

## REHABILITATION OF CERTAIN MEXICAN NATIONAL RAILWAYS

*Exchange of notes at México September 21 and December 13 and 29,  
1944, and April 17, 1945, amending and extending agreement of  
November 18, 1942*

*Entered into force April 17, 1945; operative from January 1, 1945  
Expired December 31, 1945*

120 United Nations Treaty Series 191

*The American Ambassador to the Minister of Foreign Affairs*

MEXICO, D.F.  
*September 21, 1944*

No. 3088

### EXCELLENCY:

I have the honor to refer to Your Excellency's note No. 59430 of November 18, 1942,<sup>1</sup> and to my note no. 787, also of November 18, 1942, in reply thereto. Your Excellency was good enough to state in that note that in implementation of Resolution II<sup>2</sup> of the Third Meeting of Ministers of Foreign Affairs of the American Republics at Rio de Janeiro, it would be helpful to carry out certain basic changes and improvements in the structure and operations of the Mexican National Railways in order that the Railways might be in a position to carry the unusual wartime peak load which at that time, and which presumably increasingly, would be placed upon them by reason of Mexican cooperation in the United Nations war effort, particularly in connection with the transportation of strategic materials. To this end Your Excellency requested that the Government of the United States send to Mexico a Mission composed of railway technicians in order that these might place the benefits of their experience at the disposition of the officials of the Mexican Railways, with a view to bettering operating and maintenance conditions as well as of expediting traffic.

In my reply to Your Excellency's note under reference I indicated the agreement of my Government to Your Excellency's proposal with respect to the Mission of technicians, with the added observation that the Government

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<sup>1</sup> EAS 289, *ante*, p. 1104.

<sup>2</sup> For text, see *Department of State Bulletin*, Feb. 7, 1942, p. 119.

of the United States, through the Office of the Coordinator of Inter-American Affairs and through the proposed Railway Mission, would undertake certain financial responsibilities in connection with certain emergency physical rehabilitation measures on specified sections of the Mexican National Lines.

As Your Excellency is aware, the program of physical rehabilitation of certain sections of the Mexican National Lines has been ably and well carried through during the past two years under the initiative and stimulus and direction of the Mexican National Lines, which have availed themselves of the collaboration of the Railway Mission and of its technicians. Likewise, the Railway Mission, in addition to aiding in this work of emergency physical rehabilitation, has carried through its major task of offering technical assistance and has made a complete survey of the Mexican National Railways and submitted a comprehensive series of recommendations for the betterment and maintenance and operation of the Lines.

As I took the opportunity of observing to Your Excellency a few days ago, it would appear that as the physical condition of the Mexican National Lines has been improved so considerably during the past few years, the emergency situation on the basis of which my Government undertook to aid in certain measures of physical rehabilitation no longer exists. It may be said that the Railways in their present physical condition are in a position to bear the burden of the traffic made necessary for the internal economy of Mexico and for its external trade, as well as to carry forward the invaluable collaboration of Your Excellency's Government in the war effort of the United Nations, and more particularly in the war production effort of the United States. I observed that in view of the foregoing, it was the opinion of my Government that it now would be feasible and desirable to bring about a change in the original exchange of notes, eliminating the obligations of my Government with respect to participation in physical rehabilitation and a certain expenditure in connection therewith, and to restrict under the exchange of notes the obligations of my Government to the lending of such technical assistance through the Railway Mission to the Mexican National Lines as these latter may desire.

I, therefore, proposed that the original exchange of notes of November 18, 1942 be amended so as to eliminate numbered paragraphs 1, 2, 3, 5, and 6, which have to do with physical rehabilitation and obligations undertaken by my Government in connection therewith, and that these paragraphs and the obligations undertaken in connection therewith be considered as ceasing on December 31, 1944.

My Government, through the Railway Mission, has undertaken with the Mexican National Lines specific obligations with respect to physical rehabilitation on certain sections of the Railway for the third quarter and for the fourth quarter of 1944. The commitments which have been made through the Railway Mission for collaboration in physical rehabilitation during the third and fourth quarters of 1944 are considerable, and it is probable that

the actual construction and physical work involved in carrying through these commitments cannot be completed by the end of 1944. It is the intention, therefore, of my Government, through the Railway Mission, to carry through the obligations undertaken for the third and fourth quarters of 1944 and in such period in 1945 as may be necessary to carry through these specific obligations.

As of January 1, 1945 no further obligations would be undertaken by my Government or the Railway Mission for further physical rehabilitation or expenditures connected therewith.

The collaboration through the Railway Mission in the form of technical assistance, as provided for in numbered paragraph 4 of my note no. 787 of November 18, 1942, would continue after January 1, 1945, and it is not the intention of my Government at this time to suggest any curtailment of any services in the way of technical assistance which the Railway Mission may be able to lend to the Mexican National Lines and which the latter may desire to have continue. This technical assistance which the Mission has been able to render to the Mexican National Lines has been and, I believe, remains the principal form of collaboration which my Government has been privileged to extend to the Mexican National Lines in this difficult period of the War, during which the collaboration of our two Governments has been so useful and mutually helpful.

I would appreciate Your Excellency's views as to the proposal which I have made for a change in the original exchange of notes, and I have the full confidence that the Government of Mexico will be understanding of the reasons for the desired changes and in agreement therewith.

Please accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

GEORGE S. MESSERSMITH

His Excellency

Señor Licenciado EZEQUIEL PADILLA,  
*Minister for Foreign Relations,*  
*Mexico, D.F.*

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*The Minister of Foreign Affairs to the American Ambassador*

[TRANSLATION]

563247

MEXICO, D.F., *December 13, 1944*

MR. AMBASSADOR:

I have the honor to refer to Your Excellency's courteous note number 3088 of September 21 of this year.

In this connection I take pleasure in informing Your Excellency that my Government is agreeable to annulling, effective the 31st of this month, para-

graphs 1, 2, 3, 5, and 6 of the notes of November 18, 1942 exchanged between the Governments of Mexico and the United States of America on the rehabilitation of certain sections of the Ferrocarriles Nacionales de México, in view of the fact that an emergency situation no longer exists, and that their present material condition permits them to bear the burden of traffic to provide my Government's collaboration in the war effort of the United Nations.

I also have the pleasure of informing Your Excellency that my Government has noted that the obligations contracted by the Government of the United States of America through the Railroad Mission with respect to the third and fourth quarters of 1944 will be discharged during such part of 1945 as may be necessary.

As pointed out by the Ferrocarriles Nacionales de México, the aforesaid obligations include one in the amount of 100,000 dollars for the installation of the CTC signal system on the México-Querétaro Section, and one amounting to 500,000 dollars for the reconstruction of the Southeast Section.

The Government of Mexico and the Administración de los Ferrocarriles deeply appreciate the technical cooperation of the United States Railroad Mission, for which they have only praise and gratitude; and they will continue to avail themselves of it in the future in accordance with paragraph 4 of the aforesaid exchange of notes and with the offer in this connection which Your Excellency is good enough to make in the note which I am answering.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest and most distinguished consideration.

E. PADILLA

His Excellency

GEORGE S. MESSERSMITH,

*Ambassador Extraordinary and Plenipotentiary  
of the United States of America.*

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*The American Ambassador to the Minister of Foreign Affairs*

No. 3408

MEXICO, D.F., *December 29, 1944*

EXCELLENCY:

I have the honor to refer to Your Excellency's courteous note of December 13, 1944, agreeing to the elimination of paragraphs 1, 2, 3, 5, and 6, of the exchange of notes of November 18, 1942, in connection with the rehabilitation of certain sections of the Mexican National Railways and taking note of the fact that the financial commitments of my Government, through the American Railway Mission here, would terminate as of December 31, 1944. Your Excellency pointed out, however, that there remained pending the sum of one hundred thousand dollars for the establishment of a signal

system on the México-Querétaro Division and another commitment of five hundred thousand dollars for the reconstruction of the Southeast Division.

I now have the honor to inform Your Excellency that my Government approves the cooperation of the Railway Mission in the reconstruction of the Southeast Division subject to certain minor conditions, as follows:

1) The entire five hundred thousand dollars, United States currency, will be a commitment of the Railway Mission with the expenditure thereof to be made in the usual manner.

2) That the entire staff of the Mission presently engaged in the supervision of work on the Southeast Division, together with any additional staff that may be required to assist the National Railways in the rehabilitation work on this Division will be paid from these committed funds.

3) That the agreement of November 18, 1942, between our two Governments will continue in effect for a period of twelve months commencing January 1, 1945, only on the basis of technical assistance by the Railway Mission and for the purpose of permitting the Mission to discharge commitments made by it prior to January 1, 1945.

In the event the above is agreeable to Your Excellency's Government, I am authorized to state that my Government will make the five hundred thousand dollar commitment available.

Please accept, Excellency, the renewed assurances of my highest and most distinguished consideration.

G. S. MESSERSMITH

His Excellency

Señor Licenciado Don EZEQUIEL PADILLA,  
*Minister of Foreign Affairs,*  
*Mexico, D.F.*

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*The Acting Minister of Foreign Affairs to the American Ambassador*

[TRANSLATION]

No. 54484

MEXICO, D.F., *April 17, 1945*

Mr. AMBASSADOR:

I have the honor to refer to Your Excellency's very courteous note number 3408, dated December 29, 1944.

With regard to the matter, I take pleasure in informing Your Excellency that my Government agrees to the conditions set forth in the note to which I refer, and to which the commitments contracted by the Government of the United States of America, through the Railway Mission, shall be subject in the reconstruction of the Southeast Division, which are as follows:

(1) The entire amount of five hundred thousand dollars, United States currency, shall constitute a commitment of the Railway Mission, and shall be spent in the usual manner.

(2) The total personnel of the Mission which is at the present time engaged in the supervision of the work of the Southeast Division, together with any additional personnel which may be required to assist the National Railways in the rehabilitation work of the said Division, shall be paid from the funds which are the subject of the commitment.

(3) The Agreement between the Governments of Mexico and the United States of America of November 18, 1942, shall remain in effect for a period of twelve months commencing January 1, 1945, but only on the basis of technical assistance by the Railway Mission, and for the purpose of allowing the Mission to fulfill commitments undertaken by it prior to January 1, 1945.

My Government has also noted that the Government of the United States of America will place at its disposal the sum of five hundred thousand dollars, the subject of the aforementioned commitment.

I avail myself of the opportunity to renew to Your Excellency the assurance of my highest and most distinguished consideration.

P. CAMPOS ORTIZ

His Excellency

GEORGE S. MESSERSMITH,

*Ambassador Extraordinary and Plenipotentiary of the  
United States of America,  
City.*