

Mr. Romero to Mr. Seward.

[Translation.]

MEXICAN LEGATION IN THE UNITED STATES OF AMERICA,
Washington, April 20, 1867.

MR. SECRETARY: Recent publications made by the United States, European and West Virginia Land and Mining Company, undertaking to sustain the validity of a contract which it attempted to conclude with General Carvajal, and the imputations consequently cast upon the government of Mexico and its representative in Washington, are of such a nature that they impose upon me the unpleasant duty of addressing you on that disagreeable subject, to let you know everything that has happened in it, from the time that General Carvajal came to this country up to the present moment. My object is to deposit in the Department of State the evidence of the bad faith of the persons constituting that company, and the complete nullity of that document, as well as to vindicate at the same time my government and myself from the serious and unfounded imputations cast upon us by persons without responsibility or position. The statement which I shall have to make to that end will be long, and the documents I shall have to adduce will be numerous; but this prolixity is absolutely required by the nature of the case and the variety of incidents referred to by the company.

The national government of Mexico, and most particularly President Juarez, have always been opposed to the enlistment of foreigners in the army of the republic, as much because such a step would produce discontent among the people, as because it would be very difficult for strangers, of whatever nationality they might be, to make themselves contented with the scanty fare, privations and sufferings they would have to endure, and which the patriotism of the Mexican soldier enables him to bear; and also because, having full confidence in the success of the cause from national resources alone, they do not think it necessary to invite the people of other countries to share their glory.

In the most gloomy moments for the country, some public men have favored the enlistment of foreigners, and especially of citizens of the United States, and even went so far as to propose that measure, at least on two occasions, as indispensable to the salvation of the country. In 1859, President Juarez did not think proper to accept the proposals made to him on that subject, and the result proved, in December, 1860, that he was right; but in 1864, when the French invading army had succeeded in gaining possession of a great part of the republic; when the Emperor of the French showed himself more seriously engaged in carrying out his attempt to convert Mexico into a French colony; when the civil war in the United States seemed to be going to prolong itself indefinitely, or end in a division of this country; when the city of Oajaca had succumbed with the last regular army then remaining in the field; and when the national government saw itself obliged to seek refuge in a frontier state of the republic, the President believed that the scruples of his patriotism ought not to prevent him from doing all he could to conduce to the salvation of his country.

General Carvajal, one of those most urgent for the enlistment of foreigners, sent Mr. Ramirez Arellano to Chihuahua, about the middle of the year 1864, as his commissioner, charged to solicit from the government the necessary authorization, so that he might enlist foreigners, and make war with them in the State of Tamaulipas, of which he is a citizen. The government, knowing General Carvajal to be a citizen of patriotism and honor, with great influence over the people of Tamaulipas, thought he would co-operate in organizing and impelling the war of independence in that section, and granted him the authorization he solicited, and moreover made him governor of the State of Tamaulipas.

This was done on the 8th of November, 1864, (No. 115,) and the authorization to enlist foreigners and raise means necessary for the purpose was issued on the 12th day of the same month and year, (No. 116.) The reading of those authorizations, which were the only ones granted to General Carvajal, and from which all of his powers emanated, demonstrates that the government only authorized him—1st, to accept the military services of one or ten thousand foreigners; 2d, to purchase as many as forty thousand rifles or muskets for infantry, three thousand small-arms for the use of cavalry, and a few batteries of light rifled cannons for field and mountain use, and a proportionate quantity of munitions of war; 3d, to pledge the public revenues of the State of Tamaulipas, the proper rents of that State, together with the federal rents that may be collected in it, in order to procure the means to realize the two preceding authorizations; and 4th, to contract a foreign loan of a sum sufficient to equip the number of foreigners enlisted.

General Carvajal received those instructions and his appointment about the middle of December, and he certainly must have considered them, as I did, as an authorization to accept in Mexico the services of all foreigners who might present themselves, and not as a license to come to the United States to solicit them; for he did not come to this country on the immediate reception of his instructions; and perhaps he never would have come, but for the circumstances I will mention hereafter.

Major General Lewis Wallace, of the United States volunteers, was sent on a visit of inspection to the line of the Rio Grande, in the early part of the year 1865. He took letters of introduction with him from New York to General Carvajal, and on arriving at Point Isabel, the only point at that time in possession of the United States forces, he sent for that general, who had his encampment near San Fernando, in the State of Tamaulipas; he had various conversations with him; and, on seeing the authorizations which that general held from his government, he manifested to him his opinion that they were sufficient to allow him to come to the United States, raise means, arms, munitions, and everything else that he might desire. General Carvajal, imbued with the opinion of a chief of so much high character, determined to come to New York, without even going back to his encampment. General Wallace had the kindness to offer him a passage in the vessel that had brought him to the frontier, and both left the Rio Grande for New Orleans about the last of March or first of April, 1865, and arrived in New York near the middle of April, precisely at the moment when the civil war in this country was ending with the complete triumph of the government of the United States.

In proof of this and other assertions I will hereafter make, I think proper to transmit to you copies of the communications which I have addressed to my government, because, as they were written some time ago, while the events were occurring, it cannot be supposed that my despatches could report them in any other way than as they really did occur.

When General Carvajal arrived in New York, and informed me of the general object of his visit in a private letter, I thought his coming was very opportune, and the choice of our government of him was most proper; for I had always known him as an honorable man, who passed the early years of his life in the United States, who has an American education, speaks English perfectly, professes the Protestant religion, and I imagined he was well enough acquainted with this country to accomplish the object of his commission with more facility than any other citizen who had not enjoyed the same advantages. I invited him therefore to come to this city, to explain to me the nature and extent of his commission, and to inform him that I also had received authorizations from our government to negotiate a loan in the United States.

General Carvajal arrived in Washington on the 25th of April, and I soon found out that he was wrongly informed about the situation of affairs in this

country, and of its disposition towards Mexico; which made it very difficult for me to agree with him in the execution of the commission he had received from our government. General Carvajal had been induced to believe that the sympathy of the people of the United States for the cause of Mexican independence was so great as to induce them to give us pecuniary aid without considering the conditions. He had also been taught to believe that the moneyed men of this country were not only disposed to lend us pecuniary aid, but were anxious to do it; and he could not understand what could hinder us from profiting by this advantageous opportunity. He believed, in fine, that his faculties authorized him to negotiate for an unlimited amount of money, and he desired to proceed to realize this without losing a single instant.

For my part, I considered the realization of a loan in this country in favor of Mexico as a very arduous undertaking, requiring mature meditation and the co-operation of the business men of this country, as well as a concurrence of contingent circumstances, which I considered as indispensable to the success of the enterprise. My intention then was to confer with some of the principal bankers of New York, explain to them our situation, hear their opinion and listen to their suggestions, and carry out the idea of the loan only in case they considered it feasible, and were disposed to lend their co-operation.

General Carvajal's plans and his haste to put his projects into execution were in open contradiction to my views; and when I found this out, on the 31st of May, I communicated the particulars to my government, stating the points about which we differed, (No. 3.)

To give General Carvajal an opportunity to satisfy himself of the impracticability of his plans, I consented for him to go to New York and raise what means he thought he could obtain only by asking for them, and at his request I gave him a certificate, (No. 5,) in which I said that the general had authority to negotiate funds on the conditions and terms expressed in his papers, and that whatever contract or purchase he might make in accordance with those instructions, and in the execution of his commission, would be binding upon the Mexican government. That certificate, carefully drawn up, could give General Carvajal no greater powers than had been granted him by his government, and its only intent was to certify to the authenticity of his authorizations.

General Carvajal left this city on the 1st of June for New York, and was several days busy trying to raise funds, without success. He wrote to me on the 10th of July following, saying he had despaired of raising means, and was thinking of starting back to Tamaulipas; but shortly afterwards (on the 13th) he wrote to me again from New York, (No. 4,) that "a strong company of that city offered to lend him two millions of dollars in cash, all the war material he wanted, and ample facilities to raise means on the largest scale." In his subsequent letters he informed me his arrangements were being perfected, but gave no particulars till the 24th of the same July, when he wrote me as follows:

"In the contract which I have concluded, I have pledged all the revenues of Tamaulipas and San Luis, till the debt and interest shall be paid, except twenty per cent. left for government expenses in those States. But I can dispose of all the funds needed for my forces, and others raised by the government. Of course the government may or may not accept this offer. * * * * * The negotiation is arranged so as not to compromise the government at Washington in any way."

Though I thought it would be hard for General Carvajal, with his limited powers, to raise such considerable funds for the government of Mexico in such a short time, I could not conceive that his levity or hallucination would lead him to assure, in such a positive manner, things so far from certain. Thinking then that I might be the one deceived, and that General Carvajal was right, I determined to go to New York for the purpose of obtaining better information about the nature of his arrangements, and at the same time to try, on my part,

to comply with the instructions which I had received from my government in reference to the negotiation of funds.

In note No. 244 of the 28th of June, 1865, (of which I also enclose a copy, No. 117,) the President of the Mexican republic authorized me to negotiate a loan in the United States for as much as one hundred millions of dollars, under the terms and on the conditions specified in said instructions. These were received by me in this city on the 2d of August following; and the previous notice that they would reach me soon, determined me to send my note of the 23d July previous to your department, because, as it was communicated by the President to Congress, in his message of the 20th of March, 1866, it has already been published. On the 3d of August mentioned, General Carvajal brought me the documents relating to the arrangements which he had concluded. I then saw for the first time that they consisted of a contract with Mr. Daniel Woodhouse, (No. 7,) entitled "secretary and general financial agent of the" so-called "United States, European, and West Virginia Land and Mining Company," dated at San Carlos, in the State of Tamaulipas, on the 15th of May, 1865, when in reality it had been signed in the city of New York, in the latter part of July of that year. The perusal of that contract produced an extraordinary impression upon me, because in it General Carvajal had notoriously exceeded his faculties by making grants of railroads, &c., for which he had not the slightest pretext of authority; and in the note which I addressed to my government on the 8th of August, on that subject, of which I also enclose a copy, (No. 6,) you will see what I said about the contract at that time.

On asking General Carvajal how he could expect to obtain resources by means of this contract, when all that the company bound itself to do was to pay the drafts with the proceeds of the bonds, which could not be done unless the bonds were salable, and after they had been sold, he replied to me that the company had agreed to sign another contract, binding itself to place at his disposal from three to five millions of dollars in drafts accepted by it, which would be negotiable. As soon as I learned with whom General Carvajal was treating, I asked some of my friends of a respectable position in New York, and who had access to the offices established there for the investigation of the condition and responsibility of business men, who Mr. Woodhouse was, and what the position of the company he represented. The information I received was such that no doubt was left but that General Carvajal had been completely deceived by Mr. Woodhouse, as the company he represented, which he supposed to have a capital of twenty millions of dollars, was entirely unknown; that its name was not in the directory, and that it had no funds in the house of Howes & Macy, announced in the prospectus as its bankers, nor in the hands of the person represented as its treasurer; and from all appearances the company had been formed exclusively for this business, without credit or funds, or security of any kind; which they proposed to make up with a pompous name. Mr. Woodhouse, who was the principal partner and almost the only one in the company, seemed to be a lawyer of the lowest class, without any pecuniary responsibility, and with a reputation sufficiently bad to ruin any respectable business in which he took a part.

Another friend of mine, who took the trouble to go and see every one of the persons whose names appeared in the prospectus of the company as members of it, informed me by letters written on the 12th, 14th and 16th of August last, (of which I enclose copies, Nos. 12, 13 and 14,) that of the persons referred to, some were insolvent, others could be found nowhere, and those who had means and credit declared that they did not know Mr. Woodhouse, or that he had used their names without their knowledge or consent. I regret that I cannot mention the name of the gentleman who wrote me those letters. I can only say that he enjoys the confidence of the United States government.

The nature of that information was such I thought proper to make it known

without delay to General Carvajal, which I did at an interview I had with him on the 12th of August. The persons who surrounded him, and who had managed to deceive him so completely with so little effort, had been before me in preparing him, to neutralize the effect that my information would necessarily produce. They had made him believe I was very envious of the success he had obtained in his negotiation, and that, moved by a spirit of meanness in personal aggrandizement, I entertained the anti-patriotic project of preventing the realization of his plans. This made him not only hide from me all information of what he was doing, as much as he could, but also made him receive with great distrust the information I gave him in regard to the insolvency and other bad qualities of the company with which he was treating. In the enclosed copy of the note which I addressed to my government on the 16th August, (No. 9,) you will find minute details of what I have stated.

When Mr. Woodhouse had succeeded in persuading General Carvajal to sign the contract, which, with manifest fraud and deception, he had been induced to sign, and when he had got from him all he wanted, he no longer took the trouble to keep him in hallucination. Moreover, things had now reached such a condition that it would not be very easy to prolong for a much longer time a similar deception. On the other hand, Mr. Woodhouse's failing to comply with his promises to General Carvajal was enough to open his eyes; and on the night of the 20th day, he told me he thought he had been deceived, and he was only waiting for Mr. Woodhouse to fail openly in some of his obligations which he had contracted, to justify him in rescinding the contract. On the 24th of the same August, I informed my government of that change, as appears from the note which I addressed to it at that time, and of which I enclose a copy, (No. 15.)

Mr. Woodhouse's tactics completely changed when General Carvajal found out that the persons who appeared in the prospectus of the company as members of it either did not know it, or had not lent their consent to appear in such a character. Mr. Woodhouse then said he would reorganize his company, offering to engage more respectable people in New York to take part in it. The memorandum which General Carvajal made of this on the 25th of August, and of which I also remit a copy, (No. 129,) gives details of all that had occurred up to that time. In the mean time General Carvajal withdrew (cancelled,) from Mr. Woodhouse the power he had given him to act as his attorney, to see to the printing of the bonds, which were to have been issued in accordance with the contract, and the United States Bank Note Company, charged to engrave and print the bonds, was notified of this revocation on the 28th of August.

On the morning of the 31st of August, General Wallace, who had continued to lend his good offices to General Carvajal, advising of the conduct he ought to pursue, informed me that the persons who Mr. Woodhouse said were going to take part in his company, and among which there were, as I have said, various names highly respectable, as those of the honorable E. D. Morgan, Mr. Moses H. Grinnell, Mr. L. E. Chittenden, Mr. Cornelius Vanderbilt, and others, intended to have a meeting at noon on that day, in number 71 Broadway, and invited me to be present on the occasion. Although I was convinced that this meeting would have no favorable result, for I did not believe that Mr. Woodhouse would be able to induce persons who had at least a good name to lose to join him, I told General Wallace that if the persons who were to meet determined to interest themselves in the concerns of Mexico, proceeding under new bases, I would rejoice at it greatly; but I did not think it my duty to attend the meeting. After it was over I went to the St. Nicholas Hotel, where General Wallace was stopping, to learn the result, and not finding him in his room, I left my card. On receiving it, General Wallace had the goodness to address me the enclosed note, (No. 26,) in which he communicated to me the result of the meeting.

I make these extended explanations, because Mr. Woodhouse mentions this incident in his petition, without date, addressed to the Congress of the United States, in relation to the contract referred to, with the same inaccuracy as all the other facts contained in it, supposing I had consented to attend the meeting referred to. Mr. Woodhouse mentions in the same petition, with the same fault of exactitude that I have already mentioned as abounding in all his assertions, the details of an interview which he had with me in New York, on the 30th of August, which forces me to say now what really did take place.

While I was stopping in New York, at the house of Mr. Blas Bruzual, the minister of Venezuela, (No. 35 West Thirty-third street,) and not with the minister of Chili, as Mr. Woodhouse represents, I received Mr. Sackett's card one morning, who was one of the members of the company. Knowing that Mr. Sackett was the only person of means who was engaged with Mr. Woodhouse, I thought proper to inform him of the impression that the arrangements made with General Carvajal had produced upon me; I therefore went down into the parlor to see him, and, to my great surprise, I found Mr. Woodhouse with him, although the latter had not sent me his card, nor had he written his name on that of Mr. Sackett. Mr. Woodhouse and Mr. Sackett then read me a list of names of highly respectable persons in New York, among which, however, were their own two names, who were to organize the new company. I then told them plainly what I have since repeated whenever the opportunity occurred, that the contract was null, not only because General Carvajal had notoriously exceeded his faculties, but because the laws of the State of New York did not permit the company, presuming it to be in existence, to occupy itself in negotiating Mexican bonds, building railroads in Mexico, and working mines outside of the State of New York; but, if some citizens of the United States really desired, in good faith, to take part in Mexican enterprises, I was sure the government of the republic would grant them liberal and reasonable concessions, respecting the validity of which there would not be a particle of doubt. Mr. Woodhouse attempted to defend the validity of his contract, and then I told him all discussion on the subject was useless, as we would soon have the decision of the Mexican government on that point.

General Carvajal found himself in a very painful situation when he was convinced that the hopes he had founded on the Woodhouse contract were illusory; he had contracted many obligations which he could not possibly comply with; he had caused many Mexican officers to come to New York in order to return to the frontier with him; and the complete failure of his first contract, far from making him more cautious in future, kept him in an anxious and feverish state of excitement to make another contract as soon as possible as an amendment of his first error. This made him agree with Mr. J. N. Tiff, a partner in the house of Messrs. John W. Corlies & Company, upon the terms of a second contract, of which, however, I will not now speak here, except as far as may be necessary to rectify inaccuracies mentioned by Mr. Woodhouse.

General Carvajal's second contract was signed on the 11th of September, 1865; and on the 1st of October following I came from New York to this city. After that I did not hear of Mr. Woodhouse and his company till the 19th of December of the same year, when Mr. Andrew Cassard, a New York broker, of Cuban origin, who had intervened in the conclusion of General Carvajal's first contract, came to see me, and informed me that he had been named secretary of the Woodhouse company; that this had been revived, and was now ready to put the contract into execution. I told him the contract was null, and read to him the communication which I had received only a short time before from the government of Mexico, notifying me of the decision; and to prevent any future misunderstanding in regard to the terms of my reply I requested him to put the object of his interview in writing, so that I might reply to it in writing. On the 20th of that month he sent me the letter, a copy of which is enclosed, and which I

answered the next day, (Nos. 51 and 52.) I also send a copy of the communication on this subject which I addressed to my government on the 22d of December mentioned, (No. 49.)

On the 17th January, 1866, Mr. Cassard wrote to me again, informing me that Mr. Woodhouse's company had changed its name, and hereafter would be called "The National American and Mexican Company," and presuming General Carvajal's first contract valid, stated many particulars of the manner in which they intended to carry it out. I answered him on the 18th, and repeated what I had said in my former letter. I enclose a copy of those two documents, and of the note I sent with them to my government, (Nos. 55, 56, and 57.)

On the 22d day of the same January Mr. Cassard wrote me a third letter, of which I send you a copy, with my answer to the same, (Nos. 59 and 60.) In it he sought to defend the validity of the contract, and spoke to me of the company's plans to send emigrants to Mexico. My answer was a repetition of my former ones.

On the 27th of the same January Mr. Cassard wrote to me for the fourth time, saying he had made the purport of my letters known to the company; that all its members were disgusted with Mr. Woodhouse's "insolence and obstinacy," and had determined to quit the company, because, after examining its charter, they became satisfied it could not legally conclude a contract with General Carvajal; that they moreover had determined to form a new company, to be called "The International American and Mexican Company," and it would be composed of very respectable persons in New York.

Hearing that Mr. Woodhouse had used my name as one of the directors of his company, in a prospectus he was preparing, I told Mr. Cassard, in answering his last letter, that Mr. Woodhouse had no authority from me to use my name as he did, and if he published his prospectus I would be compelled to make the statement known in the public papers. I enclose a copy of Mr. Cassard's letter, with my answer to it, (Nos. 62 and 63.) I subsequently received three other letters from the same Mr. Cassard, dated the 3d, 20th, and 24th of February following, in New York, relating to the same business, and those were the last he wrote to me. I enclose copies of them likewise, (Nos. 75, 76, and 77.)

Mr. Woodhouse wrote to me on the 1st of February mentioned, for the first time, reporting in an inexact manner my conversations with Mr. Cassard, and stating that distinguished members of Congress gave the preference to his contract, and the consul of Mexico in New York wanted to be a director in the company. After that I received three other letters from Mr. Woodhouse, dated in New York the 21st and 26th February, and 1st of March following, which were answered by the secretary of this legation in the same terms as the letters of Mr. Cassard, (Nos. 71, 72, and 73.)

I did not receive another letter from Mr. Woodhouse until the 11th of September, 1866, when he wrote the last one that has come into my hands, and of which I remit a copy, (No. 85.) It was answered by the secretary of this legation in the same terms as the others, (No. 86.) Since that time I have received no letter, communication, or message of any kind from Mr. Woodhouse.

I think proper to state in this place the great discrepancy that exists between what Mr. Woodhouse said to me from time to time in his letters mentioned and what he says in his petition to Congress. Although he supposes the contract valid, according to those letters, he never hinted in any manner whatever that it had been approved by me by word or writing, either directly or indirectly.

Such is the succinct relation of all that has occurred in a direct manner between the Mexican legation and Mr. Woodhouse before the latter published his petition to Congress. However, as there are other incidents, some of which are mentioned in said petition, and a brief account of which will bring to light all that has occurred in relation to that subject, I think proper to make a brief mention of them in this place.

On the 14th of September, 1865, the Mexican minister of foreign affairs received at the same time my two notes, numbered 380 and 393, of the 8th and 16th of August anterior, with which I sent him a copy of the contract, and had given him my opinion respecting it. At the same time he received General Carvajal's communications on the same subject, and this was quite sufficient to cause the President, in ministerial council, the very next day, to declare that General Carvajal had exceeded his powers, and that the contract was null, as evinced by the communication which he addressed to me on the 15th of September, under No. 319, (No. 119.) A copy of the communication was transmitted at the same date to General Carvajal by the minister of relations. On the same day, and under No. 321, Mr. Lerdo de Tejada addressed me the communication, of which I also enclose a copy, (No. 121,) informing me that on the 19th day of August previous General Carvajal gave him an account of the distribution he had made of certain drafts drawn on account of the contract, a portion of which he had sent to the minister of finance, together with what was called an open letter of credence, signed by Mr. Woodhouse, and informing me also that the distribution had been disapproved by the President, who had ordered the bills of exchange and letter of credit to be cancelled and sent back to General Carvajal, that he, on his part, should restore them to Mr. Woodhouse. The communication which Mr. Lerdo de Tejada addressed to General Carvajal on the subject, containing the cancelled bills of exchange, and of which I send you a copy, (No. 126.) came to me in the original to be put into the hands of that general, and to get his acknowledgment of the reception of it. I did so, and likewise remit a copy of the acknowledgment of its reception, (No. 41.)

The President of the republic also intrusted me on the same day to find out from the Mexican consul in New York why he had written the certificate that appears at the end of the contract, (No. 123.) I requested the report of the Mexican consul, who gave it to me in the terms which you will see in the enclosed copy of his report, which was subsequently rectified by the ministry of relations, (No. 128.)

I had been assured on various occasions that Mr. Woodhouse was engaged in having bonds engraved which he said belonged to him by right of his pretended contract, but I could not be persuaded to give credit to those rumors, because I could not believe Mr. Woodhouse would dare to forge Mexican bonds, and because I thought it would be hard for him to find a bank note engraving company to be his accomplice in the fraud. As early as the 14th of November, 1865, I applied to the honorable Secretary of the Treasury of the United States, communicating to him the information in my possession, and requesting him to send one of the detectives of his department to New York, to investigate the affair and find out the truth, (No. 47.) I also charged the Messrs. John W. Corlies & Co. to be diligent in the investigation, because, as they resided in New York, and it would be to their interest to prevent the counterfeiting of Mexican bonds, I reasonably supposed they would be diligent in this particular.

Unfortunately the United States Bank Note Company, the same that engraved a part of the bonds issued by General Carvajal in virtue of his contract with Messrs. John W. Corlies & Co., failed, and all the stock was sold. Before or after its breaking up Mr. Woodhouse had succeeded in having some, or perhaps all, of the bonds his contract mentions printed. It would have been indiscreet in me to have published a warning before I found out to a certainty that they were counterfeiting Mexican bonds, thus casting imputations, more or less founded upon the fact, to protect and defend persons of good faith, and I would have become an accomplice of those who desired to deceive the public if I had kept silence on learning that bonds had been actually forged and were offered for sale.

Guided by these principles, and notwithstanding that I was told since the 14th of November, 1865, that Mexican bonds were being forged, I did not think

proper to publish any notice of the fact till a year after, on the 4th of October, 1866, when I was shown a bond issued by Don Antonio Lopez de Santa Anna. On that day I instructed the secretary of this legation to put an official warning in the papers of this country, which for the information of the public said that no contract made in the name of Mexico, and no bonds called Mexican, would be valid unless previously approved by me, according to instructions which I had from my government. This notice was not directly against Mr. Woodhouse, though he was included in it, for till then I was not certain that he had ordered any bonds to be engraved. I enclose you a copy of the said notice, (No. 88.) But on the 28th of January last I had reliable information that some of Mr. Woodhouse's bonds were in market, and that he pretended to pass them off as genuine Mexican bonds. Then I deemed it my most urgent duty to denounce the fraud to the public, to save honest people from becoming victims of it. For that reason I had a second announcement inserted in the papers of that same date, especially directed against the Woodhouse bonds, of which I enclose a copy, (No. 95.)

That advertisement gave rise to the publications of Mr. Woodhouse and his associates against me and the government I represent. I would not have noticed them if respectable and wealthy persons of New York had not come to tell me, after the publications and notice mentioned, that they were about to take part in the contract of Mr. Woodhouse, supposing it to be valid, or at least susceptible of modifications that would not change its substance, and would make it acceptable to the Mexican government. This convinced me that the notice of the 26th of January was not sufficient to forewarn the public against the insidious snares prepared by Mr. Woodhouse; and wishing to do all in my power to make known the actual condition of his contract to everybody, I instructed the secretary of the legation to publish a third official notice, containing the rescission of the contract by my government, and General Carvajal's declaration of the same effect. I enclose a copy of this third notice and the documents annexed to it, (No. 114.)

As soon as I heard of Mr. Woodhouse's petition to the Congress of the United States, and of the article accompanying it, I inquired of the persons mentioned in it about the facts of the case, and what Mr. Woodhouse had said of them. I have received reports from some of them, which I enclose, numbered 149, 151, 153, 155, 157, and 159.

These papers are, in my judgment, more than sufficient to demonstrate in the most convincing manner the inaccuracy of Mr. Woodhouse's assertions, the ease with which he permits himself to make accusations entirely unfounded, and the little credit that any of his assertions deserve. As I send you complete copies of all these documents, I do not think it necessary to expatiate upon them in this place.

I also requested the charter or the certificate of incorporation of the company from Mr. Woodhouse, and from that document, of which I enclose a copy, duly authenticated by the secretary of state of the State of New York, (No. 130,) it appears that the company was formed on the law authorizing the general organization of mining and manufacturing companies, and by that law they could only work mines in the State of New York, and, of course, could not negotiate Mexican bonds, nor build railroads and telegraphs in Mexico, nor do anything in Mexico that the contract pretended to allow in that republic. It appears besides, that of the nine persons whose names appear in the charter or certificate of incorporation of the company as trustees, and of whom Mr. Woodhouse is the ninth, a great part of them do not belong to and never have belonged to the company, Mr. Woodhouse having used their names without their knowledge or consent. It also appears that the house in New York that Mr. Woodhouse announced in the prospectus of his company as its bankers, neither knew Mr. Woodhouse nor the company, and never had any funds of either in its posses-

sion; that the partnership represented as attorneys for the company were not employed by it; that the persons represented as trustees had nothing to do with it; and the whole was a fraud of Mr. Woodhouse, and nothing more, by which he deceived, with manifest fraud and false pretences, General Carvajal.

A contract concluded fraudulently by one of the contracting parties is absolutely void according to every principle of universal legislation. It is the same by the common law of England, because there is no equity in the contract, as one of the parties gives much to the other and does not receive an equivalent. This is what is termed a leonine contract in the Roman law, and is also null in that legislation.

To shun the disagreeable proof of the falsity of his assertions brought up against him a second time, Mr. Woodhouse took good care not to insert the names of his directors, bankers, and treasurer in the new prospectus of the company recently published, so that this opulent company, which, according to the mentioned prospectus, (No. 109,) has a capital of twenty millions of dollars, and assets to the value of eighty-five millions, is constituted by Mr. Woodhouse as president, and two other persons entirely unknown to the business men of New York, one of whom is secretary, and the other civil engineer and superintendent of the company. It cannot be conceived how the possessors of those twenty millions of capital and eighty-five millions of assets can trust the management of so much property to three penniless persons, without taking any interest themselves in its administration.

The perusal of the annexed documents reveals various other incidents which I now omit, because it would make this communication too long, but which confirm with all accessory evidence, as I have already pointed out, the extreme levity with which Mr. Woodhouse makes accusations, the bad faith with which he proceeds, the little credit that can be given to his asseverations, and the little or no confidence that wealthy men, or those having at least a good name, can place in him.

Asking your pardon for troubling you with this lengthy communication on a subject which is disagreeable and wearisome in itself, I embrace the opportunity to renew to you, Mr. Secretary, the assurances of my most distinguished consideration.

M. ROMERO.

Hon. WILLIAM H. SEWARD, &c., &c., &c.