

BRIEF HISTORY OF THE MISSOURI-KANSAS-TEXAS RAILROAD LINES

*By Walter A. Johnson**

Famed as the pioneer railroad of the Southwest, the Missouri-Kansas-Texas has the proud heritage of a romantic past. There was romance in the daring conception of a railroad that would traverse the hills and valleys of Missouri and Kansas, extend through the wilds of Indian Territory, now Oklahoma, and across the plains of Texas to the foothills of the great mountains running down from Colorado through New Mexico, and come to rest finally by the warm waters of the Gulf of Mexico.

There was romance too in the carrying out of this ambitious vision to give the Southwest a closely knit and efficient means of transportation, for all of the country penetrated by what are now M-K-T rails was at that time wild, unsettled and undeveloped.

Fulfilling the dreams of its founders and justifying the hardships and the heroism of the men who engaged in its actual construction, the M-K-T is today, as it has always been, a great independent railroad, serving St. Louis and Kansas City, in Missouri, the principal cities of Oklahoma and Texas, and all of the rich agricultural and mineral lands in between.

Soon after its construction the M-K-T began to be familiarly known as "the K-T," and from this grew its general designation as "the Katy," symbolic in a sense of the friendly, neighborly manner in which it was regarded by the people it serves.

The Katy was the first railroad to enter Texas from the North, opening to that rapidly developing state, markets for its cattle and farm products, and providing a swift and dependable means of transportation for the hundreds of thousands of settlers who moved from various parts of the country to make their homes in the Lone Star State. The 60th anniversary of the Katy's entrance into Texas was observed on Christmas Day, 1932, when this long period of service was signalized by an appropriate observance at Denison, the "Texas Special" being piloted into the state by the late P. H.

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Tobin, acting as guest engineer, Mr. Tobin having been the engineer of the first train to enter Denison in 1872. It was a gala occasion, fitting the historic event which it celebrated, and attracted state wide interest.¹

Begun less than five years after the close of the Civil War, the men engaged in the construction of the railroad were, for the most part, veterans of the Northern and Southern armies—young men and men in the prime of life, inured to the hardships of life in the open, while its financiers were far-seeing young men just emerging into financial influence, men whose names in later years loomed large in the world of finance.

These included August Belmont and J. Pierpont Morgan (now called the elder), then a young private banker in New York City; Levi P. Morton, destined in the 1880's to be Vice-President of the United States; John D. Rockefeller, then a young oil man of Cleveland; Levi Parsons, later to become well known in railway express circles, and George Denison. The latter two gave their names to cities, soon to become historic in the growth and development of this young railroad. All were possessed of vision of one sort or another. They knew of the desire of the federal government to link the frontier army posts of the West and Southwest with bands of steel, and they could visualize the agricultural and commercial development that would accompany the building of the Pacific roads and the lines, like the Katy, destined to connect these east and west roads with the Gulf ports and with Mexico.

It was in the vision of these men that the Katy had its conception, and no story of the first railroad to penetrate Texas from the north would be complete without mention of them, and due reference to the part they played in its beginnings.²

The Missouri-Kansas-Texas had its genesis in the United States government's land grant policy for development of the west through the construction of railroads. Curiously, however, the Company, owing to an improper exercise of Congressional authority, never received more than its right of way through the Indian country. Still it was the land grant, which at the time was supposed to be in every way legal, that prompted the building of the railroad.

¹ The Missouri-Kansas-Texas Railroad celebrated its "Diamond Anniversary" in 1945, at which time the M-K-T Lines published a booklet, *The Opening of the Great Southwest, 1870-1945*, giving a brief history of the origin and development of the "Missouri, Kansas and Texas Railway, better known as the Katy Lines." This booklet is in the Library of the Oklahoma Historical Society.—Ed.

² See "Pioneer Railway Construction" (Chapter XXXVII) in *Oklahoma: A History of the State and Its People* by Joseph B. Thoburn and Muriel H. Wright (New York: Lewis Historical Publishing Company, Inc., 1929), Vol. II, pp. 475-88.—Ed.

In line with the Federal Government's policy of inducing western development, there was another scheme of much importance to that period and one furnishing no little inspiration for the building of a railroad into Indian Territory—the necessity of maintaining troops west of the Mississippi and in the Southwest. Tedious marches would get them there but means of quick transportation between posts was wholly lacking. Recognition of this lack gave birth to the idea of connecting the main army posts by rail.

By an Act of March 3, 1863, while the Civil War was at its height, Congress, looking to the bringing of army posts into rapid communication, as well as having in mind the general policy of western development, proposed to grant alternate sections of land along the route to aid in the construction of the Fort Union, Santa Fe, & New Mexico Railroad, an east and west line, now the A. T. & S. F., and to aid in the construction of a line from Emporia, Kansas, down the Neosho Valley, to a point where it would connect with the Leavenworth, Lawrence & Ft. Gibson railroad, then building from Fort Leavenworth to the southern boundary of Kansas, in the direction of Galveston Bay. That act was the real beginning of the M. K. & T. railroad that nine years later carried its rails into what is now Muskogee, Oklahoma, and the following year crossed the Red River on its way to Galveston Bay, then its objective and now one of its southern termini.

Fort Gibson, Oklahoma's most historic spot, established as a military post in 1824, was the objective, so far as the Indian country was concerned. The idea was to connect Fort Leavenworth, then the big western supply depot, with Fort Gibson by the Leavenworth, Lawrence & Fort Gibson line, and touch the Emporia branch of the Fort Union line (Santa Fe) at Chanute, Kansas, with the intention of having the latter extend to Junction City, Kansas (Fort Riley). By an Act of the Kansas Legislature on February 9, 1864, the Federal grant of the year before was formally accepted and the rights were conferred upon the Company under its present name of the Atchison, Topeka & Santa Fe, requiring construction through Kansas from east to west and southward from Junction City, Kansas, down the Neosho Valley.

The east and west line was built, and stands today one of the finest pieces of railroad property in the country, but the Neosho Valley branch was abandoned by the Santa Fe. In March 1866, and four years before the M. K. & T. came into existence in corporate form, the Santa Fe assigned its rights to that portion of the land grant applicable to the Neosho Valley under the Act of 1863, to the Union Pacific (Southern Branch), on condition that the latter would construct the line. By an Act of the Kansas Legislature the transfer was ratified.

There followed soon after an Act of Congress of July 25, 1866, granting to the State of Kansas a land bonus for the Kansas &

Neosho Valley railroad, then building under a Kansas Charter from Kansas City, through the eastern counties of that State to and across the southern boundary of Kansas. This line financed by Jay Cooke, a Philadelphia banker, later became known as the Kansas City, Ft. Scott & Memphis, and is now a part of the Frisco system, operating through Baxter Springs, Kansas. This line, as well as the Leavenworth, Lawrence & Fort Gibson and the Union Pacific (Southern Branch), was recognized in Section 11 of the Act of Congress contemplating the building of a railroad through Indian Territory.

The Union Pacific (Southern Branch) was incorporated in February, 1865, proposing to build from (Fort Riley) the junction of the Smoky Hill and the Republican forks of the Kaw River, thence south via Clarke's creek and the Neosho river to a point where the stream is crossed by the southern boundary of Kansas, with corporate rights to extend through Indian Territory and to Fort Gibson and Fort Smith.³ The government took no chances in putting up its land prize, providing that if either of the two lines—Union Pacific (Southern Branch) or Leavenworth, Lawrence & Ft. Gibson—should reach the Kansas border in the valley of the Neosho River before the Kansas & Neosho road (the Jay Cooke line) did, the winner was to be accorded the exclusive right to build through Indian Territory under the land grant, without regard to previous intention. This was the prize (which afterwards turned out to be worthless, the Courts holding Congress had exceeded its authority in attempting to give away the land of Indians) that started the activity which resulted in the construction of what is now the Missouri-Kansas-Texas Railroad.

Probably with a view of making the grant as applied to the Union Pacific (Southern Branch) a certainty, there came from Congress the day following the Neosho Valley Road's act, the Act of July 26, 1866, dealing alone with this road and directing attention to the purposes stated in its charter, also declaring it would have the right to build down the Neosho Valley with the consent of the Indians and not otherwise. This makes apparent the Government's purpose to effect railroad connection between Ft. Riley and Ft. Leavenworth, on the north, and Ft. Gibson and Ft. Smith, to the south, although Ft. Smith had been abandoned as a chief military base.

By the terms of the Congressional Act, the Governor of Kansas was delegated to make the first inspection of the construction provided for, and when he should certify that any section of ten consecutive miles had been completed "in a workmanlike manner as a first class railroad," the Secretary of the Interior was directed to

³ See *Appendix A* for further data on the organization of the Union Pacific Railway Company, Southern Branch, supplied by Mr. M. D. Green.

issue patents for a fixed proportion of the land being granted, and upon the Governor's report, together with that of the Secretary of the Interior, would depend the decision as to which of the lines had been constructed in accordance with the laws.

Thus was the stage set when, for the first time, the Missouri-Kansas & Texas Railway Company, as such entered the picture.⁴ This Company came into existence on April 4, 1870, by an Act of the Kansas Legislature, the new Company assuming the charter of the Union Pacific (Southern Branch). At once a great railroad building race began among the three railroads heading southward for the prize of exclusive right to build through Indian Territory.

Tradition is full of weird stories of the rivalry, but the only one supported by the records is that the Missouri, Kansas & Texas, thirty days before its line reached the Kansas border, sent a "flying squadron" to the spot where it was to cross the Kansas state line and sought to secure a vested right by building a section of track between the State and Indian Territory. The M. K & T. company was halted in this piece of enterprise by an executive order of President Grant, on report by Secretary Cox of the Department of the Interior, and yet, owing to the abandonment of the race by the Leavenworth, Lawrence & Ft. Gibson and by a blunder of the Kansas & Neosho Valley in building to the wrong point into the Quapaw Reservation, where it had no rights, instead of into the Cherokee Nation, the Katy won the coveted right to build the north and south line through Indian Territory.

On July 12, 1870, Secretary Cox reported to the President that the Katy had crossed the Kansas State line at noon June 6th, a few miles south of Chetopa, Kansas, designating that as the proper point.

Some six years later, three years after the Katy had crossed Red River, the following account of this episode in M-K-T history was related in an article descriptive of the new line to the Gulf:

The Management of this line (the Katy) had made a bold stroke in order to be first to reach the Cherokee country and obtain permission to run a line through it, as well as get conditional land grant; and in May, 1870, occurred quite an episode in the history of railroad building. On the 24th of that month, the line reached within 24 miles of the southern boundary of Kansas. Much grading was unfinished; bridges were not up; masonry was not ready. But on the 6th day of June, at noon, the first locomotive which ever entered Indian Territory uttered its premonitory shriek of progress. In even days 26½ miles of completed track was laid, four miles being put down in a single day. A grant of over 3,000,000 acres of land, subject to temporary Indian occupancy under treaty stipulations, has been accorded the Missouri, Kansas & Texas Railway Company on the line of road in Indian Territory between Chetopa and Red River. The question of future disposition of Indian Territory is now interesting to the

⁴ See *Appendix B* for the names of the officers and of members of Board of Directors of the M. K. & T. Railroad in 1871, and other historical data supplied by Mr. M. D. Green.

Missouri, Kansas & Texas Railway Company, and it has built its line through a great stretch of country, hoping that fertile lands now waste may come into market.

A less spectacular but more authentic account of this rapid railroad building is contained in the first annual report of the Company, issued in May, 1872, reporting its operations up to and including March 31, 1872, from which the following is an excerpt:

Your road has been constructed, and well constructed, with perhaps unparalleled rapidity. Work was first commenced, under a contract made with the Land Grant Railway and Trust Company, in November, 1868, for the construction of the line from Junction City to Chetopa, 182 miles; the contract requiring that the whole line should be completed by May 1, 1872. It was completed and accepted by the company, October 1, 1870, or nineteen months sooner than was required by the contract.

In October, 1869, the same company undertook the construction of the line from Sedalia to Parsons, about 160 miles, and this line was completed through, and accepted March 1, 1871. At the same time work was being carried on in the Indian Territory, and on the Holden & Paola line, and has since progressed, until today there are 551 miles of completed road, that have been constructed since November, 1868—forty-two months—being an average of a little over half a mile of completed railroad for every working day during the past three and a half years.

That first track consisted of 56-pound iron rails with little or no ballast other than the sod of the prairie. It would not be considered much of a railroad nowadays, but it was as good as the best of its time. Gradually the rail was changed out for heavier steel until only 85- and 90-pound steel is used on this section of the Katy main line. From the days of the old cattle trail to the present time, the main line through Oklahoma has been a heavy traffic line, and today, the Muskogee district is the heaviest traffic district on the Katy.

Winning of this great land grant prize, subsequently found to be worthless by the courts, provided the Katy with the credit necessary for completion of the building through Indian Territory, and the Company in time came to see the "fertile lands now waste come into market," even if it failed to obtain the millions of acres the Federal and State Governments both certified it had won. With the passing of the years and the settlement of those lands, however, the Company has prospered, and has grown rich and powerful along with the people of this great new empire its rails first opened to civilization.

Having won the right to traverse Indian Territory from north to south, the Missouri, Kansas & Texas chose its objectives in line with its own and the Government's military policies. The "Texas," or "Ft. Gibson," road was a well known cattle trail leading from Texas through present day Oklahoma to northern markets. It had existed since long before the Civil War. In 1871 it was the chief thoroughfare from Texas to Kansas City and other northern cattle

markets, with branch highways to Fort Smith and to the old military road leading to St. Louis. To the south it touched trails coming through Fort Worth and San Antonio and other Southwest Texas districts. Other trails led from it to the western limits of the Indian country, whence trails led to Western Kansas, Nebraska and Wyoming grass.⁵

The Fort Gibson trail, as it was first known, later becoming the M. K. & T. trail, because the railroad followed its route along the divides nearly in an air line, extended from the region of Whitesboro, Texas, to Baxter Springs, Kansas, then a big cattle market. Below the present city of Muskogee and north of Canadian River it bore to the eastward and led the travel through Fort Gibson, where there was a bountiful water supply. But for the opposition of the Cherokee Indians to some of the plans of the railroad, it might have followed this route and the city that is now Muskogee might not have had this railroad.

To carry out its first intention, the Missouri, Kansas & Texas proposed to build from the present station of Gibson, a short distance above Muskogee, to Fort Gibson, and thence in a due southerly direction to Red River. A branch was to extend to Fort Smith. While the Cherokees had consented to let the railroad cross their domain, even though reluctantly, they balked at this proposal, and threatened to hold the venture up indefinitely. Consequently the line headed south from Gibson station through the Creek agency to Muskogee. Late in 1871 the line was completed to the Arkansas; in the spring of 1872 to Muskogee, and in the last days of 1872, it crossed Red River, establishing Denison in the spring of 1873 and making it the main operating point in North Texas. As a result of Cherokee opposition to Katy plans, Fort Gibson did not get a railroad for a number of years thereafter.

During the days when Muskogee was the southern terminus of the Katy, conditions were not all rosy. As a developing agency in Eastern Oklahoma the Company encountered troubles of various sorts. Operating trains through many of the southwestern sections 60 and 65 years ago was not an unmixed pleasure. In what is now Oklahoma, the troubles incident to that period originated almost exclusively among white people. In the early years a class known as "terminuses," from their practice of being civilization's vanguard at the railroad's end, gave a great deal of trouble. They were so-called soldiers of fortune, many of them, but actually were for the most part frontier "bad men."

On one occasion when the railroad did something that was not pleasing to this gentry, they promptly showed their resentment by

⁵ Grant Foreman, *Down the Texas Road: Historic places Along Highway Number 69 Through Oklahoma* (Norman: University of Oklahoma Press, 1936), a review of which appeared in *Chronicles of Oklahoma*, Vol. XIV, No. 4 (December, 1936), pp. 501-2.—Ed.

turning a switch and throwing a train into a ditch. Similar episodes were frequent. Once a government representative came into the country to make an investigation, only to leave hurriedly on orders of this rough element. Katy trainmen of these days had to be "hard" to keep trains running at all. Conditions became so bad that President Grant put the United States cavalry into the "Nation" to guard property and keep the peace. The final solution was to drive the bad element out, and, as one writer of that period relates, "the Terminuses accepted hours at the point of bayonets to decamp."

There was no trouble of this character with the Indians.⁶ Their Government was able to meet all normal situations but was powerless against the "terminuses." The older Cherokee element acquiesced only passively in the building of the railroad through their territory, but their resentment manifested itself chiefly in attributing their troubles to the invaders. Cherokee priests and conjurers were given to accounting for all hard luck by the presence of the "Devil's Iron Rails." The road was anathematized around the council fires. Being unable to bring rain, the rainmakers on one occasion told the people their efforts would have been successful but "the clouds could not get across the Missouri, Kansas & Texas Railway Company's tracks." So the chief manifestation of the Indian's hostility to the iron horse was to give the company a bad name.

It was in 1872 that the company threw its line of 56-pound rail across Oklahoma, then Indian Territory, from Cabin Creek to Red River, a distance of 215-58 miles, also building 3.36 miles of 52-pound rail track from North McAlester to Krebs.

The line from Atoka to Lehigh was constructed during 1881, nine miles, laid with 56-pound rail. Another 4.77 miles was extended in 1882 from Lehigh to Coalgate by the Denison & Washita Valley Railway Company. This track was also laid in 56-pound rail.

The Denison and Washita Valley Railway Company was incorporated January 8, 1886, under the general laws of the State of Texas. By special act of Congress approved July 1, 1886, and amended June 12, 1890 the company was given authority to extend its line in the Indian Territory. The company or road was acquired by purchase as a branch line of the Missouri, Kansas & Texas Railway Company, Atoka to Lehigh by deed dated May 17, 1893. There is no record of time operated by the D. & W. V. Ry. Company.

The property of the D. & W. V. Ry. Co. from Atoka to Lehigh was deeded May 13th, 1903, to the Missouri, Kansas & Texas Railway Company and the property from Lehigh to Coalgate was deeded May 13, 1903, to the Texas & Oklahoma Railroad Company.

⁶ Norman Arthur Graebner, "The Public Land Policy of the Five Civilized Tribes," *The Chronicles of Oklahoma*, Vol. XXIII, No. 2 (Summer, 1945), pp. 113-14; and "Provincial Society in Eastern Oklahoma," *Ibid.*, No. 4 (Winter, 1945-46), p. 337.

The Texas & Oklahoma Railroad Company was consolidated with the Missouri, Kansas & Oklahoma Railroad Company; articles of consolidation dated December 12, 1903. Missouri, Kansas & Oklahoma Railroad Company deeded its property to the Missouri, Kansas & Texas Railway Company June 30, 1904.

The Missouri, Kansas & Oklahoma Railroad was incorporated under general laws of the Territory of Oklahoma, filed with Secretary of the Territory December 13, 1903. It is now operated by the foregoing corporation (M-K-T).

Rail weighing 52- and 56-pound was used in the 9.59 miles of line constructed during 1899, from Krebs Junction to Gaines Creek.

In 1903 the Missouri, Kansas & Oklahoma Railroad Company built a line, using 60-65 pound rail, from Wybark to Osage, distance 79.37 miles. In the same year and the one following the road constructed 169.12 miles from near South Coffeyville, Kansas, to Oklahoma City, using 66-pound rail, and from Fallis to Guthrie, 27.98 miles. The Missouri, Kansas & Oklahoma Railroad Company was consolidated by deeds June 30, 1904, and November 3, 1904, with the Texas & Oklahoma Railroad Company to form the Missouri, Kansas & Texas Railroad Company. The articles of consolidation are dated December 7th, 1903.

The Wichita Falls and Northwestern Railway Company of Texas in 1905 constructed a road from Wichita Falls to Red River 16.61 miles and in 1907 built from Red River to Frederick 32.60 miles laying 60-65 pound rail; in 1909 it extended the track from Frederick to Altus, 25.60 miles, also using 60-pound rail. The break between Altus and Elk City was connected in 1910, distance 60 miles, and with 60-pound rail laid. The next year, 1911, saw the completion of 35.80 miles between Elk City and Leedy with 65-pound rail, and the following year, 1912, the line was extended 133.17 miles from Leedy to Forgan. Rail weighing 65 pounds was put down. Back in 1910 the company ran the roadway 57.43 miles with 60- and 65-pound rail from Altus to Wellington, Texas, crossing the state line near Dodsonville, Texas.

The Wichita Falls & Northwestern Railway Company was incorporated under laws of the Territory of Oklahoma, October 5, 1906, articles of incorporation filed with Secretary of State. This company acquired by purchase the franchises, corporate property, rights and privileges of the Altus, Wichita & Hollis Railroad Company of Oklahoma by deed of sale, August 23, 1911.

The Altus, Wichita Falls & Hollis Railroad Company of Oklahoma incorporated February 18, 1910, under state laws of Oklahoma, and articles filed February 18, 1910, constructed in the year 1910 a line from Wellington Junction to Otex, 41.90 miles, but deeded its

property August 23, 1911, to the Wichita Falls & Northwestern Railway Company, and did not operate the road.

The Wichita Falls & Northwestern Railway Company was leased to the Missouri, Kansas & Texas Railway Company of Texas, April 20, 1914, and the lease became effective on May 1 the same year. The company was acquired by purchase December 15, 1922, by the Missouri, Kansas & Texas Railroad Company.

For a number of years the Katy owned its road into Texas only as far as Sherman, some fifteen miles beyond Red River. In 1880 the Company began the acquisition and building of lines that in the next three decades carried it to Houston, Galveston and San Antonio.

The first road the Katy purchased in Texas was the Denison & Southeastern Railway. This road had been incorporated on July 27, 1877. It was partly constructed from Denison in a southeasterly direction, when by amended articles of incorporation, dated March 6, 1880, it became the M-K-T Extension railway. A second Texas line, known as the Denison & Pacific Railway, became the property of the Katy through its acquisition of the Southeastern. These lines were deeded in 1891 to a new corporation, the M-K-T of Texas, which had been formed to take over Katy property in the state under the law that required every railroad entering Texas from another state to be incorporated as a Texas company.

In 1886 the property of the Taylor, Bastrop & Houston was deeded to the Katy, embracing a line from Smithville to San Marcos and from Taylor to Boggy Tank, a distance of 90.80 miles. Eventually this line was extended on to Houston.

In 1891 the Dallas & Wichita Railroad Company, formed in 1871, with a line from Denton to Dallas, was consolidated with the Katy, and in 1886 the line from Greenville to Dallas, first known as the Dallas & Greenville railway, was deeded to the Katy. The track from Dallas to Hillsboro, built as the Dallas & Waco Railroad during the years 1888-1890, and carried on to Waco, became a part of the Katy in 1891. The line from Granger to Austin was built as the Granger, Georgetown & San Antonio, and was acquired by the Katy in 1903. In the course of time, by dint of considerable building and much purchasing, the M-K-T, which had begun as early as 1879 to build its own lines where necessary to link up its various purchases, was able to have its own rails to Houston and San Antonio and by joint ownership of the G. H. & H. to reach Galveston also.

An idea of railroad building in Texas in those days is contained in this extract concerning Katy operations from the *Railroad Gazette* during the year 1881:

Dispatch says road will be built all the way to Galveston. Line is now being located from Virginia Point to Randon, which is on the Gal-

veston, Harrisburg & San Antonio road. Surveying from Waco to International is completed. Tracklaying from Ft. Worth begins Monday (April, 1881).

On Southeastern Extension track is now laid to Mineola, Texas, the south by east from last year's terminus at Greenville, Texas, and it will soon reach the crossing of the mainline of the Texas & Pacific (May 1881)."

On Southeastern Extension track is now laid to Mineola, Texas, the crossing of the International & Great Northern and the Texas & Pacific roads, (June 1881).

In the issue of July 8th, it is stated that track is reported laid for 12 miles southward from the terminus at Ft. Worth, making it 108 miles from Denison, and on July 22nd it is said that the track had reached a point 25 miles south of Ft. Worth, which shows construction of more than 12 miles in two weeks. This does not approach the record made by the line in reaching Indian Territory in the early 1870's, but it is fairly rapid railroad building for all that.

Up until the 1880's the Katy had made no effort to get a line into St. Louis, having had for many years trackage arrangements whereby Katy cars entered St. Louis from Sedalia over the Missouri Pacific. During the next two decades by acquisition of other lines and by building, tracks were extended to Machens, Missouri, where junction was made with the Burlington, and from that point Burlington tracks were used into St. Louis. In 1889 the Katy acquired the property of the Kansas & Pacific, which it had operated for more than six years, thus gaining entrance to Kansas City, and in due time acquired by purchase and building lines to Tulsa and Oklahoma City, and through acquisition of its Northwestern District a line through Wichita Falls into western Oklahoma. Now the Katy system serves a vast territory in the Southwest, with northern and eastern termini at Kansas City and St. Louis, and southern termini at Houston, Galveston and San Antonio, nearly every city of importance in Oklahoma and Texas, except El Paso, being served directly by Katy rails.

The tiny railroad that started out so ambitiously in the 1870's to make its way to the Gulf finally succeeded, but not without hardships and financial vicissitudes that tried the courage of its builders. The pioneer railroad into Texas from the north, the first line to cross that part of what is now Oklahoma known then as Indian Territory, there has always been something of the spirit of the pioneer about its management and indeed its entire personnel. The same spirit of high endeavor that characterized its builders characterizes the men who are guiding its destinies in happier times. It is the boast of the Katy management that it thrives with, not on, the communities which it serves. Exclusively a southwestern railroad, with its interests centered in this section, the Katy has always been a consistent and persistent champion of Southwestern interests.

Revenues received for transportation service have remained in the Southwest in the form of wages, operating costs, rental, taxes and continuing investment to improve service. Since 1902, when it emerged from what might be termed the pioneer period, the Katy has invested approximately \$150,000,000 in additional capital. This new investment, plus operating expenses, taxes and rents, exceeds the net revenues the company received during that period. Through the foresighted investment of these sums, the Katy management has brought about economics largely offsetting the effect of steadily increasing wages, taxes and material and supply costs.

Southwestern growth will continue to require increased railroad investment each year. Under the present scheme of public regulation, the Katy has made steady progress, has extended and improved its service. If public welfare is to be properly served, it is essential that management have freedom of initiative to operate under the simple business laws which apply alike to all enterprises financed by private capital.

Continued cooperation on the part of the public which the Katy serves is essential to maintenance of the high standards of service the Katy Management has established and seeks to maintain.

APPENDIX A

The Union Pacific Railway Company, Southern Branch, was organized under the laws of Kansas in 1865 for the purpose, as stated, as follows, to-wit:

"The object of this Association shall be the construction of a railway, commencing at or near Fort Riley, or the junction of the Republican and Smoky Hill forks of the Kansas River, and on the line of the Union Pacific Railway, E. D., running thence, via Clarke's Creek and the Neosho River, to a point at or near where the southern boundary-line of the State of Kansas crosses the said Neosho River.

"The ultimate object of this Association being to secure the construction of a continuous line of railway from the points above named, via Arkansas and Red Rivers, to the City of New Orleans in the State of Louisiana."

By Act of Congress approved July 26, 1866, a grant of lands was made to the State of Kansas to aid in the construction of the Union Pacific Railway Company, Southern Branch, from Fort Riley, Kansas, to Fort Smith, Arkansas.

An Act of Congress approved March 3, 1863, granted lands to the State of Kansas to aid in the construction of certain railroads, said to be the Atchison, Topeka, and Santa Fe Railroad Company and the Leavenworth, Lawrence, and Fort Gibson Railroad Company.

The Union Pacific Railway Company, Southern Branch, changed its name in 1870 to Missouri, Kansas, and Texas Railway Company.

By Act of Congress approved July 25, 1866, Congress made a land grant to the State of Kansas to aid in the construction of the Kansas and Neosho Valley Railroad and its extension to the Red River, and Section 11 of that Act provided, among other things, as follows:

"AND PROVIDED FURTHER, That should the Leavenworth, Lawrence and Fort Gibson Railroad Company, or the Union Pacific Railroad Company, Southern Branch, construct and complete its road to that point on the southern boundary of the State of Kansas, where the line of said Kansas and Neosho Valley Railroad shall cross the same, before the said Kansas and Neosho Valley Railroad Company shall have constructed and completed its said road to said point, then and in that event the company so first reaching in completion the said point on the southern boundary of the State of Kansas shall be authorized, upon obtaining the written approval of the President of the United States, to construct and operate its line of railroad from said point to a point at or near Preston, in the State of Texas, with grants of land according to the provisions of this act, but upon the further SPECIAL CONDITION, nevertheless, that said railroad company shall have commenced in good faith the construction thereof before the said Kansas and Neosho Valley Railroad Company shall have completed its said railroad to said point: AND PROVIDED FURTHER, That said other railroad company, so having commenced said work in good faith, shall continue to prosecute the same with sufficient energy to insure the completion of the same within a reasonable time, subject to the approval of the President of the United States."

A race then began between the Kansas and Neosho Valley Railroad Company, the Leavenworth, Lawrence and Fort Gibson Railroad Company and the Missouri, Kansas and Texas Railway Company to be the first to complete a road to the designated point on the southern boundary of the State of Kansas as provided in Section 11 of said Act of Congress approved July 25, 1866, and win the prize therein provided for, of authority to construct and operate a railroad from said point to a point at or near Preston, in the State of Texas, with the land grants, etc., as therein provided.

In 1870 the Cherokee Tribe or Nation of Indians made complaint to the Secretary of the Interior that working parties of the Union Pacific Railway Company, Southern Branch, and of the Kansas and Neosho Valley Railroad Company had entered the Nation and were grading lines of railroad. J. D. Cox, then Secretary of the Interior, made an investigation and report to President U. S. Grant under date of May 21, 1870, in which he said, in part:

"Sir: On the 13th instant, upon a complaint filed in this department by the duly-authorized delegates of the Cherokee nation, avering that parties alleging themselves to be working parties of the Southern Branch Union Pacific Railway Company, had entered the Cherokee country and were employed in grading a line for a railway, the officers of said railway company were notified by this department that the Cherokee Indians did not recognize their right to intrude upon their territory, and that no work of the kind referred to could be permitted therein until the Executive should be satisfied, by evidence submitted through this department, that such entry and occupation was in accordance with law. A similar notice had been given on the 27th ultimo to the officers of the Kansas and Neosho Valley Railway Company who were reported to have entered the Quapaw reservation, near the town of Baxter, in southeastern Kansas.* * * *

"The point submitted for the consideration of the department and for your determination is. What rights have been given to railroad companies to construct railroads through the Indian Territory, and what railroads, if any, are entitled to such privileges and right of way?* * * *

"The only question which now remains to be determined is, whether either, and, if so, which of the railroad companies engaged in the race from points in Kansas for the northern boundary of the Indian Territory,

has performed the conditions necessary to acquire the right to construct the trunk road north and south through the Indian Territory.

"I find that Mr. Joy, one of the principal stockholders and directors of the Kansas and Neosho Valley Railroad Company, in the year following the passage of the acts and the ratification of the treaties which have been mentioned, procured the possession, by purchase, of the tract of land in southeastern Kansas, immediately north of the boundary of the Indian Territory, known as the Cherokee neutral lands, and that soon after this purchase the line of said Railway Company was located due north and south through the greater part of said Cherokee lands, and nearly, if not exactly, upon the line dividing the land so purchased into two equal eastern and western parts; that the construction of the road upon this line, which I believe to have been made for the purpose of giving, as nearly as possible, equally increased values to the lands so purchased, in all their parts, has taken this road off the line necessary to intersect the Indian boundary-line at the Neosho River, or near the same; and that the road has, in fact, been constructed to a point on the Indian boundary-line, about ten or more miles east of said Neosho River, touching the reservation of the Quapaws, through which no power to pass has been granted by treaty or by consent of the Indians holding that and several other small reservations in the northeastern corner of the Territory. I find, further, that the point where said Kansas and Neosho Railroad Company has touched the southern boundary of Kansas and the northern boundary of the Indian Territory, is not one reasonably within the meaning and purpose of the general scheme which I have found to have been fixed by the legislation and treaties referred to. In addition to these considerations, I would submit that it would be manifestly unfair and inequitable if one company were allowed, at its own will, to change the plan of route so as to shorten its own line to the common point, and lengthen that of its competitors by a distance which might be twenty-five miles, or equal to that from the Neosho River to the Missouri boundary-line. I therefore find that the Kansas and Neosho Railroad Company is not authorized, at present, under said legislation, to enter the Indian Territory and build the trunk line aforesaid, and that to complete its right at this time to do so, it would have been necessary for said road to have been completely constructed to a point in the Neosho Valley at or near the crossing of the boundary-line by the Neosho, and where it could enter the Cherokee country without crossing the reservation of any other Indian tribe. This the said Company has not done.

"As to the Southern Branch Union Pacific Railroad Company, I find that its line of road is in substantial accord with the scheme fixed by the legislation and treaties, but that said Company has not built a completed line of railroad up to this date to the crossing of the Indian boundary-line. I find further that the said Railroad Company, without completing its said road to the aforesaid common point of crossing the Indian boundary, has gone on in advance to grade within the Indian Territory, and is, therefore, an intruder within said Territory, and that the complaint of the Cherokee nation in regard to them is well founded.

"As to the Leavenworth, Lawrence and Fort Gibson road, it is not averred on its behalf that it is now in a condition to claim the right of entry to the Indian Territory. * * * *

"If you shall agree with me in the conclusions I have reached, it is apparent that, inasmuch as it may soon be necessary to decide which company shall first completely fulfil the conditions upon which its right to enter the Territory may depend, some means should be taken to have such determination made in a manner calculated to avoid disputes between any

of the parties in interest and the Indians, and to avoid breaches of the peace which might arise out of such disputes.

"I would therefore respectfully recommend that the Superintendent for the Central Indian Superintendency, and the military officer acting as the superintendent for the Southern Indian Superintendency, be appointed by you, a commission to determine which of the said railroad companies shall first fully comply with the conditions of the statutes as the same have been hereinbefore defined, and to report to this department when such complete fulfillment shall have taken place; that an executive order be issued declaring that no railroad company shall be permitted to enter said Indian Territory for the purpose of grading or constructing a railroad until such report shall have been received and approved by yourself, and a formal permission given.

"There is incidentally connected with the discussion of these questions the further one as to the propriety of giving approval to the construction of other railroads through the Indian country than those which may be built in strict accordance with the scheme fixed by the treaties and by legislation.

"The policy of preserving the Indian Territory as free as possible from intrusion by white settlers, under any form, has been hitherto regarded as firmly established in this country. It has been based upon the well-known fact that the Indian tribes which are brought into closest contact with the whites have been uniformly injured by drunkenness, and other vices which they have seemed peculiarly unable to resist, and the only hope of their complete civilization seems, by common consent, to rest upon our ability to keep them by themselves, under stringent laws with regard to the introduction of intoxicating liquors, and in circumstances where immoral intercourse with the whites shall be prevented as thoroughly as possible.

"The intelligent men among the civilized Indians fully appreciate the necessity of this policy, and their delegations have been extremely earnest in deprecating any course which may throw them into closer contact or more direct competition with our own people than is absolutely necessary. Negotiations for the removal of Indians from the small reservations in Kansas and Nebraska to the Indian Territory have been based upon this policy, and in order to carry it out with any degree of success it is necessary to adhere to it as firmly as possible.

"We cannot honestly advise the scattered and small tribes now within our organized States, to migrate to the Indian country, except upon the honest assurance that there, with the advantages of teachers and mission establishments, and protected from the temptations which have heretofore been so ruinous to them, they may work out the problem of their possible civilization and final incorporation into the nation.

"I, therefore, most earnestly advise, inasmuch as in the wisdom of Congress the scheme involving the building of but one trunk railroad through the Territory from north to south, with a branch from Fort Gibson to Fort Smith, and a double line from east to west, meeting in the Valley of the Canadian, has been deemed sufficient for the necessities of our own commercial intercourse between different sections of the country, that this scheme be rigidly adhered to, and that no approval be given to any deviation therefrom.

"I am, sir, with great respect, your obedient servant,

"J. D. Cox, Secretary.

"The President."

This report was approved by President Grant, with authority to carry out the recommendations made, by endorsement thereon, as follows:

"Executive Mansion, May 23, 1870.

"The views and findings of the Secretary of the Interior herein are approved, and his recommendations will be carried into execution.

"U. S. Grant."

In a report of July 12, 1870, to President Grant Secretary Cox approved and submitted a report of commissioners appointed to determine the construction of the railroads, as follows:

"I have now the honor to state that I have received a report from said Commissioners, dated the 13th day of June, 1870, showing:

"1st. That the Union Pacific Railway, Southern Branch, reached the northern boundary of the Indian Territory, in the valley of the Neosho River, on the west side and about one mile therefrom, at 12 M. on the 6th day of June, 1870, and that at that time there was no other railroad nearer than sixteen miles of that point.'

"2d. That on the 9th day of June, 1870, Governor James M. Harvey, of the State of Kansas, the officer specified by Act of Congress to pronounce upon the completion of this railroad, certified over his official seal and signature, that the same was a first-class completed railroad to the northern boundary of the Indian Territory.'

"Under a misapprehension as to the condition of the controversy between the several roads before yourself and this Department, the said Commissioners proceeded further to make some statements with regard to the Kansas and Neosho Valley Railroad, which reached the northern boundary of the Indian Territory on the 30th day of April, 1870, but at a point about fifteen miles east of the Neosho River, and upon the borders of the Quapaw reservation, through which no right for any railroad company to enter has been granted by the Indians, as I have formerly reported to you in my communication of the 21st of May above mentioned."

This report was approved and recommendations authorized by President Grant by endorsement thereon as follows:

"Approved, and the recommendations of the Secretary of the Interior will be carried into execution.

U. S. Grant.

"July 20, 1870."

Secretary Cox thereupon notified the Missouri, Kansas and Texas Railway Company by letter to its president, Levi Parsons, under date of July 22, 1870, as follows:

"Sir: The President has approved the finding of the Secretary of the Interior that the Missouri, Kansas and Texas Railway Company had, by complying with the conditions precedent, become entitled to construct their railroad through the Indian Territory, and has prescribed, that to secure the proper construction thereof, south of the southern boundary of the State of Kansas, the road "shall be made upon the easiest grades and curves which are practicable; its road bed raised above the reach of floods and thoroughly drained; its bridges and culverts of solid, durable, and approved construction; its ties not less than 2,700 to the mile, and of hard wood; its rails not less than 56 pounds weight to the yard, thoroughly coupled by the fish joint; and the road, throughout its complete length,

before it shall be finally accepted, well ballasted with stone or gravel, and fully furnished with side tracks, water and fuel stations, and rolling stock, up to the standard required of the railways to the Pacific Ocean. For the purpose of securing of such construction, * * * a commission of three competent persons (will) be appointed, whose certificate shall be required in similar manner, and who shall be paid by said Company, at the same rate as was done in the case of the Union Pacific Railroad, to the Pacific Ocean.

"Besides the agreement of such Company to comply with these terms, they shall further be required, before entering said Indian Territory, to give bond in a reasonable amount, payable to the United States, or to either of the Indian Nations, through whose territory they may pass, conditioned that they shall, in every particular, respect the rights of said Indian tribes, and the individuals thereof, as guaranteed by the treaties, and the intercourse and other statutes of the United States; that they shall commit no waste upon said Indian lands, nor take material therefrom, except under contract with said Indian tribes, or individuals thereof, who may make sales of individual property; such contracts, whether with the nations or individuals, to be valid only when approved by the proper officers of the Indian Department.

"The Missouri, Kansas and Texas Railway Company will, therefore, on filing a map of their route, and the required bond, in this Department, be authorized to construct their road through the Indian Territory to Preston and to Fort Smith, subject, however, to a compliance with the terms and conditions hereinbefore mentioned, and to such orders as may be made by this Department for the purpose of enforcing such terms and conditions.

"Very respectfully, your obedient servant,

"J. D. Cox, Secretary.

Levi Parsons, Esq.,
Pres. M., K. & T. R. W. Co.,
No. 7 Nassau St., New York."

APPENDIX B

HISTORICAL DATA REGARDING MISSOURI-KANSAS-TEXAS RAILWAY COMPANY

In a publication printed in 1871 by order of the Board of Directors of the Missouri, Kansas & Texas Railway Company, predecessor of the present Missouri-Kansas-Texas Railroad Company, appears the following list of the then directors and officers:

DIRECTORS:

Levi Parsons,	New York.	Sheppard Gandy,	New York.
George Denison,	"	August Belmont,	"
D. Crawford, Jr.,	"	L. P. Morgan,	"
H. A. Johnson,	"	J. B. Dickinson,	"
Francis Skiddy,	"	R. S. Stevens,	Sedalia, Mo.
J. Pierpont Morgan,	"	G. M. Simcock,	Council Grove,
L. T. Heritage,	Emporia, Kansas.		Kansas.

OFFICERS:

Levi Parsons, President.	George Denison, Vice-President.
D. Crawford, Jr., Treasurer.	H. B. Henson, Secretary.

Office, No. 7 Nassau Street, New York.

- R. S. Stevens, General Manager, Sedalia, Mo.
O. B. Gunn, Chief Engineer, " "
W. R. Woodward, Superintendent Sedalia Division, Sedalia, Mo.
H. D. Mirick, General Freight Agent, Sedalia, Mo.
F. C. White, Superintendent Neosho Division, Junction City, Kansas.
I. T. Goodnow, Land Commissioner, Neosho Falls, Kansas.

Said publication also contains the following as to the then existing lines of railroad:

"The Missouri, Kansas and Texas Railway Company own and control the following described lines of road, viz.:

"NEOSHO DIVISION.—Starting from Junction City, on the line of the Kansas Pacific Railway, and traversing the State of Kansas in a southeasterly direction to the north boundary of the Indian Territory, a distance of 182 miles.

"SEDALIA DIVISION.—Starting from Sedalia, in Pettis County, Missouri, the most important station on the line of the Missouri Pacific Railroad, and running in a southwesterly direction through Clinton, Nevada, and Fort Scott, to a junction with the Neosho Division, at the Town of Parsons, a distance of 160 miles.

"From the southern line of Kansas, an extension is in course of construction through the Indian Territory to Preston, on the Red River, the Texas frontier. The whole of this portion of the line has been surveyed, and ninety miles of grading are finished, the iron for the same is already on the ground, and the road will be completed to Fort Gibson by the first of May.

"This is the only line authorized through the Indian Territory to Texas, by the Government of the United States. ***

"This Company now possesses and owns, by merger and consolidation, the rights, franchises and property, of the four following named Companies:

"1st. The Union Pacific Railway Company—Southern Branch.

"2d. The Labette and Sedalia Railway Company.

"3d. The Tebo and Neosho Railroad Company; and

"4th. The Neosho Valley and Holden Railway Company."

It is recited that The Union Pacific Railway Company—Southern Branch, was incorporated under an Act of the Legislature of Kansas in 1865; that The Labette and Sedalia Railway Company was incorporated under the general statutes of Kansas in 1870; that The Tebo and Neosho Railroad Company was incorporated by a special act of the Assembly of the State of Missouri in 1870; that The Neosho Valley and Holden Railway Company was incorporated under the same act and in the same manner as was The Labette and Sedalia Railway Company.

In a test case to determine the rights of the railway company to the alternate sections of land for ten miles on each side of its right of way through Indian Territory under its Land Grant Act of July 25, 1866, which case is entitled "Missouri, Kansas & Texas Railway Company v. United States," decided by the United States Supreme Court November 9, 1914, and published in 235 U. S. 37, 59 L. Ed. 116, the Court held that the grant never attached to the lands in question, because of contingent provisions in the Act, which never materialized. The Reporter's Syllabus of the opinion indicates the holding of the Court, and is as follows:

"The grant of alternate sections of land through the Indian Territory, made in aid of railway construction by the act of July 25, 1866 (14 Stat. at L. 236, chap. 241), sec. 9, 'whenever the Indian title shall be extinguished. . . provided that said lands become a part of the public lands of the United States,' never attached to lands which, under subsequent congressional legislation, have been distributed in severalty to the members of the Five Civilized Indian Tribes, or have been sold for their benefit."

The Court, by Mr. Justice Holmes, in delivering the opinion gave an interesting review of the history of the claim as follows:

"The United States had made land grants to the great roads running east and west, but had not provided for a connection between those roads and the Gulf, through Kansas and the Indian territory to the south. To that end, the act of July 25, 1866, after granting to Kansas, for the use of a road to be built through eastern Kansas from the eastern terminus of the Union Pacific between Kansas and Missouri, ten alternate sections per mile on each side of the road, Sec. 1, authorized the company mentioned to extend its road from the southern boundary of Kansas south, through the Indian territory to Red river, at or near Preston, in Texas, so as to connect with a road then being constructed from Galveston to that point. Sec. 8. The appellant also had been authorized by charter to build a road running southerly from a point on the Union Pacific to where the southern boundary of Kansas crosses the Neosho river, and had acquired a land grant; and the act of July 25, 1866, went on to provide that if the appellant, under its former name of Union Pacific Railway, Southern Branch, first completed its road to the point of crossing the southern boundary of Kansas. It should be authorized to construct its line to the point near Preston, with grants of Lands according to the provisions of this act.' The right of way was granted in accordance with treaties with the Indians, and is not in question here.

"The appellant finished its road first, built the southern extension, and acquired the rights to land under the act of 1866, and the question is what rights it has, in the event that has happened, under Sec. 9. That section enacted 'that the same grants of land through said Indian territory are hereby made as provided in the first section of this act, whenever the Indian title shall be extinguished by treaty or otherwise, not to exceed the ratio per mile granted in the first section of this act; Provided, That said lands become a part of the public lands of the United States.' This part of the Indian territory was occupied by the five civilized tribes, and what has happened is that, under acts of Congress, the land concerned has been distributed in severalty to the members of those tribes, or sold for their benefit."