

# THE GREAT SOUTHERN OF SPAIN RAILWAY COMPANY LIMITED

*This is a translation of the articles submitted by [Miguel Lloret Baldó](#) to the Company magazine "El Boletín".*

*Much of the old Spanish is somewhat tortured and often devoid of full stops. I have tried to present as faithful as possible a translation of the original which sometimes has excessively long sentences.*

**March 1917**

## **THE HISTORY**

### CONCESSIONARY PERIOD

On the 22<sup>nd</sup> December 1874, the executive Power of the Republic signed a concession in perpetuity for Mr Francisco de la Guardia y Durante to build a railway between Lorca to the Port of Águilas, with a change by Decree of the law of 14<sup>th</sup> November 1868 that established in article 1, the rights of the concessionary to fix fares for passengers and goods.

Mr La Guardia, was looking for capitalists to fund the business, but for 11 years was unable to do so, and in that time applied for five postponements of two years each to finish the works that, according to official documents, had started but not one of the towns concerned knew where.

All the World knew that the construction of the railway from Lorca to Águilas was impossible to undertake whilst the port of Águilas had not made the changes necessary for the efficient loading and unloading of merchandise.

With Royal Order of the 21<sup>st</sup> March 1879, it was conceded to Mr Luis Figuera y Silvela, Representative in Spain of the Compañía de Águilas (which was dedicated to the exploitation of lead mines and foundries) the construction of buildings for the improvement of the port. These works were undertaken and finished in 1884; and therefore, it was when Mr La Guardia encountered someone to whom to transfer the concession for the railway from Lorca to the Port of Águilas, that being Mr Roberto Robert, he did so.

When the last extension that had been granted to Mr La Guardia was about to expire, they looked for someone to whom the government could transfer the concession, and at the same time, they considered another postponement, that they could obtain, according to Royal Orders of the 9<sup>th</sup> and 12<sup>th</sup> June 1885, with the condition that the concession for the railway would cease to be in effect by the Decree of 14<sup>th</sup> December of 1868, being subsumed totally by the Decree of 23<sup>rd</sup> November 1877, which excluded the rights of the concessionary to the perpetuity of the concession or to setting fares.

In this form, on the 21<sup>st</sup> June 1887, Mr Roberto Robert ceded the railway to The Great Southern of Spain Railway, which was recognized by the Government in the Royal Order of 16<sup>th</sup> November of said year, resulting in a bad acquisition, for the loss of perpetuity and the ability to set fares, which was not ameliorated by any grant: the best thing being that they added the branch to the Murcia to Granada via Lorca railway, which was acquired at almost the same time by The GSSR, in which case they received the grant.

*There doesn't appear to be an April contribution.*

## May 1917

### CONSTRUCTION PERIOD

The GSSR being the owner of the lines Murcia to Granada via Lorca; and from Lorca to Águilas, proceeded to submit to the Government the plans for the relocation of this last line by making the junction in Almendricos instead of Lorca, in this case it was better as it was passing through a less productive area.

The project having been presented to The "*Junta Consultiva de Caminos Canales y Puertos*" was approved on 1<sup>st</sup> June 1888 in a Government Royal Order of 14<sup>th</sup> July of the same year, thus giving it the name 'Branch Line of The Diputation of Almendricos to Águilas'.

According to my information, The GSSR was formed by the initiative of Edmund Sykes Hett, director of the company 'Hett, Maylor & Company Limited of London', which took over the concession for the Murcia to Granada Railway via Lorca, which, as stated earlier, he was the concessionary.

The GSSR contracted Hett, Maylor & Co. for the construction of various sections, at a rate per kilometre, depending on the various sections, and for their part, they contracted The Marquis of Casa-Loring to build this at a fixed price depending on the type of work, this being the 53 kilometres between Lorca and Zurgena.

The GSSR employed Mr George Higgins as representative in Spain, who then set up offices in Lorca for the inspection of works under the auspices of Mr. Juan Santamaría. Hett, Maylor & Co. employed Mr Neil Kennedy and The Marquis of Casa-Loring and, as representative, the French engineer Mr Julio Tardieu.

Construction took place in sections, and apart from those that were built by The Marquis of Casa-Loring, the rest were built by Hett, Maylor & Co. who were sub-contracting smaller sections to other smaller builders. These created an infinity of questions that aren't worth mentioning, but caused many problems for the constructor. But the person who caused most problems for Hett, Maylor & Co. was The Marquis of Casa-Loring, due to his huge influences in Government. The reason that he could not get his own way was because of the zeal and skill of Mr Kennedy assisted by the solicitor of the Company in Murcia.

It was The Marquis of Casa Loring, who had a very energetic character and much experience in negotiations regarding the construction of railways due to having been the builder of the Granada to Bobadilla, Belmez to Cercadilla, Roda to Osuna and Alicante to Murcia and Torrevieja railways, knowing in total, the methods of construction which would benefit him the most, but he couldn't take advantage due to the serene character and sharp eye of Mr Kennedy.

*There doesn't appear to be a June contribution.*

## July 1917

The Marquis of Casa-Loring also contracted with Hett, Maylor & Co. Ltd. The construction of the branch between Almendricos and Águilas.

A short time after starting works in Águilas and a little later in Lorca, there was a suspension of works in this last section as The Marquis of Casa-Loring, who, as we said earlier, had a contract, with prices dependent on the class of the works, tried to make a modification to his own advantage in the construction of 3<sup>rd</sup> Class Stations and out-buildings by using bricks instead of what was agreed, i.e. stone and lime. This was of benefit to him and the concessionary company, but not to Hett, Maylor as they were contractors for all of the line at an elevated price.

According to the antecedents who related these things to me, Hett, Maylor had given to a Mr Haslam the charge of running things, who was represented in Águilas by a Mr. Clementson, for the reception of materials and as Station Manager, having been the first in England, dedicating himself to the education of those keen employees who had started as station and level crossing staff.

Being determined to do the job, in the March of 1889 The GSSR sent to Spain a Mr R.C. Ogilvie, an engineer charged with the installation of material in the workshops of Águilas which had been in the charge of Mr Higgin and later Mr Kennedy for a very short time.

On the 1<sup>st</sup> April 1890 the branch between Almendricos and Águilas opened and then on the 20th July the section between Almendricos and Lorca.

### **August 1917**

In the last weeks of 1890 there was a suspension of payments, resulting in the bankruptcy of Hett, Maylor & Co. Ltd., the company that suffered many disruptions and complaints from The Marquis of Casa-Loring and other smaller contractors who were now claiming against The GSSR.

Due to the critical situation, the company decided to be represented in Spain by Mr Neil Kennedy, who had previously represented Hett, Maylor & Co. Ltd. and for that reason was conversant with the matters concerning the construction of this railway, and due to his character and position, could deal with the problems of construction as well as front himself against such a skilful man as The Marquis of Casa-Loring.

Mr Kennedy had a such a strong character with a sparkle of goodness infused with respect and sympathy in everything that he touched; he was something more...(I don't know if I can explain myself) something like a man who is within a group of men superior to him, but who comes out on top. This is due to his outlook and the blend of his qualities: activeness, prudence, intelligence, skillful and brief in his discussions, and finally a mixture of skills necessary to deal with The Marquis of Casa-Loring. For this reason, he was made the representative of the Company which was an excellent idea.

However, during the claims being made by The Marquis of Casa-Loring he outgunned Neil Kennedy on two important issues: the lack of assistance in the courts and the lack of influence in government.

The Company had the solicitor Sr Montero Ríos who was considered the best lawyer in Spain, but he didn't have influence whereas The Marquis had the solicitor Sr Silvela, his political son, Minister of Government, therefore having much influence and thus putting Mr Kennedy at a disadvantage. In spite of this, the assistant to expert lawyer triumphed over the Marquis, which made him come to an amicable agreement, as we will see.

*There doesn't appear to be a June contribution.*

### **October 1917**

The Marquis of Casa-Loring, who considered himself a creditor of Hett, Maylor & Co. Ltd. for the construction of various sections of line, the last sections of which he had sub-rented against the difficulty of claiming against them, presented to The GSSR a demand from each court in whichever jurisdiction the sections found themselves.

The judges immediately declared an infinity of embargoes and stopped all works that the Company was doing under its own steam. In addition, in the section between Huércal and Zurgena, which

was finished, he placed obstacles on the line making it impossible for The Company to open the line and claim the grant corresponding to that section. The Company had great interest in opening this section as they wanted to start construction on the next section from Zurgena, a section that hadn't been sub-contracted to The Marquis by Hett, Maylor & Co.

So, the Company had the authorization to open the said section, but for the criminally placed obstacles on the track which was against the law and was depriving the villages of the train service but due to the official influence of the political son of The Marquis, Sr. Silvela, the powerful Minister, they obstructed the works that the The Company had done to get the maximum grant. The Company lawyer in Madrid, Sr. Montero-Rios was doing something and nothing as he was part of The Establishment and actually omitted to contest some of the claims, nor did he inform the lawyers for the Company in London, Messers Bompas, Bischcoff & Company.

The situation for Mr Kennedy couldn't be worse: on one side the influence of Loring; and on the other being uninitiated in the matters of the law of this nature; and finally the lawyers from Lorca and Huércal who were working for him were not sufficiently expert in these matters. The confusion in which he found himself, and the indecision of the experts in how to proceed was such that he was obliged to write to the representative of The Company in Madrid, Mr. Borrel to find and send him a lawyer who was experienced in these matters so that he could advise and proceed in quick time. However, Mr. Kennedy, with his quick eye and his knowledge of lawyers knew that there was only one who could proceed with advantage in these matters for the defence of the Company. This was a lawyer in Murcia called Don Juan de la Cierva who proceeded with the instructions that he had received to fight The Marquis which will be explained in the following text.

### **November 1917**

None of the lawyers for The Company (there were many) found another solution to the Loring problem and without a solution the railway would be paralyzed. This would mean that the Company wouldn't be able to collect the Government Grant, nor have access to any embargoed materials, nor have access to materials that had been brought in through Málaga for the Granada section as Loring had embargoed these as well. Well, it was then that the problem was presented to Sr Cierva, who, with his high level of intelligence, considered the matter to be of two types: judicial and governance, separating the first being the seizures and the other being the obstacles on the track.

The primary objective that The Company pursued was the opening of the Huércal-Zurgena section to receive the grant but all of the lawyers, including Sr. Montero-Ríos, said that that couldn't be done without recourse to the courts. However, Sr. Cierva was of the opinion that the matter of obstacles on the track was a matter for the Governor of the province who had control over the Guardia Civil whose job is to police the province, and that is when he came up with a great idea. Thinking of sending a letter to the Governor against Loring requesting the removal of the obstacles was out of the question due to Loring's influence through his political son Sr Silvela who was once a minister, so Sr Cierva had to come up with an alternative solution. He had to hide the fact to the Governor that Loring was involved as the Governor had been told by the Government to give Loring all help necessary. So Sr Cierva said that they needed to pass the matter through the State Engineer due to the conflicting rules that were laid down in the law, and in this manner request the authorization for the opening of this section of track. For this he charged the representative of the Company in Madrid, Mr Henry Borrel, to communicate immediately by telegraph with Mr Kennedy and with great secrecy and urgency, Mr Kennedy and Sr Ciervo left for Almería.

On their arrival, they didn't waste time in visiting the Governor, Sr Ciervo saying with much indignance, that vandals (not Loring!) had placed obstacles on the track at Km X with the criminal intent to prevent the passage of the trains. The Governor was also indignant, but somewhat indecisive, but his wife, who was present during the meeting asked “Hey, Pepe! If they open this line soon, will I be able to visit Mum in Alicante more quickly and in more comfort?” “Certainly”

replied The Governor. So she replied “Proceed immediately in making an order to remove the obstacles!”. Thus, the Governor ordered the Guardia Civil to remove the obstacles from the track. Before this meeting, Mr Kennedy had a train waiting in Huércal-Overa for a telegraph from Zurgena that the obstacles were removed and to travel with a notary public to Zurgena thus inaugurating the section and in the same action negating one of Loring's biggest actions against the Company. This infuriated Loring which resulted in the Governor being sent to live with his wife and mother-in-law in Alicante without ever travelling on the Murcia - Granada Railway.

### **December 1917**

Up until October of 1891, which was when the occurrence in the previous number happened, all of the legal matters were handled by Mr Montero-Rios; but Mr Kennedy, in view of the result that his last action had to be intervened by Mr Cierva, in the case of The Marquis of Loring, decided therefore to consider giving all of the actions against the Company to him. This was done to ease congestion due to indecision in the imagination of Mr Kennedy and to take all of the cases to a happy finish avoiding the loss of many hundreds of thousands of pesetas.

The Company attempted to come to amiable agreements with Loring many different times without success. However, due to his official influence, and resisting all intelligent discussion, up until when he saw that his intent to block the opening of the Huércal-Zurgena stretch, and that Sr Cierva, as soon as he had presented papers to the courts requesting the removal of the embargoes of materials, lands etc. and asking the Government for an extension to the length of the concession so as to finish the works due to so many embargoes and the retention of the grant had been paralyzed, he estimated that he was a person most practiced in these matters, that his cause was due to a disaster or at least needed again influence, frankly, of his son-in-law Mr Silvela for this ultimate point didn't have a result, that it was very difficult due to the impossibility for the Company to continue working and the protests of the towns on seeing the failure to construct the long-awaited railway. And, therefore, it was when he issued his agreement to come to a compromise having been called to London for this by Mr Kennedy in the middle of December of the same year: it's to say, that this very difficult case they found other lawyers, for timidity or lower intelligence, finally in six weeks they returned to Sr Cierva, but without the fear that the cases had produced in the mischievous Mr Loring, nothing had been resolved.

The London meeting was later put through to give effect to messers Silvela and Montero-Rios.

Here ended the case of Sr Marques de Casa-Loring, which was the most important; and in the next number we will discuss the cases of Don Alejandro Marín, Don Francisco Carrasco and Don Fortunato Fernández.

### **January 1918**

There were many complaints and fights with owners of land along the route regarding expropriation of the land for the line, and due to the abuse they got different results to their exaggerated protestations, and they caused very high costs to the Company which had to put aside large amounts of money as deposits as per the law, but of all of these many complaints, three stand out through alleged losses to mining properties which were so grave that these, and only these, put off other British capitalists from investing in Spanish railways.

To make claims about supposed damage to a mining area being of the greatest injustice and abuse greater than one can imagine is the same as if an individual has a house, but for lack of an access road he can't rent it; and another builds a road that makes the house very profitable and later the person pretends that the other has occasioned damage to his property, is the same morally as finding a worker passed out in the street, to give him first aid, give him a job, and the following day he makes a claim against you that by passing close to him you stood on his foot, with the greatest

insolence, and to take refuge in incomprehensible laws. We relate the facts and the reader can judge:

Claims of Don Alejandro Marín and Don Francisco Carrasco. - We will put together these two claims as they correspond to the same place, are similar in their form, and with the same outcomes. Alejandro Marín was the owner of various mining properties in Jaravía, and Francisco Carrasco of only one. The number and names of these we haven't recorded accurately, only that they had the names of saints (San José, San Carlos, etc. etc.). Such mines, having problems with the transport of ores to Águilas, were instead using the beach at Los Terreros as a point of loading onto ships, but as the transport of mineral was very expensive, many months passed - even up to years without shipping any ore as they had to await for the foreign price of ore to be very high; so it can be said that these mines could be considered non-productive and would have stayed that way if The GSSR hadn't decided to build the branch line between Almendricos and Águilas, and that the line would pass through this area specifically to service the mines of the area to their benefit by making the mines profitable with plentiful exploitation for the owners.

### **February 1918**

But Marín and Carrasco didn't think about the great advantages that a railway would bring, with a station only 100 metres from their mines, rather to make complaints about the effect the railway would have on them, and they wanted payment of some thousands of pesetas which was much more than the mines were worth as they hadn't been working the mines due to the difficulties and cost of transport of the mineral to the beach for loading. So, each one instructed a mining engineer to evaluate the loss caused by the railway to each of them.

As is often the case in these circumstances, the two mining engineers estimates were far apart, so the job was passed to a third engineer nominated by the State who, after some years, gave the verdict of guilt by the Company to the effect of 80,000 pesetas to Marín and 30,000 to Carrasco, the values of which in 1898, according to what was recorded by the Director Mr Gustave Gillman, these payments were made in front of the Mayor of Pulpí, in whose municipality one finds Jaravía. What a shame that in this case there hadn't been foresight amongst those that managed the construction of the railway! As we said previously, Jaravía Station was established very close to the mines by the Company, one could actually say within the boundaries, specifically to offer a mineral transport service to the mines so as to enable them to re-open and become profitable, but the owners didn't recognize these advantages, but the absolute opposite, taking refuge in the Law of Expropriation, abusing the Company that had to make payments, as we have already said.

Due to such injustices, the Company was obliged to move the station further away, three or four kilometres in the direction of Águilas as was judged in the first case brought by other mines and the village called Guazamara and the same time via a road which runs down the west hillside of the Sierra Almagrera so reducing the distance to the silver/lead and lead carbonate mines that existed in said mountainside, and secondarily siting the station in an area called Cocón, serving a village called Los Arejos and the mines in this area and thus increasing significantly the transport costs to the Jaravían mines, they now having to transport the ore four kilometres to the new station for loading, resulting in Marín and Carrasco pleading with the Company to move the loading point, which was refused.

### **March 1918**

For the reader to appreciate the benefits received by the complainants of the Jaravía mines, we can say, according to the data produced by this railway, that since they opened the branch from Almendricos to Águilas, until the end of last year, 270,000 tons of calcinated and uncalcinated ore were transported, understanding that Marín and Carrasco built in 1903 ovens from Bilbao to calcinate ore to improve their profits. One has to consider that before the railway, there weren't very well marked boundaries between the mines and Marín hadn't exported more than 10,000 tons to the beaches of Los Terreros and Carrasco not even one single ton.

So regarding these profits, according to my calculations the profit at 4 or 5 pesetas per ton accumulated to more than a million pesetas thanks to the construction of the railway and to those one must add the 110,000 pesetas due to the Law of Expropriation while the Company, in the transport of 270,000 tons, has gained hardly 120,000 pesetas, from which one can deduct those 110,000 pesetas due to the claim which only comes to 10,000 pesetas in the 27 years since the railway started to function.

Finishing with the Jaravía subject, we now turn to Don Fortunato Fernández who is discussed now. This person, who by his own account his only wealth was jewellery which he wore, a dandy suit, and some English leather leggings. On the Company starting work on the construction of the line between Murcia and Granada he made a complaint in Purchena Station that he owned a huge amount of land on which the railway had been built, and even though he never declared that there were any minerals before, he chose, due to the advice of a diviner, to designate the land as a coal mining area in spite of the lack of any information at all confirming that fact. And indicating his doubts as to the veracity of his claims, he called the mine "Terrible" sensing that there will be a "terrible" outcome to his skilful plan.

His plan was good in principle, he didn't raise the flag of war until all works on the railway across his land were finished and, then, he claimed that the railway was passing over the richest part of his mine, preventing him from working it. With this motive, he made two complaints one being decided to his benefit against the capital of the Company. His claim, according to memory, was for the *insignificant* amount of 6,000,000 pesetas, and in the course of the case, he organized a test that mining engineers performed in a well that he had had made, and the coal samples that were retrieved were found to be of superior or equal in quality and appearance to that of Cardiff which the locos of the Company were using. This being shown, he lost the case.

Both parties appealed the sentence and some time later came to an agreement that the Company would pay Sr. Fernández the sum of 4,000 pesetas in place of the huge amount that he was claiming.

One has to know that very soon after receiving the money, Mr Fernández closed the mine as it was unproductive.

In addition, there were many more, that we won't mention here but one has to enjoy this story, those who cost the Company dear. And now we can leave the part of the story relating to the difficulties of construction and in the next we will discuss the running of the Murcia - Granada railway.

### **April 1918**

In the previous edition, I said that we would look at the operation of the part of the railway that was in operation, but afterwards, I thought that it is of top importance to say something about the financial situation in which the Company found itself as a result of the lawsuit with The Marquis of Casa-Loring as well as the other cases during the construction; so, we are off to London as the financial centre of the Company and where it became evident for the first time that the parlous situation in 1893 required urgent attention and consequently reorganization as documented in the minutes of that year.

The construction was progressing on the track between Lorca, Baza and Águilas, still leaving the Baza - Granada section to complete the concession.

With the financial means available, also destined to satisfy the important demands of, for example, Hett, Maylor & Co. Ltd., it was impossible to complete the construction to Granada. So it was requested of the Spanish Government to segregate the section between Baza and Granada to allow another company to take it on and for it to take on the debts to Hett, Maylor & Co. Ltd. For works already performed in that section.

In the Annual General Meeting of the company on the 27<sup>th</sup> July 1894, which was the ninth AGM, it was agreed that there should be a reorganization.

On this date there were declared the following issues:

Bonds of 1° Mortgage at 6%	£447,772
Obligations at 6%	£943,000
Debenture loan	£152,000 including interest accrued.

Additionally, there were law suits which also hadn't been settled amounting to some £588,000. The project for the reorganization of the Company was as follows:

- 1°: To trade the bonds for 6% of 1° obligations. Mortgage at 5% same quantity.
- 2°: Substitute the obligations at 6% for others at 5% called bonds of variable interest, being variable interest on the profits of the operation of the line.
- 3°: The debenture loan to be changed to obligations for the 1° Mortgage.

In this way, they received investments against the first wave of bad luck experienced by the Company, however, the holders of the 6% bonds now had 5% bonds and the obligation owners had mortgages at 6% and had to understand that they would have to lose their right to a mortgage and 1% of their interest, now not fixed but variable - SO variable!! Additionally, some others lost the accrued interest to date. The project was presented to the highest tribunales in London, and after many meetings with shareholders during 1894, the reorganization was approved in the November. The reorganization of the Company took place in 1894, coinciding with the public opening of the Serón to Baza section (11<sup>th</sup> December 1894) which completed the route for this company. The other sections were opened as follows:

Águilas - Almendricos:	1 <sup>st</sup> April 1890
Lorca - Almendricos:	20 <sup>th</sup> July 1890
Almendricos - Huércal:	10 <sup>th</sup> April 1891
Link between Lorca stations:	7 <sup>th</sup> March 1892
Huércal - Zurgena:	30 <sup>th</sup> June 1892
Zurgena - Almanzora:	10 <sup>th</sup> November 1893
Purchena - Serón:	10 <sup>th</sup> September 1894

and lastly, to Baza on the date previously stated.

In the manner that we like to describe the progress, it is divided into different periods:

- 1°: Opening of sections of the line to start operations coinciding with the construction (1890 - 194) and January - May 1895 when the directors Mr. Kennedy and Mr Ogilvie started.
- 2°: 1894 to 1897 - Mr Purdon as Director.
- 3°: 1897 - 1903 during which, under the management of Mr Gillman, the loading pier El Hornillo was built, supplying a service to the mines of Bacaes (Serón).
- 4°: Mr Jones as manager between 1911 and 1913.
- 5°: Mr Boag as firstly sub-director and then director starting in 1907.

## June 1918

The story of the railway comes under a number of sections as listed above, the first being Águilas to Almendricos on the 1<sup>st</sup> April 1890 and the last, Serón to Baza on the 14th December 1894.

**The conduct of Mr Ogilvie.** - Before the opening of the first section of line, being the middle of the month of November 1889. Mr Ogilvie arrived in Águilas as the Advisor of the Company Director of Operations, which was at that time under the Department of Material and Traction, and under his direction was building the workshops, locomotives, coaches and wagons. Mr Kennedy acted as representative and Director General of the Company, but Mr. Ogilvie enjoyed the independence in the organization and direction of the various services of the operation, excepting only Ways and Works which was responsible for construction and was under the direct responsibility of Mr. Kennedy. This, as we will see, caused some friction and in his sight, Mr Kennedy decided that the manager of Ways and Works would obey and complement any order that he received from the Director of Operations regarding the condition of the track and the running of trains in the sections open to the public.

Some months before the arrival of Mr. Ogilvie, there was a Mr Clementson in the Reception Office for Materials, and at the time, to organize and teach the station and level-crossing staff there was a man called Mr Haslam who had been a Station Manager in England and the United States. His Spanish was patchy and thus his teaching (apart from the use of the telegraph) was useless to the extent that Messers Kennedy and Ogilvie decided to transfer his services to Operations.

In addition, in the early months of 1809 there came a master stoker, an adjuster and three drivers as instructors who had little time to settle in, but Mr Ogilvie was gifted with a great intelligence and possessed exceptional skills for the duty he had to bear, like Mr Kennedy who had sufficient experience of the running of railways in Spain as he had worked on an English railway in Bilbao, and Mr Torrens, the President of the Company was cognisant of the abilities of the staff that he had working for him, which were the best of any working on any of the companies in Spain. And for this, he organized for the English employees to have indemnization against the cancellation of their contracts. In this way he created an economy which was of some importance given the small length of track (31 kilometres) opened for operation.

## July 1918

As soon as they had started running they were halted through the most major of inconveniences, that is the terrible condition of the water, being very inconvenient to the extent that there was always two locomotives out of action between Almendricos and Águilas. There was always 6 or 8 boilers under repair: and when they were later repaired and remounted onto a locomotive the result was that in very few kilometres of use, they were converted into railway watering cans, producing large puddles every time that they stopped. The need to block leaking tubes became so frequent that our engine drivers and firemen were considered to be top experts in the subject. In the workshops, the amount of limy encrustations was such that it didn't seem to them that they had been constructed to work in this way.

What is incomprehensible is that the company did many assays in England and Madrid of a huge amount of different waters, in fact all waters that could be found near any point near to where the line passed, and according to the analyses, all of them were more or less good, not one being bad, but in use it was found to be the exact opposite. The quality of nearly all of them was so bad that it was very rare, in fact a novelty that a train would travel between Águilas and Almendricos and return.

And then, on opening the line between Almendricos and Lorca, we started using the water from The Syndicate who came to use the railway between Alcantarilla and Lorca and which was of superior quality: but, however, because they had to mix this water with that of the branch line, that they only experienced such improvements as to reduce somewhat the encrustation and blowing up

of tubes from what had been before. Soon (and it is the worst thing) they opened the section between Almendricos and Huérca-Overa where we were going to take advantage of a well known water supply that according to its analysis was to be the salvation of the railway: however, on starting to use it, it turned out to be of such a poor quality that we had to abandon the idea: later we acquired more in the same place but the facts showed that it was even worse; except that with this water we performed a great number of tests adding various ingredients without a single success.

### **August 1918**

For the reason shown, the bad quality of the waters, many hundreds of thousands of pesetas were wasted in the workshops, in the frequent repairs to the locomotives that, along with the low levels of traffic, created a very critical situation for the Company: this is how in such a short time that Messers Kennedy, Ogilvie and Purdon had put into action the running of the railway that all reduced the transport of the small amounts of ore from Jaravía and Almendricos, average traffic in esparto and marble and a reduced traffic in general in goods that when 1897 arrived Mr Gillman took possession of the Directorship and commenced his project of development wanting even in the time of Mr Purdon, to encourage exploitation of the important iron mines in *The Sierra de Bacares*.

To this effect he studied the importance of mining in said area, creating a project for an aerial cable for the transport of the ore down to Serón Station and in complement, conceived of a loading pier in El Hornillo and due to his initiative and actions constituted '*The Bacares Iron Ore Mines Limited*' for the exploitation of the mines, and '*El Hornillo Company Limited*' for the construction of '*El Embarcadero del Hornillo*' thus initiating the loading of ships from the mineral pier in 1904; and from this date on, there greatly improved the profits from traffic.

With the road open to these important exploitations, other mining companies starting mining *Cuevas Negras* and *El Gran Coloso* in Tíjola and the mines of *El Tesorero* between Serón and Hijate whose exploitation lasted only a short time.

Almost at the same time '*Sociedad Cabarga San Miguel*' founded by 'W.H.Muller and Company' started working a very important group of mines in Bacares and Menas, in whose exploitation one can say that they ran as partners due to the importance of *The Bacares*.

For this transport the railway company spent a huge amount of money in buying 35 ton wagons so as to load directly onto the freighters as well as locomotives of double the power.

### **September 1918**

The family of Sr. Lloret Baldó are stricken with the influenza and so he is unable to supply his report this month.

### **October 1918**

The works performed on El Hornillo were performed under the direction of Mr Gillman as creator of this project, Mr David Buttle, Head of Material and Traction of the railway being in charge of the steelworks; Don José Blanco, Head of Ways and Works in charge of the track; Don Justo Oliver, Head of the Accounts Department in charge of accounts; and in charge of bureaucracy (who believes that it is most complicated in Spain) is the Secretary of the Management.

At the end of the works, '*The Hornillo Company*' was so satisfied with the works performed by The GSSR staff that they sent laudatory letters of thank you to Mr Buttle, Sr Blanco, Mr Oliver (his with some sterling notes), I believe that there was something similar to Mr Henry Borrel for his negotiations in Madrid; Sr Blanco leaving the Company on 4<sup>th</sup> July 1905 being replaced by Don

Pedro María Fernández, Head of Ways and Works, the 1<sup>st</sup> August of the same year; and Mr David Buttle left to accept promotion in “*El Ferrocarril de Antofagasta*” on 15<sup>th</sup> June 1907, having been replaced by Mr. Sydney O. Browne on the 9<sup>th</sup> October of the same year.

The El Hornillo pier was inaugurated on the 18th August 1903 with the steamship 'Greatland'.

In May of 1904, Mr Gerald P. Torrens died. From the beginning of the construction he was holding the elevated responsibility of President of the Board of the railway; and in his place was Mr. Thomas Harrison who since then, carried it out with great sureness; while during the construction and later during the running he experienced difficult, even grave times but he knew to support and channel Mr Torrens with his recognized talent and experience, principally in the construction of railways in Spain, one has to recognize that Mr. Harrison, as we will see later, took the running of the railway in other directions so that it enjoyed profitability up until the war was started by the arrogant German aristocracy.

## **November 1918**

### **MODERN EPOCH PROGRESS IN OPERATIONS**

This history of the modern era wouldn't be complete without discussing the recapitalization of the Company, the idea for which was had by The President of the Administration Board, Mr Torrens and activated with great effectiveness by his successor Mr Harrison.

The railway Company took unto itself the lease of The Hornillo Company on the 1<sup>st</sup> January 1903. The private installations of the railway Company didn't permit the transport of ores on a grand scale, nor did its financial situation, being very critical, allow for the expenditure to invest in anything new. It was essential to raise new capital in addition to clearing previous debts and interest payments of previous years.

The Extraordinary General Meeting held in London on the 14th June 1904 was to present to shareholders, creditors and other interested parties the following project, whose terms were accepted and put into action. The payment of £200,000 of Mortgage Stock obligations at 6%. The sum of £599,772 of Special Debenture Loans, the exchange for the same value of Obligations of Variable Revenue at 5% accrued of that which had increased to the respectable value of £239,909, which were satisfied with the input of £119,955 in the same class of Obligations of Variable Revenue, plus £119,954 in shares: in other words, in place of crediting the Company said interests, to pay the creditors their amounts, half of the obligations, and the rest in shares. The obligations came to £1,002,952, and the Funding Certificates to £72,223, which they exchanged for 50% of their nominal value to shares. The preferred shares, that were worth £250,000, were substituted for 10% of their value and the Ordinary Actions valued at £234,820 were exchanged for 5% of their value to New Ordinary Shares. In this way, the Company's capital was transformed:

<b>Old Capital</b>		<b>New Capital</b>	
Prior Lien Bonds	£599,772	First Mortgage Debenture Stock	£200,000
Interest debt accrued	£239,909	5% Income Debenture Stock	£599,772
Debentures	£1,002,952	50% interest owed	£119,955
		50% shares	£119,955
		50% in ordinary shares	£119,954
Funding certificated	£72,223	50% of nominal value in shares	£25,000
Preference shares	£250,000	10% of the value in shares	£25,000
Shares	£234,820	5% in shares	£11,741
	£2,399,676		£1,614,009

What you can see clearly above of the disastrous bad luck that those who invested their money in the Company had. The investors received variable equities in change for their money, and paper with a dubious value in place of their due interest. The bondholders lost 50% of their capital and the rest were converted to shares that had never paid any interest, and that today are worth 10% of their value on the Stock Exchange. The owners of Preferred stock lost 90% of their money and the ordinary stock holders 95% leaving them 10% and 5% today. It is said that the first shareholders (if they hadn't burnt the shares in desperation) for shares that, say, cost 1,000 pesetas could sell them today for 5 pesetas. Probably they had sold them as scrap paper!

In any case, the effect of the re-organization was to clear the financial situation of the Company leaving it with a new capital with which to buy new material and make improvements, and considerably reduce the financial loads which were having a bearing on the operations. It contracted with the brand new El Hornillo Company as is to be stated, proceeded to acquire four new locomotives and, to equip the old locomotives with new bigger boilers, so as to be able to handle the iron ore traffic. They ordered 100 35 ton steel wagons from The USA and built huge new constructions in Serón and Águilas with a view to much higher level of traffic.

Of all of this it can be considered that 1904 can be considered a new era for the Company, and therefore truly the start of a new life, a renaissance, we say, and it is for this that we call this year and all those that follow 'The Modern Epoch'. It changed totally and radically what, for an unimportant railway with three trains per day, became, from one day to another, an important line with intensive traffic, especially from 1910 whereby it could be compared with the most important lines in Spain, even though, due to the excessively low fares, the profits hadn't increased along with the tons transported, during the same period when costs, due to the maintenance required to the boilers due to the poor water quality, were rising above the profit margins up until they initiated the project for new water.

## **December 1918**

Mr Lloret was too busy with work to write the article this month.

## **January 1919**

### **The modern epoch - Progress in operations.**

In the previous chapter we looked at the renovation of capital to save the railway, acquiring locomotives and adequate material to carry the iron ore to load from El Hornillo pier, now we will return to the issue of bad water.

The important operations in the mining area of The Sierra de Bacaes was the hope of profits for the Company and the results would have been very promising if the water used for the locomotives hadn't been full of the most obstructive of the operation of the railway, because it

wasn't that every moment one saw an interruption in the traffic due to the inactivity of the locomotives but that the cost of repairs to the locomotives came to be a totally excessive amount, there having been trains that took three days in travelling from Serón to Águilas and many times there were three or four locomotives out of use in any one day, not only in goods trains but passenger trains as well such as the case of a special train for the bullfight in Lorca whereby they had to send two locomotives to be able to finish the journey: and more, there was a copper boiler that only lasted six months, and in this way it was the workshops that absorbed the major part of the costs of traffic.

The Company spent much money on the installation of an apparatus for the purification of water but, even though the quality improved somewhat, the equipment had the drawback of not being able to maintain the quality and after filling the first two locomotives, the water quality dropped causing disruptions of such importance as the explosion of boiler of Locomotive N° 2 at Km 91 on the 14<sup>th</sup> September 1907 which sadly caused the death of the driver and the fireman. It was demonstrated that the explosion was caused by encrustations produced from the water. For this reason, in October of 1907 it was agreed for Mr Black, Manager of Traction of *The Bobadilla to Algeciras Railway* to give advice. In spite of him being considered an expert on this subject, and him spending some time considering the problem as well as meeting with the Director Mr Gillman, he couldn't suggest any other answer than those which Mr Gillman and The Traction Service had already tried.

## **February 1919**

We must take note that on the 5<sup>th</sup> August 1907 Mr Boag, in whose name we dedicate this edition, took up the responsibility of Sub-Director of the Company and that Mr. Sydney O. Browne was given the post of Manager of Materials and Traction by the Board on the 9<sup>th</sup> October, the post having been vacated by Mr Buttle. The assistant manager Mr M.F. Jamieson who entered the company under said position on the 1<sup>st</sup> January 1906, had been at the front of this department as a temporary during the exit of Mr Buttle and the arrival of Mr Browne.

The same day as the arrival of Mr Browne (9<sup>th</sup> October 1907) there was a visit of the chairman of the board of the Company accompanied by Mr Bailey of the company Lassen & Hjort who were the manufacturers of the water purifiers, whose visit was stimulated by the complaints from the Company about the poor performance of the purifiers. This gentleman was some weeks working on the purifier without improvement or of being able to rectify the defects: it is to say, that he left without being able to solve the most important problem which could be explained theoretically but without practical resolution.

For that reason and as a result of the explosion of the boiler, and with information from Mr Black, mentioned earlier, they determined to reduce the composition of the iron ore trains to nine wagons in place of dragging twelve and the Board was in agreement that the General Director, Mr Gillman should go to London to investigate the problem with the water purifier and to shop for more powerful locomotives, determining to pass through France to look at the big machines called *Compound* that were used in the north of said nation. As a result of this visit they acquired three big Kitson locomotives numbered 50, 51 and 52 and the testing of these took place on the 22<sup>nd</sup> December 1908 with little success such that the Company sent their representative, Mr Bowler who arrived here on the 19<sup>th</sup> January 1900 and returned on the 22<sup>nd</sup> March without having been able to attain the expected function for which they were bought.

During all of this, the new manager of Materials and Traction, Mr Browne, who also had ideas and who had acquired much experience in water, as he had been involved with similar duties in other Spanish railways, where in all parts there had been an abundance of great wines but a scarcity of good water. After reorganizing his department, he went to London for the month of July of 1909, to consult with the board as to whether he could visit factories and study advancements in the fireboxes which the board accepted. And so, he was able to improve the the train service but not

the matter of the water. At the same time, as a result of the problem, the director was travelling the track to the local mountains in search of good water.

## **March 1919**

Neither in the mountains or the valleys could Mr Gillman get a good result from his investigations, all of the owners of country estates came to him but all samples resulted in poor quality. Then someone presented some medicinal waters with the idea that if they could ease the digestive problems of people, then they could ease the problems of locomotives.

Mr Gillman informed the Board of the Company of the impossibility of resolving the critical situation; and therefore the board in London decided that one of the advisors, a Mr Edmund B Forbes, who was a highly respected expert in the subject of water, should go to the line as he had had excellent results in Chile, Mexico and other parts. His visit started on the 12<sup>th</sup> October 1909, him staying until the 21<sup>st</sup> December 1909.

Very soon, as a result of studies of many samples of water that the Company had had assayed, Mr Forbes formed an opinion of the geological constitution of the lands through which the line passed, stating with confidence that none of the water would be acceptable at any distance due to the sub-soil being so bad in all of the area due to the amount of mineral that was being dissolved in the water, according to his great experience. He drew attention to the waters of the mountains of the Sierra de Bacares, choosing the river of the same name that carries melt-water that meets with others of similar excellent quality.

Having made this discovery, he considered the Company rescued from the dilemma. However, he didn't take into account the great exigencies and opposition from the inhabitants due to the rights of the towns, supported by the concessions of The Catholic Kings in the times of The Reconquest, confirmed through deaths during the reign of King Philip II and Charles III and other monarchs, who intervened to resolve questions that at various times dissolved into fights between villages. By way of confirmation of this and how something sits latent over time, we will cite a time when Mr Gillman started the first negotiations regarding the Bacares River. He had a meeting with Don Juan Giménez, Lawyer of a company in Purchena, and confirming that the object of his visit was what he had arranged, ie the legal proceedings, he noticed a smile passing across the face of Sr Giménez which nearly degenerated into a guffaw, and said "Proceedings? If that is what you want; it will all be useless. I advise you that I, like my father, my grandfather and I don't know how many ancestors and more who have exercised their legal rights, have lived with the disputes that have been provoked over the rights to this water"

Having seen the difficulties, Mr Forbes entered in action and solved the problem, determined, that if they couldn't take water from the surface, it was correct that they could take water from underground at a suitable place. In this way they decided to sink a well at the conjunction between the Bacares and Almanzora rivers. As the stated land pertained to the state, The Company ordered an inquiry, and as a result of the resultant concession, sank a well in the place indicated by Mr Forbes, and the waters, as was predicted by Mr Forbes, were of the same quality as those on the surface. In this place, in the borough of Tíjola, there was put a steam pump which pumped as much water as can be carried by a three inch (75mm) pipe to all of the stations up to Zurgena. After that, the health of the locomotives improved enormously, and the costs of repairs reduced greatly.

This done, it was just left to save the situation in the section between Zurgena and Águilas, which will be explained in the next issue.

## April 1919

The section between Zurgena and Águilas has, without doubt, the most scarce water in all of the region. There is no running water in the region and there are only two unimportant springs, one in Huércal-Overa and the other in Jaravía both of which produce water of such bad quality that they cause encrustations worse than all of the other bad waters.

The rain here, mainly in the east of the mountain chains that are separate from the 'Cordillera Ibérica' and terminate in 'El Cabo de Gata' are very infrequent. However, when it rains nearly always in Spring and Autumn, the water falls with such abundance and in such a small period of time, that it converts the ramblas, the fields and the foothills of the mountains into real rivers, knocking down everything, carrying trees and destroying roads and railway tracks, to the point when, as occurred on the 26<sup>th</sup> June 1900, the impetus of the water caused the disappearance of two spans of 80 metres length at the height of 5 metres, of the Albox River bridge. Not a year had passed when the rains produced more serious damage to track which increased enormously the costs of maintenance as well as paralyzing train movement for some days, losing profits.

These coincidences of torrential rains and violent flooding to the sea didn't produce any lakes or ground filtration suggesting that there was no point in looking for ground water of good quality, and thinking of this, Mr Forbes stated that we were in the same sort of situation as the northern part of Chile which he knew well, and decided to opt for the same solution which was to distil seawater for the locomotives, because like there, there are many years without rain, and like here the water was scarce and bad.

During his visit, Mr Forbes decided to establish a distillation plant in Águilas which he proceeded to look for in England. The best model of this class which was found to be a MIRRLEES WATSON with six stages, whose construction looked like a series of stills, producing 120 cubic metres (120,000 litres) of water daily producing 35 cubic metres of water for every ton of coal used. The distilling plant was installed next to the Águilas workshops and the water for distillation came via a tube from the beach.

On the 22<sup>nd</sup> November 1915 the steamer 'Tambre' arrived with all of the machinery for the first distillery as well as Mr Wood, the mechanic responsible for the installation. On the 3<sup>rd</sup> March 1911 he finished the installation and made the first test, without success. In sight of this, the manufacturers sent the expert Mr Davies who quickly put the equipment into function, handing it over to the Company on the 1<sup>st</sup> June, since when it has functioned perfectly.

## May 1919

On the 24<sup>th</sup> August 1911, water from the Tijola well ran through the stations of Fines-Olula, Cantoria right down to Zurgena, that being the end of the pipe and which had a 300 cubic metre tank which linked to the distillery thus ensuring the water supply for the Company, having cost much, but it regularized the operation of the railway. How reasonable and fair it would be if the Government conceded the construction and operation of the subsidized railway to adjust the subsidies to take account of the ease or difficulty of obtaining good water, and the larger or smaller distance that one has to go to the Spanish coal mines.

On the 22<sup>nd</sup> November 1910, a Mr. Albert Sumner who was posted as the new Personal Secretary to the Director General, to alleviate some of the pressure that the management was under.

On the 22<sup>nd</sup> June 1911 Mr Ambrose P.S. Jones arrived as substitute for Mr Gillman who left Águilas for London on the 6<sup>th</sup> July to take up his new position.

On the 21<sup>st</sup> of November a Mr Harry Livesey arrived at the port, Consultant Engineer of the Company, in his beautiful yacht 'Jeanette' en route to visiting to La Línea.

In June of 1909 the 'Sociedad Minas del Tesorero' which was later called 'Hispano Holandesa' established a cable at Km 108. Later, in February of 1911 the society 'El Gran Coloso' established a cable in Tijola, and lastly, on the 10<sup>th</sup> January 1912 'Sociedad Cabarga San Miguel'

started exploiting the mines whose cable ran down to Km 98 between the stations of Tíjola and Serón.

The operation of the first two mines mentioned lasted for a short time, unlike the last mentioned that was, and is of much importance, becoming partners with, and even outperforming '*The Bacares Iron Ore Mines Limited*'.

This increase in mineral traffic to the El Hornillo pier required the increase in rolling stock, therefore the Company bought 50 more 35 ton wagons, 25 of which entered into service in 1911 and the other 25 in 1913.

All of this meant that on the 23<sup>rd</sup> December 1907 a night service was established for mineral trains.

The statistics of the amount of iron ore transported up until the start of the war have demonstrated the benefits that have been gained from this new traffic and the reorganization of the railway.

## **June 1919**

In February of 1913 Mr Thomas Thompson was made Personal Secretary to The Director, replacing Mr Sumner. In the same month there was effected a reorganization of The Warehouse staff, as a consequence of this, Don Justo Oliver II left.

The year was a long winded one with the change of senior staff. Due to the Águilan weather not being acceptable to the family, Mr Jones resigned, being replaced on the 9th February by George Boag who had acted as Sub-Director since 1907.

The agent in Madrid, Henry Borrel, died on the 2<sup>nd</sup> April 1913, his post being covered by Don Félix Ramos who had the duties of secretary in the same office.

On the 15<sup>th</sup> September Mr P. Churchill took up the post of Resident Engineer for the Company Board and on the 8<sup>th</sup> December Messers Lowenthal and Cooper arrived to carry out respectively the duties of Bookkeeper and Warehouse Manager. The previous bookkeeper, Mr Bell, retired and returned to London on 14<sup>th</sup> April 1914 and Mr Sumner, who at the time was Secretary to The Management, covered the duties of Warehouse Manager. He resigned and left the Company on the 27<sup>th</sup> of the same month and year, to go to Venezuela.

Through the initiative of the new Director, Mr Boag, who, in his post of Sub-Director could study in depth all of the services, in 1913 reorganized duties in the offices, notably improving the organization of works.

As a consequence of this and already having the Department of Traffic, claims and litigation had taken an excessive importance, so he created The Commercial Services Department making himself the Manager on the 1<sup>st</sup> November 1913. It is public history that he came already carrying out the duties of Secretary to The Management from the 16<sup>th</sup> February 1889 being in fact the longest serving employee of this Company.

I have forgotten to say that the house in which The Director lived was built in 1912, and that Mr Brown, Director of Material and Traction, installed electrical power in the workshops, making huge economies as a result of the improvement.

And now we come to 1914 and the disastrous war whose wished for peace was signed this month.

NOTE: Two facts of some importance that haven't been stated so far in this History even though they are related to the railway: the creation of the Cooperative and the planned strike in September 1912, for whose nature, it is better to dedicate articles to them separately as addenda to the History.