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RAILROAD FRANCHISE

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MEXICAN GOVERNMENT

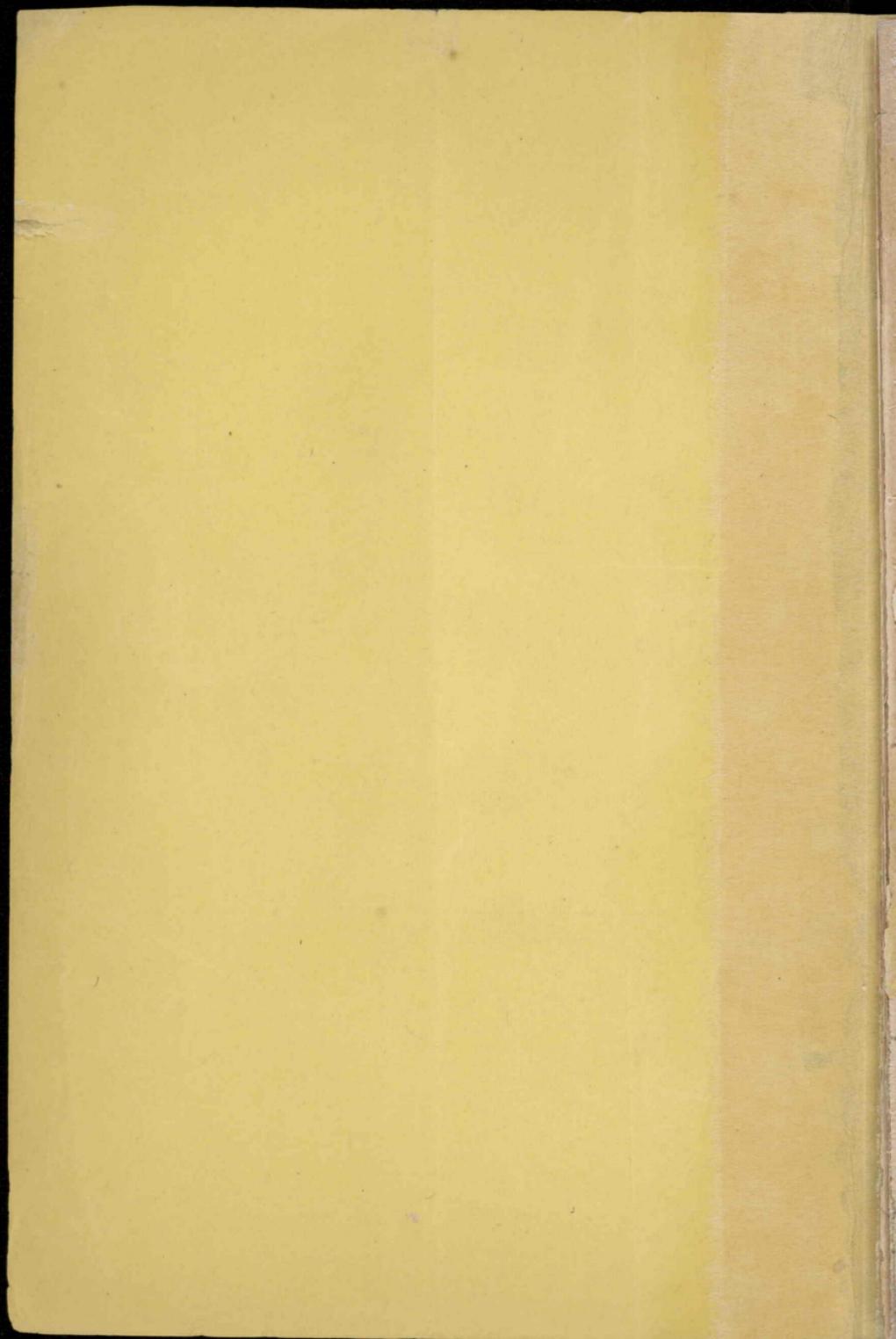
— TO —

BENIGNO V. GARCIA.

1886.



DAILY CITIZEN JOB PRINTING HOUSE, TUCSON.



RAILROAD FRANCHISE

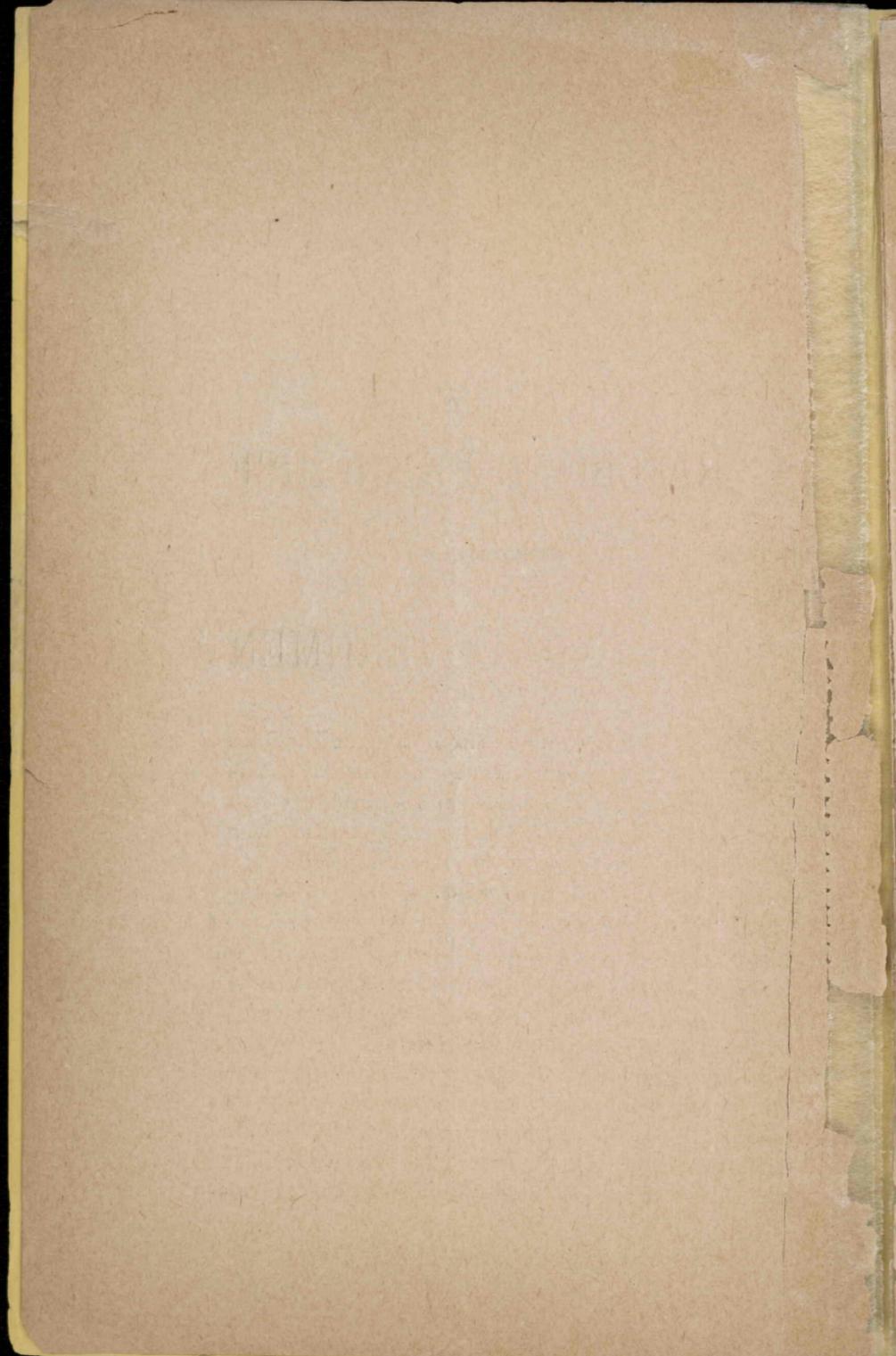
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# CONTRACT

Executed between the Ministre de Fomento, General Carlos Pacheco, as representative of the Executive of the Nation, and the citizen, Benigno V. Garcia, for the construction of a railroad to connect the coal lands in the State of Sonora with the Port of Guaymas.

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## CHAPTER I.

**A**RTICLE 1st. The citizen, Benigno V. Garcia, or the company he may organize, is authorized to construct and operate, for the term of ninety-nine years, counted from the time this contract is approved, a line of railroad with its corresponding lines of telegraph and telephone, which will put in communication the coal lands situated in the district of Ures, Hermosillo, Guaymas and Alamos, of the State of Sonora, with the port of Guaymas; the said Garcia, or the company he may organize, being also authorized to construct and operate, in accordance with the stipulation of this contract, the branches which may be necessary for the development of the said coal lands, having in each case to obtain the previous permit of the *Secretaria de Fomento*; being obliged to connect at some station, with the previous

approbation of the Secretaria de Fomento, of the Sonora Railroad.

ART. 2d. On the expiration of ninety-nine years aforesaid, the Government shall have the right to acquire, for two-thirds of its value, the railroad and its branches, with all its accessories, such as stations, storehouses, machine shops, rolling stock, utensils, furniture and other stock the company may have for its use and for operating the line. The price shall be fixed by two experts appointed, one by each party, and an umpire previously designated by the consent of both sides. If the Government should lease or sell the railroad, after it has acquired it as hereinbefore provided, the constructing company shall have the right of preference for the same amount.

ART. 3d. The direction which the railroad shall follow, must be that which, in accordance to the surveys made and approved by the Secretaria de Fomento, may be found to be convenient to connect the said coal lands with the Port of Guaymas, the grantee being allowed to pass through the City of Hermosillo with its main line.

ART. 4th. The company shall make at its own expense, the necessary surveys so as to lay out the railroad line; and previous to constructing it, it shall send to the *Secretaria de Fomento*, for its approbation, two reports of the surveys and plats of the road, so that one may be returned with the annotation of its being approved or not, and the other with the same note to remain in the records of the *Secretaria de Fomento*.

ART. 5th. The surveys of said road shall be made in sections of ten kilometres each, and the plans must be submitted to the approbation of the *Secretaria de Fomento*, which shall give its decision with-

in two months from the time the plans are presented to it.

ART. 6th. Each of the surveying parties of engineers who lay out the road, shall be joined by an engineer appointed by the Executive of the Union, whose salary will not exceed four hundred dollars a month, payable by the company, and for this purpose it shall give notice to the Secretaria de Fomento, two months in advance of the time and place when the surveys will begin. The absence of the Government engineer shall not be a cause to delay the execution of the surveys, nor for considering them incomplete.

ART. 7th. The works of construction shall commence within two years, the surveys having been previously approved, and they will continue, except in case of obstruction by superior force, until the road be finished within seven years, counting, both terms from the date of the approbation of this contract.

ART. 8th. The branches spoken of by Article the 1st may be constructed by the company, under the following conditions, besides those expressed in said Article 1st.

I.—Within 6 years from the date of the approbation of this contract, it shall be settled which are to be the branch lines to be constructed, and for this purpose the company shall send to the Secretaria de Fomento the surveys, for its approbation.

II.—The construction of the branches shall not be delayed more than seven years counted from the time the surveys are approved; after that time the company shall not be entitled to build them.

III.—The concessions concerning the branch lines aforesaid, are included in the forfeiture and penalties of the main line, in case that such case should happen by any of the reasons mentioned in Article 36.

ART. 9th. The railroad shall be either of a single or double track, of one metre and forty-eight centimetres, or nine hundred and fourteen (914) millimetres (36.01 inches, English) wide between the interior borders of the rails; as may be determined by the company with the consent of the Secretaria de Fomento. The construction shall be solid; it shall be provided with the necessary supply of rolling stock, for rapid and efficient working of the road, and it shall have depots, workshops and stations, in all the convenient places for the public traffic and the company, as may be determined by the Secretaria de Fomento and the engineers of the company.

If the road be broad gauge, the radius of curves should not be less than one hundred metres, and the weight of rails, which must be of steel, not to be less than twenty-eight kilogrammes per metre. If the line is narrow gauge, the radius of the curves may be reduced to fifty metres as minimum, and the weight of rails to twenty kilogrammes per linear metre, and the grades in both cases shall not exceed three in one hundred.

If the line is double track the space between the tracks shall not be less than two metres.

## CHAPTER II.

ART. 10th. The possession and all the franchises and concessions granted in the present contract, and also the duties imposed by it, belong to Benigno V. Garcia, or to the company he may organize.

ART. 11th. The company shall be subject to all the present laws and regulations, or to those that may be hereafter created, by the Government of the Republic, be those laws concerning railroads, transport and telegraphing, or concerning other matters; pro-

vided that said laws and regulations be not in contra-  
vention to the provisions of this contract.

ART. 12th. The company shall always be Mex-  
ican, even when all or some of its members are for-  
eigners, and will be subject exclusively to the juris-  
diction of the Courts of the Republic, in all the busi-  
ness having cause and effects within its territory.  
The company itself, and all the foreigners and their  
successors, who have any share in its business, or  
shareholders, employes, or with any other character,  
they will be considered as Mexicans, in all things con-  
cerning its business; they shall never, in any business  
or rights connected with the company, interpose any  
claim as foreigners, with any pretext whatever. They  
will have solely the rights and be entitled to the pro-  
ceedings provided by the laws of the Republic for  
Mexican citizens; and therefore foreign agents and  
diplomats may not interfere in their case.

ART. 13th. The by-laws of the company and  
the basis of organization, shall be presented for ap-  
probation to Secretaria de Fomento, within two  
years after this contract is approved.

ART. 14th. The company shall have its princi-  
pal home office in any place it may elect within the  
State of Sonora, so soon as it begins the works of  
construction, without prejudice to its having other  
offices in any other places where it has interests.

ART. 15th. The company shall appoint in this  
Capital one, or more, representatives, empowered and  
authorized to deal with the Federal Government, and  
other branches of it, concerning the business of the  
company, and the duties imposed upon it by this law,  
and whatever is done or may be proper to do concern-  
ing it.

ART. 16th. The Executive shall be empowered

to appoint two directors to represent him in the Board of Directors of the company, whose salary shall be paid by the public treasury, and whose rights and faculties shall be the same as those of the other directors of the company.

ART. 17th. Whenever any doubt or question arises concerning the interpretation or the fulfillment of the requirements of the present contract, it shall be decided by the proper Federal tribunal and according to the laws of the Republic of Mexico.

ART. 18th. The lines of railroad spoken of in this contract and the lands and other properties lawfully acquired by the company by virtue of gift or purchase, including the buildings, storehouses, stations, machinery, utensils, material, and all other things which constitute the railroad, and the telegraphic and telephonic lines, and its branches and appurtenances, shall be considered the property of the company with the right to use it with the same conditions as any other property, but subject to the laws and regulations now existing, or that may be made hereafter concerning railroads, but it is not to be understood that the conditions of this contract can be set aside.

ART. 19th. The company shall have the right to connect its lines with those of any other railroads now existing, or that may be built in the future in the Republic; and it shall also have the right to operate them jointly or consolidate with other railroads, as they may mutually agree by contract, as it may be most convenient.

On the other hand, the company shall be obliged to allow the trains of other companies to run, and mutually charging each other a sum which shall not exceed seventy per cent. of the amount called for by the regular freight tariff. The

company also shall not prevent its road from being crossed by other roads, canals or railroads which may be built by the authorization of the Federal Government, paying, of course, any damage for any inconvenience it may receive.

### CHAPTER III.

ART. 20th. Neither the grantees, nor any other company which may succeed to them in the future, shall ever, either in part or in whole, transfer, sell or mortgage the concessions of the present law, the railroad, the telegraphic or telephonic lines, nor the properties it may have, nor the shares it issues, to any government or foreign nation, nor to admit it as a partner in the company, and any contract made in violation of this article, shall be void and of no effect.

ART. 21st. The company is authorized to issue shares, bonds and obligations, and to dispose of the same, and also to mortgage the railroad and its accessories, the telegraphic and telephonic lines, giving to its creditors mortgages to secure themselves for payment of said bonds and obligations, and the interest thereon, and may also grant the right to operate, the whole or a part of the railroad; provided that the mortgages are made to individuals or stock corporations. The mortgages executed in accordance with the present article shall be recorded in the public records in the City of Hermosillo, and that record shall be sufficient for its validity and effects, without having to register the same in the different districts through which the road passes.

ART. 22d. The capital stock of the company shall be fixed by the company with the advice of the Executive of the nation, and in no case shall the same be increased without the authorization of the same

Executive. The shares issued by the company shall be considered as personal property, which may be transferred or disposed of freely, according to the laws of the country, with rights and duties belonging in such cases.

ART. 23d. For the constructing and for the operating of the railroad, telegraphic and telephone lines, authorized by this law, the right of way is granted to the company, to the width of one hundred metres throughout the whole length of the railroad and of its branches, which width shall be extended to one square kilometre where deposits and stations may be established on the line; yet, with the approbation of the Executive, another line may be constructed within the said hundred metres, in places, which in the judgment of the Secretaria de Fomento may be absolutely necessary by the topography of the country, provided that the party using the space pays the value thereof and the damages which may result thereby, and provided that the road object of the present contract be not interrupted by it. The lands belonging to the nation, which may be occupied by the railroad, to the extent above prescribed, and the public lands which may be necessary for stations, stores and other buildings, water deposits and other indispensable accessories of the line and its branches, shall be surrendered to the company without paying any price for it.

The company is also granted the right to take from the public lands material of every kind, which may be necessary for the construction, operating and repairing of the lines and its accessories, subject to the regular laws, in taking the same.

ART. 24th. The right of way granted in this contract, does not imply a right to occupy the public

roads in such a way as to obstruct in them the customary traffic of passengers, mule teams or carriages of any kind. If it should become necessary to occupy some public road, the Secretaria de Fomento shall dictate the conditions necessary under which the company may do so.

ART. 25th. — The grantee or the company he may organize, shall be entitled to take, according to the laws of condemnation by reason of a public use, lands and construction materials from private property, which may be necessary for construction and repairing the line and its branches, the stations and other accessories; and until the Congress of the nation passes laws on the subject, the following proceedings shall be taken to that effect.

I.—In case that no private arrangement be made with the owners of the lands or of the materials of construction, an appraiser shall be appointed by each party, and both of them shall report to their respective parties the valuation within the term of eight days counted from their appointment; if the valuations do not agree, the business shall be presented to the Judge of the District of the State where the land or material of whose appropriation is in question, is situated, in order that he may appoint an umpire, who will make a final report within eight days counted from his appointment as to what shall be the just appraisal to be paid to the owner of the land or material to be used. The Judge of the District shall take into account the report of the experts and the proofs the parties may present while the former are making their appraisements, and fix the amount of indemnity within three days. The decision of the District Judge shall be executed without other proceeding.

II. If the owner of the property to be taken

for this public use, for the construction and repair of the railroad line, its branches and accessories does not appoint an appraiser within eight days after being notified by the Judge of the District, on petition of the company, said magistrate shall ex-officio appoint an appraiser who shall represent the interest of the owner.

III. In every case in which it shall be necessary to apply to the District Judge, said magistrate, if the company so require it, or it should not be possible for it to state positively the amount of land it requires to occupy, the proceedings shall begin, by the Judge after hearing the opinion of the Government Engineer, or in default of this, that of an expert he may appoint, fixing a sum, which shall be placed in deposit, while a final judgment is reached, authorizing the company to occupy, provisionally, the land or to use the material in question, without prejudice that in case the value finally determined by the experts be greater or less than the sum deposited by the company, it shall pay or receive the difference.

IV. If the possessor or owner of the property to be appropriated be uncertain or doubtful by reason of litigation or otherwise, the judge of the District shall fix as value of indemnity the sum determined, after considering the valuation reported by the expert of the company and of the one appointed by the same judge in representation of the doubtful owners of the property in question. The sum so determined, shall be deposited as provided by law for whom it may correspond.

V. The appraisers in making their valuations shall take as a basis the amount of taxes paid by the property to be appropriated, and the damages and benefits which may result to the owner.

VI. If to make the surveys it be necessary to destroy in part or in whole, trees or other obstacles, the company may do so, being obliged to pay the indemnization which shall be fixed by experts as soon as the amount is determined.

ART. 26. Ore deposits of coal, salt, marble and other minerals, salts and alkaloids, which may be found in the works and excavations in constructing the line and its branches, shall belong to the company, without prejudice to former claims, provided it takes and works them, according to the mining laws.

ART. 27. During fifteen years, counted from the date of this contract, the company shall be entitled to import, free of duties, the following articles: Excavating instruments of all classes, mining tools of iron and steel, machinery and tubing for artesian wells, railroad ties of iron and wood, rails, clasps, scrapers, contact plates for rails, switching materials, nails for rails, screws, railings, iron bridges, iron pillars of all forms including those cylindrical, wooden bridges turning bridges, iron doors, all sizes of scales, houses of wood or iron, iron armors, iron deposits or of other metals for water, pumps, pipes for sewers of iron and lead, faucets, elbows, bars of cast steel, brick, hydraulic lime, mastic, glue, iron and wooden buckets, locomotives, tenders, trucks, tombereaux, portable engines, boilers, axles, wheels, wheelbarrows, box and platform cars, wagon skeletons, cars of every description, lumber, ordinary lanterns, not to exceed in value three dollars each, petroleum, coal, scientific instruments, lifters, grappers, elevating machinery, tools of every description, lathes, and all kinds of machinery for the machine shops of construction and repairing of material for machines, batteries for tele-

graph and telephone, wire, insulators, and telegraphic poles of iron.

To make use of the privileges here conceded, there shall be observed the rules and limitations that may be prescribed of the Secretarios de Hacienda y Fomento, and what is prescribed by the existing regulations of railroads.

The road itself and its natural and indispensable accessories, as well as the capital employed in its construction and in operating it; and the shares of the company, shall be exempted during the term of twenty-five years, counting from the date of the approbation of this contract, of the payment of all contributions and duties now imposed or that may be imposed hereafter, excepting the stamps duty which shall be paid as is regulated by the laws on the subject.

ART. 28. The company may establish one or several wharves, in the port of Guaymas, with the previous approbation of the Secretario de Fomento, for the purpose of loading and unloading on them coal for exportation, and may put them to the service of the public at moderate rates, the tariff of which will be subject to the approbation of the Executive, and in every case the use of the wharves shall be subject to the existing regulations of custom houses, or to those that may be ordered hereafter, and also to the rules and other dispositions made by the Secretarios de Hacienda ó Fomento.

ART. 29. The directors, agents, engineers, employees and clerks of the offices and stations of the railroad, and likewise all the workmen who may be employed for it, shall be exempted from all manner of military service, or political duties for the time

they are employed by the road, except in the case of foreign war.

The company shall immediately discharge from his employment, without ever receiving him back again, any one of its employees who carries on or protects contraband, or who is the author or accomplice in any crime whatever; and it shall assist the authorities for his apprehension.

ART. 30. Those who steal rails, damage the road or interrupt it in any manner, may be apprehended by the agents of the company and delivered to the proper judge, to be punished according to their deserts.

ART. 31. The company shall be responsible for the salaries of its employes, the value of material, and for all expenses for the construction and working of the road, even in the case the works are executed by contractors or subcontractors, because these shall do so as representatives of the same company.

ART. 32. The vessels, which, during the construction of the railroad, and five years thereafter, shall arrive at the port of Guaymas, bringing for the railroad company exclusively, coal, rails, materials, and other effects mentioned in Article (27) twenty-seven, destined for the construction, operating and repairing of the railroad; telegraph and telephone line, shall be exempt for the said period of the payment of the dues of tonnage, light house, anchorage and other port duties, and will only pay pilotage. If they bring other merchandises they will not enjoy this privilege for the part of the merchandises which are not of the kind and for the purposes indicated. In like manner, ships which come to load exclusively coal during the same period, shall be exempt of the payment of these duties.

ART. 33. All steam or sailing vessels, Mexican or foreign, which arrive exclusively to load coal, iron, steel, or manufactures of these at the wharves of the company, destined for any part of the Mexican Republic shall be exempt, during the construction, and twenty-five years thereafter, of the payment of tonnage, lighthouse, anchorage, and other port dues. All Mexican or foreign, sailing or steam, vessels which may come to load exclusively the above mentioned articles, at the wharves of the company, for foreign parts, if they come in ballast, shall enjoy the same exemption for the same period.

Those which do not come in ballast, but only partially loaded, for the purpose of loading at the wharves of the company exclusively the aforesaid articles for foreign parts, they shall only pay the dues corresponding to the number of tons of freight they may bring.

ART. 34. The obligations imposed on the company with respect to the limitations of time, in this concession, shall be suspended in all cases of insuperable accidents or superior force, which may obstruct directly and absolutely the fulfillment of these duties. The suspension shall exist only for the time the impediment exists; the company being obliged to report to the Federal Executive the circumstances and proofs of the case, within three months after the impediment has taken place. The very fact that no report and proofs are presented within the time prescribed, the company shall be prohibited to allege at any time thereafter, the existence of such impediment or insuperable cause having occurred. In like manner, the company shall present to the Secretario de Fomento the proofs that work has been resumed immediately after the impediment has disappeared,

or at most, within three months thereafter. The company shall get credit only for the period during which the impediment has existed, or at most for two months more. The company shall also get credit for the time, which, as provided by Article 5th, may be employed by the Executive in examining and approving the surveys.

ART. 35. The government of the republic will aid the company with all manner of protection and help as far as it lies in its power, without prejudice to third parties and in accordance to the laws of the Republic.

ART. 36. Besides the obligations expressed in contract, the company shall have the following ones:

I. It shall not transport any foreign armed force, without the express permission of the Federal Government.

II. It shall not transport any effects belonging to a belligerent power, or such as are declared contraband of war by the Mexican Republic, without the express authority of the Federal Government.

ART. 37. The franchises granted by this contract shall be forfeited by any of the following causes:

I. For not commencing or finishing the construction of the railroad within the periods fixed by Article 7th.

II. For selling, transferring or mortgaging the concession, or the rights derived under it, or the works executed, to any government or foreign power or for admitting such a power as a partner in the company, besides such a transaction being null and of no effect.

III. For violating what is stipulated in Article 36.

The forfeiture shall be declared by the Federal

Executive whenever a cause for it shall have occurred.

ART. 38. In case of forfeiture according to Section 1, of the last Article, the company shall lose the concession granted by the present contract, but shall continue to own the buildings it may have constructed, the part of the railroad, telegraph and telephone lines it may have established, the materials, machinery and other things used in constructing and operating the road, and the lands it may have acquired. The government, or the individual or company, to whom the right may be granted shall take it all, previous a just compensation paid for their value which shall be determined by appraisers, one appointed by each party, and these two, before commencing to act, shall appoint an umpire who shall decide in case of disagreement. If the forfeiture is declared by reason of Section 2, of same Article, besides the nullity of the act and the forfeiture of this contract, the nation shall immediately become the owner of the railroad, its accessories and lands, without the company being entitled to any indemnity.

In like manner the Federal government shall become the owner of the aforesaid properties, besides the forfeiture of the concession, if the company violates the provisions of Section 3, of said previous article, without the right of any compensation.

ART. 39. The company shall make an annual report to the Secretaria de Fomento, the latest in the month of March of each year, under protest of being true and exact, which shall contain the following items:

- I. The name and residence of the superior officers and employees of the company.
- II. Amount of capital stock.

III. Amount of shares issued and product of the same.

IV. Amount of bonds issued and product of the same.

V. The floating and other debts of the company, explaining the class to which they belong.

VI. Number of kilometres of road constructed and put in operation.

VII. Description and cost of the constructed road.

VIII. Description and probable cost of the part to be constructed.

IX. Amount received for passenger and the number of each class.

X. Amount received for freights, stating the different classes.

XI. Expenses for operating the road.

#### CHAPTER IV.

ART. 40. As each section of the railroad is concluded, it shall be examined by an engineer appointed by the Executive of the Nation, who having heard the opinion of that officer, may or may not authorize that such section be put in operation. In case that the Executive does not approve of the road, he shall publish a statement of the causes of disapproval.

ART. 41. The company shall with sufficient anticipation present to the Secretaria de Fomento, the local tariffs to be charged for the transportation of passengers, freights, etc., so that when the sections of the road are put in operation the tariffs may be approved in conformity to what is provided by the present railroad regulations, but said tariffs shall not exceed the following figures:

TARIFF A.

The freight for each one thousand kilograms and one kilometre of distance.

First Class—Six cents.

Second Class—Four cents.

Third Class—Two and a half cents.

Baggage on board of passenger trains, and explosive materials on board of freight trains, ten cents.

The company shall not be obliged to receive less than twenty-five cents for any one thing or package transported for any distance whatever.

TARIFF B.

For the transportation of each passenger, for every kilometre of distance.

First Class—Three cents.

Second Class—Two cents.

Third Class—One and a half cents.

Children of less than ten years shall pay half rates; children under two years, free.

The least passage for any person for any distance, shall be ten cents.

Each passenger shall be entitled to twenty-five kilograms of baggage to be transported free.

TARIFF C.

Every time that the owners or consignees of merchandise do not apply to take them out from the warehouses, within forty-eight hours after having arrived at the depot of destination, of which fact the company shall give them due notice, they will pay one-half cent per day for each hundred kilograms or fraction thereof.

In case that the road built be nine hundred and

fourteen kilometres (3 feet) wide, the tariffs shall be the same as those provided for the National Mexican, as conceded on September 13th, 1880, and as reformed January 10th, 1883.

[The tariffs alluded to are as follows:

Freight for each thousand kilograms for each kilometre of distance.

First Class—Five cents.

Second Class—Three and a half cents.

Third Class—Two and a half cents.

#### PASSENGERS.

For each person for each kilometre of distance—

First Class—Two and a half cents.

Second Class—Two cents.

Third Class—One and a half cents.

Each passenger shall be entitled to fifteen kilogrammes of baggage free of charge.

#### STORAGE.

After two days every hundred kilogrammes, or fraction thereof, shall pay a half a cent per day.

The company shall not be obliged to receive less than twenty-five cents for any amount of freight; nor less than ten cents for any passenger for any distance. Any freight that does not amount to ten kilograms, shall be counted as ten kilograms; any fraction of a kilometre, shall be reckoned as a full kilometre.]

ART. 42. The tariffs may be revised every two years by the Secretario de Fomento, in accord with the company, but the rates established above shall never be increased. The enforcement of the tariffs shall be entirely impartial, and nobody shall receive any advantage in any manner without the same be-

ing conceded to other persons under like circumstances.

ART. 43. Especial tariffs shall be submitted every two years to the Federal Government for objects that cannot be subject to weight or measure, and which may justly be subject to higher rates, than those provided for in Art. 41.

ART. 44. If the company sets its tariffs under the maximum fixed, or even below the minimum that may be established during the year according to Article 44, the increased rates made within the limit, shall not begin to rule before publication of the increase for four months; and in case of a decrease of rates, the same shall not rule until after two months' publication.

ART. 45. The classification of effects into classes shall be fixed with the advice of the Executive, before the railroad is opened for traffic; and every two years thereafter, counted from the first of January every second year.

ART. 46. The Federal Government shall have the right of transportation for troops, ordnance trains, ammunitions, equipments, stores, horses, mules and any other objects or effects for its service, over the lines of the company, at a reduction of sixty per cent. under the ordinary tariff then ruling.

The same reduction of sixty per cent. shall be made on the passage of military and civil employees of the Federal Government, who are traveling in the public service, but to avoid the abuse of this privilege, the Executive shall dictate regulations on the subject, being herein agreed, that in each case of the movement of troops, or the transportation of stores, ammunitions and other effects of the public service, and the passage of military employees, the

Executive or the person he may have authorized for it, shall issue a special order for that purpose.

ART. 47. All rails, and other materials, destined for the construction of railroads, shall pay as a maximum, thirty per cent of the rates adopted for third class freight,

ART. 48. During the term of this concession, the company shall carry, free of charge, the mails and the employees appointed by the postmaster, in service of the same; but this service shall be performed in such a manner as not to interfere with the regulations of the company, nor the movement of trains nor the hour of departure and detention that may be set by the time tables of the company.

ART. 49. Cereals raised in Mexico, and railroad materials shall always be considered third class.

ART. 50. Emigrants duly authorized by the governer shall be entitled to the rights of Federal troops.

## CHAPTER V.

ART. 51. The Federal Government reserves the right to place one or two telegraphic wires on the posts of the company, and the company binds itself to keep them in condition for service. Both services to be rendered gratis, the government being obliged to pay for the wire used in repairing.

ART. 52. The Federal Government may establish its telegraphic offices, independent of the company, and shall have the right to use the said wires exclusively for itself.

ART. 53. The Government of the Republic binds itself not to grant any other concession for a railroad line within twenty-five leagues on either side of the railroad concession granted by this contract.

ART. 54. To guarantee the compliance with this contract, the grantee shall deposit in bonds of the public debt, within one year after this contract is approved, the sum of five thousand dollars, which deposit he shall forfeit in case of non-compliance; being understood that if the deposit is not made in said time, this contract shall become void.

Mexico, November 30th, 1885.

Secretaria de  
Fomento,  
Nov. 30, 1885.  
Mex. Sec. 3.

CARLOS PACHECO,  
B. V. GARCIA.

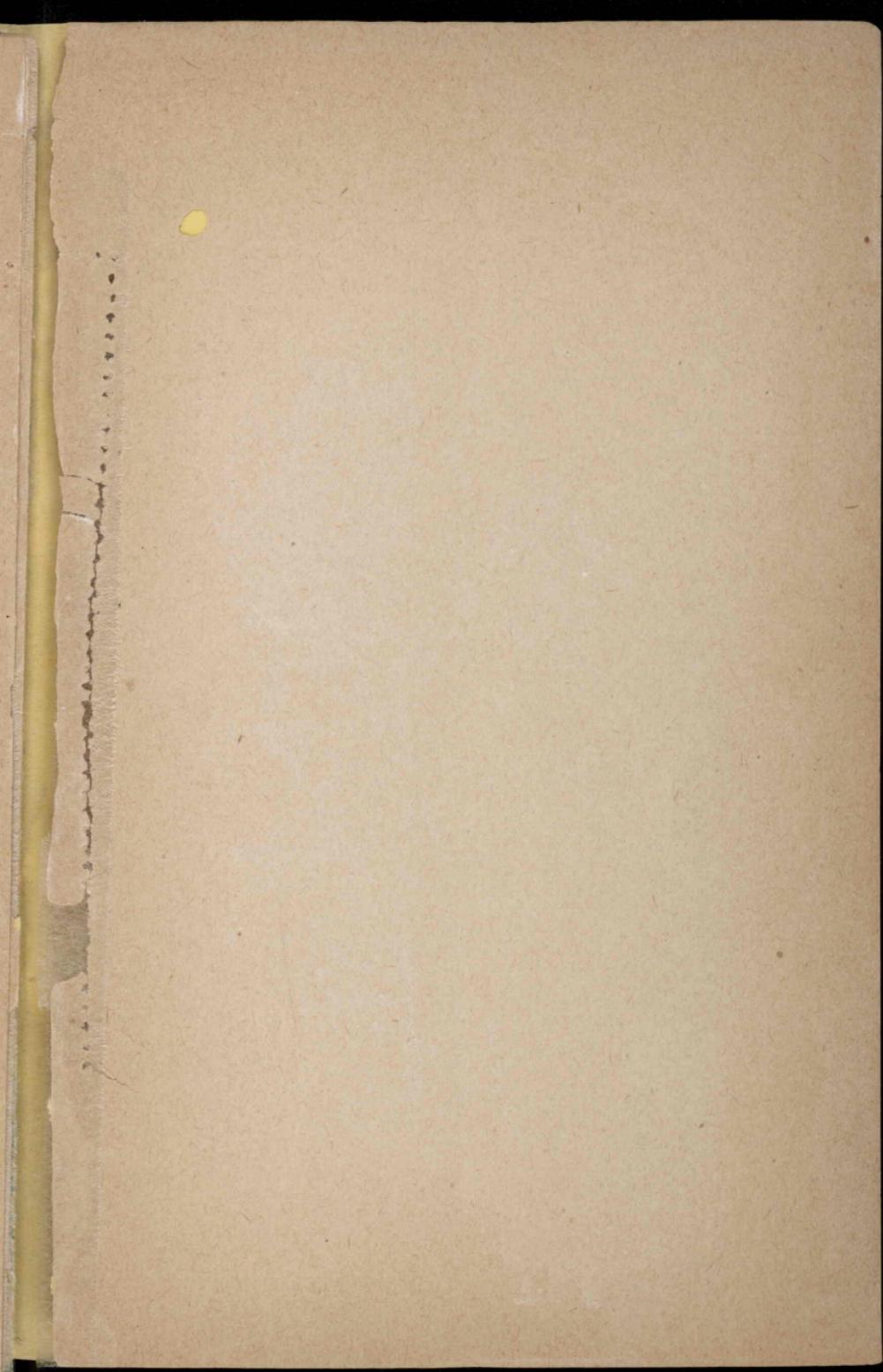
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