

# **BOUND BY STEEL & STONE**

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**The Colorado-Kansas Railway and the Frontier  
of Enterprise in Colorado, 1890-1960**

**J. BRADFORD BOWERS**

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## Introduction

JUNE 12, 1912

It was a pleasant, late spring day in southern Colorado, not too warm and not too cool, with plenty of sunshine to create a festive mood. Perfect for a train ride and a picnic. The crowd gathered at the depot was in festive spirits, aided, no doubt, by the lively tunes springing from the instruments of the city's beloved Santa Fe Trail Band. Embossed and engraved invitations had been sent out for the trip, and it seemed as if half the city of Pueblo turned out for the celebration. Indeed, all of the city officials and most of the county officials were aboard. Countless citizens from the community assembled around the depot as well-wishers.

"All aboard!" ordered the conductor, and promptly at 10 a.m., with two short whistles from clean and shining Colorado-Kansas Railway Locomotive No. 1, the four-car train rolled away from the depot and headed along the river levee, out of Pueblo. The little train chugged through the prairie northwest of town, past the lands of the Geo. H. Paul Orchard Company. It would

not be long before these nearly 17,000 acres were teeming with apple and cherry trees, waiting to feed thousands of hungry Coloradans and provide a good living to hundreds of families in Pueblo County.

Nearly twenty miles into the trip, the train paused at Turkey Creek so that the passengers could stretch their legs. Looking two miles northeast, through a cut in the hills, they could admire the verdant, grass-covered face of the Teller Dam, holding back enough water to eventually turn the thirsty land they had just traversed into a veritable Garden of Eden. Another shout of "All Aboard!" and the train began the climb up the grade into the foothills. Crossing over a long, wooden trestle over Booth Gulch, then passing a large stone sawmill still under construction, the train squealed to a stop beside a small, tidy, white depot. The conductor shouted, "Stone City!" but that was plainly evident from the sign on the depot. This was it, their destination for the afternoon. Several men stood around the depot platform to greet the train, accompanied by a plump young lady wearing blue and white shoes "just like the city girls wear."

As the passengers stepped off the train, it was a toss-up as to what they noted first. Some saw the valley, surrounded on three sides by rugged hogbacks and dominated by Booth Mountain. Over one of the hills appeared a young girl, carrying a pail of milk. Others first saw the fledgling community, so new that many structures were just canvas tents, and the few wooden buildings had yet to be painted. Even the railroad was still a work in progress, for just 200 yards away, a track gang was busy ballasting track on a spur. This was not to be a party day for them.

Some of the men from the train headed off on a two-mile hike to examine the quarries that gave Stone City its name, though they were back in time for the one o'clock luncheon. And what a feast it was! Barbecued beef, tender and sliced, placed between soft buns, six sheep, chicken, ham and gravy, olives, pickles, radishes, breads, cakes, coffee. . . . Though there were nearly 300 folks gathered for the big feast, no one would go hungry this day. Otto Kinkel and his crew were to be commended for the delicious bounty.

The railroad's officials gave gratuitous speeches, overflowing with superlatives about what the railroad, the stone quarries, and the clay mines would mean for Pueblo, Colorado, and the nation. These were followed by equally flowery praises from Pueblo's business community and punctuated by delightful music, once again from the Santa Fe Trail Band. It seemed as if every man had a cigar in hand or mouth.



**FIGURE O.1.** *Visitors to the clay mines at Stone City upon its grand-opening celebration, June 12, 1912. Photo by John W. Floyd. Courtesy of Pueblo County Historical Society.*

Although the crowd was expected to travel to see the famous quarries, the size of the meal prompted many to relax and eventually fall asleep. Around three o'clock a storm moved in over the town, and the crowd sought refuge

from the rain. At 3:45 p.m., the little train commenced its return journey to Pueblo, the passengers dozing in their seats or quietly recapping their stories of the festivities with each other so they could remember the details, which they would share with family and friends in the coming days. The train pulled back into Pueblo at 5 p.m., the passengers dispersed to their lives. Undoubtedly many were confident in the knowledge that the economic futures of the railroad, the quarries and clay mines, and especially Pueblo itself, were most assuredly bright.<sup>1</sup>

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The Colorado-Kansas Railway, later known as the Colorado Railroad, Inc., was an anomaly, a quaint, colorful shortline railroad that by all accounting, should never have been built. That it managed to survive in one form or another for nearly fifty years is a testament to the men, and one woman, who envisioned, owned, and operated the rail line. Everything was against the line from the beginning: competition from other railroads, a limited revenue base, and even more limited capital financing. Technology was leaving the company behind even as the railroad was being constructed. Yet, this weather-beaten line doggedly managed to carry on business, struggling through the years, continually trying to find new sources of revenue, none of which kept it out of the red ink.

Conceived as a grandiose scheme that would have left a unique stamp on western railroading, the line that would have connected Colorado and Kansas by electric interurban wires only managed to build twenty-five miles of track in its history, a mere pittance of what might have been. The scheme, backed by a company that manufactured electrical motors used for pumping wells, involved building power plants along the Arkansas River at regular intervals to supply electricity to power these pumps, which would in turn irrigate the arid soil away from the river. Excess power would also be used to electrify the homes of valley residents. In order to provide cheap fuel for the power plants, a railroad would be built from the coal mines near Cañon City, Colorado, following the river all the way to Garden City, Kansas. The railroad itself would be electrified, using power from the plants, making it one of the longest electrified railroads in America.

Financial difficulties forced the first bankruptcy for the railroad after only a mile and a half of track had been laid, and the plan to electrify and irrigate

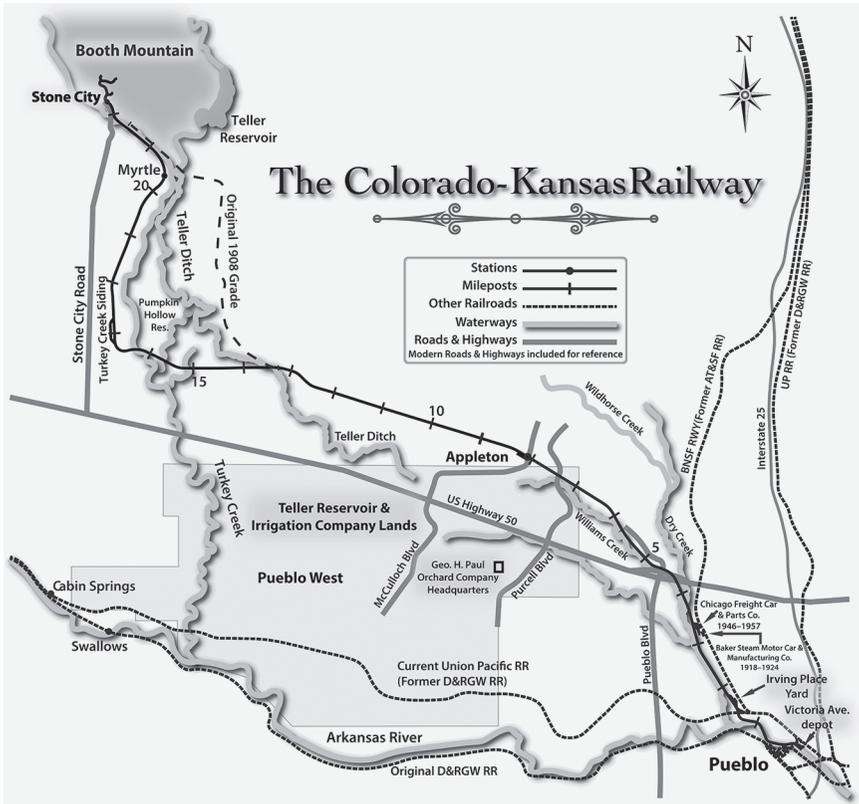


FIGURE 0.2. Map of the Colorado-Kansas Railway, 1912–1957. Drawn by the author.

the Arkansas River Valley collapsed. The railroad as finally constructed was originally designed to be merely a branch line from the electrified main line, but after the larger scheme failed, the railroad's backers carried on with what construction they could afford. Without the power plants, the railroad reverted to traditional steam-powered locomotives.

The Colorado-Kansas Railway pushed northwest from Pueblo, Colorado, to Stone City, a distance of twenty-two miles, during the years 1910 to 1912. It crossed the high plains occupied by cattle ranches and a failed attempt at a major agricultural development. Stone City, a company town also belonging to the railroad owners, was the primary objective because of the fine sandstone quarries being developed there. The stone was quarried and worked into decorative fascia stone for use in building construction, and many public

buildings and private residences around Colorado and the rest of the nation used this stone. Stone went out of favor for buildings when concrete and steel became popular, and so the quarries closed in 1930. The mines for clay and other minerals used in the steelmaking process continued operating throughout the railroad's history.

Perhaps the most fascinating aspect of the railroad was the evolution of its management in later years. From 1940 until abandonment in 1957, management of the railroad was left up to Irma MacDaniel, the railroad's secretary. In a male-dominated industry, Irma stood out as a corporate executive, and her life both with the railroad and away from it reflects her competence and ambition as a businesswoman at a time when women were still struggling to make inroads into management in any field. Her management helped to keep the railroad afloat for over a decade after the owners were ready to call it quits.

A new source of revenue appeared in 1946, when the Chicago Freight Car & Parts Company opened a shop in Pueblo to turn surplus World War II troop sleeper cars into refrigerated cars to carry western fruits to market. Reorganized as the Colorado Railroad, Inc., the company took over the switching operations for Chicago Freight Car, and this remained the bulk of its business until the end. In 1957, the railroad joined the multitudinous abandoned workings of men, though faint traces remain of this shortline railroad and the town it served, traces that hint at the intriguing history disappearing beneath the dusty prairie soil.

Shortline railroads provided important connections in America's economy, but they were seldom stable connections. In the case of the Colorado-Kansas Railway, the owners reinvented the railroad several times, seeking out new business opportunities when they could, providing raw materials and services to larger rail lines and companies. While the railroad may seem, on the face of it, to be a failure, it did operate for nearly half a century. In his book, *Railroaded: The Transcontinentals and the Making of Modern America*, historian Richard White suggests railroads "created modernity as much by their failure as their success."<sup>2</sup> He notes the transcontinental railroads were not just business failures, but also political and social failures. Bankruptcy and receivership were no strangers to these lines, but most railroads suffered the same fates, especially in times of economic turmoil. The Colorado-Kansas Railway was no exception. And while the corporate lobby as created by the large corporate railroads added to the public's perception of political

corruption in the Gilded Age and beyond, it did not dissuade further railroad construction.<sup>3</sup> To the contrary, railroad construction continued apace, with over 90,000 miles of track laid between 1890 and 1916, the peak year for track-age, at 254,037 miles.<sup>4</sup> As White points out, transcontinental railroads were subsidized by federal and state governments granting land to sell for construction monies.<sup>5</sup> Regional railroads enjoyed little of this benefit. Whether steam or electric, these smaller roads were supported locally, through local investors buying stocks in them or local landowners donating or willingly selling their lands for a right-of-way for the proposed railroad.<sup>6</sup> To attract railroad competition, communities across the West desiring cheaper shipping rates would attract other railroads through the siren call of floating bonds and offering subsidies.<sup>7</sup> These antimonopolistic desires of the smaller cities and towns benefited shortlines such as the Colorado-Kansas, as they offered competition against real or imagined railroad monopolies. That anti-monopolism was often key to a shortline being built in the first place.

White's social failure argument is that the transcontinental railroads encouraged settlement of the West but that these same settlers overproduced in agriculture and mining, and their resulting surpluses led to depressed markets, crushed livelihoods, environmental damage, and social problems across the region. These problems were widespread, he contends, because the railroads overbuilt, saturating the landscape with miles of iron and steel that were unneeded; more and more settlers were brought west to produce business for the transcontinental lines and, ultimately, profits.<sup>8</sup> This outcome is quite obvious to the casual observer when looking at historic railroad maps. Multiple railroads, usually considered part of a transcontinental system, were built through the Midwest into the western states, resulting in many cities being served by five or more railroads.

Shortlines belie this argument, though. They often went to places the larger railroads had no interest in going, who saw no profit in building into the hinterlands. Branch lines of larger railroads and independent shortlines were needed, however, to supply agricultural, mineral, and timber resources to the main lines; a web of rails began to stretch into the hinterlands of the West. Settlers followed, to be sure, often brought west by real estate promoters or lured by the promise of jobs in these newly opened landscapes. But the areas served by shortlines and branches were often limited in their economic success, if they succeeded at all, their landscapes remaining relatively

undeveloped. They contributed resources to the national market, but much of their extractions supported local markets first. They did also support jobs in their service territory. Even if those jobs were few in number, they still provided that economic benefit in regions where there might be little benefit otherwise. Building a railroad or other industry in the landscapes of the American West was a gamble, no matter how much enthusiasm and capital were expended. Whether it was misinterpreting the potential of the landscape, underestimating the weather, failing to apply the appropriate science or technology to overcome the limitations that landscape placed upon settlers and developers, or simply the vagaries of the marketplace, there were many ways to fail in the entrepreneurial West. Admittedly, extractive businesses and environmental damage go hand in hand, but this has been true throughout history, regardless if a railroad is involved or not. And as for social problems? The shortlines kept people from being isolated, connecting them to the national network of transportation and communication, giving them access to the national marketplace for consumer goods, and strengthening social ties across small communities and the larger cities to which they were bound.

Typifying many small businesses, the Colorado-Kansas Railway was marginal when compared to larger railroads, or larger businesses of any type. It is this very marginality, however, that is crucial to the understanding of American economic history, for there are probably hundreds of marginal businesses for every large corporation across the country. Marginality forced the railroad to be flexible, to adapt. These unique aspects of the railroad—its marginality, its flexibility, its management, and its connections to the larger economic world—make it a worthy subject of study. This is a saga of adaptation, a call to change or perish and to stay solvent in an increasingly competitive economic environment. The railroad's flexibility in management and adaptability to economic situations enabled it to remain viable components of the economy, despite its marginality.

Shortlines provided—indeed, they still provide—a vital service link in the larger scale of the American railroad scene. They bridged the gap between business opportunities, such as extractive industries, and the national railroad system. In many cases, they created and developed that business themselves. They are the forgotten link in American railroad and economic history. This knowledge of shortlines is important, not just for the sake of the past, but

for the present, and future as well, and for a very good reason: shortlines in America are on the rise again. This growth is not due to additional construction of railroads, but to the Staggers Rail Act of 1980, which deregulated the railroad industry, undoing what years of regulation under the Interstate Commerce Commission (ICC) had done. Freed of their regulatory burdens, railroads could respond better to the changes in the marketplace.<sup>9</sup> Consolidation of the larger railroads achieved a rapid pace during the merger mania of the 1980s. Class I railroads aggressively sold off unprofitable lines or duplicate mileage, and the resulting spin-offs have created new and expanding shortline railroads that still fight to earn a profit by serving local customers.<sup>10</sup> Many times, local shippers took over these routes and operated them as regional railroads. Often, local and state governments offer subsidies to keep these vital connections alive in a highly competitive marketplace.<sup>11</sup>

The Interstate Commerce Commission has always classified railroads according to their annual revenues. Class I was, and still is, the top tier. During the lifetime of the Colorado-Kansas Railway, those Class I railroads earned a minimum of \$1 million a year. The ICC raised this figure many times in the last half of the twentieth century to reflect inflation. Today, this number is \$505 million per year.<sup>12</sup> The Colorado-Kansas Railway was a Class III, which meant it earned \$100,000 or less per year.<sup>13</sup> In the class restructuring of 1956, Class III was eliminated altogether.<sup>14</sup>

Between deregulation and the rising definition figure, the number of Class I railroads dropped precipitously. In 1957, there were 110 Class I railroads to 626 shortlines.<sup>15</sup> By 1987, those numbers had declined to 16 Class I roads and 484 shortlines.<sup>16</sup> Compare that to 2021, when there were just seven Class I railroads and approximately 630 local and regional shortlines in the United States.<sup>17</sup> Clearly, the numbers of shortlines have reversed their decline, and actually grown ever so slowly, but the ratio to the Class I railroads has changed dramatically. The railroad is still as vital an economic engine to the United States as it was 150 years ago.<sup>18</sup>

One aspect that all railroads faced was the increasing competition with automobiles and trucks, and this was especially true for the Colorado-Kansas Railway. Throughout the last half of its life, much of the shipment of fireclay and other extracted resources moved via truck. Passenger service between Pueblo and Stone City also tapered off prior to 1921 with the addition of bus service.

An important facet of railroad success is their economic-development efforts to find or create new markets for their services. The Colorado-Kansas was built entirely around this idea, serving the clay mines and stone quarries that were jointly owned by the railroad's investors. When this business began to die off, they actively pursued other business, mainly offering switching services, to remain a viable company.

The early history of the Colorado-Kansas Railway, before the laying of rails ever began, is the story of a four-year financial and political debacle that was finally resolved in the courts. The railroad's backers started out with the notion of building a 300-plus mile electric interurban line from Cañon City, Colorado, to Garden City, Kansas, following the Arkansas River, and ultimately, the already-built Atchison, Topeka & Santa Fe Railway. The late nineteenth and early twentieth centuries were the heyday for electric interurban construction, and they were seen as the next step in the evolution of railroads. Their life was cut short by the maturation of the automobile, but for a time they were all the rage in innovative railroad construction.

From this comprehensive history of the Colorado-Kansas Railway will emerge an example of a shortline railroad that enables us to see how these forgotten links in America's railroad past helped integrate the rural landscape with the larger urban and economic world through their ability to adapt to ever-changing economic forces and conditions.

This book, ostensibly, is a history of the Colorado-Kansas Railway, but it is so much more than that. It is the story of countless schemers and dreamers, losers and winners. It is the story of political battles in an era of reform. It is the story of the development of geographic and economic connections in landscape of the American West. It is the story of the hardscrabble existence of a twentieth-century company mining town, home to many employees and their families. And it is also the story of a woman who found herself in a position by happenstance that seems precedent setting in the modern era.

A thematic element throughout this narrative is adaptability, the flexible nature of shortline railroads and their existence on the margins, on the economic edge, and their management adaptability that allowed shortlines to change with the market. Within the theme of adaptability, Part I of this history will explore the Progressive Era political and economic reform movement at the local level, for the Colorado-Kansas Railway found itself immersed in battle for its very existence against the entrenched political

machine. Part II will examine a shortline railroad from an environmental perspective, providing a context for the landscape of the railroad and its relation to the environment through a look at its physical characteristics, the areas it served, and its connections to a much larger world. Part III focuses on Stone City, the objective of the railroad builders, and the lives of the people who called it home for several decades. Finally, the issue of gender, of Irma MacDaniel's role in the company and her management of the line in a male-dominated profession, will be explored in Part IV, further demonstrating the flexibility of the railroad's owners in allowing this company to adapt to changing business conditions.

Even though Frederick Jackson Turner declared the frontier closed in his famous 1893 thesis, much of the land of the American West remained undeveloped or underdeveloped at the time of his address. More so than back east, the landscape of the American is a significant actor in tragedy and farce of western development. The landscape dictates its terms to humans as dictatorial directives, such as where limited resources are to be found, which crops will grow in marginal conditions, and, ultimately, what settlement patterns will emerge from its narrow permissions. Until the 1860s, the landscape of the American West controlled its own fate, limiting human incursions to explorers, fur trappers, traders, and those just passing through. Only the Indigenous peoples had found a way to exist in the beautiful but harsh landscape, their population numbers bound by a hunting-gathering way of life. After 1860, however, that control would change.

Science and technology were able to overcome the limitations placed on humans by the landscape, opening the West to development only dreamed about in earlier decades. These advancements created a newfound, infectious optimism in the future of the American West. The second wave of industrialization in the United States in the late nineteenth and early twentieth centuries provided opportunities for industrialists, capitalists, and entrepreneurs to jump into what they saw as the relatively untouched virgin landscape of the West and bring the manifest destiny of economic progress. Industrialization made this progress possible, certainly on a scale that would not have been possible in the first half of the nineteenth century. Advancements in science and technology provided the means to open these lands to mineral and agricultural development. Railroads, steel, coal, oil, electricity, large-scale irrigation, agricultural mechanization—these were the tools and resources that

would open these lands to human habitation and economic prosperity. And capital to fund these speculative ventures seemed to be readily available to anyone with the vision to make it come to life. The sky was the limit; it truly was a Wild West for developers.

The reality, however, is that both the physical and economic landscapes were unforgiving. Many ill-timed or ill-planned ventures faltered aborning. Others struggled for several years, never quite turning the corner into any definition of success. Rarer still were those ventures that actually achieved some measure of completing their organizers' vision.

So, while this may be the story of the Colorado-Kansas Railway, it is also a study of the economic development of the American West from within the microcosm of Pueblo County, Colorado. The beginning of the twentieth century marked a time of boundless confidence on the part of any entrepreneur who wanted to jump into the fray that was business in the 1910s. Even beyond the nineteenth century, the American West seemed wide open to exploitation of seemingly unlimited plant and mineral resources. Indeed, industrialization of the American West in the early twentieth century is what made settlement and possible, and it was the schemers and dreamers of the early twentieth century that helped bring this all about, connecting cities with the hinterlands and their resources for a rapidly industrializing country. Between 1890 and 1920, men from all over the country descended upon Pueblo, just as they did on many other counties around the West, some with experience, many with access to capital, and all with big dreams and schemes. When those halcyon days of grand visions were over, some men lay broken. Many men had failed. A handful persevered. This is a story about failure as much as it is about perseverance, if not outright success.

A. B. Hulit, Robert K. Potter, and Charles E. Sutton all represent these schemers and dreamers who helped build the Colorado-Kansas Railway. Other schemers and dreamers—such as John J. Burns, John C. Teller, and George H. Paul—with their own ambitious business plans, would have smaller roles to play in the development of the Pueblo region, representative of the multitudinous similar stories playing out during the industrialization of the American West during the early twentieth century, but while most of the schemes within the pages to follow ended in abject failure, the Colorado-Kansas Railway and Stone City would survive the longest. In the end, it was not the schemers and dreamers that kept the railroad and the city going,

however; it was a woman, level-headed Irma MacDaniel, who guided them through their most desperate years.

While most of these schemes and dreams faded, one vision played out in a rather ordinary way, which unexpectedly looks extraordinary when seen in the context of its birth and the many schemers and dreamers who surrounded it in life. This, then, is a story of the American Dream as many saw it a century ago. This is the story of a little railroad that affected the lives of many individuals throughout its history in nearly every conceivable way. This is the story of the Colorado-Kansas Railway, the Little Railroad That Could.