

APPENDIX.

“Convention concluded between his Excellency the Mexican Minister of Finance, DON FRANCISCO DE ARRANGOIZ, and the Agent of the Bondholders of the English Debt, WILLIAM P. ROBERTSON, Esq.

“1. From the 1st of July, 1849, till the same date in 1859, the interest of the said debt shall be $3\frac{1}{2}$ per cent. instead of 5 per cent. per annum.

“2. In just compensation of this diminution, the Government gives up to the said Bondholders,—over and above the assignments of which they are actually in possession, and which consist of the export duty on specie at the Mexican ports of the Pacific,—of the fifth part of the duties paid at the custom-houses of Vera Cruz and Tampico de Tamaulipas,—and of the sum arising from the tobacco revenue, which is assigned to the Bondholders by the ninth article of the arrangements concluded with the creditors of that revenue on the 28th January of this year,—the circulation duties in the ports of the Pacific,

and the circulation and export duties upon specie at the ports of the Gulf of Mexico, in order that their amount, less the burdens with which they are actually encumbered, may be devoted to the payment of the dividends and the sinking fund of the foreign debt.

"3. To satisfy the arrears of interest at the rate of $3\frac{1}{2}$ per cent. per annum, from the 1st of July, 1846, to the same date in 1849, 4,000,000 dollars shall be devoted from the American indemnity, to be taken proportionally in third parts from the portion not yet recovered, and without payment of fresh interest on the part of Mexico.

"4. Mexico shall make the payment mentioned in the preceding article at the favourable exchange of forty-six pence in the dollar.

"5. If the said four millions of dollars, at the above-mentioned exchange of forty-six pence, should not suffice to satisfy the amount of the interest at $3\frac{1}{2}$ per cent. per annum, which has become due from the 1st of July, 1846, to the same date in 1849, the deficit shall be given up by the Bondholders in favour of Mexico.

"6. The permission to import raw cotton, which the Government gave to the creditors on the 19th July, 1847, to the amount of 680,000 dollars, in payment of the sums which belonged to them, and were abstracted from the maritime custom-houses of Vera Cruz and Tampico, remains definitively for account of the creditors, whatever may be the loss at which they may realise it.

"7. The difference of the interest from the 1st July, 1846, to the same date in 1859, at the rate of $1\frac{1}{2}$ per cent. per annum, or altogether $19\frac{1}{2}$ per cent., is ceded to Mexico *in toto*, and without ground for any future claim on the part of the Bondholders of the foreign debt.

"8. In compensation of this cession, the Government agrees to pay the Bondholders 500,000 dollars from the American indemnity, proportionally by third parts, in each of the portions which are still pending recovery, which sum of 500,000 dollars shall be devoted to the interest already become due and not paid.

"9. If in the period which elapses between the 1st of July, 1849, and the 1st of July, 1859, the dividends are not paid at the rate of $3\frac{1}{2}$ per cent. on their becoming due, it shall be at the choice of the Bondholders to annul the present contract, and they shall re-assume their actual rights.

"10. On the 1st of January, 1859, the Government of Mexico and a Commissioner of the Bondholders shall make fresh arrangements for the payments of dividends posterior to the 1st July, 1859, more or less favourable, according to the state in which the Republic then happens to be.

"11. The present arrangement shall not cause to Mexico any expense for printing new bonds, or for any other outlay arising from commissions, brokerages, etc., which may have to take place in England with reference to the said arrangement.

"12. All the stipulations of the preceding articles are subject to the ratification and approbation of the Mexican Congress, and of the general meeting of Bondholders of the foreign debt.

" FRANCISCO DE ARRANGOIZ.

" WILLIAM P. ROBERTSON."

" Mexico, July 6, 1849."

Convention concluded by MR. ROBERTSON, respecting the London Agency and Remittances.

" Mexico, July 8, 1849,

" It being for the interest of Mexico, as well as for that of the Bondholders, that the remittances to England intended for the payment of dividends should not be applied to any other object, his Excellency the Minister of Finance, D. Francisco de Arrangoiz, and the agent of the Bondholders, William P. Robertson, Esq., have agreed on the following :—

" Art. 1. The agent of Mexico in London will keep the books referring to the debt, which he will receive from Messrs. Schneider and Co. Should these gentlemen make any difficulty in giving up the books and other papers, the agent of Mexico will open new books provisionally till the delivery of those existing shall take place.

" 2. As the funds for the payment of dividends will be remitted to the Bank of England, they cannot be abstracted thence on any account but exclusively for the payment of dividends, which will be made by mutual agreement between the agent of the Republic and that of the Bondholders.

" 3. The agents of the Bondholders in Mexico, when receiving funds on account of the debt, will give notice to the agent of the Republic in England, and to the agent of the Bondholders in the same country, by separate communications, of the sums which they send by every vessel, or of remittances in bills; and the agent of Mexico, as well as that of the Bondholders, will publish in two or three of the most widely circulated newspapers a notice of the sums which thus arrive, and the amount existing in the Bank at the date of the publication of the said notices.

" 4. If by any accidental circumstance at the end of six months the sums existing are not sufficient to pay a dividend corresponding to that of the preceding six months, the said amount can be divided *pro rata* at the request of the Committee of the Bondholders.

" 5. The sums which the agents of the Bondholders residing in Mexico receive for the payment of the dividends, will remain at the risk and for account of the Bondholders from the moment their agents receive their money.

" 6. The exact amount of each consignment, with

deduction of all expense of remittance to London, will be credited to Mexico. Mexico will have nothing to pay for commission for receiving the money, or any other expenses, but those occasioned by the agency of the Republic.

"7. The regulation of the agreement, which without opposing the literal sense of the present stipulations, shall be carried into effect by mutual consent of both agents.

"F. DE ARRANGOIZ.

"WILLIAM P. ROBERTSON."

In reference to the account I have given of the factory at Cocolapan (vol. ii. page 396), I have been lately favoured with the following letter from Messrs. James Grandison and Sons, already mentioned in the body of the work, and I think the information it contains will be, to many, an interesting addition to my slight detail.

"Glasgow, 8th October, 1852.

"WM. PARISH ROBERTSON, ESQ., LONDON.

"DEAR SIR,—We beg now to furnish you, so far as we are able, with answers to the queries you propose in your favour of 27th ult., regarding the factory at Cocolapan.

"It contains 15,000 spindles, which are driven by one

water wheel of 130 horse power, and another of 50, both made in Glasgow. There are from 12 to 18 foreigners (mostly Scotchmen) employed; but we are neither able to say how many operatives there are altogether, nor how many live on the premises.

"There are produced altogether, about 3,000 pieces of cloth, 30 yards each, per week, and we understand that the quantity is increasing, from the new improvements brought into operation. We do not know how much cotton is consumed.

"Our brother arrived here from Cocolapan in June 1850. He came to Liverpool through the United States, and left Liverpool in the *Orion* Steamer, which was wrecked off the coast of Portpatrick, he escaping with the loss of all his luggage. He was accompanied by a son of Francis Vallejo, Esq., who also escaped.

"While in Glasgow, our brother had made for him a number of self-acting headstocks, and also patent sizing or dressing machines, which have made a very great improvement in the quantity and quality of cloth produced.

"By the dressing machines, more especially, they have, at Cocolapan, been enabled to make more than double the produce of the looms, and they are kept up at only a fourth of the expense of the old machines. They also produce four times the amount of work more than the old machines.

"A number of scutching machines were also made, which have produced great improvements.

"The bulk of the old machinery is United States'; all the new was made in Glasgow by ourselves.

"Our brother left in November, 1850, by the West India Mail Steamer, and by the latest accounts we have from him, he is doing very well. Since he went home he has erected a mill for ginning cotton; and we have sent out to him also a number of agricultural instruments for the improvement of his farm. They have also commenced the cultivation of flax, and have taken a crop off the ground, from the appearance of which, they think it likely to succeed. We sent over to them a farmer from Ireland, acquainted with the cultivation of flax, and a supply of seed at the same time.

"If we can supply you with any other information you may wish, we shall be happy to do so,

And are, meantime,

"Yours truly,

"JAMES GRANDISON AND SONS."

