

Confidential

Proposition.

day

from
A. K. Owen, to

To complete 35 miles of railroad (standard gauge) and telegraph line, which connects Topolobampo Harbor with the Fuerte Valley settlements, to put on a steamer between Topolobampo and Guaymas, to put a water pipe from the Fuerte River to Topolobampo wharf, to secure 139,560 acres of selected lands, through which the said pipeline, telegraph and railroad will run, to erect a Custom House, to build a storehouse, to start a supply store, etc., etc., will require \$250,000. cash, plus the labor necessary for the same. The following are the items of expenditure:

84 tons of Steel rails & fastenings $\times 35$ Miles = 2,940 tons
2,640 ties $\times 35$ " = 92,400 ties

2,940	\times \$25.	\$73,500.
92,400	\times 30¢	27,720.
2	Locomotives (30 tons)	8,000.
15	Flat Cars (\$200.)	3,000.
12	Sets Frogs & Switches \times \$75.	900.
	Telegraph	3,500.
	Custom House	5,000.
	Over -	<u>\$121,620</u>

* Interest to be further guaranteed from the sale of lands to the Colonists.

Amount forward	\$ 121,620.
Wharf & Storehouse	5,000.
Water pipe & pump	40,000.
Payments on lands	50,000.
Steamer	15,000.
Payments to Railroad Company, for Contract,	10,000.
Sundries (tools, etc.,)	8,380.
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	\$ 250,000.

Government Subsidy & deposit \$ 258,160.

First Mortgage Bonds (10 year, 6% gold)
\$10,000 x 35 = \$ 350,000.

\$350,000 x 6% = \$21,000* = 8 2/5% on \$ 250,000.

350,000 x 75% = 262,500.

1,500 Miles x \$10,000. (bonds) = \$15,000,000.

1,500 " x 5.376 (subsidy) = 8,064,000

The investors to have the option to advance \$8,000. per mile, for rails, fastenings, rolling stock, supplies, etc., and to take the subsidy and \$10,000. in bonds, per mile. We to do all the work, to complete and to operate the railroad and telegraph. The said bonds to have precedence of all others.

Room 708-32 Nassau St. N.Y.

Nov. 2nd 1888.