to report
to you.

James very truly

Yours
J. M. Pittman.

Col. A. M. Brown
Baltimore

If these people suffer any to take the
matter up they are amply able to finance
the whole undertaking as to build the road
very promptly; they are backed by the strongest
people in London. It is sufficient to say
that they are executing all the work for the
new Electric Underground Railways - London.
They have about completed the new under-
ground line of Waterloo Station to the Man-
sion House and the Bank of England, and
they have just taken the contract for the
line which is to start at the Bank and run
along Pall Mall, Chancery, Holborn, Ox-
ford Street to Shepherd's Bush. This last
great undertaking ^{was} as you doubtless know,
promoted by the Metropolitan Company of
this City, which is the Channel through which
the Rothschilds do that sort of business.

1896
A. J. Streeter, Pres. W. A. Fraser Vice Pres.,
J. A. Widney, Cashier.

Alpha State Bank,

Capital Stock - \$25,000.

Surplus 3,400

New Windsor, Illinois,
March 11th 1896.

New York.

Dear Sir:

Upon reflection I have thought it might be better for all concerned if the Contention between the different parties now in litigation in Sinaloa, Mexico, could be settled amicably by agreement.

Of course I don't know that it can be settled in that way, but think it no harm to make the suggestion.

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than anything else has caused me to write
this letter. I think him not altogether straight
goods.

Yours very truly,
A. J. Streeter.

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" I don't wish in any way to inter-
fere with railroad nor City Ditch. While
I have some "ditch scrip" it is not my
purpose to have anything to do with
management of the Ditch. In fact it
has no ownership at this time. "

* * * * *

Extract from a letter, dated April
9th, 1896, from A. J. Streeter to John
H. Rice.

3. Popes Head Alley
Lombard Street.

London. E. C. 17th April, 1896.

Dear Colonel:

I have yours of the 2nd and 7th instant, for which I am very much obliged.

To-morrow I am to have an interview with the Contractors and their Engineers. Of course nothing will be definitely settled at one interview, or at two or three interviews. The subject is a very large one and there is a great mass of papers to be read and digested.

This much I am assured by the Engineer is settled - namely, that the Contractors are prepared, if our interviews are mutually satisfactory, to send out one of the firm and an Engineer at their own expense to go over the line and if satisfied to take up the business, finance it and build the line. They will not undertake a work of this magnitude without a personal inspection, especially when they are to become responsible for the financing of the undertaking.

They want to build the line from the two ends and the Engineer says from El Paso as well as from Topolobampo. In examining the line they will want to start in at El Paso and go over the route to the Pacific. They are fairly well advised as to part of the region through an Engineer who has been at the Palmarejo Mine, and who I believe is either there now, or on his way home. They know nothing about the Batopilas and the character of the line from the Fuerte thence, and that they will want to satisfy themselves about very thoroughly.

As to the character of the line from Topolobampo to the Mountains they can form a very fair idea, but they must examine it.

The work in the Chinipas and Septentrion Cañons they consider very formidable, but admit that a personal inspection may satisfy them that the cost may be much less than it now appears to be from the data available.

But, of course, it will be necessary before they incur the expense of the examination

to come to an arrangement with them.. This may be done here or in New York, but in any case no time will be lost if they decide, after we have had our interviews, to take up the business. They will either authorize me to cable you to come here or to say that they will come to New York.

I am not prepared at this writing to say what terms they will want and for the reason that the discussion thus far has been with their Engineer and not with the Contractors and their financial backers. In fact the Engineer alone has gone into the particulars and his summary only has been before his principals. Therefore all I can say with any definiteness is that the broad outlines - very broad and general - have been presented to the principals. The fact that on this much they have expressed their willingness to incur the expense of an examination of the line itself is encouraging to say the least.

I have told them that they could go over the line sufficiently for the Contractor to form his judgment as to the general character of the

work and the resources of the regions to be developed in one month, but that the Engineer, or Engineers, would probably require more time.

Yesterday I told the Engineer the contents of your letter of the 7th and he instructed me to say that they would undoubtedly want to build from both sides at the same time, and therefore requested me to write by this mail and ask you to at once see Judge Humphries and Mr. Higgins and ascertain if they will come in. Acting upon what Judge Crosby said to me when I saw him with you last fall I said to the Engineer that I was quite certain that the people in New York wanted the line built from El Paso to Corallitos but did not particularly desire to build it themselves - that at any rate they would not object to responsible Contractors. You can say that inquiries can be made through Seligmans or any other Banking house or Bank in New York respecting the standing of John Mowlen & Co.

The sections which will be first built will

be Juarez to Corallitos and Topolobampo to Batopilas, it being the Engineer's opinion that the Pacific division promises the best after the first 125 miles of the Eastern end is finished, though they would calculate to probably reach Guerrero before starting on the Mountain section.

It must, however, be understood that Topolobampo and the City site is part of the whole scheme.

Very truly,

A. M. Gibson.

P.S. I inclose letter I have just received from the Engineer and with it a private message came that he was spending to-morrow afternoon with the principal member of the firm and would arrange for a meeting with me early in the week.

A. M. Gibson.

To Mr Albert K. Owen
New York City.

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The Lexington Building.

141 East 25th Street.

New York City April 22nd, 1896.

Gen. Porfirio Diaz -
President of Mexico.

My dear Mr. President:

As has been my duty and pleasure heretofore, I wish again to acquaint you with the steps that have been taken to promote Topolobampo and its enterprises.

Herewith, please find translations of letters from Mr. Albert M. Gibson showing the interest taken at this time in London in regard to the railroad; and the last report received on the work done on the first section of the railroad.

Directly on the return of Mr. A. Foster Higgins from Mexico City (April 7th and 9th) I had full conferences with him; and during these he told me of his great pleasure in meeting the President of Mexico and of his having explained the wish of himself and associates to build from Juarez to Topolobampo, via Guerrero and

Bocoyna; but that the Government thought that it was not advisable to encourage them, at present, to construct further than 250 kilometres from Juarez on this line; hence Mr. Higgins and his friends can not organize to advance the construction from the Topolobampo end also, as was contemplated by us; but nevertheless Mr. Higgins is enthusiastic upon the importance of the railroad from Juarez to Topolobampo and misses no opportunity to say that the ultimate end of this railroad is to consolidate with that which may give it connection with the Pacific ~~and~~ ^{at} Topolobampo.

Mr. Brodie passed most of the business part of the days of April 16th and 17th with me at this office (the first since March 13th when he came to report his examinations and to get additional maps, reports, data, etc., to assist him in his report of the railroad line from Topolobampo to Chihuahua City) writing down data, looking over maps, land titles and interests, etc., and took the opportunity of his

visit to make him and Mr Higgins acquainted that we all might in the near future unite interests to build the Topolobampo-Juarez trunk line; but, on the arrival of Gov. Shepherd from Florida (April 20th) I had a Conference with him, and learned that the Chihuahua City interests are such that it will be his wish to have the railroad built from Topolobampo and Chihuahua City, and that it probably is the desire of Mexico not to encourage the direct line, via Guaymas to the Northward. However, be that as it may, Gov. Shepherd said that the report of Mr Prodie upon the Topolobampo and Chihuahua railroad route was very favorable and that the same had been translated and sent to the President of Mexico and to Senor Creel of Chihuahua City - that the section through the Sierra Madre would be very expensive to build and to maintain and that he did not think that Capitalists could be found who would build that railroad without we could get a few amendments to my Concessions, etc. - that he

4

had asked President Diaz for an interview for this purpose - that he and Mr Prodie, were to meet Mr Stevens in Chihuahua City, May 1st, and that they were to confer with the Governor of Chihuahua and with Señor Creel, after which he would write me in full and say whether he would go to Mexico City or not at this time.

Gov. Shepherd spoke with earnestness on the importance of the Topolobampo - system of railroads from the Pacific to the heart of the Sierra Madre and for Sonora and Sinaloa - he deplored the existing demoralization of the money affairs of the United States owing to the attack that is being made against silver coinage by the National Banks and the lack of enterprise of our investors; but he said that if President Diaz expressed a wish that this line of railroad be

5

pushed that he would then organize a
Company for that purpose and go for-
ward with the work at once - slowly
at first but with enough push to get
ready for the better times which will be
sure to follow close upon a change in
the administration at Washington and
the reelection of President Diaz in Mex-
ico - that our first step should be to
reach Batopilas from Topolobampo and
the Sierras from Chihuahua City; and
in the meantime the Sierras could be
carefully surveyed and probably a bet-
ter route could be found than that via
the Septentrion Cañon - that he thought
that the lines north to a junction with
the Sonora Railroad, and south to Ma-
zatlan should be carried forward at the
same time and that he would ask Pres-
ident Diaz to advise his Government to
add to my Concessions the right to build

The branch line to Mazatlan, etc.; and all this I mention to President Diaz to show the drift of thought that Gov. Shepherd developed during our last meeting.

It remains only for me to say that my one wish is to assist to give Topolobampo the Commercial importance which nature has plainly marked out for it to occupy; and that it is my desire to do this along the routes and with such subsidies and encouragements that may be thought by President Diaz to best serve the interests of Mexico.

I have offered my Concessions and interests, etc., to Gov. Shepherd and his friends mostly for a stock,

the cash that I have actually paid in Cash to the Treasury of Mexico and for the surveys and work which has been done to keep Topolobampo and its enterprises prominently before those who invest in new enterprises; and I trust that President Diaz will encourage Gov. Shepherd

to undertake the forming of a Company which will assist to develop the Coast Lands, mountains and plateaus over and through which the Topolobampo system of railroads extends.

In regard to the Topolobampo Colonists it is my purpose to set aside for their absolute ownership about 6,000 or 10,000 acres out of the Mochis - the lands they now occupy and lands adjoining the same - and to have reserved to them perpetual water rights in the Ditch etc., arranging with Gov. Shepherd, if he so desires, that he put the Ditch in order and keep it so that there will always be a ready supply of water, etc.; he to carry out in full the agreement to cancel "the Ditch Scrip" by water uses, etc.; therefore I have in mind the best interests of all concerned; but as yet I have not mentioned any business proposition concerning the Ditch or the Colonists to Gov. Shepherd. Asking again the counsel and aid of President Diaz in this matter I subscribe myself his friend and the friend of the best interests of Mexico.

Respectfully: A. H. Overd,

London, E. C. 24th April, 1896.

My dear Mr. Owen:

Since writing you a week ago I have had further interviews with the Engineer, Mr. Stephenson, and a representative of the firm of Contractors.

The Contractors are quite ready to send their representative, accompanied by Mr. Stephenson, to go over the route of the proposed railway, but they will want, as was intimated in my last and in Mr. Stephenson's letter which I sent you, to come to an arrangement with the parties having the Garcia Concession and proposing to build from El Paso by way of Corralitos, Guerrero, through the Mountains to the Junction of Chinipas and Fuente, and thence on over the route as far as Batopilas, and then come back and continue on to Topolobampo.

You may assure Mr. Humphries and Mr. Higgins, that these parties have nothing whatever to do with John W. Young or his Midland Railway scheme. It is quite true that a Syn-

-dicute of Bankers had agreed to find all the money for Young's Midland Railway, but when they came to investigate Mr Young's position, they were not satisfied to have him as a Contractor, and made it a condition that a strong firm of English Contractors should be responsible to them. As you know, this of course would not be satisfactory to Mr Young, and hence all negotiations with him and with the Mexican Midland Railway Company were broken off.

The firm of Contractors whom the Syndicate had expressed their desire to have to do the work, thus came in connection with Mr. Stephenson to look into the possibilities of North Western Mexico, and at this juncture I brought before them your Concessions, and thus the present situation has come about.

If Mr Humphries and his Sureties are open to make an arrangement with the parties here, it will facilitate very much the taking up of your enterprise; they would be prepared at once to begin construction at both ends from Topolobampo and from El Paso

5. A. K. Owens
et al.

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as soon as they were satisfied by an examination.

Will you therefore see the people and ascertain what they will do and communicate with me without delay; if you find they are willing, cable me a short message, and write me fully, and then I can arrange to have the gentlemen go direct to New-York and make arrangements with you and Mr. Humphries and his friends, and from thence they will proceed to make an examination.

Yours very truly,

A. M. Gibson

Col. A. K. Owens,
The Lexington Building,
New York City, U. S. A.

Copy.

London, E. C. April 27th 1896.

Dear Colonel:

Doubtless I ought to know what the exact situation is respecting the City site and other lands on and about Topolobampo Bay, but I must confess if I did once know the knowledge has gone clean out of mind. I mean the extent which you control and what the indebtedness on it amounts to. Please state this succinctly, and the lowest amount of cash that will be required to handle the property. I do not mean to buy it outright, but to make it secure and how the balance will have to be paid.

I received your letter of 17th instant last evening at my home, after coming from the office. I wrote you pretty fully on Friday, and have nothing now to add to what I then said, except that from yours of the 17th it would seem that an arrangement can be made with Messrs Higgins and Humphries for the end from El Paso. This is good. But before I can ask my friends to come over, I must have some details

as to what Messrs Higgins and Humphreys will ask for their rights. As I understand they have bought the Garcia Concession and paid the cash consideration therefor, but that Garcia is to have so much per mile of the Consolidated 5% Bonds. How much does this amount to? Can't you have them send full particulars? Let it be a business proposition, and let it also say approximately what proportion of the First Mortgage Bonds on the first 125 miles from El Paso will probably be taken in New York.

Now as to the Topolobampo end - I notice what Mr. Brodie says about the Batopilas paying \$300,000 a year on freights, but this is the amount they now pay. If a Railway is built of course the outlay for freight will be greatly reduced and this is the object of having the Railway built. Just what can and will the Batopilas people do? What amount will they agree to take firm in 5% First Mortgage Bonds. They may want to know what the issue per mile will be before

They will answer and it would be well
 to get an expression from them as to what
 Mr. Prodie, who is an Engineer and fa-
 miliar with the Character of the work
 which will have to be done, thinks the line
 ought to be bonded for. There would be no
 difficulty in getting the money for the first
 32 miles, for that is a mere bagatelle, but
 anyone who goes in for that will look at
 the cost of building the 200 miles to Bat-
 opilas. This you say Mr Prodie says
 can be built for \$2,000,000, or say £400,
 000. But the scheme is for a Trunk line,
 so we must calculate on the cost of the
 heavy work through the Septentrion and
 Chinipas Canons, which will be very heavy,
 say at least £5,000 per mile. Now would
 Shepherd-Prodie and their friends, think
 the whole line could be bonded for £5,000
 per mile - or would they think £4,000 per
 mile heavy enough? It must be borne in
 mind that the bonds will have to be placed
 here at a discount - say at least 25%. The

price at which the Syndicate had agreed to take Young's Mexican Midland debentures was 65. But the Contractors who are considering with me, would not place them at so low a price - although they might want to get them at that figure. But say at 65 - that would be £2.600 per mile, £520,000 for the 200 miles. Of course when the 200 miles were built and paying, as I believe the line would pay, the bonds for the Mountain division ought to be placed at 80% - or higher.

It will be important nevertheless to get the Batopilas people to say definitely what they will do in the way of taking, or in having their friends, take Bonds. It shows bona fides to the people on this side and makes it so much easier to deal. However, I think business can be done.

Very truly
A. M. Gibson

J. A. K. Owen
New York City

Copy

4. Montagu Mansions,
Portman Square. W.
London 28/4/1896.
April -

Dear Mr Owen:

Young, I am told, cabled
C. J. Banda yesterday, asking him to see
how much cash and bonds would be ta-
ken for Garcia Concession. I do not sup-
pose Mr. Higgins and Mr. Humphreys
will listen to any proposal coming from
Young, but even if they do they will not com-
mit themselves to anything until they know
some responsible parties other than Young
will undertake to build the road. I know
all about Young's condition and his chances
here. The business was all arranged at one
time and £275,000 was guaranteed, but
the parties made inquiries about Young's
financial condition and found he was in
debt about £15,000 and had several peti-
tions in Bankruptcy pending against him
and they said they would not go on without
an English Contractor. Then Contractors
were approached and of course they soon

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found out about Young and they refused to have anything to do with him. It is absolutely impossible for him to do anything in London, for once a man is involved no one here will touch him. Of course Canada and Koler are Creditors of Young on account of The Deming & Sierra Madre and they would like to see him pull through. I would like to see him succeed, but it is not possible. His situation is desperate, and Condict and he have got the Midland Railway so complicated that it is not possible to clear away the dead wood. No one will find ~~the~~ money to make a lot of securities they have issued good - why should they.

But the Contractors who were approached see that there is money to be made in Mexico and they will go in provided they can get the undertakings clean and clear. This, in brief, is the situation, two of the strongest firms of Contractors in England are ready to consider the business - El Paso to Corralitos - Topolobampo to Batopilas to

start with, and the intermediate gap of
 trunk line to be filled in later. They want
 the two ends because both have business to
 start with. Good showings can be made on
 the beginnings and this will help to make the
 rest easy. Moreover, they can build the two ends
 without asking ~~the public~~ the public
 to come in - without making a public issue.
 Now it is for you to work your end and I will
 work this end. Get Higgins and Humphreys to
 cooperate with you - get bottom figures and
 let me have everything in business shape and
 we can do the business. You know I am not
 one of the sanguine kind and therefore am
 not likely to be positive unless I am justified
 in being so.

Yours truly
 A. M. Gibson

A. K. Owen, Esq
 New York, City

Copy

3 Popes Head Alley,
London E.C. April 29th 1896.

Dear Mr Owen:

Condict sailed on Saturday for New York on his way to Salt Lake. He intends to call upon Judge Humphries and tell him some cock and bull story about his being able to find Contractors here who will build the line to Corralitos. The Contractors he pretends to speak for are Messrs. Reed & Campbell who are also acquaintances of mine. A friend of mine has just seen them and they say they will have nothing to do whatever with either Young or Condict, and that they would not think of touching the Midland Railway after it has been hawked about by Young and Condict. In fact the offices to day in Broad Street House were sold up for rent.

You must keep the Corralitos people fully advised, and get them to satisfy themselves as to the bona fides of the Contractors here with whom I am in touch with and then business can be done. The representative of the Contractors and Engineer will come to New York whenever I am advised that business will be done and the terms upon which it can be done.

Yours very truly, J. M. Gibson

Copy

4 Montagu Mansions.

Portman Square, W.

London, May 2nd 1896.

Dear Mr Owen: I have nothing to add to my previous letters, except to say that I am ready with the money and the Contractors to take up the trunk line from El Paso and from Topolobampo whenever a basis to treat upon with them is given me by yourself and the present owners of the Garcia Concession. The Mexican Midland Railway is practically out of the way, for the reason that no one here will touch it, first because Young & Condict have hopelessly discredited and second because it has nothing in Mexico beyond Young's so called grade which the Engineers of Messrs. Reed & Campbell and of Messrs. Pearsons have been over and say is represented by not exceeding \$800 worth of work.

The people who were ready to find the money refused to go on when they found out that Young was head and ears in debt and that he and Condict had loaded the Company with

£215,000 of First² Mortgage Debentures, re-
presented by Script which they had issued
and hypothecated.

The strongest firm of Contractors in the
world stand ready to back up the combined
undertakings represented by your Concessions
from Topolobampo to a point at or north
of Guerrero with branch to Batopilas and
by the Garcia Concession from El Paso, via
Corralitos, provided an arrangement can
be made upon lines satisfactory to them.
They are ready to send their representative
and Engineer to New York to treat, and
if a basis of Contract is arrived at, to send
them forthwith over the route from El Paso
to Batopilas and Topolobampo and if
the reports are confirmed to begin Con-
struction from both ends. I have already
given you the name of the firm of Contract-
ors and you have a letter from the Engineer
who will doubtless be selected and therefore
you and your friends of Exchange Place have
the means of satisfying yourselves as to the
Bona fides of the parties here. I will come
with them to New York if I get prompt assu-

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- chances that business can be done.

Cable me "Expounder" London and write me fully giving me all that I have asked for in my several letters and there will be no delay on this side.

I earnestly request that all I have written you shall, so far as it relates to the Mexican Midland Railway and Young be considered and treated as Confidential, both by yourself and your Exchange Place friends.

Yours very truly,
A. M. Gibson

dup

Translation.

City of Mexico, 2nd May, 1896.

Mr Albert K. Owerd,
New York.

Dear Sir: I have taken good note of the contents of your esteemed favor of 22nd ulto.; and I thank you for your kindness and efficaciousness in furnishing me with information about your railway. I hasten to tell you that, should anybody submit serious propositions, in an official manner, for the organization of a Company having the means to build that very important road, the Department will take said proposition into consideration, and will, no doubt, give a resolution in the most favorable manner according to law, and to suit public requirements.

Yours respectfully, Porfirio Diaz

London, E. C. May 6th, 1896

Dear Mr Owen:

Since I wrote you on Saturday nothing new has occurred. We are waiting for favorable responses from and through you. As I wrote you, Condict and Young are endeavoring to get the owners of the Garcia Concession to fix a price in cash and bonds for the same. Condict pretends to Young that he is endeavoring to secure the Concession in his interest, and at the same time he has assured others here that if he can secure it he will work with them. Both Young and Condict are without credit here; neither of them can raise the wind. Condict is on his way to Salt Lake City and en route is endeavoring to place bonds of the Cottonwood Power Company which was brought out here but which the public did not touch.

If your friends of Exchange Place want to ascertain as to the possibility of Condict or Young raising money here, let them make inquiry through Seligmans and they will promptly get the fullest particulars.

My parties are ready to come to New-York to enter into contracts, subject to inspection of the proposed routes, and to go from New-York over the lines, and will sail in one week from the time they receive through me proposals which they can entertain.

Bankers references will be given by them. We are ready for business - give us a basis without delay.

Very truly
A. M. Gibson

Col. A. K. Owen
Lexington Buildings,
141 East 25th St
New York U. S. A.

U

Extract from letter, dated Berlin, Germany,
May 9th, 1897, from A. Mc. Gibson to Robert K. Owen.

x x x x x

"I will be here this week and then return
to London. My business is progressing satisfac-
torily.

x x x x x

"I have the connections made to raise
£300,000. for the Railway, and only wait to hear
from you the particulars I have asked for, to
begin the work. I cannot begin until you have
made your Concessions sure by making the
Deposit.

x x x x x

"I will organize a Company with first
class men as Directors—have the best names
for Trustees—and secure the money against
first Mortgage Bonds to be issued as the work
is done. The details will all be arranged in con-
sult with Mr. Higgins and his friends, if they so
desire. It will cost to do this, because to carry
through such a scheme there must be large
interests given, but it is the only way it ever
can be done. But there is plenty of margin
of profit in the deal."

Extract from letter, dated Berlin, Ger-
many, May 9th, 1897, from A. M. Gibson
to Albert K. Owen.

* * * * *

"I will be here this week and then return
to London. My business is progressing
satisfactorily.

* * * *

"I have the connections made to raise
£300,000 for the Railway, and only wait to hear
from you the particulars I have asked for to
begin the work. I can not begin until you
have made your Concessions sure by making
the Deposit.

* * * * *

"I will organize a Company with first
class men as Directors - have the best names
for Trustees - and secure the money against
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is done. The details will all be arranged
in concert with Mr Higgins and his
friends if they so desire. It will cost to

do this, because ²to carry through such
a scheme there must be large interests
given, but it is the only way it ever can
be done. But there is plenty of margin
of profit in the deal."

S. D. Morgan & Co.

54 & 56 Exchange Place.

New York, May 14th 1896.

A. R. Owen Esq.

Dear Sir:

I have read Mr A. M. Gibson's letters of April 17th and May 2nd in re Construction of a Railroad from Juarez, (El Paso) to Topolobampo, Mexico, via Cuernavaca and Concepcion. Mr A. Foster Higgins and associates have completed arrangements for the speedy construction of 250 kilometers under the Garcia Concession from Juarez to Casas Grandes, and they expect to complete it in the next twelve months, this being done without any commitment to build more than 250 kilometers, the object being to reach the rich Cuernavaca Valley, the mines in that region and the timber south of Casas Grandes.

So far as Mr Gibson's letters contemplate a purchase of the line to Casas Grandes, I do not think a proposition would be entertained, but why should not his friends take up the remainder of the line, under a proper agreement

for the usance of the 250 Kilometers, To make a great trunk line from the Pacific to El Paso, as it surely would become?

In this connection a road for 200 miles South of Casas Grandes would open a great territory, not only most inviting as to Climate and for agricultural purposes, but also with vast tracts of the finest timber, so much wanted in Mexico, also with a great many mines now almost inaccessible and valueless for want of a railroad. I have no knowledge of the region further South or over the Mountains, but I understand that the same attractive Country with timber and mines continues until the only pass through the Mountains through which a Railroad must run, is reached.

I regard this project one of great promise, of great importance to Mexico, and I have no doubt the Government would favor it in every way practicable and I presume would transfer to it one of the unused Concessions if it could be satisfied that responsible parties would undertake its construction.

Very respectfully yours,
Colon Humphreys.

dup

E. D. Morgan & Co.
54 & 56 Exchange Place,
New York May 14th 1896.

A. K. Owen, Esq.

Dear Sir: I have read Mr A. M.

Gibson's letters of April 17th and May 2nd -
in re construction of a Railroad from
Juarez (El Paso) to Topolobampo, Mex-
ico, via Corralitos and Concepcion.

Mr A. Foster Higgins and associates
have completed arrangements for the speedy
construction of 250 kilometers under the Gar-
cia Concession from Juarez to Casas Grandes,
and they expect to complete it in the next
twelve months, this being done without any
commitment to build more than 250 kil-
ometers, the object being to reach the rich
Corralitos Valley, the mines in that region
and the timber south of Casas Grandes.

So far as Mr Gibson's letters contemplate
a purchase of the line to Casas Grandes I do
not think a proposition would be entertained,
but why should not his friends take up the

remainder of the line, under a proper agreement for the usance of the 250 kilometres, to make a great trunk line from the Pacific to El Paso, as it surely would become?

In this connection a road for 200 miles south of Casas Grandes would open a great territory, not only most inviting as to climate and for agricultural purposes, but also with vast tracts of the finest timber, so much wanted in Mexico, also with a great many mines now almost inaccessible and valueless for want of a railroad. I have no knowledge of the region further south or over the mountains, but I understand that the same attractive country with timber and mines continues until the only pass through the mountains through which a railroad must ~~pass~~ run, is reached.

I regard this project one of great promise, of great importance to Mexico, and I have no doubt the Government would favor it in every way practicable and I presume would transfer to it one of the unused concessions if it could be satisfied that responsible parties would undertake its construction.

Very respectfully Yours,
John P. Humphrey.

Copy

Lombard Street, London, E. C.

May 15th 1896.

Dear Mr Owen:

I have yours of May 5th;
You have of course by this time all my
letters up to that of May 1st, and know
the exact situation here

The Midland Railway Offices were sold out
yesterday for rent due and unpaid. For the
present that Company is without a locus.
Neither Condict nor Young can possibly do
anything when their scheme is so discredited.

I had a long interview with the Con-
tractors Tuesday night, and they will not
enter into any engagements until they
have had an examination made by their
own representative and an Engineer of
their own selection. They are willing to in-
cur this expense provided on their arrival
in New York a satisfactory preliminary ar-
rangement is made.

Of course until the Contractors people have

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the report and estimates from their Engineers, they cannot submit anything definite to Contractors. Whenever they are ready to do business we are prepared to come to New York and treat with them. In regard to your Topolobampo end, that can be done at the same time. I am supplying the parties with all the details I can. If you have anything additional, especially from Mr Brodie, it will be useful, and you had better send it on. I am going to Germany next week, and will be in touch with the Contractors here all the time. I would have to go to Germany before I could leave for New York, and I think it best to go now and get this off my hands, so I will be ready to go to New York in June if there is prospect of business with Mr Humphreys and his friends. Meantime I think ~~it will~~ ^{it will} be finally wound up by his Creditors here.

Please keep me fully advised of everything. This business can be carried through on business lines.

To Col. A. K. Owen,
New York.

Yours truly, A. M. Gibson.

Mochicahui, Sinaloa, Mexico.

May 22nd 1896.

Friend Owen:

I just found out, that I can get all ties for the road 8 feet long 8" x 5" of palo Colocado, up to beyond Fuente. You know that this wood is much superior to any other from the States. It is not attacked by any insects and less liable to rot than any other wood. I am safe to say that sleepers of palo Colocado will last 3 times those of pine. Spikes drive all right in this wood. On account of its toughness, I reduce the section of ties as above stated; if they should be wished longer, we can get them to 9 of length.

Of the above dimensions we can get them at the line for 62[¢] Mexican, a piece.

Give me timely notice whenever you are so far in your negotiations, because such a Contract needs preparation.

Yours truly,

J. Hampl.

Mochicahui, Sinaloa, Mexico.

May 22nd 1896.

Friend Owen:

I have just found out that I can get all ties for the road, 8 ft long - 8" x 5" of palo Colorado up to beyond Guerte. You know that this wood is much superior to any other from the States. It is not attacked by any insects and is less liable to rot than any other wood. I am safe to say: That sleepers of palo Colorado, will last 3 times as long as those of pine. Spikes drive all right in this wood.

On account of its toughness, I reduce the section of ties as above stated; if they should be wished longer we can them 9 ft. in length. Of the above dimensions, we can get them at the line for 62¢ Mexican, a piece.

Give me timely notice, when you get so far in your negotiations, because such a contract needs preparation.

Yours truly,

Joseph Hampl, C. & E.

Mochicahui, Sinaloa, Mexico.

May 22nd 1896.

Friend Owen:

I have just found out, that I can get all ties for the road 8 feet long, 8" x 5" of palo Colocado up to beyond Guertel. You know that this wood is much superior to any other, from the States. It is not attacked by any insects and is less liable to rot than any other wood. I am safe to say: that sleepers of palo Colocado will last 3 times as long as those of pine. Spikes drive all right in this wood. On account of its toughness, I reduce the section of ties as above stated; if they should be wished longer, we can get them to 9 ft. in length. Of the above dimensions we can get them at the line for 62¢ Mexican, a piece.

Give me timely notice, when you get so far in your negotiations, because such a contract needs preparation. Yours truly, J. Hampl.

Mochicahui, Sinaloa, Mexico,

May 22nd 1896.

Friend Owen:

I have just found out, that I can get all ties for the road, 8 feet long 8" x 5" of palo-Colocado, up to beyond Fuerte. You know that this wood is much superior to any other from the States. It is not attacked by any insects and is less liable to rot than any other wood. I am safe to say that sleepers of palo-Colocado will last 3 times as long as those of pine. Spikes drive all right in this wood. On account of its toughness, I reduce the section of ties as above stated; if they should be wished longer we can get them to 9 of length.

Of the above dimensions we can get them at the line for 62¢, Mexican, a piece.

Give me timely notice whenever you are so far in your negotiations, because such a contract needs preparation. Yours truly, J. Hampl.

copy

Central Hotel.

Berlin, June 6th 1896.

Dear Mr. Owen:

I have been here two weeks and will be away from London a fortnight longer. The situation is this - The Bankers who had agreed to take the bonds of the Mexican Midland, to the amount of £460,000. were willing to do the business with an English Contractor if he could arrange to work in connection with parties owning the Garcia Concession. A friend of mine, an Engineer, had a contractor who would have nothing to do with Young, and who, if he could build the Corralitos end, would take up your Topolobampo end, if on examination he found it up to promises. He was willing to spend the money to have the through line examined, but he did not want to begin at the Pacific because it is so far from base. The English are queer people and

very set in their ways. This group had studied the North-Eastern end and understood it. There was a bond subsidy and they knew how they would come out on the deal. Once in on this end they were willing to spend money to have your end examined and reported on. It was a chance to get your project thoroughly investigated and considered, and I have no doubt taken up on its merits. Hence, I was so anxious to make a deal with the Corralitas people. But as that is not possible I am now urging action on yours alone. But the difficulty is, that the Contractors are not inclined to it, because it means sending everything to the Pacific Coast, etc.. Although, in the end, the enterprise would probably be more profitable than the Corralitas part. Still they know exactly what they could do there, and about what they would make out of it. Still they are now considering everything in connection with yours alone, with a view to taking it up.

I am not sanguine that I can get the Contractors to spend the money to make the examination and they will not take up business without first investigating it on the ground. They will not put \$50,000 into anything without knowing all about it from their own Engineers. Of course Shepherd wants to make some special arrangements with the Mexican Government and, undoubtedly, it would well repay it to assist with money subsidy to build to Batopilas and open that great region. Shepherd is clear and forcible and he may succeed with Diaz - but, unless he does, he will not go in. I can only keep urging my people and it is barely possible they may do it, but I ~~am~~ hopeful.

Young is still trying to do something, but it is impossible for him to succeed without a Concession.

Very truly,

A. M. Gibson

Los Mochis, Sinaloa, Mexico,

June 22nd 1896.

Mr J. W. Lovell -

Dear Sir:

Your welcome letter of the 30th ult. duly received. I am very sorry you are not in a position to join us in our mining endeavors for we think it would be profitable for all. And I also, regret I was not able to keep in communication with you when I came back from Urique, it may, however, be all for the best. When we come to get the figures on it, it was much larger than I supposed they would be. There are thirteen hundred "pertenenencias" in it and of course we would have felt inclined to take it all, as it is Telcurum ore. I sent you a description of Telcurum, and how those mines yielded in Colorado, and expect they will be as good here, but I got no answer to my letter.

We are now going to begin on whatever we can find, that requires the lowest outlay of

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money and have not decided whether it will be lead or Copper. If we had means at Command we would begin with gold, as we have made discoveries in different places, and of different quantities.

I will start out in a few days to see what can be done. Mr Stewart will go with me. We will try and establish ourselves so as to get our mail in Fuerte, we lose too much time here between mails.

Whether we make this enterprise a success or not, I firmly believe this Country will beat Mashonaland in South Africa, as I know it is far ahead of Colorado in Mineral wealth. I am.

Faithfully Yours
T. R. Mackrider.