

RESOLUTION: The Second International American Conference, considering that a large Banking Institution established in a large mercantile centre of the Continent with branches in the principal cities of the American Republics, would develop mercantile relations among them;

And that, if said Institution should adopt uniform rules for the granting of credits and charging of commissions, it would afford even greater advantages to industry and be well received by all the American Nations;

RECOMMENDS: That there be established in New York, Chicago, San Francisco, New Orleans, Buenos Ayres or any other important mercantile center, a Bank of the character before mentioned, and that it

be assisted by the Republics of America in every manner compatible with the internal legislation of each country.

Hall of Sessions, Mexico, December 23rd 1901. (Signed).—*Alberto Elmore.*—*A. Blest Gana.*—*Rosendo Pineda.*

The recommendation on the Pan-American Bank, expressed exactly in the same terms of the above report, was signed on the 21st of January 1902, by the Delegations of the Argentine Republic, Bolivia, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, United States of America, Guatemala, Hayti, Honduras, Mexico, Nicaragua, Paraguay, Peru and Uruguay.

NUMBER 2.

Pan-American Railway.

SESSION OF THE 29TH OF NOVEMBER 1901.

Secretary Duret.—The Committee on the Pan-American Railway has submitted its report, and the Chair has ruled that it be printed and distributed among Their Excellencies the Delegates. It reads as follows:

A REPORT of the Committee on the Pan-American Railway.

Mexico, November 27, 1901.

The Pan-American Railway Committee of the Second International Conference of American Republics begs to report as follows:

At the First Conference held in Washington during the winter of 1899-900, the Committee on Railway Communications, upon which were Delegates representing eighteen Governments of America, in submitting their report, which was unanimously approved and adopted by the Conference, expressed these opinions:

First. That a railroad connecting all or a majority of the nations represented in this Conference will contribute greatly to the development of cordial relations between said nations and the growth of their material interests.

Second. That the best method of facilitating its execution is the appointment of an international Commission of engineers to ascertain the possible routes, to determine their true length, to estimate the cost of each, and to compare their respective advantages.

Third. That the said Commission should consist of a corps of engineers of whom each nation should appoint three, and which should have authority to divide into sub-commissions and appoint as many other engineers and employees as may be considered necessary for the more rapid execution of the work.

Fourth. That each of the Governments accepting may appoint, at its own expense, commissioners or engineers to serve as auxiliaries to the sub-commissions charged with the sectional surveys of the line.

Fifth. That the railroad, in so far as the common interests will permit, should connect the principal cities lying in the vicinity of its route.

Sixth. That if the general direction of the line cannot be altered without great inconvenience, for

the purpose mentioned in the preceding article, branch lines should be surveyed to connect those cities with the main line.

Seventh. That for the purpose of reducing the cost of the enterprise, the existing railways should be utilized as far as it is practicable and compatible with the route and conditions of the continental railroad.

Eighth. That in case the results of the survey demonstrate the practicability and advisability of the railroad, proposals for the construction either of the whole line or of sections thereof should be solicited.

Ninth. That the construction, management, and operation of the line should be at the expense of the concessionaires, or of the persons to whom they sublet the work, or transfer their rights, with all due formalities, the consent of the respective Governments, being first obtained.

Tenth. That all materials necessary for the construction and operation of the railroad should be exempt from import duties, subject to such regulations as may be necessary to prevent the abuse of this privilege.

Eleventh. That all personal and real property of the railroad employed in its construction and operation should be exempt from all taxation, either national, provincial (State), or municipal.

Twelfth. That the execution of a work of such magnitude deserves to be further encouraged by subsidies, grants of land, or guarantees of a minimum interest.

Thirteenth. That the salaries of the Commission as well as the expense incident to the preliminaries and final surveys should be assumed by all the nations accepting, in proportion to the population according to the latest official census, or, in the absence of a census, by agreement between their several Governments.

Fourteenth. That the railroad should be declared forever neutral for the purpose of securing freedom of traffic.

Fifteenth. That the approval of the surveys, the terms of the proposals, the protection of the concessionaires, inspection of the work, the legislation affecting it, the neutrality of the road, and the free passage of merchandise in transit, should be (in the

event contemplated by article eighth) the subject of special agreement between all the nations interested.

Sixteenth. That as soon as the Government of the United States shall receive notice of the acceptance of these recommendations by the other Governments, it shall invite them to appoint the commission of engineers referred to in the second article, in order that it may meet in the city of Washington, at the earliest possible day.

Mr. Blaine, then Secretary of State of the United States, in presenting to President Harrison the above report of the Railway Committee said:

«No more important recommendation has come from the International American Conference, and I earnestly commend it to your attention, with full confidence that prompt action will be taken by Congress to enable this Government to participate in the promotion of the enterprise. In no other way could the Government and people of the United States contribute so much to the development and prosperity of our sister Republics and at the same time to the expansion of our commerce.»

The President of the United States, in transmitting the report to Congress, thus expressed his views on the importance of the project:

«To the Senate and House of Representatives:

«I transmit herewith, a report of the International American Conference, recently in session at this Capital, recommending a survey of a route for an inter-continental line of railroad to connect the systems of North America with those of the Southern Continent, and to be conducted under the direction of a Board of Commissioners representing the several American Republics.

«Public attention has chiefly been attracted to the subject of improved water-communication between the ports of the United States and those of Central and South America. The creation of new and improved steam-ship lines undoubtedly furnishes the readiest means of developing an increased trade with the Latin-American nations. But it should not be forgotten that it is possible to travel by land from Washington to the southernmost capital of South America, and that the opening of railroad communication with these friendly States will give to them and to us facilities for intercourse and the exchanges of trade that are of special value. The work contemplated is vast, but entirely practicable. It will be interesting to all and perhaps surprising to most of us to notice how much has already been done in the way of railroad construction in Mexico and South America that can be utilized as part of an international line. I do not hesitate to recommend that Congress make the very moderate appropriation for surveys suggested by the Conference, and authorize the appointment of commissioners and the detail of engineer officers to direct and conduct the necessary preliminary surveys.—(Signed.) *Benj. Harrison.*—Executive Mansion.—May 19, 1890.»

The appropriation asked as the share of the United States toward a preliminary survey for information regarding the Continental Railway was made, together with contributions from some of the other countries interested. Soon thereafter the Inter-Continental Railway Commission began its work, with eleven of the Governments of America represented therein.

Mr. A. J. Cassatt, now President of the Pennsylvania Railroad, one of the greatest and most successful railway systems in the world, was unanimously

elected Chairman of the Commission and Mr. H. G. Davis, Chairman of the Finance Committee. About \$360,000 were spent by the Commission for surveys, maps, printing, etc. Three corps of engineers were put in the field and the results of their work, covering a period of several years, and completed in 1895, showed that the approximate distance from New York to Buenos Ayres, according to their surveys and using existing roads, would be 10,471 miles, about one half of which was then completed and is in operation. The following official letter, written in 1896 by Captain E. Z. Steever, Secretary of the Inter-Continental Railway Commission gives the most reliable information obtainable regarding the railways that could then be used as a part of a continental line, and how much yet remained to be completed.

INTERNATIONAL RAILWAY COMMISSION.—Washington, D. C., January 16, 1896.—Hon Henry G. Davis, Washington D. C.—Dear Sir: In accordance with your verbal request left at this office on the 14th inst, I herewith furnish an estimate of the length of line required for an all-rail route from New York City to Buenos Ayres, Argentine; according to countries.

«There is now through railroad connection as far as Oaxaca, Republic of Mexico, and surveys have been made, and according to press reports, concessions have been granted to connect Oaxaca with some point on the Mexican Guatemalan boundary. Puebla is 129 miles Southeast of the City of Mexico by the Ferrocarril Interoceanico, and 115.6 by the Ferrocarril Mexicano, the former being a narrow and the latter a standard gauge railroad. Oaxaca is 227.6 miles southeast of Puebla by the Ferrocarril Mexicano del Sur and, therefore, 356.6 miles from the City of Mexico by one line, and 343.2 by the other. Oaxaca is at present the most southern town that has railroad connection with the City of Mexico, and is distant from the Guatemalan frontier by the space which would require a railroad some 400 miles in length.

«The surveys and examinations of the Inter-Continental Railway Commission commenced at the northwestern frontier of Guatemala and extended to the western boundary of Bolivia. The approximate length of the railroad to connect the south-eastern boundary of Mexico with the Capital of the Argentine Republic would be as follows:

In Guatemala . . .	230 miles.	In Ecuador . . .	1,127 miles.
„ Salvador . . .	220 „	„ Peru	635 „
„ Honduras . . .	70 „	„ Bolivia	1,671 „
„ Nicaragua . . .	224 „	„ Argentina . . .	774 „
„ Costa Rica . . .	363 „	„	1,143 „
„ Colombia . . .	1,372 „		
		TOTAL	6,702 miles.

1,127 miles.
«The distance from New York to Laredo is 2,187 miles; thence to the City of Mexico 839 miles; thence to Oaxaca 343 miles; to the Guatemalan frontier 400 miles; a total of 3,769 miles; making the entire distance from New York to Buenos Ayres 10,471 miles.

«Of the above 6,702 miles there are in operation the following links:

In Guatemala, from Escuintla to Patulul	30 miles.
„ Salvador, from Sonsonate to Atos	20 „
„ Nicaragua, from Chinandega to la Paz	31 „
Total in Central America	81 „
In Peru, from Sicuani to Puno	151 „
„ Bolivia, from Oruro to Huanchaco	192 „
„ Argentine, from Jujuy to Buenos Ayres	993 „
Total in South America	1,336 „

«A grand total for Central and South America of 1,453 miles, already built and in operation.

«Deducting these 1,453 miles from the 6,702 gives us 5,249 miles of railway to be built in order to secure an all-rail route from the southern boundary of Mexico to the Capital of Argentine. In other words, half of the distance between New York City and Buenos Ayres is already covered by existing railroads.

«It is believed that additional surveys, especially in Peru, will shorten the length of lines required, but the facts given above are the best obtainable at date of writing.

«Hoping this statement will meet your requirements, I am, very respectfully, E. Z. Steever, Secretary.»

The table below gives a summary of the report of the engineers of the Inter-Continental Railway Commission as to the number of miles of the proposed Continental Line already built between New York and Buenos Ayres, the location of the portions that will be needed to make a through line, and the estimated cost of same:

ACROSS.	BUILT OR PROPOSED.		BUILT.		TO BE CONSTRUCTED.		Cost of Grading, Masonry and Bridges.
	Miles.	Kilometers.	Miles.	Kilometers.	Miles.	Kilometers.	
Central America	1,043.00	1,678.53	211.30	340.05	831.70	1,338.48	\$ 17,154,517 00
Colombia	1,354.04	2,179.10	.....	.....	1,354.04	2,179.10	33,738,424 84
Sum	2,397.04	5,857.63	211.30	340.05	2,185.74	3,517.58	50,892,941 84
Ecuador	656.00	1,058.94	.....	.....	648.00	1,058.94	26,863,855 00
Peru	3,053.04	4,916.57	211.30	340.05	2,843.74	4,576.52	77,756,796 84
Sum	1,738.51	2,873.48	151.61	244.00	1,633.90	2,622.48	65,758,146 00
Bolivia	4,840.55	7,790.05	362.91	584.05	1,477.64	2,306.00	143,514,942 84
Sum	587.55	945.86	195.06	313.91	392.49	631.65	12,023,329 00
Argentina	5,428.10	8,735.69	557.97	897.96	4,870.13	7,837.64	155,538,271 84
Sum	1,061.66	1,708.58	936.66	1,507.40	125.00	201.16	4,000,000 00
United States	6,489.76	10,444.12	1,494.63	2,405.36	4,995.13	8,038.81	155,538,371 84
Sum	2,094.00	3,352.93	2,094.63	3,309.93	.....	.....	14,752,000 00
Mexico	8,583.76	13,814.10	3,588.63	5,775.29	461.00	741.90	14,752,000 00
Sum	1,644.30	2,646.22	1,183.30	1,904.32	5,456.13	8,780.71	174,290,271 84
Sum	10,228.06	46,460.32	4,771.93	7,679.61	.....	.....	.....

From this it will be seen that it was estimated by the engineers of the Commission at the time their report was made, in 1895, that \$175,000,000 will

construct the railroad necessary to join existing lines and give through rail-communication. Since then some additional railroads have been built that could be utilized as a part of a Continental system and it is the opinion of this Committee that, now, not more than 5,000 miles of road would have to be constructed, to establish railway communication between the systems of North America and South America. Basing the cost at \$40,000 per mile, which we believe would be ample, \$200,000,000 would be required for this great work. The surveys made by the engineers of the Commission demonstrate the practicability of constructing the needed lines and there should be no great difficulty in financing such a project, when the results to be obtained are considered. Such railway systems in the United States, as the Pennsylvania, New York Central, Atchison, Southern, and others, operate more miles of road than are needed to make the Continental Railway a reality, and each of these systems has bonds and stock outstanding aggregating more than the sum estimated as the cost for this enterprise. The Russian Government has just completed a long railroad for the purpose of developing Siberia, at a cost considerably exceeding the estimated cost of the Inter-Continental Railway, and more difficult to construct.

The Republic of Mexico furnished a recent example of what has been accomplished by increased railroad advantages.

In the Report of the Mexican Delegation, to this Conference, speaking of the Inter-Continental Railway, they say:

«In so far as Mexico it concerned, it has not ceased to make efforts and even sacrifices to build its railway system, extending it towards the South and in a manner that will enable it to connect with the lines which the Central American Republics may build, as it is already connected at several points on its Northern frontier with important railroads of the United States of America. There is under consideration at the present moment a line which will be connected with the existing Inter-oceanic Railway now in operation across the Isthmus of Tehuantepec, and quite recently a concession, with ample subsidies, has been granted for the construction of a railway, which, branching from that of Tehuantepec, will extend towards the frontier of Guatemala.» They also say that, «It has been the constant desire of the government and people of Mexico, to extend every facility for better interior communications, increasing thereby the exploitation of its natural elements and mercantile traffic with other nations.»

While the building of the Continental Line is a great undertaking, the benefits to be gained are not as problematical, nor the obstacles to be overcome as great, as those encountered by the builders of the railroads across the Alleghanies and the Rockies, when these lines were constructed.

Experience the world over has proved that the development of the natural resources of a country follow the establishment of railway communications, and a railway system bringing all the Republics of this hemisphere into touch with each other would lead, more than anything else, to the development of the Southern Republics, especially in the interior. It is now possible to bring to market from points not reached by railroads only such products as can be hauled on pack-mules, or otherwise, to the sea-ports for export, and the points at which vessels can

touch are often hundreds of miles apart. Shipments can be made to and from places every few miles on a railroad. Great areas of mineral deposits and of rich timber and agricultural lands, in Central and South America, lie practically untouched because of the lack of transportation facilities. The statistics of most of these countries show that so far only the sections contiguous to the sea have been developed. Not only would such a railway line aid in developing territory now practically inaccessible, and this add to the general wealth of the countries traversed, but the increased facilities afforded would result in competition between rail and steamship transportation in the regions now depending entirely on the latter. Competition is the life of trade, and while more direct and increased water-transportation facilities between the Republics of America are necessary, and should be encouraged, both rail and water-communication are required for full growth and development.

In the event of war between some of the European powers, commerce might be seriously interfered with by the interruption of water-communication, but the danger from this cause would be minimized if the Republics of America could communicate with each other by rail, without recourse to the seas.

A country or section of country without railroads is behind the times and cannot successfully compete with regions possessing these advantages. When the first railroad from the Mississippi River to the Pacific was built, many doubted whether it would pay, as the country to be crossed was even to a great extent uninhabited. Now there are several lines, all paying, and the rapid development of the Great West of the Northern Republic, largely owing to railroad facilities, has been the wonder of the West and South-West, as the interior points of the Southern Republics would be most benefitted by the establishment of a Continental Railway, because these sections would then have closer and more direct communication with each other. The trade possibilities, when the 195,000 miles of railroad in the United States and the 10,000 miles in Mexico are connected with the 10,600 miles in Argentine and the systems in the other Republics of America, can hardly be estimated.

Since the establishment of railroad communication between Mexico and the United States, the trade of these countries with each other has largely increased, until now Mexico sends over 70% of her total exports to the United States and the latter country sells in Mexico goods amounting to about the same value. In the year ending June 30, 1901, the United States bought merchandise to the value of \$121,000,000 from the countries of Central and South America, which was about 14% of its total imports; and during the same period the United States sold to these countries merchandise to the value of . . . \$52,000,000, or only about 10% of the total imports of Central and South America.

In showing the lack of proper transportation facilities now existing between the Republics of America, some of the Delegates to this Conference, in order to reach the City of Mexico, had to go by way of Europe and New York, and others via San Francisco. A letter or express package from Mexico or the United States intended for some of the South American Republics, would go first to Europe and from there to its destination.

This Committee has reports on the railways of their countries from some of the Central and South American Delegates and when the others are received, we ask that all be printed as an appendix to this report.

SUMMARY.

Whereas, the three corps of engineers employed by the Inter-Continental Railway Commission made reports of their experimental surveys, accompanied by maps, between the Northern border of Guatemala and the Northern border of Argentine, during the years 1902, 1903 and 1904, and deemed it practical to complete a standard gauge Continental Railway, passing through the Republics of North, Central, and South America, and that, by using the roads now in operation, the distance to be built would be 5,456 miles, and the estimated cost \$174,290,271, about \$32,000 per mile; and,

Whereas, it is a well known fact that railroads develop the natural resources, increase the commerce and wealth, and add to the general prosperity of countries traversed by them;

Therefore, estimating the distance to be built at 5,000 miles and believing that the cost will not exceed \$200,000,000 (or \$40,000 per mile), your Committee unanimously recommends: First, the construction of an Inter-Continental line, with branches wherever necessary to connect with the principal cities, passing through the different Republics and connecting the systems of the United States and Mexico with those of the Argentine Republic.

The recommendations of the last Conference at Washington regarding the preliminary surveys having been complied with, we unanimously endorse the following, taken from the proceedings of the Pan-American Railway Committee and adopted by the Washington Conference:

First. That a railroad connecting all or a majority of the nations represented in this Conference will contribute greatly to the development of cordial relations between said nations and the growth of their material interests.

Second. That the railroad, in so far as the common interests will permit, should connect the principal cities lying in the vicinity of its route.

Third. That if the general direction of the line cannot be altered without great inconvenience, for the purpose mentioned in the preceding article, branch-lines should be surveyed to connect those cities with the main-line.

Fourth. That for the purpose of reducing the cost of the enterprise, existing railways should be utilized as far as is practicable and compatible with the route and conditions of the continental railroad.

Fifth. That all materials necessary for the construction and operation of the railroad should be exempt from import duties, subject to such regulations as may be necessary to prevent the abuse of this privilege.

Sixth. That all personal and real property of the railroad, employed in its construction and operation, should be exempt from all taxation, either national, provincial (State) or municipal.

Seventh. That the execution of a work of such magnitude deserves to be further encouraged by subsidies, grants of land, or guarantees of a minimum of interest.

Eighth. «That the railroad should be declared for-