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Mexico of To-day.

BY MR. A. G. STILLWELL, PRESIDENT OF THE KANSAS CITY,
MEXICO AND ORIENT RAILWAY.

ADDRESSING the Canadian Club on "The Mexico of To-day," Mr. A. E. Stillwell, President of the Kansas City, Mexico and Orient Railway, and the United States and Mexican Trust Company, said:

Mr. President and Gentlemen,—I can assure you that I have come to the conclusion that investing Canadians do not need very much of an introduction to Mexico. Let me explain. When I heard that the Mexican Heat, Light and Power Company was in the market, and knew as I did that it was destined to become one of the greatest corporations and best investments in the country, I thought I would take a trip and look it over with a view to buying it. My investigation proved entirely satisfactory to me. I found it all, and more, than I had anticipated, so I hunted up Mr. Wheatley, the General Manager, and told him I was ready to do business. Then I learned that I was too late to secure what I believe to be the greatest and best yielding corporation in Mexico. I found that the Canadians had bought it. It was, I found, a Canadian corporation.

You Canadians did a great stroke of good business when you secured the control of that great corporation. Its tram-lines the year previous to its purchase had carried 27,000,000 passengers, and last year it doubled its traffic, carrying 54,000,000 passengers, and, let me tell you, from the rate at which Mexico City is growing, the trams will be carrying 100,000,000 passengers annually within the next five years. There is going on in Mexico City a remarkable growth. It is getting bigger literally by leaps and bounds. Why, last year alone 4,000 new houses were built and the preparations for this year are on a still larger scale. The tram-lines of Mexico City and Monterey are two of the greatest concessions and best enterprises in the country, and you Canadians have got them both.

The greatest factor in the value of these things lies in the fact that you have such wise laws in Mexico, and the Government treats you fairly. After you have bought a good thing

they don't legislate to make it a bad thing. (Laughter and applause.)

Mr. STILLWELL, continuing: Well, if I was treading on any local corns, I didn't know it. I mean this: that in the charter of the railway company of which I am president, the tariff of maximum rates for passengers and freight is settled. We know the invested capital and can figure the tonnage, and we know the rates will not be changed. We can figure it out for 99 years on the same conditions. We know the Government can't force us to reduce our rates. So you can rest assured that in securing the tram-lines you have got one of the jewels of investment in Mexico, although I do not know the officers of your company.

Mexico is a lovely country. I have been operating there for twelve years and have visited there thirty-six times. For a time I lived there. It has the most beautiful climate in the world. Its laws are just, and the way they are enacted leaves no room for kick. It has the very best men at the head of its Government. Some people appear to be fearful as to the future of the country. After Diaz, they say, chaos will reign. That is an altogether silly idea. They are now free from Spanish rule. In the old days of Spanish rule nothing was allowed to be manufactured in Mexico that could be manufactured in Spain. They fought for years to be free, and they have no desire to go back to the revolutionary times. Then in the old days the Church dominated sixty per cent. of the land. Mexico is not against the Catholic Church, but has set its face against clerical domination. They are baptized and buried by the Church, but the people have determined that the Church shall not dominate all Mexico, and they set about to free themselves from the Church. They also fought for their freedom from Maximilian, the Emperor, and the French army for many years. It needed revolution to free them from the three things which oppressed them and stunted their growth. They had three things to battle down, the Spanish rule, the Church rule, and the Emperor and French army.

Now that they have accomplished all this, they are not anxious for more turmoil. Their desire is to realize in peace and comfort what they have so long, so bitterly and so earnestly battled and fought for. What in thunder is the need of a revolution when everyone is contented and happy? Under President Diaz the people are educated to love peace and to develop the wonderful natural resources of their country. Their grandfathers, it is true, had shouldered their flint mus-

kets and lived the wild, open, fighting life. But they had three objects. They had something to fight for. Take the grandson to-day. He has a magnificent home. He is the president of some bank or cotton mill. He travels in his auto-car. His children are being educated in the United States or France. And shall he take again to the bush and go fighting? For what? Meantime his bank or cotton mill will go to smash, the education of his children will be stopped, and his home of luxury broken up.

A friend of mine visiting the family of President Diaz, asked if he was not afraid of a revolution breaking out. "Not any more than you are afraid of a revolution breaking out in the United States," was the reply. "You had yours about the same time as we had ours."

President Diaz is one of the most marvellous men the world has ever seen. He has the best judgment, the best business ability, and is the straightest man I ever met. He looks out for the rights of everyone, which is a grand thing, for it makes everybody in business feel secure. One time I went to the President for a certain concession for railway building, and he at once told me that my projected line would parallel an existing one. "Only within seventy-five miles," I assured him. Nevertheless he would not do it. My line would divide the traffic with the existing one, would tap its seaport, lessen its dividends, and, in his opinion, render capital that much less secure and Mexico that much less attractive to the foreign investor. And nothing is too good for the foreigner, is the Mexican principle, if he comes with practical development plans.

Another thing that strikes you in Mexico is that none of the minor officials have their hand out behind. Most other officials I have had to do with had three hands, the two nature provided them with and a little fellow constantly out and ready behind. The President told me when I first went there: "This country needs development, it needs foreign capital for the development of its great national resources. Graft is not allowed, if we know it. If a man takes one dollar in this way we are prepared at once to hold his place vacant." And in all my experience there, never once has a Mexican official even intimated anything of a grafting character.

Your chairman has spoken of Mexico as the land of tomorrow. It is rather the land of to-day. On one occasion I had been building sixty-two miles of railway upon which the Government paid a subsidy. It was completed, the Govern-

ment inspector had put in his report, but Saturday, the day in question, was a holiday and a saint's day. Nevertheless the Minister of Finance kept his office open and paid the \$1,200,000 Mexican Government 5 per cent. bonds. Had he waited until Monday, October 1st, he could have detached coupons for six months' interest, or $2\frac{1}{2}$ per cent. Ever hear of such remarkably quick action as that?

A voice: And why did they do such a foolish thing?

Mr. STILLWELL, continuing: The concession was due as soon as the engineer's report was received, and they wanted to show their friendly feeling for a great railway.

The remarkable growth of the country during the last thirty years reads like a romance. Foreign trade has increased from \$35,000,000 in 1876 to \$239,000,000 last year. In 1876 the banking of Mexico consisted of one bank with a capital of \$500,000; to-day there are thirty-three State banks with a combined capitalization of \$165,000,000. Thirty years ago there were only 340 miles of railway; now there are over 14,000 miles. In 1876 there were 40,000 telegrams sent; last year there were 4,000,000. In 1876 the foreign mail amounted to 276,000 pieces; now it has reached 48,000,000 pieces; while the value of precious metals has increased in the same time from \$20,000,000 to \$100,000,000. In 1876 there was no foreign capital invested in Mexico with the exception of one bank; now the amount invested totals \$1,400,000,000. The expenditure of the Government has increased from \$23,000,000 to \$83,000,000, and there was a surplus of \$12,000,000 last year, while over \$100,000,000 have been spent on improvements in Mexico City, in buildings and public works. Mexico will yet rival Paris and its \$12,000,000 theatre will far excel the Opera House of Paris.

The Mexicans love their country. After Diaz the spirit of Diaz will live, for he is surrounded by a coterie of most capable men to follow him. There is the Vice-President, the Secretary of the Interior, Senor Ramon Corral, and the Minister of Finance, Senor Jose M. Limantour. You can't expect a second Diaz. Two such men are not to be found in one nation, but there are any number of prominent men who understand his methods and what Mexico means to the Mexican.

I am now building a railway from Kansas City to Topolobampo, Mexico, which is shorter by 500 miles than any other line across the continent. Five per cent. off the trips from Australia and New Zealand to the Mother Country, and more than five days cut off the trip from Toronto to Australia and

New Zealand—that's what this new railway will mean. It is subsidized by Mexico because it has opened to them their gold fields. This railway is managed by Englishmen, and they form the Finance Committee. I had it that way because I have found in an experience of twenty years of building railways that the fairest, squarest men—the men who never want to play a low trick on anyone—are found in London. I could write a book on my experiences in Wall Street and Threadneedle Street, and when I built my road I wanted it controlled by Englishmen. You've got to show them a string sticking out before they want to come in, and I have never had an Englishman go back on his word or want to get a ground floor berth under his friend.

This Mexican railway has been the dream of President Diaz, and twenty-five years ago General Grant tried to finance it, but Mexico was then too poor to give a subsidy. Under the railway law the rates are fixed in advance, so that the public are considered as well as the companies. No train can be run until every bridge has been tested, the ties counted, the rails weighed, the telegraph system examined, a full line of tickets provided, and the speed of trains arranged. All these things must be approved by the Government, and nothing but permanent work on the road is permitted. No frame bridges or temporary culverts are allowed.

In going through a man's land for a right of way, the company makes him an offer, say \$10 an acre. If he refuses this and goes to the courts and proves that his land is worth more, the court looks up his tax rate. If it is 50 cents, as it may easily be, the Government assesses him for back taxes for five years back at the rate he asks to sell at on his entire possessions. The consequence is that no reasonable offer is ever refused. The entire right of way for our road, over 639 miles, only cost \$40,000.

Don't think I am too enthusiastic about Mexico. I would like to see the Canadians become better acquainted with the country. Visit it; if you cannot visit it, read Prescott's "Conquest of Mexico," or "The Awakening of a Nation." It is a country of romance and of marvellous possibility.
