

Mlle Joreau has caused the service, in virtue of her judgment, of attachment orders upon divers persons.

2. *Roger affair*.—This affair is identical with the Joreau affair.

François affair.—The same as the Joreau affair.

Donnadieu and Bougala affairs.—The same.

Debrys affair.—The same.

Affair of the heirs of Vaillant.—The same.

Denovarre affair.—The same. The same proceedings, the same appeal, the same measures to secure execution (*mésure conservatoire*), only M. Denovarre has proceeded by opposition.

3. *Salleir-Laboige affair*.—An affair analogous to the Joreau affair. Judgment of the same day, January 26, 1893, not yet notified (*signifié*).

No measure to secure means of execution.

4. *Downic affair*.—An affair analogous to those of Joreau and others.

5. *Divers bondholders*.—MM. Pichot, Noyelle, Delaplace, Laporte, Gesnys, Pilon; Vve. Lepêcheux, Dubar, Raffard, Bonhoure; Mlle. Taniès, Chappellier, Estagerie; Vve. Sarrazin, Sassier, Brion, Petit; M. Jamain.

Proceedings introduced by the above mentioned with the same object as the Joreau suit. The affairs are pending.

N. B.—M. Estagerie has considered himself authorized by his bonds themselves and without judicial permission to enter an opposition in the hands of M. Silvestre, notary at Tulle, as to the sums which may be due to the liquidation.

Same situation as to M. Sassier, Mme. Vve Brion, M. Jamain, and Mme. Petit. In these cases the oppositions have been served upon Messrs. Hugo Oberndoerffer, Eiffel, Baihaut, and others. All these individual suits and the measures taken in pursuance of them are to-day suspended in consequence of the promulgation of the law of July 1, 1893, which will be discussed hereinafter.

Muraccioli affair.—M. Muraccioli, contractor, sued the liquidator on the 21st of October, 1892, for payment of an account of 845 piasters 4 centavos, representing 3,380.15 francs, at 4 francs the piaster, fixed by the plaintiff.

The liquidator, while recognizing the principle of the demand, claimed to owe only 3,274.53 francs, the piaster being worth, according to him, 3.875 francs.

The tribunal, by judgment of April 11, 1893, condemned the liquidator to pay M. Muraccioli the sum of 3,380.15 francs.

The judgment was notified to the liquidator the 23d of May, 1893. It has not been executed.

This action is also suspended as a result of the promulgation of the law of July 1, 1893.

Reinach affair.—On December 3, 1892, the liquidator, in view of the actions and rights which he might have to make use of against the succession of Baron de Reinach, served notice upon his heirs and M. Imbert, provisional administrator of his succession, prohibiting them to proceed without his presence with the operations of accounting liquidation and division of the succession.

Moreover, on August 27, 1893, the liquidator sued M. Imbert, administrator of the succession of Reinach, for restitution of the sum of 9,253,792.59 francs, received by M. Reinach on account of (1) participa-

tion in the syndicates of the different issues of bonds of the Panama company; (2) payment of expenses of publication for the said issues; (3) payment of commission by the concerns Cubtill, De Lungo, Watson & Van Hattum, Artigue, Sonderegger & Co., and Eiffel.

Cornelius Herz affair.—M. Imbert, provisional administrator of the succession of Baron de Reinach, instituted before the civil tribunal of the Seine a suit against M. Cornelius Herz, to have it declared that seven pieces of real property situated at Paris, and appearing to belong to Mme. Cornelius Herz, were in reality the property of M. Cornelius Herz and should be replaced among his assets.

By means of conclusions notified the 19th of June, 1893, the liquidator intervened in the proceedings to join in the demands of M. Imbert.

Subsequently to this date M. Gautron, appointed coliquidator, introduced conclusions to revive the action.

M. Lemarquis, mandataire of the bondholders, also intervened in the proceeding.

On February 15, 1894, the civil tribunal of first instance of the Seine rendered a judgment (judgment sustaining the demands quoted).

The tribunal also found itself possessed, by the action of M. Lemarquis, mandataire of the bondholders, of a demand for restitution of the sum of 600,000 francs received by Cornelius Herz from the Panama company.

MM. Monchicourt and Gautron intervened in that proceeding. By a judgment, also rendered February 15, the tribunal admitted the interventions of MM. Monchicourt and Gautron in their official characters and suspended judgment to await the definitive result of criminal proceedings against Cornelius Herz, reserving a decision as to costs.

On the 10th of March, 1894, a transaction took place between M. Imbert, judicial administrator, and the succession of M. de Reinach, M. Lucien de Reinach, Mlle Juliette de Reinach, M. Gautron, coliquidator of the Universal Company of the Interoceanic Canal of Panama; M. Lemarquis, mandataire of the bondholders of Panama, and Mme. Bianca Saroni, wife of Cornelius Herz, acting as well in her own name as the authorized agent of her husband.

This transaction will be submitted for approval to the tribunal conformably to the requirements of the law of July 1, 1893.

Baihaut affair.—Madame Baihaut, following up a proceeding instituted by her husband, introduced before the civil tribunal of the Seine an action for separation of property. The liquidator intervened in that action in the character of eventual creditor of M. Baihaut. The action was pending when, on March 31, 1893, there was rendered a decree of the assize court [the court ordered him and others to reimburse to the liquidation the sum of 375,000 francs received by M. Baihaut]. Upon considering these intervening matters, the civil tribunal passed upon the demands of Mme. Baihaut. By judgment of March 28, 1893, the tribunal pronounced the separation of properties, admitted the intervention of M. Monchicourt, declaring as to the rest that the operations of the liquidation could not take place except in his presence or after due notice to him.

The beginning of the operations of the liquidation, at the instance of Mme. Baihaut, took place on April 10, 1893, with the aid of M. Bertrand, notary. The liquidator caused himself to be represented there. It is not known at present what sum the liquidator will be able to recover from the personal property of M. Baihaut.

Cottu affair.—On March 27, 1893, Mme. Cottu introduced an action for separation of goods against her husband, Henri Cottu. By conclusions notified the 16th of April, 1893, the liquidator intervened in that action. By judgment of May 15, 1893, the tribunal pronounced the separation of goods between husband and wife, admitted the intervention of the liquidator, and ordered that the operations of liquidation were to take place only in the presence of M. Monchicourt. The liquidation is proceeding.

Hugo Oberndoerffer affair.—On May 9, 1893, the liquidator sued M. Oberndoerffer for restitution of the sum of 3,931,354.45 francs received by him by reason of: (1) Participation in the syndicates for the issue of the bonds of March 14 and June 26, 1888; (2) commissions for placing bonds and aid in the issue of June 26, 1888; (3) payment of expenses of publication. The affair is pending.

Wyse affair.—In May, 1890, the liquidator confided to M. Lucien-Napoleon Bonaparte Wyse the mission of going to Bogotá to negotiate with the Colombian Government for a prorogation of the concession accorded on the 18th of May, 1878, for the construction of the canal of Panama.

On his return to France, after having obtained the prorogation on the conditions which the liquidator has explained in his second report M. Wyse claimed from the liquidator the payment of his fees. On account of this payment a disagreement arose between M. Bonaparte-Wyse and the liquidator, M. Bonaparte-Wyse placing his case before the first chamber of the civil tribunal of the Seine.

Finally, M. Bonaparte-Wyse claimed a million, of which the liquidator refused to pay the whole amount, alleging that M. Bonaparte-Wyse had not fulfilled his orders in the conditions provided, and that a portion of the amount could not be exacted. The liquidator offered 400,000 francs.

By a judgment of the 11th of January, 1894, the tribunal condemned the liquidation to pay M. Bonaparte-Wyse the sum of 400,000 francs in full settlement of all claims.

ACTION OF THE LIQUIDATORS AGAINST THE ADMINISTRATORS OF THE OLD UNIVERSAL COMPANY OF THE INTEROCEANIC CANAL.

During the month of August, 1893, MM. Monchicourt and Gautron, both acting in the name of and as liquidators of the Universal Company of the Interoceanic Canal of Panama, summoned the former administrators of the said company before the civil tribunal of first instance of the Seine for the payment of damages to be fixed by accounting for mismanagement, and demanded a provisional condemnation of 50,000,000 francs.

TRANSACTION WITH M. EIFFEL.

On the 11th of August, 1893, M. Lemarquis, mandataire of bondholders entered an action against M. Eiffel for 18,000,000 francs, and asked that the judgment might be also in favor of the liquidators of the Panama Company.

On the 26th of January, 1894, a transaction took place between MM. Monchicourt and Gautron, liquidators of the Panama Company, M. Lemarquis, mandataire of the bondholders, and M. Eiffel.

This transaction will be submitted to the approval of the tribunal in conformity with the law of July 1, 1893.

[Fourth report of the liquidator.]

In this connection I have the honor to remind the tribunal that, since the month of August, 1894, I have made a series of arrangements with the different contractors the terms of which, after having examined the accounts of each one, I have undertaken to pay in lottery bonds, warning each of them that the remittance of these bonds could not take place until after I had obtained, either by judicial authority or friendly arrangement the release of the attachments upon these lottery bonds.

BARATOUX, LETELLIER & CO.

Agreement of the 8th of August, judgment of 10th of August, payment in lottery bonds at their market value within fifteen days preceding the agreement, increased by 3 francs.

	Francs.
Debt settled at	2, 269, 009. 33
Lottery bonds to be delivered, 18,270, at 124 francs 18.75 centimes....	<u>2, 268, 905. 63</u>
Cash balance.....	103. 70
Total.....	<u>2, 269, 009. 33</u>

JACOB SUCCESSION.

Agreement of the 8th of August, 1894, approved on the 9th of August, payment in lottery bonds at their market value within fifteen days preceding the agreement, increased by 3 francs, the value not being less than 120 francs.

	Francs.
Debt settled at	<u>2, 126, 366. 01</u>
Lottery bonds to be delivered, 17,122, at 124 francs 18.75 centimes....	2, 126, 338. 37
Cash balance.....	<u>27. 64</u>
Total	<u>2, 126, 366. 01</u>

ARTIGUE SONDEREGGER & CO.

Agreement of August 14, 1894, confirmed August 17, payment in lottery bonds at their market value within fifteen days preceding the agreement, increased by 3 francs.

	Francs.
Debt settled at	<u>1, 921, 004. 88</u>
Lottery bonds to be delivered, 15,657, at 122 francs 68.75 centimes....	1, 920, 918. 18
Cash balance.....	<u>86. 70</u>
Total	<u>1, 921, 004. 88</u>

I also settled the debt due M. Eiffel in execution of the transaction of the 26th of January, 1894, approved by the tribunal, the bonds to be accepted by M. Eiffel at the price of 125 francs.

	Francs.
Amount due to him	<u>7, 147, 264. 33</u>
Lottery bonds, 57,178, at 125 francs.....	7, 147, 250. 00
Cash balance.....	<u>14. 33</u>
Total	<u>7, 147, 264. 33</u>

The contractors gave me the bills which they held, and by an act received the same day by Me. Mégret, notary, they gave their discharge from the sequestration constituted on the 9th of February, 1889, and released the pledge (*nantissement*) which was conceded to them on the 30,500 shares of the Panama Railroad Company, and Me. Chéramy, the pledge-holder, handed me the titles to these shares.

In execution of the engagements which I made in the by-laws, I have transferred to the new company of the canal of Panama the rights of the liquidation in the railroad from Panama to Colon; I took the necessary steps to assure myself of the inalienability of these rights and of their eventual return to the liquidation in the circumstances provided for by article 5, paragraph 3, of the by-laws, etc.; in accord with the council of administration of the New Panama Company, the *Comptoir National d'Escompte* has been named as trustee to hold said rights.

It then remained for me to pay the second quarter of the 158,950 shares of the new company subscribed by the liquidation.

I was obliged, in this case, to pay an interest of 6 per cent on account of delay (article 12 of the by-laws) from the 31st of October, 1894, on a sum of 3,973,750 francs.

I employed for the payment of these shares all the available resources of the liquidation and the sums resulting from various payments and transactions.

M. Imbert, liquidator of the De Reinach succession, paid, in May, 1894, to M. Lemarquis, *mandataire* of the bondholders, the sum of 1,000,000 francs in virtue of the transaction with M. Cornelius Herz and the De Reinach succession.

The heirs of Barbé paid to M. Lemarquis, in December, 1894, the sum of 500,000 francs in execution of a transaction of August, 1894.

On the 7th May and 4th December, 1894, conformably with article 5, paragraph 2, of the law of July 1, 1893, M. Lemarquis paid these two sums, forming a total of 1,500,000 francs to the credit of the liquidation, into the "*Caisse des dépôts et consignations*."

I received, on the 31st of December, 1894, the amount of the judgment pronounced against M. Baihaut, namely, 534,791.60 francs.

Finally, after the 30th of June, 1895, M. Lemarquis paid to the credit of the liquidation, as realized from the transaction with M. Cornelius Herz, various sums amounting together to 1,335,868.33 francs.

Under these conditions I was enabled to pay to the new company, in settlement of the second quarter, on the 158,950 shares which have been ascribed to the liquidation, 3,973,750 francs.

I have thus been able to pay the first two quarters of all the shares of the new company subscribed by the liquidation, and have paid the interest for delay, without having recourse to the alienation of any lottery bonds.

[Fourth part.]

VARIOUS MATTERS.

To complete the recital of the litigation (*situation contentieuse*) of the liquidation I must mention the following facts:

1. From the time of the constitution of the civil company for the amortization of the lottery bonds the headquarters of that company were established at the property possessed by the Panama Company, at Rue Caumartin, Paris, and the latter company was charged with

effecting, free of charge, the payment of the sums due to the civil company on the lottery bonds, and to assure, free of charge, the issuing of the bonds and the drawings.

After the liquidation of the Panama Company, and the sale of the property in the Rue Caumartin, the civil company was obliged to transfer its head offices to the branch of the Comptoir National d'Escompte of Paris, 2 Place de l'Opéra, and to charge that establishment to assure the issuing of bonds and drawings.

The council of mandataires of the civil company demanded of the liquidation the sum of 150,000 francs as guaranty of the expenses of the administration, as well for the past as for the future.

The judgment of the 3d August, 1894, which sanctioned the agreement made in regard to the settlement of the balance of the lottery bonds, fixed the sum to be paid by the liquidation at 130,000 francs.

This judgment has been executed.

The civil society for the amortization of the new bonds, third series, of the Old Panama Company (issue of March, 1888) was in the same situation as the civil society for the amortization of the lottery bonds. It was obliged to assure the issuing of bonds and the drawings, which could no longer be done free of charge by the liquidation.

It claimed from the liquidation:

	Francs.
Advance for acquiring a wheel, expenses of putting numbers on the wheel, etc.	5, 280
Expenses of administration up to 1894	1, 000
To assure, in the future, the expenses of administration and of drawings	50, 000
Total	56, 280

The Tribunal by judgment of August 3, 1894, condemned the liquidation to pay:

	Francs.
For acquiring a wheel, etc	5, 280
Expenses of administration and drawings, as well in the past as in the future.	20, 000
Total	25, 280

This judgment has been executed.

[Fifth report of the liquidator.]

LITIGATION IN FRANCE.

Affair Vignaud, Barbaud, Blanleuil & Co.—This affair received a definitive solution by means of a transaction under date the 7th of March, 1896, entered into between the liquidator of the Panama Company, the judicial mandataire of the bondholders, M. Bonneau, in the capacity of liquidator of the company of current accounts and deposits, and MM. Vignaud, Barbaud, Blanleuil & Co.

MM. Vignaud, Barbaud, Blanleuil & Co. demanded of the liquidation the payment of a total sum of 16,402,154 francs, made up as follows:

	Francs.
1. Balance of the price of their work	1, 336, 154
2. Damages	15, 066, 000
Total	16, 402, 154

They demanded besides, the restitution of their security in government annuities (that is 37,748 francs of 3 per cent rente of the French Government) with the back receipts or interest on them and the reimbursement of the sum of 1,283,547.20 francs arising from the guaranty held by the Old Panama Company.

The liquidation, on its side, claimed to be a creditor of MM. Vignaud Barbaud, Blanleuil & Co., by reason of the inexecution of their contracts, and claimed from them the sum of 8,658,703.65 francs. Finally, M. Bonneau, judicial liquidator of the company of current accounts and deposits, intervened in the name of that company as the creditor of MM. Vignaud, Barbaud, Blanleuil & Co.

In this situation, the parties being desirous of putting an end to the suit in which they were engaged, concluded a transaction on the following basis:

M. Bonneau was authorized to withdraw from the Caisse dépôts et consignations the sums and values which had been deposited there and which represented the securities of MM. Vignaud, Barbaud, Blanleuil & Co., and the back interest arising on them.

M. Bonneau was authorized to realize on the 37,748 francs of 3 per cent annuity which constituted the bond given by MM. Vignaud, Barbaud, Blanleuil & Co. From this realization, increased by the amounts withdrawn in money, M. Bonneau takes a sum of 900,000 francs which was acquired to the company of current accounts and deposits.

This sum has been applied:

1. To reimburse to the company of deposits and current accounts the amount in principal of a credit given to MM. Vignaud, Barbaud, Blanleuil & Co. of 250,000 francs.

2. To give back to the same company the sum of 650,000 francs put up as security for Vignaud, Barbaud, Blanleuil & Co.

The liquidation of the Panama Company has kept the back interest received by them on the 3 per cent annuity (French Government rentes) of 37,748 francs, namely, 84,933 francs, and has received besides from M. Bonneau the sum of 188,740 francs for the back interest of the said annuity paid in by the Bank of France and the Caisse of consignations, successively depositaries of the values.

This transaction was approved by the judge commissaire of the judicial liquidation of the company of current accounts and deposits and approved by the tribunal of commerce (judgment of 23d of March, 1896) and by the tribunal of the Seine (judgment of 22d of May, 1896).

Lemarquis affair, mandataire of bondholders, against the liquidation.— In the month of August, 1893, M. Lemarquis, judicial mandataire of bondholders, summoned the liquidation for payment of the sum of 1,777,111,600 francs, with interest, this sum representing the amount of all the bonds issued by the Universal Company of the interoceanic canal, even in the form of lottery bonds. This proceeding had for its object the determination by the tribunal of the basis of the distribution to be made by the liquidator. It raised, as well from the point of view the calculation of the debt of coupons and that of the sinking payments as from the point of view of the admissibility, as a debt of the liquidation, of the lottery bonds and others of which the amortization is guaranteed by civil companies, very delicate questions and a complicated accounting. M. Lemarquis and myself have united our efforts in order that the decision of the tribunal should not be delayed.

Affair Derenne and associates against the liquidation.—On the 26th December, 1896, MM. Derenne, Le Voyer, and others, holders of bonds in the Old Panama Company, summoned me before the tribunal of the Seine, asking that it might be ordained that in the space of time that it might please the tribunal to fix—

M. Gautron should proceed to the distribution among the creditors and bondholders of the assets such as they exist in the hands of the liquidator, reserving the amount necessary to make the final payment for the stock of the New Panama Company.

To have determined by the tribunal, the conditions of the speediest possible realization of the assets, in view of the long time since the placing into liquidation of the company, and the necessity for finishing it before the original subscribers disappear.

To have it decreed that the lottery bonds be distributed pro rata among the bondholders according to their ascertained rights, and if this could not be done by the distribution in kind that they should be sold, reserving to the bondholders of the company the right of preemption according to the precedents already established by the tribunal.

To have M. Lemarquis bound with the liquidator by a common judgment.

MM. Derenne and associates summoned the mandataire of the bondholders to have the judgment made a common one.

Various bondholders have intervened in this suit to oppose the claims of MM. Derenne and Le Voyer and others. It is not proper to discuss here a claim that has been submitted to the decision of the tribunal.

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(The sixth report of the liquidator quotes at length the decision of the tribunal denying all of the demands of MM. Derenne, Le Voyer, and others.)

Iturrarbe affair.—On the 22d of November, 1895, Mme. Maria Iturrarbe wrote from Panama to the liquidator to inform him that her father, Dr. Mateo Iturrarbe, deceased, was the owner, under the terms of a notarial act registered at Panama, of an island at Maria-Sala; that at the commencement of the canal works the agents of the old company occupied the ground and destroyed the plantations which were there; that her father had claimed the value of the ground and also an indemnity for the plantations destroyed; that the company had admitted the claim but objected that it would be necessary as a preliminary to proceed to measure the property in order to fix the value of the ground on the basis of a price paid in a similar affair of a M. Buitrayo; that she accepted these conditions.

The claim of Mme. Iturrarbe was terminated by a transaction under date the 27th of March, 1896, by the terms of which the liquidation paid to Mme. Iturrarbe a sum of 300 piasters in settlement of all claims.

Affair of Messrs. Schuber Bros.—MM. Schuber Bros., citizens of the United States of America, are proprietors of an estate called "Juan Diaz Caballero," situated at Panama.

On the 9th of December, 1891, they sued the liquidation before the Colombian tribunal for payment of a sum of 150,000 piasters, reduced in June, 1896, to 134,868 piasters, the old Panama Company having made use of a portion of their estate for the construction of a road from Panama to Corozal. There was included in the sum claimed, the value of the materials taken by the company from their estate, and damages for the injury caused to them by the destruction of the fences, the clearing away of the woods, the excavations, soundings, etc.

This affair gave rise to a complicated proceeding, and entailed numer-

ous judicial decisions rendered by the civil tribunal of Panama, the superior tribunal of the same town, and the supreme court of Bogotá.

All attempts at an amicable arrangement up to the present have failed. The suit is continuing.

Affair of Domingo Diaz.—In 1885, at the time of the construction of the central hospital of Panama, the Universal Company of the Inter-oceanic Canal having acknowledged that a part of the property called “Huerta del Gallo,” was necessary to them for the installation of dwellings for the doctors, chemists, and others, asked the proprietor, M. Ehrmann, to authorize their occupation of the said property.

M. Ehrmann accorded this authority gratuitously.

In 1888 M. Ehrmann sold the property “Huerta del Gallo” to M. Domingo Diaz, who claimed as belonging to him, the portion of the ground taken by the old company.

The action between M. Domingo Diaz and the liquidation is pending at Panama.

[Sixth report of the liquidator.]

LITIGATION IN FRANCE.

Affairs of Derenne, Le Voyer, and associates against the liquidation.—On the 26th of December, 1896. MM. Derenne, Le Voyer, and others summoned the liquidator before the civil tribunal of the Seine to have him ordered to immediately make among the creditors and bondholders the distribution of the assets remaining in his hands, and notably the lottery bonds, and to have determined the conditions of the realization of the assets.

By judgment of the 30th of December, 1897, the tribunal declared Derenne, Le Voyer, and their consorts inadmissible and unfounded in their demands and conclusions, dismissed them, and condemned them to pay all costs.

MM. Derenne and consorts took an appeal from this judgment by notification of Le Breton, bailiff, dated the 25th of March, 1898.

But they did not follow up this appeal, but withdrew from it by document of Le Breton, bailiff, dated March 30, 1898, upon payment of their costs by the liquidator.

Affair of Lemarquis, mandataire of the bondholders, against the liquidator.—The suit begun by M. Lemarquis, August 3, 1893, against MM. Monchicourt and Gautron had for its object to have determined by the civil tribunal of the Seine the basis of the distribution which the liquidator would have to make among the different bondholders of the old Panama Company.

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M. Lemarquis took an appeal. The court of appeal passed upon the respective appeals of the liquidator and mandataire. * * *

In conformity with this decree of the court of appeal and after the depositing by the expert of a modified report, the tribunal of the Seine, by a judgment dated August 1, 1900, has definitively fixed the basis of the distribution for the different kinds of bonds issued by the Universal Company of the Inter-oceanic Canal, the tribunal ratifying in all respects the report of Cagnat, expert, deposited in the clerk's office the

7th of July, 1900, and concerning the bonds of 1882, 5 per cent, and the bonds of 1884, 4 per cent.

Ratifying in all respects the report of Cagnat, expert, deposited in the clerk's office 19th of January, 1900, and concerning the new bond, third series, and the lottery bonds, but only as to the part of his report prepared on the basis established by the definitive judgment of March 2, 1899:

Declares that it is not necessary to consider or pass upon the remainder of the said report made contrary to the basis fixed by the said gentlemen:

Declares that at the time of the distribution of the assets in the manner prescribed by article 6 and following of the law of July 1, 1893, the holders of paid-up bonds of the hereinafter-mentioned issues who shall produce them at the place of liquidation within the time allowed by the law shall be admitted upon the following basis: Issue of 1882, 5 per cent, 450.62 francs per bond; issue of 1883, 3 per cent, 302.41 francs per bond; issue of 1884, 4 per cent, 343.54 francs per bond; issue of 1886, 6 per cent new bonds, first series, 557.10 francs per bond; issue of 1887, 6 per cent, new second series, 508.28 francs per bond; issue of March 14, 1888, new bonds, third series, 390.35 francs per bond; issue of June 26, 1888, lottery bonds, 295.65 francs per bond; and this with the interest on the said sums calculated from December 14, 1888;

The sums, principal and accessory, remaining due to pay completely what they are entitled to.

Affair of Laplante against the liquidation—Tierce opposition to the judgment in the Derenne affair.—By document dated June 27, 1898, M. Laplante acting in his capacity as heir of Mlle. Joreau, in her lifetime owner of a number of bonds of the Universal Company of the Interoceanic Canal, has introduced tierce opposition to the judgment rendered the 30th of December, 1897, in the suit by Messrs. Derenne and consorts, and has taken up, appropriating them to himself, the conclusions submitted by these latter.

By the same document he summoned before the civil tribunal of the Seine MM. Gautron, liquidator of the Universal Company of the Interoceanic Canal, and Lemarquis, mandataire by law of the bondholders.

By judgment of May 10, 1899, the civil tribunal of the Seine declared the tierce opposition of M. Laplante inadmissible on this ground, principally, that he was a party to the judgment of December 31, 1897, since he was represented therein by Lemarquis, who acted in that suit only in the character of mandataire of the holders of the bonds, and who, as such, united in his hands all the rights of individual action of these latter.

On June 30, 1899, M. Laplante appealed from that judgment. The court of appeals, by decree of April 25, 1900, confirmed in all respects the judgment of May 10, 1899.

Affair of Donnadieu against MM. Gautron and Lemarquis.—M. Donnadieu, the owner of a certain number of bonds of the old Panama Company, by document of the 5th of March, 1897, summoned M. Lemarquis, legal mandataire of the bondholders of the Panama Company, to institute suit against the stockholders of the Civil Panama Company for payment of the company's debts. M. Lemarquis not having begun any action of that kind, M. Donnadieu had the right,

according to the terms of article 2, section 4, of the law of July 1, 1892, to exercise himself that right of action at his own risk and peril; but in order to do so, and to know who were the stockholders of the company, it was indispensable to him to have knowledge of certain documents, and especially of the list of transfers of the shares of the Panama Company. M. Lemarquis, if he had instituted such an action, would have had the right to require from the liquidator the communication of those documents.

M. Donnadiou, pretending to be subrogated to the legal mandataire, claimed to have the same right to that communication.

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By judgment of the first chamber of the civil tribunal of the Seine, Donnadiou was declared inadmissible and unfounded in his demands, dismissed, and condemned to pay the costs.

M. Donnadiou took an appeal from this judgment by document of April 1, 1898.

By decree of the first chamber, dated August 4, 1898, the court of appeals of Paris, adopting the reasons of the law court, decided against the appellant.

Affair of Gautron against the council of mandataires of the civil company of redemption of the new bonds, third series (issue of March 14, 1888).—(This was an attempt of this redemption company to dissolve, the liquidator interposing a protest. The company abandoning that plan then attempted to reduce its capital stock, which was also protested against, but the general meeting of the company undertook to carry out their plan. The civil tribunal of the Seine decided that the resolution of the general meeting was illegal, and forbade "the defendants to put into execution the said resolution, and especially to withdraw from the Bank of France all government bonds (rentes), in order to divide them among the bondholders of the company." The council of mandataires appealed, and the affair was pending in the court of appeals when this sixth report of the liquidator was written. See Exhibit 9 for further proceedings.)

Affair of Von Berg & Co. against the liquidator.—By a notification of March 6, 1899, MM. Von Berg & Co. instituted before the civil tribunal of the Seine against the liquidation a demand of payment of 190,577.20 francs, representing—

1. The price of a steam excavator, a transporter, and the accessory implements;

2. The expenses of the voyage and stay in the Isthmus of MM. Von Berg & Co., or their representative, for the putting in place of this apparatus.

They demanded, besides, interest on the said sum to date from the summons made by them on the Universal Company of the Interoceanic Canal on May 5, 1888.

The liquidator opposed the demand, and maintained that according to the contract between MM. Von Berg & Co. and the Universal Company of the Interoceanic Canal the price of the apparatus was to be paid only after its delivery "in a good state of working and after receipt in the conditions determined."

These conditions had never been complied with. The affair is pending before the tribunal.

Affair of Fourmont against the liquidator.—M. Fourmont proceeded against the liquidator on the 15th of June, 1895, and against M. Eiffel

in conjunction with him, for payment of a sum of 9,000,000 francs, which he claimed to be due him as damages on account of the copying of his patent, No. 162947, to his prejudice.

This summons remained without being followed up during four years.

On the 7th of July, 1899, M. Fourmont served M. Gautron with his corrected conclusions, asking the tribunal that—

Whereas by his initial proceeding M. Fourmont claimed from M. Gautron as liquidator and M. Eiffel a sum of 9,000,000 francs by way of damages;

And whereas it was by error that this condemnation was demanded against M. Eiffel, who was not a party in the matter;

And whereas, on the other hand, in order to ascertain the merits and the amount which M. Fourmont has a right to demand, it is proper to send the matter before a judge of the tribunal for him to fix the sum of the damages to which he is entitled;

For these reasons to declare M. Fourmont's demand to apply to M. Gautron as liquidator, and not to M. Eiffel, and, before deciding the matter, to send it before such one of the judges as the tribunal may see fit, to fix the amount of the damages.

The liquidator considers that the contention of M. Fourmont already made several times does not rest upon any serious foundation. The affair is pending before the civil tribunal of the Seine.

LITIGATION IN COLOMBIA.

The affair of Schuber Bros. against the liquidation.—On December 9, 1891, the Schuber Brothers sued the liquidator before the Colombian tribunals for 150,000 piasters, which sum was reduced by them in June, 1896, to 134,868 piasters, in reparation of a damage which the Universal Company of the Interoceanic Canal had caused them by opening on their land the road of Corozal. (Fifth Report.)

By a decision of July 26, 1898, the judge of first instance condemned the liquidator to pay MM. Schuber Brothers 45,935 piasters 95 centavos. The liquidator appealed from this decision, and the superior tribunal of Panama, judging in last resort, reduced to 28,339 piasters 67 centavos, the amount of the condemnation pronounced against the liquidator.

MM. Schuber Brothers and the liquidator not having proceeded to the court of cassation, the superior tribunal, by a judgment of July 13, 1899, ordered the Panama Company in liquidation to pay to M. Henry Schuber, as representative of the company of Schuber Brothers, the sum of 28,339 piasters 67 centavos and the legal interest on that sum from June 30, 1899, to the day of payment, with the costs of the present proceedings.

On the request of M. Henry Schuber, dated September 25, 1899, and by judgment of September 27, 1899, the superior tribunal of Panama, in conformity with the said request, to the effect that there should be delivered to M. Schuber a letter rogatory to avoid the injury to him which would result from the delays incident to sending the matter through the diplomatic channel, decided in favor of this request, and that there should be an order delivered to the interested party. The notification of it was ordered.

In execution of this decision, on the 9th of October, 1899, the judge of the court delivered a letter rogatory addressed to the competent

authority in civil matters of the city of Paris, which was requested to notify the judgment of July 13, 1899, to the representative of the Universal Company of the Inter-oceanic Canal, to require of him the payment of the sum required to execute the judgment, and in default of payment to require of him to furnish, under oath, property which could respond to the demand.

The judgment of July 17, 1889 (sic: should be 1899), that of September 27, 1899, and the letter rogatory of October 9, 1899, were served upon the liquidator by a document of Marecat, bailiff at Paris, on the 14th of March, 1900, at the request of M. Schuber.

The judgment of condemnation not having been notified through the diplomatic channel, and this procedure not being in conformity with French law, according to which judgments rendered in foreign tribunals can not receive execution in France, except after they have been declared executory by French tribunals, the liquidator reserves to himself, should M. Schuber carry out the formalities prescribed by French law and ask the exequatur of the judgment which he has obtained in Colombia, to take the advice of counsel, as to the attitude which the exceptional position in which the law places him requires him to take.

Affair of Domingo Diaz against the liquidator.—At the time of the construction of a hospital at Panama in 1885, the Universal Company of the Inter-oceanic Canal obtained from M. Ehrmann the gratuitous permission to occupy a part of his property called “Huerta del Gallo,” in order to place there a certain part of the hospital administration.

M. Domingo Diaz, to whom M. Ehrmann sold his property, claimed as belonging to him the land occupied by the company. (See Fifth Report.)

The claim of M. Domingo Diaz was rejected by a judgment of the tribunal of first instance of Panama, dated April 22, 1848 (sic).

M. Domingo Diaz took an appeal from that decision.

Contrary to all expectation, the superior tribunal of Panama, by a decision of June, 1899, condemned the liquidator to pay to M. Diaz the sum of 2 piasters per square meter of the land claimed by him according to a calculation by experts, with the legal interest since the day on which the plaintiff entered into possession of the land up to the day when he shall be paid its value.

The liquidator proceeded to the court of cassation. The affair is pending before the supreme court at Bogotá.

Affair of Carreno against the liquidator.—Some years ago the Universal Company of the Inter-oceanic Canal was condemned to indemnify Mme. Carreno for the damages caused to her by the company upon her property called “Honduras,” requiring her to make proof of the damages in a new proceeding.

Dr. Jesurum, calling himself a transferee of the right of action of Mme. Carreno, started a new proceeding.

* * * * *

As a result, the liquidator paid on July 30, 1900, to the agent of Dr. Jesurum the amount of 1,008.96 francs. The affair is terminated.

Affair of Icaza against the liquidator.—The heirs of M. Pablo Elias de Icaza claim that by virtue of a judgment dated December 16, 1886, their father had taken from him, for the benefit of the Universal Company of the Inter-oceanic Canal of Panama, 2 hectares, 42½ ares, being part of the property called “Carro de San Juan.” They add that this

taking of property was done with the fixing by judgment of an indemnity of 1 piaster 7 centavos per square meter of land; that is, 41,225 piasters for the 24,250 meters condemned.

They claim also that the judgment of December 16, 1886, was notified to the company on January 16, 1887, that it did not take an appeal from that decision and has not paid the amount within the time fixed by the judgment.

As a result, they have obtained from the civil tribunal of the first district of Panama, dated September 6, 1897, a judgment ordering a seizure against the Panama Canal Company in favor of the heirs of Icaza to the amount of 41,225 piasters, and that on default of payment the company against whom the order for seizure is made shall name a depositary and an expert valuer of the property to be seized, and in default of its making that nomination this shall be done by the tribunal or by some one designated by it for that purpose.

The tribunal at the same time ordered the notification in due form of its judgment.

The judgment was notified to the liquidator through the diplomatic channel on the 18th of June, 1898.

Since that time the parties have not taken any steps.

EXHIBIT 11.

JUDGMENT OF JULY 26, 1894 (CIVIL TRIBUNAL OF THE SEINE), DECIDING AGAINST Mlle. JOREAU.

FRENCH REPUBLIC, IN THE NAME OF THE FRENCH PEOPLE.

The civil tribunal of first instance of the department of the Seine, sitting in the palace of justice at Paris, has rendered in public session of the first chamber the following judgment:

Session of July 26, 1894.

Between M. Jean Poire Gautron * * * and Mlle. Joreau, etc. * * *

Considering that by virtue of a judgment rendered by this chamber January 26, 1893, condemning Monchicourt, in his character of liquidator of the Universal Company of the Interoceanic Canal of Panama to pay to Mlle. Joreau the principal sum of 153,169 francs 40 centimes, and, according to documents of Thiellement, bailiff at Paris, dated February 24 and 25, 1893, Mlle. Joreau has served injunction or garnishment papers upon the civil association for sinking Panama Canal lottery bonds and upon the director of the bureau of deposits and consignments, as to all the sums they have received or may receive, due to Monchicourt as liquidator by whatever right; that these papers have been served, but Mlle. Joreau has not proceeded in her suit to have them declared valid;

That Gautron, become liquidator of said company, demands that the opposition proceedings referred to may be declared without object in view of the law of July 1, 1893:

Considering that article 1 of that law has suspended from the date of its promulgation all pending suits begun against the liquidation by bondholders and all other creditors, and all proceedings for securing execution against the property, movable or immovable, of the company, even those in course of being executed;

Considering that this provision has for its object, as shown besides by what led up to it, to prevent certain creditors from creating rights of preference as against other creditors, and to make certain the progress of the liquidation by reserving to the liquidator alone the right to realize the assets for the benefit of all, in view either of a legal division among all creditors or of the contribution in the common interest, to a new association, to be made under the supervision of the mandataire of the bondholders and the courts, and within the conditions specified by articles 10 and 11 of the law;

That the proceedings either of execution or preservation of means of execution, taken before that law, are then altogether without object;

That they can not produce any effect whatever in favor of those who have instituted them; that the defendant (Mlle. Joreau) admits that she has no right of preference as to the sums garnisheed, and that the liquidator has not the right to pay her;

That she does not demand to have the validity of her garnishment proceedings declared;

That she maintains, nevertheless, that the garnishment exists, and that, without opposing the distribution among all the creditors of the values garnisheed, she objects to the liquidator's disposing of them in any other manner;

Considering that this pretension is condemned by the formal and absolute prescription of the first article of the law of July 1, 1893;

That a proceeding suspended can not have any effect; that consequently, aside from the power which will belong to them at the time of the distribution, to produce as legitimate expenses, acts done under the reign of the old law, the creditors opposing here, like the creditors resorting to garnishment, have no other rights than that which article 11 recognizes for all creditors indiscriminately, namely, that of presenting to the tribunal, in the course of any proceeding for approval (homologation), the reasons which may appear to them good for opposing the adoption of such or such mode of realizing the assets, or the contribution to an association of those assets;

That it is proper, consequently, without its being necessary to pronounce release from the garnishee proceedings, to decide that they are altogether without object.

On the additional demand of Gautron for damages, considering, etc.

* * * * *

For these reasons declares that the proceedings of the defendant, having been suspended by the law of July 1, 1893, the garnishment has become altogether without object and can not produce any effect; declares consequently that it constitutes no obstacle to the delivery of the sums garnisheed to the liquidator.

* * * * *

EXHIBIT 12.

EVIDENCE AS TO PLEDGES OF PANAMA RAILROAD SHARES.

PARIS, *August 29, 1902.*

Certificate showing that all the dividends paid upon the shares of the Panama Railroad Company have gone into the treasury of the New Panama Canal Company, and that all votes in the meetings of the

Panama Railroad Company represented by said shares have been cast by the New Panama Canal Company, without any exception.

I certify by these presents that all the dividends declared and paid by the Panama Railroad Company since the month of October, 1894, upon all the shares transferred by the liquidator to the new company in virtue of the sale made by article 5, section 4, of the by-laws, have been paid to the New Panama Canal Company and have not remained in the possession of the liquidator.

The dividends paid by the Panama Railroad to the liquidator on the shares pledged in his hands have been paid immediately by the liquidator to this company, as results from letters of April 9, 1901, and June 16, 1902.

I certify likewise that during all the time since the month of October, 1894, all the votes to be cast at the general meetings of the said company for those shares have been cast exclusively by the new company, and that the liquidator has never been called to vote as owner of those shares.

MARIE,

The Chief of General Accounts.

For the liquidator, by procuracy:

HENRY SOUD.

PARIS, *June 16, 1902.*

NEW PANAMA CANAL COMPANY, *Paris.*

MR. PRESIDENT: I have the honor to transmit to you herewith inclosed, after having made it payable to the order of your honorable company, a check for \$137,068, sent to me by the Panama Railroad Company for the dividend on the shares which you have deposited as a pledge, in virtue of our agreement of March 24, 1900.

Please acknowledge receipt.

Accept, Mr. President, the assurance of my distinguished consideration.

GAUTRON, *The Liquidator.*

Certified as correct.

The chief of general accounts:

MARIE.

PARIS, *April 9, 1901.*

NEW PANAMA CANAL COMPANY, *Paris.*

MR. DIRECTOR-GENERAL: I have the honor to transmit to you, after having made it payable to the order of your honorable company, a check for \$137,068, addressed to me by the Panama Railroad Company, as dividend of 2 per cent upon the shares which you have deposited with me as a pledge, in accordance with our agreement of March 24, 1900.

Please acknowledge receipt, and accept, Mr. Director-General, assurance of my distinguished consideration.

GAUTRON, *The Liquidator.*

Certified as correct.

The chief of general accounts:

MARIE.

AGREEMENT OF APRIL 27, 1895, BETWEEN THE LIQUIDATOR, THE NEW PANAMA CANAL COMPANY, AND THE COMPTOIR NATIONAL D'ESCOMPTE CONCERNING PANAMA RAILROAD SHARES.

Between the undersigned

1° M. Jean Pierre Gautron, judicial administrator of the civil tribunal of the Seine, residing at No. 13, Rue Tronchet, Paris,

Acting in the name of and as liquidator for the Compagnie Universelle du Canal Interocéanique de Panama, whose head office is situated No. 63 bis Rue de la Victoire, Paris,

Appointed to that office by judgment given by the chamber of the counsel of the tribunal of the Seine the 21st day of July, 1893,

On the one part

2° The New Panama Canal Company, an anonymous company, having its head office No. 7, Rue Louis-le-Grand, Paris,

Represented by Messrs. Chanove and Jonquière, administrators, who are specially empowered to sign this present contract by a resolution adopted by the council of administration of said company dated fifth March last, copy of which is hereto annexed.

Of the second part

3° And the Comptoir National d'Escompte, an anonymous company, whose head offices are situated No. 14, Rue Bergère, Paris,

Represented by M. Th. Berger, a member of the council of administration, and M. Alexis Rostand, manager, who is specially empowered to sign this present agreement by a resolution adopted by the council of administration of the said company, dated March thirteenth last, copy of which is hereto annexed,

Of the third part.

With a view to assuring the fulfillment of the conditions under which M. Gautron has transferred to the new company, in accordance with the terms of its by-laws, received by Messrs. Lefebvre and Champetier de Ribes, notaries of Paris, the 26th June, 1894, 68,534 shares in the Panama Railroad, and to provide against any inconvenience which might arise from a conflict between the French and American laws—

It has been agreed as follows:

ARTICLE 1.

M. Gautron and the new company constitute as amicable depository for the 68,534 shares of the Panama Railroad the Comptoir National d'Escompte in Paris, in the name of which the said shares shall be enrolled, by virtue of the pure and simple transfers which shall be signed by M. Gautron with the briefest delay possible.

ARTICLE 2.

The Comptoir National d'Escompte shall collect the dividends and remit the amount to the new company after deduction of the commission which is allowable to it and all charges whatsoever incurred by said collections.

ARTICLE 3.

The Comptoir National d'Escompte shall issue its order, in the manner usual in America, for the exercise of the right of vote in the general meeting of the Panama Railroad Company, and for the constitution of all accredited agents in connection with said company, to persons designated by the New Panama Canal Co., said company being at any time able to modify said designation and having the sole right to give all attorneys or agents the instructions which said company may deem advisable.

ARTICLE 4.

The said shares shall remain deposited with the Comptoir National d'Escompte during the whole of the period of nontransferability stipulated by the by-laws of the new company.

In the event of the realization of the different contingencies provided for by said by-laws, the Comptoir National d'Escompte undertakes to sign all transfers of the 68,534 shares in question conformably with the collective requests which will be addressed to said Comptoir National d'Escompte by the liquidator and the new company, these requests and these only liberating the said Comptoir National d'Escompte.

In the event of any disagreement the Comptoir National d'Escompte shall conform to the decision of the civil tribunal of the Seine and of the court of appeal of Paris, to which courts is given to the extent necessary formal jurisdiction.

ARTICLE 5.

The Comptoir National d'Escompte accepts and undertakes to fulfill the mission conferred upon it by the above articles.

ARTICLE 6.

As compensation for its trouble and care the Comptoir National d'Escompte shall be paid annually the sum of two thousand francs.

All charges or disbursements whatsoever, especially judicial expenses resulting from the establishment of its mandate, as well as all prejudicial consequences which might arise from its quality of apparent proprietor shall be paid over on the first demand of said Comptoir National d'Escompte.

The whole shall be paid half by the liquidation and half by the new company, said parties being guarantee the one for the other with respect to the Comptoir National d'Escompte.

Made in triplicate at Paris, the twenty-seventh day of April, in the year one thousand eight hundred and ninety-five.

Approved, the writing,
Signed: J. JONQUIÈRE.

Approved, the writing,
Signed: GAUTRON.

A Director,
Signed: BERGER.

Read and approved,
Signed: G. CHANOVE.

Read and approved,
COMPTOIR NATIONAL
D'ESCOMPTE DE PARIS.

The Manager,
Signed: ALEXIS ROSTAND.

AGREEMENT OF MARCH 24, 1900, BETWEEN THE LIQUIDATOR AND THE NEW PANAMA CANAL COMPANY CONCERNING PANAMA RAILROAD SHARES.

Between the undersigned:

M. Choron, in the name and as representative of the New Panama Canal Company, an anonymous company, whose principal office is at Paris, Rue Louis-le-Grand, No. 7;

M. Choron, specially authorized for the purposes of these presents, by action of the council of administration of the said New Panama Canal Company, copy of which has been hereto annexed,

Of the one part,

And M. Jean Pierre Gautron, judicial administrator of the civil tribunal of the Seine, acting in the name of and as liquidator of the Compagnie Universelle du Canal Interocéanique, whose office is at Paris, Rue de la Chaussée d'Antin, No. 42,

Of the other part,

Has been settled, agreed, and reviewed and stated beforehand, as follows:

The by-laws of the Compagnie Nouvelle du Canal de Panama were executed before Me. Lefebvre, at Paris, June 26th, 1894.

A party to the said by-laws was M. Gautron, in his character as liquidator, who made to the said Compagnie Nouvelle du Canal de Panama the transfer and contributions stated in article 5, paragraphs 1, 2, 3 and 4.

This transfer and these contributions were made under certain reservations and conditions, expressed in the same article 5, to-wit, especially;

3d. The rights of every nature in the Panama Railroad, belonging to the liquidation and contributed by M. Gautron under section 4 of this article shall become the property of the present company from and after the stockholders' meeting provided for by article 75 hereof, without any pecuniary compensation, but upon the expressed condition that the canal be constructed within the time fixed by the agreement of concession. Upon default in completion within such time, said rights shall revert to the liquidation.

If, contrary to all expectation, the meeting in question should not take the necessary action for the completion of the canal, or if the course of action adopted by the meeting can not be carried out, the said rights in the railroad shall remain the property of the present company, but it shall pay to the liquidation the sum of 20 million francs by way of indemnity, and the share of profits set apart for the liquidation shall be half the profits of the present company, without other deductions, than those provided in secs. 2 and 3 of article 51 hereof.

Now, article 75 provides that—

When the amounts expended, as well for the work done upon the canal as for the discharge of the burdens resulting from the contribution of M. Gautron, shall reach about one-half of the cash capital of the company at the minimum, a special technical commission thereto appointed at a proper time shall pronounce upon the results obtained from the work already done and upon the conclusions to be drawn therefrom as to the remainder of the enterprise.

This commission shall be composed of two members appointed by the council of administration of the present company, and of two persons appointed by the liquidation of the old Compagnie Universelle du Canal Interocéanique. These four members shall appoint a fifth, who shall be president of the commission, and if they can not agree this president shall be appointed by the president of the tribunal of commerce of the department of the Seine.

The council of administration shall be required to make public the opinion of this commission, and to call an extraordinary general meeting of stockholders in the manner provided in articles 61 and 62 hereof.

This meeting shall consider the ways and means tending to insure the completion of the work and the stipulations contained in article 5, sec. 4, No. 3, hereof.

The parties explain, for clearness, that the time mentioned in paragraph 3 of article 5 of the by-laws, and which is fixed by the agreement of concession, means the time granted and to be granted by the agreement of concessions and by the various agreements of extension.

Two of the conditions set forth in the article above quoted have been fulfilled, to-wit: The expenditure of one-half the corporate capital, at the minimum, and the formation of the technical commission. This commission went to the Isthmus, there to proceed to the performance of its duties, and the results of the study to which it devoted itself are clearly favorable to the completion of the canal.

The *Compagnie Nouvelle du Canal de Panama* is, therefore, approaching the time when it must face the conditions under which, after publication of the report of the commission, it will have to call the extraordinary general meeting provided for by article 75 of the by-laws of incorporation.

But it is of opinion that, under the present circumstances, there would be the greatest advantage in postponing the calling of this meeting and deferring the final decisions provided for by article 75 above quoted.

M. Gautron, in his character as liquidator, moved by the idea which has always guided the liquidators of the *Compagnie Universelle du Canal Interocéanique* in their efforts to assure the completion of the enterprise, efforts constantly encouraged by the majority of the creditors, by the public authorities, and by the courts, considers that it is to the true interest of the liquidation to accept the views of the *Compagnie Nouvelle*.

In this state of the facts the parties have united upon the agreements hereinafter set forth:

ART. 1.

The assembling of the general meeting, called to take final action, in conformity with article 75 of the by-laws of the *Compagnie Nouvelle*, may be postponed for not more than three years from the date on which these presents shall become binding.

The *Compagnie Nouvelle* can not delay the calling of this meeting without, beforehand, coming to an agreement with the liquidator on this point.

ART. 2.

In case either of the two situations mentioned in the second paragraph, § 3 of article 5 of the by-laws should arise, the credit of 20 millions which would exist for the benefit of the liquidation shall be paid, principal and interest, by means of the income of all the rights and part interests belonging at that time to the *Compagnie Nouvelle* in the railroad from Panama to Colon, operated by an American company, called the *Panama Railroad Company*, whose principal office is at New York, and at latest in a period of 15 years from the date when the credit arises.

The credit of 20 millions in question shall bear three per cent interest from said date.

ART. 3.

To insure the payment of the credit to the liquidation, principal and interest, the *Compagnie Nouvelle de Panama* undertakes to give as a

pledge (nantissement) for the benefit of the liquidator, the rights and part interests belonging to it in the railroad from Panama to Colon as they are set forth in article 5 of the by-laws, and to apply to the payment of this credit the entire revenue arising from the rights and part interests in question, after deducting only the expenses necessary for the running of the debtor company, which deductions shall be fixed at the beginning of each fiscal period, by agreement between it and the liquidator, after verification of the accounts of the preceding fiscal period.

These presents shall not become binding until after the regular pledging, to the satisfaction of the liquidator, of this security which shall be applied to the benefit of the liquidation, until full payment of the credit of 20 millions, principal and interest.

ART. 4.

Until full payment of the credit to the liquidator, principal and interest, all revenues arising from the Panama Railroad shall be applied, with the consent of M. Gautron, to the extinguishment of said credit.

As soon as M. Gautron's credit shall have been extinguished, an extraordinary general meeting of the Compagnie Nouvelle shall be called to reduce the capital of this company to a figure equal to the amount of actual assets at that time, so as to enable said company immediately to dispose of and distribute its net income, as well for the benefit of the liquidator as for that of the shareholders.

In conformity with the second paragraph of section 3 of article 5 of the by-laws of the Compagnie Nouvelle, taken in connection with article 51, the sinking fund, for the benefit of the shareholders, for the capital stock of the Compagnie Nouvelle du Canal de Panama, will not form part of the charges to be deducted from the annual income of the enterprise.

ART. 5.

No alteration in previous agreements is made, other than such as result from the present contract, which annuls and supersedes the agreement made under date of August 9th, 1899, and approved by the council of administration at its meeting of August 30th, 1899.

ART. 6.

The present agreement shall not become binding until after being submitted to the approval of a general meeting, called under the provisions of articles 60, 61, and 62 of the by-laws, and, thereafter, to the approval of the civil tribunal of the Seine.

ART. 7.

The expenses of recording, approval, and, in general, all expenses and fees which the present contract may occasion, shall be borne by the Compagnie Nouvelle du Canal de Panama.

Done in duplicate at Paris, March twenty-fourth, one thousand nine hundred.

The writing approved.

Signed: L. CHORON.

The writing approved.

Signed: GAUTRON.

RATIFICATION OF THE AGREEMENT OF MARCH 24, 1900, BY STOCKHOLDERS' MEETING OF NEW COMPANY.

NEW PANAMA CANAL COMPANY.

Taken from the report of the extraordinary general meeting of stockholders of the New Panama Canal Company, held July 7, 1900, at Paris, in the building of the Philosophical Association (Sociétés Savantes), 8 Rue Danton.

RESOLUTION.

The general meeting, after having heard the report of the council of administration, approves the contract made between the new company and the liquidation of the Universal Company of the Interoceanic Canal of Panama, dated March 24, 1900, and authorizes the postponement of the extraordinary general meeting provided for by article 75 of the by-laws to a time not later than three years from the date when the said contract shall become definitive; it authorizes also the council of administration to incur the expenses necessary for the continuation of the enterprise until such meeting shall take place.

Certified to be in conformity with the original.

M. Bô,
President of the Council of Administration.

DECREE APPROVING THE AGREEMENT OF MARCH 24, 1900.

[Official Journal of the French Republic, Tuesday, August 7, 1900.]

Publication made by M. Gautron, liquidator of the Universal Company of the Interoceanic Canal of Panama, in conformity with articles 10 and 11 of the law concerning the liquidation of the said company of July 1, 1893.

Public session of the first chamber of the civil tribunal of first instance of the department of the Seine on Wednesday, August 1, 1900.

The tribunal: Upon the request presented by Gautron, acting in his character of liquidator of the Universal Company of the Interoceanic Canal of Panama.

The said request signed "De Bieville," his solicitor, and reading thus: "To the president and judges composing the first chamber of the civil tribunal of the Seine, etc.,"

And the documents having been produced;

Having seen the order of the president dated July 30, 1900, put at the end of the said request and reading: "That this be communicated to the attorney of the Republic in his office and we commit to M. Laporte, vice-president, to make his report, Paris, July 3, 1900. Signed, Baudouin;"

Having seen the written conclusions of the attorney of the Republic also put at the end of the said request, the said conclusions reading thus: "The attorney of the Republic does not oppose, Paris, August 1, 1900. Signed, Servin;"

Having seen articles 10 and 11 of the law of July 1, 1893;

After having heard at the session M. Laporte, vice-president, in his report, and M. Servin, substitute of the attorney of the Republic, in his conclusions;

After having deliberated according to law;

Considering that the agreement in question, which the extraordinary general meeting of stockholders of the new company of the Panama Canal has, moreover, approved by resolution of July 7, of the current

year, appears to be in conformity with the interests of the liquidation, and advantageous for the company;

That, consequently, it is proper to give it approval,

For these reasons,

Approves, purely and simply, the agreement entered into between the liquidator of the Universal Company of the Interoceanic Canal of Panama and the new company, dated March 24, 1900, in order that this agreement may be executed according to its form and tenor.

Done and adjudged by MM. Baudouin, president; Laporte, vice-president; Le Berquier, judge. In the presence of MM. Chauvin, substitute judge; Servin, substitute, assisted by Lasnier, clerk.

Copy conforming to the original.

(Signed)

A. DE BIEVILLE.

EXHIBIT 13.

LIST AND SPECIMENS OF BONDS.

List of different bond issues of the Universal Company of the Interoceanic Canal.

Dates of issues.	Kind of bonds.	Number of bonds offered.	Number of bonds subscribed.	Cost of issue.	Interest.	Remarks.
A—Sept. 7, 1882	5 per cent	250,000	250,000	<i>Francs.</i> 437.50	25	To the issue of Sept. 25, 1884, there were subscribed 218,245 bonds only. The remainder, viz, 69,142 bonds, were negotiated on the stock exchange. Later, in 1886, 72,375 bonds of the second series of the same kind, created by a decision of Apr. 9, 1886, were also placed at the stock exchange.
B—Oct. 3, 1883	3 per cent	600,000	600,000	285.00	15	
C—Sept. 25, 1884	4 per cent {do	387,387	387,387 72,375	^a 333.00 Divers.	20 20	The number of bonds subscribed or placed was 112,483. Making use of the right given by the conditions of subscription to the lottery bonds, some subscribers exchanged, 22,681 bonds, third series, for lottery bonds, which brought 89,802, the number of bonds of the third series.
D—Aug. 3, 1886	New	500,000	458,802	450.00	30	
E—July 26, 1887	New, second series.	500,000	258,887	440.00	30	These lottery bonds were issued in virtue of the law of July 15, 1889; they make part of the two millions of bonds created in June, 1888, but without interest. Besides the issue of July 27, 1889, the liquidators have transferred some lottery bonds in payment to some creditors, and especially to the contractors. It is this that explains the difference between the number of bonds placed and the number of bonds offered for subscription.
F—Mar. 14, 1888	New, third series.	350,000	89,802	460.00	30	
G—June 26, 1888	Bonds, lottery	2,000,000	849,205	360.00	15	
H—July 27, 1889	Lottery bonds	^b 357,894	478,922	Divers.	15	

^a And divers.

^b To be taken in payment of lottery bonds.

PARIS, August 25, 1902.

Certified to be exact.

Liquidator of the Universal Company by procuration:

(Signed)

HENRY BOUDET.

Specimens of bonds issued.

Printed specimens of each and all of the issues of bonds were brought from Paris, and are described as follows:

- No. 1, bonds, 5 per cent, issue of September 7, 1882.
- No. 2, bonds, 3 per cent, issue of October 3, 1883.
- No. 3, bonds, 4 per cent, issue of September 25, 1884.
- No. 4, bonds, new, issue of August 3, 1886.
- No. 5, bonds, new, second series, issue of July 26, 1887.
- No. 6, bonds, new, third series, issue of March 14, 1888.
- No. 7, bonds, lottery, issue of June 26, 1888.
- No. 8, lottery bonds, issue of July 27, 1889.

Upon the bonds of issue No. 1 the language used is:

Universal Company of the Interoceanic Canal of Panama. Anonymous Company. Company capital, 300,000,000 of francs. Issue of 250,000 bonds, authorized by the general meeting of 29 June, 1882. Bonds of 500 francs, 5 per cent, to the bearer. Redeemable at par in 75 years. No. ——. Paris, 15 January, 1883. By authorization: An administrator: The president-director: Ferd. de Lesseps.

On the coupons of the same we find:

Universal Company of the Interoceanic Canal of Panama. Bond No. ——. Coupon of 12 francs 50 centimes, falling due the 15 July, 1899, etc.

On the back of the bond is a table of sinking-fund payments, with dates of payment and the numbers of bonds to be redeemed.

On bond issue No. 2 the wording is practically the same, the issue being of 600,000 bonds at 3 per cent. There is a similar table as to sinking fund on the back.

The language of the third issue is practically the same, the issue being of 387,387 bonds at 4 per cent. A sinking-fund table is also found on the back.

The language of the fourth issue is practically the same, except that it states that an issue of 458,802 bonds was authorized by the general meeting of July 29, 1885, and that the bond is a new one and is redeemable at 1,000 francs.

The fifth series contains language similar to the fourth, except that on the back, instead of the sinking fund table, we find the following:

Extract taken from the prospectus of issue: The new bonds of the second series are redeemable at 1,000 francs in 48 years, by drawings every two months (six drawings per year), the 15 September, 15 November, 15 January, 15 March, 15 May, and 15 July.

But the first drawing will take place on the 30 September, 1887, instead of the 15.

After the first year 6,000 bonds will be redeemed; that is, 1,000 bonds at each drawing; the number of bonds redeemed will increase progressively every year until the end of the operation.

The language of the sixth issue has the following:

Universal Company of the Interoceanic Canal of Panama. Anonymous company, with capital at 300,000,000 of francs, and Civil Company for Sinking the Bonds of the Panama Canal. Issue of March, 1888, with responsibility limited to what is put into the company. Issue of 350,000 bonds, authorized by the general meeting of 29 July, 1885. New bond to bearer, payable at 1,000 francs. The reimbursement at 1,000 francs is guaranteed by certificates of French Government annuities (*rente française*), bought by the Civil Company of Sinking, formed of all the subscribers of the present loan; according to the terms of the document drawn up before Me. Champetier de Ribes and his colleague, notaries at Paris, 3 March, 1888.

On the back of the bond appears the following:

Taken from the by-laws of the Civil Company of Sinking, according to the document received by Me. Champetier de Ribes and his colleague, notaries at Paris.

Article first. There is formed, by these presents, between the appearers, a civil company.

There shall be on the same footing as the appearers, as members of this Civil Company, all the future subscribers to the issue of March, 1888, of the bonds of the company of the Interoceanic Canal of Panama.

Subscription to every bond of that issue will carry the adhesion of the subscriber to the present by-laws and his admission as a member of the company, as stipulated in the prospectus of the issue.

Art. 2. The company has for its object:

To syndicate the subscribers of the new issue of the company of the Panama Canal; to take charge of the sinking of the said loan by means of the retention which the subscriber will make upon each bond by him subscribed of a sum of 70 francs 28 centimes, which he will pay to the Civil Company;

And by means of the capitalization of interest, to itself perform the operation of reconstituting the capital and the business of redemption of the bonds issued by means of a drawing by lot.

Consequently:

Upon the capital of issue of each new bond the company will receive the sum of 389 francs 72 centimes, and the Civil Company 70 francs 28 centimes, destined to sink the loan.

Art. 3. The company will have for its name:

Civil Company for Sinking the Bonds of the Panama Canal, issue of March, 1888, with responsibility limited to what is put into the company.

* * * * *

Art. 6. The contribution of each associate is limited to his putting in of 70 francs 28 centimes per bond, which will be furnished at dates above fixed; beyond that every call for funds is prohibited.

In any event, a member can not be responsible to third persons beyond what he thus puts in.

The company funds are made up of the combination of the sums received by the company upon each of the 350,000 bonds offered for subscription. If all the 350,000 bonds are not subscribed, the company funds will be reduced accordingly.

The seventh series, that of the lottery bonds, (and the eighth series is substantially identical, with the exception that it has stamped upon it the words "Certificate issued in virtue of the law of 15 July, 1889; not productive of interest," with the title of the liquidator of the old company, and the signature of Brunet by procuration) contains the following:

Universal Company of the Interoceanic Canal of Panama. Anonymous company with a capital of 300,000,000 of francs, divided into 600,000 shares of 500 francs; and civil company with responsibility limited to the company capital for the sinking of the lottery bonds of the Panama Canal, issue of 26 June, 1888. Loan of 720,000,000. Loan authorized conformably with the provisions of the law of 21 May, 1836, by the law of 8 June, 1888, but without any guarantee or responsibility of the State. Public subscription to 2,000,000 lottery bonds, carrying 15 francs per year, payable semiannually the 1st of December and the 1st of June of each year, and redeemable by lot, or at 400 francs, within the maximum time of 99 years. The redemption of 400 francs and the payment of the lots will be guaranteed by a deposit of *rentes française* [Government annuities], or of other obligations [*titres*] guaranteed by the French Government. Provisional certificate to the bearer negotiable. No. —. Of an obligation of a paid-up bond of 60 francs.

The Universal Company of the Interoceanic Canal has received	50
The Civil Sinking Company.....	10
The amount of capital, to wit, 300 francs, are to be paid on the dates and in the proportions shown opposite in such a manner that on each of the bonds entirely free [paid up], the part of the Universal Company of the Interoceanic Canal will be	300
And that of the Civil Sinking Company	60
This last sum, being destined to assure the payment of the lots and to constitute the sinking capital at 400 francs of all bonds regularly freed in conformity with the terms of the prospectus of the issue and of the by-laws of the Civil Company.	

Paris, the 26 June, 1888.

On the margin we read, with reference to the numbers 2, 3, 4, 5, 6, 7 (alluding to payments of 60 or 45 francs), the following:

Payment of 60 francs from 20 to 25 August, 1888.

	Francs.
Amount with stamp	60. 10
To be deducted interest at 4% on 20 August, deducting charges.....	. 26
Net payment.....	59. 84

Of which 10.00 for the civil company,
And 49.84 for the company.

Total 59.84.

Received by _____.

The _____.

Representing the company of the Interoceanic Canal and the Civil Company of Sinking.

On the back of the bond we find:

[Extract from the by-laws of the civil association for sinking the lottery bonds, issue of June 26 1888, according to document made before Maitre Champetier de Ribes and his colleague, notaries at Paris.]

ARTICLE 1. There is formed by these presents a civil company among the appearers and all the subscribers and future possessors of lottery bonds, to be created by the Universal Company of the Interoceanic Canal of Panama.

ART. 2. The association has for its object:

To syndicate all the subscribers and future possessors of the lottery bonds of the approaching issue of the Universal Company of the Interoceanic Canal of Panama.

To secure the payment of the prizes hereinafter stated, and the sinking of the loan in ninety-nine years at the outside by means of the retention by the subscriber upon each bond subscribed by him of a sum of 60 francs, which he will pay over to the civil association.

And by means of a capitalizing of interest to perform itself the business concerning the prizes and the work of reimbursing the capital upon the following bases:

Six drawings per year from the 16th of August, 1888, to the 15th of June, 1913 (first drawing the 16th of August, 1888). Three prizes of 500,000 francs, 3 prizes of 250,000 francs, 6 prizes of 100,000 francs, etc.

	Francs.
August 16:	
1 prize.....	500, 000
1 prize.....	100, 000
2 prizes of 10,000 francs.....	20, 000
2 prizes of 5,000 francs.....	10, 000
5 prizes of 2,000 francs.....	10, 000
50 prizes of 1,000 francs.....	50, 000
October 15:	
1 prize.....	250, 000
1 prize.....	100, 000
2 prizes of 10,000 francs.....	20, 000
2 prizes of 5,000 francs.....	10, 000
5 prizes of 2,000 francs.....	10, 000
50 prizes of 1,000 francs.....	50, 000

December 15:	
1 prize	500,000
1 prize	100,000
2 prizes of 10,000 francs	20,000
2 prizes of 5,000 francs	10,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000
February 15:	
1 prize	250,000
1 prize	100,000
2 prizes of 10,000 francs	20,000
2 prizes of 5,000 francs	10,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000
April 15:	
1 prize	500,000
1 prize	100,000
2 prizes of 10,000 francs	20,000
2 prizes of 5,000 francs	10,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000
June 15:	
1 prize	250,000
1 prize	100,000
2 prizes of 10,000 francs	20,000
2 prizes of 5,000 francs	10,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000

Per year, 366 prizes, amounting to 3,390,000 francs.

During the first twenty-five years the drawings of bonds repayable with prizes will constitute the sole sinking.

Four drawings per year from August 16, 1913, up to the complete sinking of the bonds.

Two prizes of 500,000 francs, 2 prizes of 250,000 francs, 4 prizes of 100,000 francs, etc.

	Francs.
August 16:	
1 prize	500,000
1 prize	100,000
1 prize	10,000
1 prize	5,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000
November 15:	
1 prize	250,000
1 prize	100,000
1 prize	10,000
1 prize	5,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000
February 15:	
1 prize	500,000
1 prize	100,000
1 prize	10,000
1 prize	5,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000
May 15:	
1 prize	250,000
1 prize	100,000
1 prize	10,000
1 prize	5,000
5 prizes of 2,000 francs	10,000
50 prizes of 1,000 francs	50,000

In this second period, independently of the sinking which will take place each year by the payment of prizes, the sinking at 500 francs will commence in 1913, according to a table which will be drawn up by the council of mandataires of the civil association and the Panama Canal Company.

The reimbursement at 400 francs of the bond drawings and prize is included in the payment of the prize and not added thereto.

ART. 5. The association takes the name of "The Civil Association, with responsibility limited to the capital invested, for sinking the lottery bonds of the Panama Canal, issue of June 26, 1888." * * *

ART. 8. The contribution of each member is limited to the putting in of 60 francs per bond, which will be furnished at the dates above determined. Beyond that contribution all appeals for money are forbidden.

In no case can the member be responsible with regard to third persons beyond that contribution.

The company's funds are composed of the union of the sums received by the civil association. * * *

ART. 12. The rights and obligations belonging to the bonds follow them into the hands in which they may be found.

Subscription or possession of a bond carries ipso facto adhesion to the by-laws of the association and to the resolutions of the general meeting of the associates. * * *

GENERAL CONDITIONS.

Subscribers who fully pay up their bonds by making the payment required in the time fixed therefor—that is to say, from the 5th to the 10th of July, 1888, will have the right to a coupon of 7 francs 50 centimes, to fall due the 1st of December, 1888.

The subscribers will have at all times after the payment aforesaid the right to anticipate the total of payments with conversion of interests at 4 per cent per year. In this case the payment will be stated upon the provisional bond which they will preserve up to the 15th of December, 1889.

From the 16th of December, 1889, the provisional bonds will be exchanged for definitive ones, without conformity of numbers. The definitive bonds will alone take part in the drawing of the 15th of February, 1890.

The payment of the prizes will take place a month after each drawing, with deduction of all amounts remaining due.

The successive payments on the provisional bonds will be received at the headquarters of the company and at those of its correspondents in France and abroad.

The payments in arrears will be charged with an interest of 5 per cent a year.

The provisional bonds on which the required payments shall not have been effected may be sold at the Bourse of Paris, without notice to the delinquent, a month after the becoming due of the payment, for the account and at the expense and risk of the delinquent; in all cases they can not be made regular again except by payment of an amount representing the compound interests necessary to reimburse the capital of sinking and that of the guaranty of the prizes. In case of their drawing prizes, the holders of bonds not so made regular are deprived of the right to the amount due for sinking them and to the benefit of the prizes.

The definitive bonds shall have semiannual coupons of 7 francs 50 centimes falling due the 1st of June and the 1st of December, payable at the headquarters of the company at Paris and at those of its correspondents in France and abroad.

EXHIBIT 14.

CERTIFICATE OF AUGUST 21, 1902, BY THE REGISTER OF DOCUMENTS AT PANAMA, STATING NO MORTGAGES AGAINST THE NEW PANAMA CANAL COMPANY.

REPUBLIC OF COLOMBIA.

The undersigned, register of public and private documents of the district of Panama, on the verbal request of Dr. Inocencio Galindo, and after having examined the books of registration No. 3, containing the records of mortgages for the period from 1887 until this day, certifies:

That there is no record of a mortgage affecting the properties of the New Panama Canal Company.

Panama, August 21, 1902.

(Signed)

CARLOS BARONA.

Charges received (decree 1209 of 1901): Examination of books, \$0.85; authentication, \$2.40; total, \$3.25.

(Signed)

CARLOS BARONA.

EXHIBIT A.

EXTRACT FROM TREATISE ON COMMERCIAL LAW.

By LYON-CAEN and RÉNAULT.

Third edition, volume 2, sections 666-667, A. D. 1900.

The associations in which the associates were bound only to the extent of their contributions, and could transfer their shares at will did not appear in France under the name of anonymous associations; that name was reserved for associations which the associations "*en participation*" of the present time represent. The associations now in question were not regulated either by the ordinance of 1673 or by any general law. The King alone, by individual edicts, authorized the creation of associations in which the associates were bound only to the extent of the total of their contributions and in which the shares of the associates were transferable; these were generally called companies. Each edict contained the particular rules applicable to the association; very commonly the royal authority had a right of intervention in the affairs of the association; frequently, besides, the edict was not limited to authorizing the creation of an association. It conferred a monopoly. This practice was in conformity with the ideas of the old régime, in which a right was often recognized under the form of a privilege. Thus inventors, writers, were only protected on condition of having obtained a royal privilege. But there were in France, even before the Revolution, some associations having shares of stock (*par actions*) created without the intervention of the royal power. Thus, in 1750 there was created the association *par actions* called the Chamber of Insurance of Paris, which added to its name the following: "Established as a private company (*en corps de compagnie particulière*) by a document of association." * * * After the proclamation of the liberty of industry by the law of March 2, 1791, numerous companies were formed in France. * * * The convention considered these associations as instruments of speculation, injurious to the public credit. A decree of 26-29 Germinal, year 2, suppressed the existing companies and forbade the formation of any in the future, under any pretext or any name. The previous decree of 24th August, 1793, had already suppressed all associations the capital of which vested upon shares of stock issued to bearer (*actions au porteur*) on negotiable property or on subscriptions capable of being transferred. But it permitted the formation in the future of associations of this kind with legislative authorization. Following notions more correct, the

directory abrogated, two years later, the decree of Germinal, year 2, by the law of 30 Brumaire, year 4. This law, in permitting the constitution of associations with shares of stock, did not establish any rule as to their formation or their proceedings. As a result, the courts rendered some extraordinary decisions, notably holding that the stockholders were bound personally and *in solido*. * * * The proposed code (of commerce) recognized, by the side of the association under a collective name and the association *en commandite*, the association with shares of stock, and with the view of preventing as much as possible the frauds to which that kind of association can lend itself, the project of the code required, for the formation of associations with shares of stock, the previous authorization of the Government (i. e., of the executive administration). * * * The courts and chamber of commerce demanded that the lawmakers should distinguish two classes of associations with shares of stock, one class to be authorized by the Government, the other to be free; and this distinction the code of commerce adopted. It recognized associations with shares in which there are only stockholders (*sociétés anonymes*), and associations in which there are both associates, who are personally responsible, and stockholders (*commandites par actions*). The former were subjected to the authorization of the Government; the latter could be formed in freedom (art. 37 et 38, Code Commercial). The code of 1807 did not contain any special restrictive rule either as to their constitution or their proceedings.

Section 669 says:

The authorization necessary for anonymous associations was given in the manner prescribed by regulations of the public administration—that is to say, a decree rendered upon the advice of the council of state (art. 37, Code Commercial). The latter received the project of the by-laws of the future company, and could advise that they should be approved and the association authorized, or not to authorize it until after modification of the by-laws, or to refuse the authorization altogether.

The Government (the executive administration) was not required to give any reason for its decision. * * * The code not containing more than some very summary rules concerning the legal character of anonymous associations, concerning the form (art. 40) of authenticating the document constituting the association, and concerning the publicity to be given to the document (art. 45), the Government (executive administration) had full liberty to require or not the insertion in the by-laws of clauses which seemed good to it, taking into account the amount of the capital, the nature of the operation contemplated, and all other circumstances, which were left to its consideration and disposition. (The author adds this note: "This merits remark, because in several countries in which previous authorization was required for anonymous associations and for the associations of *commandite par action* the laws contained in themselves numerous restrictive rules to which all these associations were bound to submit.") As a matter of fact, however, the council of state adopted a system of rules (*jurisprudence*), in the light of which it required or rejected always, or nearly always, certain clauses of the by-laws. The administration could retract the authorization it had given, which it commonly did when an association violated its by-laws. For certain associations the administration named supervisors charged with the duty of overseeing their proceedings. The authorization necessary for creating the association was likewise required for all modifications afterwards made in the by-laws.

EXHIBIT B.

SPECIAL ACT OF JULY 1, 1893 (FRANCE), RELATIVE TO THE LIQUIDATION OF THE OLD PANAMA CANAL COMPANY.

An Act Relative to the Liquidation of the Universal Company of the Panama Interoceanic Canal.

The Senate and the Chamber of Deputies have adopted and enacted, and the President of the Republic promulgates, the following law:

ART. 1. From the date of the promulgation of the present law, all actions now in course of procedure that have been brought by holders of bonds issued by the Universal Company of the Panama Interoceanic Canal, or that have been brought by any creditors of the said Company, whether against the liquidator in his official capacity, or against the Administrators to enforce their responsibility, or against

third parties for restitution, or arising in any other manner whatsoever, are hereby declared suspended. The plaintiff may follow up and prosecute said actions only by complying with the requirements of articles 2 and 3 hereof.

All proceedings concerning attachments and execution, even those now in course of enforcement and procedure, against the personal or real property of the said company, are likewise suspended.

I.

BOND OR OBLIGATION HOLDERS' ATTORNEY.

ART. 2. All rights of action, of any character whatever, accruing to owners of bonds emitted by the Universal Company of the Panama Interoceanic Canal, whether against the liquidator in his official capacity, or against the administrators to enforce their responsibility, or for a right to restitution arising from any other cause, shall be enforced and sued on by an attorney or mandataire appointed for the purpose, on request of the Attorney of the Republic for the jurisdiction of the Civil Tribunal of the Seine, by a decree in Chambers.

In case there should arise a divergence or opposition of interests between the different classes of bondholders, one or more special mandataires may be appointed in the manner and form just above provided. The powers of the mandataires may be revoked at the same request and in the same manner. There shall be no appeal from or recourse against said orders or decrees.

However, any bondholder shall have the right to enter an action for damages in connection with a criminal matter, or to intervene in proceedings instituted by the attorney or mandataire aforesaid, at his own expense and cost, without in any way delaying the proceedings or judgment.

Moreover, every bondholder shall have the power to bring any action, in his individual right and at his own risk and peril, which the attorney shall have refused or failed to enter within one month after he shall have been notified and requested to enter the same.

Suits brought by the attorneys or mandataires shall not block the right of action on the part of the Company, belonging to the liquidator. The attorneys shall have power to call on the liquidator for communication of all documents tending to shed light on the facts; their legal residence shall be the jurisdiction within which shall be carried on the winding up or liquidation of the company's affairs; the tax costs arising from the exercise of their official duties shall be defrayed from the credits of the liquidation, so far as this may be done without impairing the reimbursement to the latter of the sums which it shall have advanced.

ART. 3. All actions emanating from the liquidator, or from the attorneys, or from interested parties individually, shall be brought before the Civil Tribunal of the Seine. Such proceedings as may arise from the distribution of the assets shall be brought likewise before this tribunal. Suits instituted by parties intervening in damages shall remain in the jurisdiction where already the prosecution has been inaugurated.

ART. 4. The mandataire shall have of right the "judicial assistance privilege" in the carrying on of actions and in the executing of decisions which he shall have obtained. Likewise he shall enjoy the same in all interventions asking for damages, and in the case of all recording-taxes which might be otherwise exacted. On his request, presented to the Attorney of the Republic, advocates and bailiffs shall be

appointed, in the manner and form prescribed by article 13 of the law dated January 22nd, 1851.

However, the "judicial assistance privilege" shall not extend to costs of transportation for judges, for Government officials or for experts, nor to the latter's fees, nor to witness fees. As to stamp duties, costs of recording and court costs in general, the Treasury shall exact them from the debtor only, after the payment of such judgment as shall have been obtained by the mandataire.

ART. 5. The mandataire shall have power to compromise or to desist from an action, though he may do so only after consulting with three jurists appointed by the Attorney of the Republic; and all compromises or withdrawals of actions shall have to be ratified and approved by judicial decree rendered in Chambers.

He alone shall have power to levy execution on judgments pronounced by the Court, or to receive the sums obtained on compromise, whether such compromise have been obtained on his own demand or on that of obligation holders acting in an individual capacity; all sums thus received shall be deposited by him at the bureau of deposits and consignments, and the liquidator shall give him due quittance therefor.

II.

THE LIQUIDATOR.

ART. 6. Before proceeding at all to distribute the assets of the company, the liquidator shall publish in the "Journal Officiel" and in the "Journal Officiel (Commune edition)" a notice, calling on all parties interested to produce their claims against the company and their proofs thereof, within the space of six months, under pain of becoming barred from bringing any action on the said claims.

The production of the claims and the transmission of proofs in support thereof may be made by simple registered letter.

ART. 7. The liquidator shall proceed to verify and to admit said claims in the manner and form prescribed by articles 495 and 497, first paragraph, of the Code of Commerce.

ART. 8. Should the claim be contested, notice of this fact shall be sent by registered mail to the claimant in question, and the latter shall have a term of three months within which he must institute proceedings before the Civil Tribunal of the Seine, in order to have his claim adjudicated.

Judgment must be pronounced thereon within the space of one month, as in the case of matters demanding immediate and summary adjudication. An appeal from such decision must be entered within ten days from the notification of said judgment either to the party in person or at his domicile.

ART. 9. The distribution of all dividends arising from an action brought by the company or from actions brought by the attorney or mandataire of bondholders, or from any other source whatever, shall be made by the liquidator, who alone shall have competency to receive opposition or objections to the same.

ART. 10. All acts tending to alienate the assets of the company, all contracts entailing a transfer or contribution of the whole or of a part of the assets of the concern, emanating from the liquidator of the Universal Company of the Panama Interoceanic Canal, shall be subject

to the approval of the Civil Tribunal of the Seine, which shall, on the report of one of the Justices, pass on the question in open Court.

ART. 11. All decrees of approval rendered in accordance with the preceding article shall be published, within a term of ten days, in the "Journal Officiel" and in the "Journal Officiel (Commune edition)".

This decree may be attacked by the shareholders, by the mandataire of the bondholders, and by the other creditors of the company, within a delay not exceeding one month from the date of the publication aforesaid. The Civil Tribunal shall adjudicate the question within the space of one month, as in the case of matters demanding an immediate and summary adjudication. The appeal from such decision must be entered within ten days from the time of notification of said judgment to the party in person or at his domicile.

ART. 12. The Universal Company of the Panama Interoceanic Canal, the civil company formed for the purpose of redeeming the obligations or bonds of the Panama Canal (issue of March, 1888), and the civil or non-trading company for the redemption of the lottery bonds of the Panama Canal, are hereby exempted from the payment of all stamp duties, and of all transfer or transmission taxes now due or to become due on any shares or bonds of the said companies.

ART. 13. Beginning with the date of the promulgation of the present law, no limitation in bar of actions in damages shall begin to run against the creditors of the Panama Canal Universal Company, until the complete distribution of the assets realized.

ART. 14. Shareholders, subscribers or buyers of stock having acquired title to the same before the company was placed into the hands of a liquidator, provided they represent at least one-twentieth of the capital stock, may join a common interest and entrust one or more attorneys or mandataires with maintaining any action and with representing them in Court.

The present law, deliberated upon and adopted by the Senate and Chamber of Deputies, shall be enforced as a law of the State.

Done at Marly-le-Roi, on the 1st day of July, 1893.

CARNOT.

By the President of the Republic:

The Keeper of the Seals, the Minister of Justice,
The Minister of Finance,

E. GUERIN.
P. PEYTRAL.

EXHIBIT C.

CONCESSION OF 1878 AND EXTENSIONS.

WYSE CONCESSION, MARCH 20, 1878.

[Diario Oficial of Bogota, Wednesday, May 22, 1878.]

CONTRACT FOR THE CONSTRUCTION OF AN INTEROCEANIC CANAL ACROSS COLOMBIAN TERRITORY.

Eustorgio Salgar, secretary of the interior and of foreign relations of the United States of Colombia, duly authorized, of the one part, and of the other part Lucien N. B. Wyse, chief of the Isthmus Scientific Surveying Expedition in 1876, 1877, and 1878, member and delegate of the council of administration of the International Interoceanic

Canal Association, presided by General Etienne Türr, in conformity with powers bestowed at Paris, from the 27th to the 29th of October, 1877, which he has exhibited in legal form, have celebrated the following contract:

ARTICLE 1. The Government of the United States of Colombia grants to Mr. Lucien N. B. Wyse, who accepts it in the name of the International Inter-oceanic Canal Association, represented by their council of administration, the exclusive privilege for the construction across its territory, and for the operating of a canal between the Atlantic and Pacific oceans. Said canal may be constructed without restrictive stipulations of any kind.

This concession is made under the following conditions:

1st. The duration of the privilege shall be for ninety-nine years from the day on which the canal shall be wholly or partially opened to the use of the public, or when the grantees or their representatives commence to collect the dues on transit and navigation.

2d. From the date of approbation by the Colombia Congress of the present contract for the opening of the inter-oceanic canal, the Government of the Republic can not concede to any company or individual, under any consideration whatever, the right to construct another canal across Colombian territory which shall connect the two oceans, nor construct one itself. Should the grantees wish to construct a railroad as an auxiliary to the canal, the Government (with the exception of existing rights) cannot grant to any other company or individual the right to build another inter-oceanic railroad, nor do so itself, during the time allowed for the construction and use of the canal.

3d. The necessary studies of the ground and the route for the line of the canal shall be made at the expense of the grantees by an international commission of individuals and competent engineers, in which two Colombian engineers shall take part. The commission shall determine the general route of the canal and report to the Colombian Government directly, or to its diplomatic agents in the United States or Europe, upon the results obtained, at the latest in 1881, unless unavoidable circumstances clearly proven should prevent their so doing. The report shall comprise in duplicate the scientific labors performed and an estimate of the projected work.

4th. The grantees shall then have a period of two years to organize a universal anonymous company, which shall take charge of the enterprise and of the construction of the canal. This term shall commence from the date mentioned in the preceding paragraph.

5th. The canal shall be finished and placed at the service of the public within the subsequent twelve years after the formation of the company which will undertake its construction, but the executive power is authorized to grant a further maximum term of six years in the case of encountering vis major, and if after one-third of the canal is built, the company should find it impossible to conclude the work in the said twelve years.

6th. The canal shall have the width, depth, and all other conditions requisite in order that sailing vessels and steamships measuring up to 140 meters long, 16 meters in width, and 8 meters in draught shall, with lowered topmast, be able to pass the canal.

7th. All public lands which may be required for the route of the canal, the ports, stations, wharves, moorings, warehouses, and in general for the construction and service of the canal, as well as for the

railway, should it be convenient to build it, shall be ceded gratis to the grantees.

8th. These lands shall revert to the Government of the Republic, with the railroad and canal, at the termination of this privilege; there is also granted for the use of the canal a belt of land two hundred meters wide on each side of its banks throughout all the distance which it may run, but the owners of lands on its banks shall have free access to the canal and its ports as well as to the right of use of any roads which the grantees may open there; and this without paying any dues to the company.

9th. If the lands through which the canal shall pass, or upon which the railroad may be built, should, in whole or in part, be private property, the grantees shall have the right to demand their expropriation by the Government according to all the legal formalities in such cases. The indemnity which shall be made to the landowners, and which shall be based on their actual value, shall be at the expense of the company. The grantees shall enjoy in this case, and in those of temporary occupation of private property, all the rights and privileges which the law allows to the nation.

10th. The grantees may establish and operate at their cost the telegraph lines which they may consider useful as auxiliaries in the building and management of the canal.

11th. It is, however, stipulated and agreed that if, before the payment of the security determined upon in article 2, the Colombian Government should receive any formal proposal, sufficiently guaranteed, in the opinion of the said Government, to construct the canal in less time and under more advantageous conditions for the United States of Colombia, said proposal shall be communicated to the grantees or their representatives, that they may be substituted therein, in which case they shall be preferred; but if they do not accept such substitution, the Colombian Government, in the new contract which they may celebrate, shall exact, besides the guarantee mentioned in article 2, the sum of three hundred thousand dollars in coin, which shall be given as indemnity to the grantees.

ART. 2. Within the term of twelve months from the date at which the international commission shall have presented the definite results of their studies, the grantees shall deposit in the bank or banks of London, to be designated by the national executive power, the sum of seven hundred and fifty thousand francs, to the exclusion of all paper money, as security for the execution of the work. The receipt of said banks shall be a voucher for the fulfillment of said deposit. It is understood that if the grantees should lose that deposit by virtue of the stipulations contained in clauses 2 and 3 of article 22 of the present contract, the sum referred to, with interest, shall become *in toto* the property of the Colombian Government. After the completion of the canal, said sum, without interest, which latter will in this case belong to grantees, shall be paid into the treasury, for the expenses which may have been incurred or may be incurred for the construction of buildings for the public services.

ART. 3. If the line of the canal to be constructed from sea to sea should pass to the west and to the north of the imaginary straight line which joins Cape Tiburon with Garachiné Point, the grantees must enter into some amicable arrangement with the Panama Railroad Company, or pay an indemnity, which shall be established in accord-

ance with the provisions of law 46, of August 16, 1867, "approving the contract celebrated on July 5, 1867, reformatory of the contract of April 15, 1850, for the construction of a railroad from one ocean to the other through the Isthmus of Panama."

In case the international commission should choose the Atrato or some other stream already navigable as one of the ends of the canal, the ingress and egress by such stream, and the navigation of its waters, so long as it is not intended to pass through the canal, shall be open to commerce and free from all imposts.

ART. 4. Besides the lands granted in paragraphs 7 and 8 of article 1 there shall be awarded to the grantees, as an aid for the accomplishment of the work, five hundred thousand hectares of public lands, with the mines they may comprise, in the localities which the company may select. This award shall be made directly by the national executive power. The public lands situated on the seacoast, on the borders of the canal or of the rivers, shall be divided in alternate lots between the Government and the company, forming areas of from one to two thousand hectares. The measurements for the allotment or locating shall be made at the expense of the grantees and with the intervention of Government commissioners. The public lands thus granted, with the mines they may hold, shall be awarded to the grantees as fast as the work of construction of the canal progresses, and in accordance with rules to be laid down by the executive power.

Within a belt of two myriameters on each side of the canal, and during five years after the termination of the work, the Government shall not have the right to grant other lands except the said lots until the company shall have called for the whole number of lots granted by this article.

ART. 5. The Government of the Republic hereby declares the ports at each end of the canal, and the waters of the latter from sea to sea, to be neutral at all times; and consequently in case of war among other nations, the transit through the canal shall not be interrupted by such event, and the merchant vessels and individuals of all nations of the world may enter into said ports and travel on the canal without being molested or detained. In general, any vessel may pass freely without any discrimination, exclusion, or preference of nationalities or persons on payment of the dues and the observance of the rules established by the company for the use of the canal and its dependencies. Exception is to be made of foreign troops, which shall not have the right to pass without permission from Congress, and of the vessels of nations which, being at war with the United States of Colombia, may not have obtained the right to pass through the canal at all times, by public treaties wherein are guaranteed the sovereignty of Colombia over the Isthmus of Panama and over the territory whereon the canal is to be cut, and the immunity and neutrality of the said canal, its ports, bays, and dependencies and the adjacent seas.

ART. 6. The United States of Colombia reserve to themselves the right to pass their war vessels, troops, and munitions of war at all times and without paying any dues whatever. The passage of the canal is strictly closed to war vessels of nations in a state of open hostility with one or more other nations, and which may not have acquired, by public treaty with the Colombian Government, the right to pass through the canal at all times.

ART. 7. The grantees will enjoy the right during the whole time of

the privilege to use the ports at the termini of the canal, as well as intermediate parts, for the anchorage and repair of ships, and the loading, depositing, transshipping, or landing of merchandise. The ports of the canal shall be open and free to the commerce of all nations, and no import duties shall be exacted, except on merchandise destined to be introduced for the consumption of the rest of the Republic. The said ports shall, therefore, be open to importations from the commencement of the work, and the custom-houses, and the revenue service which the Government may deem convenient for the collection of duties on merchandise destined for other parts of the Republic, shall be established, in order to prevent introduction of smuggled goods.

ART. 8. The executive power shall dictate, for the protection of the financial interests of the Republic, the regulations conducive to the prevention of smuggling, and shall have the power to station, at the cost of the nation, the number of men which they may deem necessary for that service.

Out of the indispensable officials for that service, ten shall be paid by the company, and their salaries shall not exceed those enjoyed by employés of the same rank in the Barranquilla custom-house.

The company shall carry gratis through the canal, or on the auxiliary railway, the men destined for the service of the nation, for the service of the state through whose territory the canal and railroad may pass, or for the service of the police, with the object of guarding against foreign enemies, or for the preservation of public order, and shall also transport gratis the baggage of such men, their war materials, armament, and clothing which they may need for the service assigned to them.

If the company has not ships or tugboats it will pay the passage of these same men across the Isthmus with their baggage, munitions, arms and equipment.

The subsistence of the public force which may be deemed necessary for the safety of the interoceanic transit shall likewise be at the expense of the company.

ART. 9. The grantee shall have the right to introduce, free of import or other duties of whatever class, all the instruments, machinery, tools, fixtures, provisions, clothing for laborers which they may need during all the time allowed to them for the construction and use of the canal. The ships carrying cargoes for the use of the enterprise shall enjoy free entry at whatever point shall afford them easy access to the line of the canal.

ART. 10. No taxes, either national, municipal, of the State, or of any other class, shall be levied upon the canal, the ships that navigate it, the tugs and vessels at the service of the grantees, their warehouses, workshops, and offices, factories of whatever class, storehouses, wharves, machinery or other works or property of whatever character belonging to them, and which they may need for the service of the canal and its dependencies, during the time conceded for its construction and operation. The grantees shall also have the right to take from the public lands the materials of any kind which they may require without paying any compensation for the same.

ART. 11. The passengers, money, precious metals, merchandise, and articles and effects of all kinds which may be transported over the canal shall also be exempt from all duties—national, municipal, transit, and others. The same exemption is extended to all articles and merchandise which may be deposited, on conditions to be stipulated

with the company, in the storehouses and stations belonging to them in the case of interior or exterior commerce.

ART. 12. Ships desiring to pass through the canal shall present at the port of the terminus of the canal at which they may arrive their respective registers and other sailing papers prescribed by the laws and public treaties, so that the vessels may navigate without interruption. Vessels not having said papers, or which should refuse to present them, may be detained and proceeded against according to law.

ART. 13. The Government allows the immigration and free access to the lands and plants of the grantees of all the employés and workmen of whatever nationality, who may be contracted for the work or who may come to engage themselves to work on the canal, on condition that such employés or laborers shall submit to the existing laws and to the regulations established by the company. The Government promises them support and protection, and the enjoyment of their rights and guarantees, in conformity with the national constitution and laws, during the time they may sojourn on Colombian territory.

The Colombian manual laborers and other workmen employed on the work of the canal shall be exempt from all requisitions and military service, national as well as of the state.

ART. 14. In order to indemnify the *grantees* of the construction, maintenance, and working expenses incurred by them, they shall have, during the whole period of the privilege, the exclusive right to establish and collect for the passage of the canal and its ports the dues for light-houses, anchorage, transit, navigation, repairs, pilotage, towage, hauling, storage, and of moorage according to the tariff which they may issue, and which they may modify at any time under the following express conditions:

1st. They shall collect these dues, without any exceptional favor, from all vessels in like circumstances.

2d. The tariffs shall be published four months before their enforcement in the *Diario Oficial* of the Government, as well as in the capitals and the principal commercial ports of the countries interested.

3d. The principal navigation dues to be collected shall not exceed the sum of ten francs for each cubic meter resulting from the multiplication of the principal dimensions of the immersed hull of the ship in transit (length, breadth, and draught).

4th. The principal dimensions of the ship in transit, that is to say, the maximum exterior length and breadth at the water line, as well as the greatest draught, shall be the metrical dimension inserted in the official permits of navigation, excepting any modifications supervening during the voyage. The ship's captains and the company's agents may demand a new measurement, which operations shall be carried out at the expense of the petitioner; and,

5th. The same measurement, that is to say, the number of cubic meters contained in the parallelepipedon circumscribing the immersed hull of the ship, shall serve as a basis for the determination of the other accessory dues.

ART. 15. By way of compensation for the rights and exemptions which are allowed to the grantees in this contract, the Government of the Republic shall be entitled to a share amounting to five per cent of the gross receipts obtained by the enterprise, by virtue of the rights established or which will be established in conformity with article 14, during the first twenty-five years after the opening of the canal to the

use of the public. From the twenty-sixth up to the fiftieth year, inclusive, it shall be entitled to a share of six per cent; from the fifty-first to the seventy-fifth to seven per cent; and from the seventy-sixth to the termination of the privilege to eight per cent. It is understood that these shares shall be reckoned, as has been said, on the gross income from all sources, without any deduction whatever for expenses, interest on shares, or on loans or debts against the company. The Government of the Republic shall have the right to appoint a commissioner or agent, who shall intervene in the collections and examine the accounts, and the distribution or payment of the shares coming to the Government shall be made in due half-yearly installments. The product of the five, six, seven, and eight per cent shall be distributed as follows:

Four-fifths of it shall go to the Government of the Republic and the remaining one-fifth to the government of the State through whose territory the canal may pass.

The company guarantees to the Government of Colombia that the share of the latter shall in no case be less than the sum of two hundred and fifty thousand dollars a year, which is the same as that received as its share in the earnings of the Panama Railroad, so that if in any year the five, six, seven, or eight per cent should not reach said sum, it shall be completed out of the common funds of the company.

ART. 16. The grantees are authorized to require payment in advance of any charges which they may establish; nine-tenths of these charges shall be made payable in gold, and only the remaining one-tenth part shall be payable in silver of twenty-five grammes, of a fineness of 900 m.

ART. 17. The ships which shall infringe upon the rules established by the company shall be subject to the payment of a fine which said company shall fix in its regulations, of which due notice shall be given to the public at the time of the issue of the tariff. Should they refuse to pay said fine, nor furnish sufficient security, they may be detained and prosecuted according to the laws. The same proceedings may be observed for the damages they may have caused.

ART. 18. If the opening of the canal shall be deemed financially possible, the grantees are authorized to form, under the immediate protection of the Colombian Government, a universal joint stock company, which shall undertake the execution of the work, taking charge of all

if possible, the fixed interest or dividend of the shares; that which remains will be considered as net profit, out of which 80 per cent at least will be divided among the shareholders.

ART. 20. The Colombian Government may appoint a special delegate in the council of administration of the company whenever it may consider it useful to do so. This delegate shall enjoy the same advantages as are granted to the other administrators by the by-laws of the company.

The grantees pledge themselves to appoint in the capital of the Union, near the National Government, a duly authorized agent for the purpose of clearing up all doubts and presenting any claims to which this contract may give rise. Reciprocally and in the same sense, the Government shall appoint an agent, who shall reside in the principal establishment of the company situated on the line of the canal; and, according to the national constitution, the difficulties which may arise between the contracting parties shall be submitted to the decision of the federal supreme court.

ART. 21. The grantees, or those who in the future may succeed them in their rights, may transfer these rights to other capitalists or financial companies, but it is absolutely prohibited to cede or mortgage them under any consideration whatever to any nation or foreign government.

ART. 22. The grantees, or their representatives, shall lose the right hereby acquired in the following cases:

1st. If they do not deposit, on the terms agreed upon, the sum which by way of security must insure the execution of the work.

2d. If in the first year of the twelve that are allowed for the construction of the canal the works are not already commenced, in this case, the company shall lose the sum deposited by the way of security, together with the interest that may have accrued, all of which will remain for the benefit of the Republic.

3d. If at the end of the second period fixed in paragraph 5 of Article 1 the canal is not transitible, in this case also the company shall lose the sum deposited as security; which, with the interests accrued, shall remain for the benefit of the Republic.

4th. If they violate the prescriptions of Article 21; and,

5th. If the service of the canal should be interrupted for a longer period than six months without its being occasioned by the acts of God, &c.

In cases 2, 3, 4, and 5 the federal supreme court shall have the right to decide whether the privilege has become annulled or not.

ART. 23. In all cases of decisions of nullity the public lands mentioned in clauses 7 and 8 of Article 1, and such lands as are not settled or inhabited from among those granted by Article 4, shall revert to the possession of the Republic in the condition they may be found in, and without any indemnity whatever, as well as the buildings, materials, works, and improvements which the grantees may possess along the canal and its accessories. The grantees shall only retain their capital, vessels, provisions, and in general all movable property.

ART. 24. Five years previous to the expiration of the ninety-nine years of the privilege the executive power shall appoint a commissioner to examine the condition of the canal and annexes, and, with the knowledge of the company or its agents on the Isthmus, to make an official report, describing in every detail the condition of the same

and pointing out what repairs may be necessary. This report will serve to establish in what condition the canal and its dependencies shall be delivered to the National Government on the day of expiration of the privilege now granted.

ART. 25. The enterprise of the canal is reputed to be of public utility.

ART. 26. This contract which will serve as a substitute for the provisions of law 33, of May 26, 1876, and the clauses of the contract celebrated on the 28th of May of the same year, shall be submitted for the approval of the President of the union and the definite acceptance by the Congress of the nation.

In witness whereof they sign the present in Bogotá, on the 20th March, 1878.

EUSTORGIO SALGAR.
LUCIEN N. B. WYSE.

BOGOTA, *March 23, 1878.*

Approved.

The President of the union:

AQUILEO PARRO.

The secretary of the interior and of foreign relations:

EUSTORGIO SALGAR.

To the Honorable Secretary of the Interior and Foreign Relations:

I have the honor to inform you that I accept each and all of the modifications introduced by Congress to the contract which I celebrated with Señor Eustorgio Salgar, your worthy predecessor in the department of the interior and foreign relations, for the construction of the interoceanic canal, which contract was approved by the executive power under date of March 23 last.

The modifications to which I have alluded are those recorded in law No. 28 of the 18th instant.

I hasten to lay this declaration before the Government of Colombia, so that it may be taken in consideration, in order that said law may be effective in all its parts.

Bogota, May 18, 1878.

LUCIEN N. B. WYSE,
*Chief of the International Scientific Commission
for the Survey of the Isthmus, Member and
Delegate from the Council of Administration of
the Interoceanic Canal Association.*

EXTENSION OF CONCESSION DECEMBER 26, 1890.

ADDITIONAL CONTRACT MODIFYING THAT OF MARCH 23, 1878, APPROVED BY LAW 28 OF THE SAME YEAR.

[Law 107 of 1890—December 26.]

Extension of ten years for the opening of the interoceanic canal across Colombian territory.

THE CONGRESS OF COLOMBIA, *Decreets:*

ONLY ARTICLE. The contract modifying that of March 23, 1878, for the opening of an inter-oceanic canal across Colombian Territory, concluded between H. E. the Minister of Foreign Affairs, and Mr. Lucien N. B. Wyse, Special Representative of the Liquidator of the Compagnie Universelle du Canal de Panama, is approved in all its parts, which contract is literally as follows:

Antonio Roldan, Minister of Foreign Affairs, duly authorized by his Excellency, the President of the Republic, hereinafter called the "Government," of the one part, and Lucien N. B. Wyse, Naval Commander, Engineer, original Concessionary of the inter-oceanic canal, and Special Delegate of the Liquidator of the Compagnie Universelle du Canal de Panama, under powers of attorney executed at Paris, May 16, 1890, hereinafter called the "Concessionary," of the other part, have agreed to modify the Contract of March 28, 1878, for the opening of an inter-oceanic canal across Colombian Territory, approved by law 28 of the same year, in accordance with the following stipulations:

ARTICLE FIRST: The Government grants to the Liquidator of the Compagnie Universelle du Canal de Panama, an extension of ten years, within which the canal is to be finished and put in public operation; the said extension is consented to, subject to the following conditions:

First. The Concessionary agrees to transfer all the assets of the Company in liquidation to a new company which shall undertake the completion of the work of the Inter-oceanic Canal.

Second. The new company shall be formally organized with a capital sufficient for this purpose, and shall resume the work of excavation in a serious and permanent manner, not later than February 28, 1893.

Third. The Concessionary, or his successors, shall furnish monthly to the National Government of Panama the sum of ten thousand (10,000) piastres, in Colombian coin of 0.835, for the maintenance of two hundred and fifty (250) men of the Military Garrison of the Department of Panama, whom the Government undertakes to assign for the preservation of order, and for the security of the line of the canal during the work of excavation, and upon its termination for the protection of inter-oceanic transit.

In case the Company should have need of a greater number of men of the public forces, the government will assign them to said service, taking them from the Military Garrison of the Department, but the additional expense occasioned by this increase, reckoned upon the basis already established, shall also be borne by the Company.

The company binds itself to furnish places for the lodging of the troops upon points on the line at which the Government has none of its own. The last part of article 8 of the original contract for the privilege is modified in these respects.

Fourth. The navigation of the lakes which may form part of the canal shall be free to small vessels, in accordance with the regulations which the company may prescribe for this purpose. The latter shall not be responsible for the inherent risks of this navigation. The internal regulation of the lakes shall be settled by the Government at the proper time, taking into account the general interests of the enterprise.

Fifth. The company binds itself to reestablish public transit at the mouth of the Rio Grande, by means of bridges or boats, as it shall consider most practicable, and if, in consequence of the number of vessels, passage should become hereafter too difficult, the company shall reestablish it between Emperador and Arraijan to the satisfaction of the Government.

ARTICLE SECOND. Beside the public lands granted gratis by the contract of 1878, the expropriation of lands, buildings, and plantations which shall prove necessary to the canal and its dependencies, shall be made by the Government on account of the company in conformity with the 9th condition of article first of the aforesaid contract, approved by law 28 of 1878.

Such expropriations shall be made with all speed which the legislation of the country upon the subject permits; the expropriated real estate shall be immediately delivered over to the concessionary or his successors.

ARTICLE THIRD. The Government also undertakes to take the necessary steps for restoring to the new company the complete enjoyment of the lands belonging to the company in liquidation unlawfully occupied by private persons, and to procure a judicial decree that all persons who, without previous consent, shall have built or planted upon the lands bought by the company in liquidation for the purpose of works of excavation, installation, and unloading, shall have no right to any indemnity.

ARTICLE FOURTH. As compensation for the services which the Government agrees to render, in accordance with the two preceding articles, the concessionary, or his successors, shall pay to the Government ten million (10,000,000) francs in gold, and shall issue to it gratis, in addition, five million (5,000,000) francs in ten thousand (10,000) dividend bearing shares of the new company of five hundred (500) francs each, full paid, having the right to no other dividends than those which are declared on ordinary shares; the said ten thousand (10,000) shares shall remain attached to their respective stubs until the other shares shall be full paid; but, upon notice to the company, the Government shall have the power, when it shall see fit, to assign or pledge them.

The ten million (10,000,000) francs to which this article refers shall be paid by the concessionary, or by his successors, in five (5) equal annual installments; the first being paid three (3) months after the new company for the completion of the canal shall be fully organized, in conformity with the second condition of article first. From this sum shall be deducted two million five hundred thousand (2,500,000) francs, as well as the interest accrued up to the date of the present contract, which the Government owes to the company in liquidation for the loan of 1883, the deduction being made in the first place for the purpose of fixing the amount of the five (5) installments just mentioned. By this payment the said loan shall be finally discharged.

ARTICLE FIFTH. A special member, whom the Government has the

right to appoint in the company's council of administration in conformity with article twenty of the contract in force, shall enjoy in the new company to be organized for the completion of the canal the same advantages and compensation granted to the other administrators by the charter of the company, but neither the said appointee nor the official agent of the Government residing in the Isthmus, shall make any publication relative to the company without the express authorization of the Government.

ARTICLE SIXTH. If the new company for the completion of the canal shall not be organized, and if the work of excavation on the canal shall not be resumed within the period fixed by the second condition of article first, the contract in force shall lapse and the Republic shall enter into the possession and enjoyment, without the necessity of a previous judicial decree, and without indemnity, of the works of the canal and its annexes, which revert to it in accordance with article third of the contract of 1878.

Sec. 1st. It is understood that the contract shall also lapse and the provisions of this article shall become applicable if the company for the completion of the canal not being organized before February 28, 1893, the legal representative of the Compagnie Universelle du Canal Interoceanique, or his successors, abandon the maintenance of the works, plant, and buildings now existing upon the Isthmus and belonging to the company.

Sec. 2nd. The maintenance of the property specified in the preceding paragraph shall be considered abandoned when the legal representative of the Compagnie Universelle du Canal Interoceanique, in liquidation, or his successors, shall discharge the force of employees which he now has on the Isthmus, or shall cease to make the necessary expenditure for preventing the loss or deterioration of the said property.

Sec. 3rd. It is, moreover, understood that the buildings, plant, works, and improvements which are to become the property of the Republic under the circumstances provided in this article, and in conformity with article 23 of the contract of 1878, shall be inalienable, and are to be in good condition, subject to deterioration arising from use, from unavoidable causes, or from accident.

ARTICLE SEVENTH. As soon as the company for the completion of the canal shall be legally organized, and shall have resumed the work, in conformity with the provisions of the second condition of article first of this contract, the Government shall assign to it in the department of Panama the two hundred and fifty thousand (250,000) hectares of public lands to which it has been already declared by decisions of the Executive power to be entitled, and shall issue to it the respective patents, provided that the legal formalities in the premises be accomplished on the part of the company.

ARTICLE EIGHTH. The security of seven hundred and fifty thousand (750,000) francs deposited by the canal company in accordance with article second of the contract in force, shall be maintained as a guaranty for the fulfillment of the obligations arising from the said contract, and of those assumed by the concessionary under the provisions of the present contract.

ARTICLE NINTH. All rights and obligations created by the contract of March 23, 1878, for the opening of an interoceanic canal across Colombian territory, approved by law 28 of the same year, shall con-

tinue in full force and vigor without other restrictions and modifications than those contained in the present contract.

ARTICLE TENTH. In order that the present contract may have full force and effect, it shall be submitted to the approval of His Excellency the President of the Republic, and to that of Congress.

Done in duplicate, at Bogotá, the 10th day of December, one thousand eight hundred and ninety.

ANTONIO ROLDAN.
LUCIEN N. B. WYSE.

EXTENSION OF CONCESSION, APRIL 4, 1893.

CONTRACT OF EXTENSION.

[Diario Oficial of Bogota, April 5, 1893—No. 9125.]

Contract granting extension to the Panama Canal Company—in liquidation.

Between MARCO F. SUAREZ, Minister of Foreign Affairs, duly authorized by his Excellency, the Vice-President of the Republic, and in accordance with the powers granted to the Executive Power by Law 91 of 1892, hereinafter called "the Government," of the one part,

And FRANCOIS MANGE, Engineer, Administrator of the operations of the liquidation on the Isthmus, Special Representative of the Liquidator of the Compagnie Universelle du Canal de Panama, under powers of attorney granted him at Paris, January 24, 1893, hereinafter called "the Concessionary," of the other part; it has been agreed to modify the contracts of March 23, 1878, and December 10, 1890, for the opening of an inter-oceanic canal across Colombian Territory, in conformity with the following stipulations:

ARTICLE FIRST.

The extension of ten years granted in Article First of the Contract of 1890 to the Liquidator of the Compagnie Universelle du Canal de Panama, remains in force, subject to the conditions then provided, except the Second, which is modified by the extension until October 31st, 1894, of the period within which the new Company is to be formed and work on the Canal is to be resumed in a serious and permanent manner.

The term of ten years shall begin to run from the date of the formal organization of the new Company.

ART. 2.

The Concessionary or his successor acknowledges the validity of the former contracts and of the present contract and binds himself to do, in France, all acts necessary to insure its validity. These proceedings are to be concluded not later than August 31st next.

ART. 3.

As compensation for the extension which the Government grants by Article First and to indemnify it for the advantages which it relinquishes accordingly, the Concessionary or his successor acknowledges an indebtedness in favor of the Republic, amounting to the sum of Two million francs in gold (2,000,000 francs), which added to the Ten millions provided in Article 4 of the Contract of 1890, constitutes a total indebtedness of Twelve million francs (12,000,000 francs), in favor of Colombia, exclusive of Five million francs (5,000,000 francs) in Ten thousand shares, also mentioned in the Article aforesaid.

ART. 4.

The contracting parties further agree that from the Twelve millions which have just been mentioned in the preceding Article shall be deducted the sum of Four million francs which the Colombian Government and the Treasury of the Department of Panama owe to the Company in liquidation for the loan of 1883 and its interest and for services and material furnished to the administration of this Department from 1881 to 1892. Accordingly, this debt becomes finally extinguished, leaving the Republic free from all obligation with regard to this matter, and reducing to Eight million francs in gold (8,000,000 francs), the sum which the new Company is to pay to the Government.

ART. 5.

The eight million francs mentioned in the preceding Article shall be paid by the Concessionary or his successor in the following manner:

150,000 francs August 31st, 1893;
150,000 francs October 31st, 1893;
200,000 francs December 31st, 1893.

The remainder shall be paid in four annual instalments, the first to be paid three months after the new Company for the completion of the Canal shall be formally organized. The first of these instalments shall be One million five hundred thousand francs (1,500,000 francs) and the three others, Two millions each (2,000,000 francs).

ART. 6.

The Republic shall enter into possession and ownership, without need of previous judicial decision and without any indemnity, of the Canal itself and the annexes dependent thereon, in conformity with the contracts of 1878 and 1890, in each of the following cases:

If the new Company shall not be organized within the period fixed by Article First;

If the work shall not be resumed within the period fixed by the same Article;

If the Liquidator sells the property which is to belong to the Republic in case of lapse or abandons its maintenance, all in conformity with the provisions of the previous contracts, saving and excepting deterioration arising from use, unavoidable causes or from accident;

If the inventory mentioned in Article 7 of the present contract shall not be made.

If the conditions of Article 2 of the same contract shall not be fulfilled.