

No. 20.

MEXICAN LEGATION IN THE UNITED STATES OF AMERICA,

New York, August 31, 1865

I have the honor to enclose to you an original communication which was addressed to you on the 13th of July last by the citizen minister of foreign relations and government of the republic, containing a copy of the note of the same date, No. 267, the same department to this legation, communicating to me the orders of the President in regard to the interference I ought to have in the discharge of the commission intrusted to you by the supreme government.

My opinion on this point was communicated to you in advance in the letter which I addressed to you on the 27th of this month, and which was put into your hands the next day by Mr. Mariscal, secretary of this legation.

I repeat to you the assurances of my distinguished consideration.

M. ROMERO.

The Citizen General JOSÉ M. DE J. CARVAJAL, &c., &c., *Present.*

WASHINGTON, April 20, 1867.

A true copy :

IGNO. MARISCAL, *Secretary.*

No. 21.

No. 420.] MEXICAN LEGATION IN THE UNITED STATES OF AMERICA,

New York, September 2, 1865.

I have the honor to transmit to you the copy of a communication which I received to-day from General Carvajal, dated yesterday, in reply to the one I addressed to him on the 31st of August last, with a copy of the one he sent to you yesterday, acknowledging the receipt of the despatch of the 13th of July last from your department, and communicating the contract pending with the house of Corlies & Company, of this city. I also enclosed copy and translation of the papers mentioned in that communication.

General Carvajal seems disposed to conform strictly with the dispositions of the supreme government, and has submitted to me the business which he has pending, leaving it to me to decide whether he shall go on with it or not. I immediately accepted that proposal of General Carvajal, and answered him to-day, asking for some documents that were wanting to complete the history of this affair, and recommending him not to complete the contract now pending.

Before touching the principal part of this business, I think proper to enclose you a copy and translation of a letter written to me in this city, on the 13th of August, by General Wallace, and another addressed to me yesterday by Mr. —, in relation to the progress of the printing of General Carvajal's bonds. I have also had two long conferences with Mr. Tift, partner in the firm of Corlies & Company, in whose house General Carvajal is living, and who is the person who has interested himself principally in this affair. Mr. Tift considers the contract, which General Carvajal says is pending, as already concluded with him; says, in view of it, he has already incurred many expenses and made many engagements, and insists that it be carried out on the same terms in which it was made, or with slight variations, and the condition he will not give up is that his house shall be the agent for the sale of the bonds.

The contract with Woodhouse remains, however, in a less satisfactory condition. It is certain that General Carvajal revoked the power of attorney he gave to Woodhouse to act as his agent in having the bonds printed, and a notice of this revocation was served on the house where the printing was going on, yet

Woodhouse and his accomplices continue to regard the contract valid, and are still trying to engage some merchants of this city to take part in it. Senator Morgan told me to-day that he had twice been called on for that purpose. If things remain in this condition, the moment our bonds are issued Woodhouse will try to prevent their sale or will claim the proceeds according to his contract. Mr. Tift says he is the only person who can prevent Woodhouse from doing that, which he says is another reason why he should have sole charge of the business.

General Carvajal's situation is very embarrassing. He has made many engagements which he cannot fulfil; he has compromised many people who are waiting on him; his complete failure in the contract with Woodhouse induced him to make another with the first man that presented himself, so as to remedy his first mistake. The consequence is, his arrangements show extreme haste that can have no good effect. The fact of his having gone to live at Mr. Tift's house shows he has put himself entirely in his hands.

As he took particular care to conceal what he was doing from me, I have not been able till to-day to get a satisfactory account of his arrangements, and I have found out that he decided in a single day to accept very vague conditions, with many faults in them, and germs of many difficulties and embarrassing questions.

The question that presents itself to my mind at present, in my opinion, is this: Passing over the details of the contract, in which I believe I could have some alterations made, and supply various defects, could the bonds issued in virtue of that contract be sold more readily and easily than those I might issue in accordance with my instructions? The answer admits of no doubt. Even Mr. Tift, who is so much interested in this affair, thinks that to effect the sale of the bonds it would be necessary for me, in virtue of my power, to supply various things needed to make them desirable; and in such a case I would delegate certain powers that have been granted to me personally, and leave the management of the proceeds of the bonds to other hands, for which I would not be accountable, and in which I am sure the funds would be lavished in good faith—funds we ought to economize now, because it will cost us much labor to pay them in future.

The very circumstance that the printing of the bonds is now almost finished, which was advanced by General Carvajal as one of the principal reasons why his should come into the market, is turned against him, as the text is not yet engraved, and they could be used for my purposes.

I told Mr. Tift that, although I had good reports of the firm to which he belonged, and was pleased with his view of things and his plans to effect the sale of the bonds, it was my duty to select a person or company of more respectability in commerce and of more influence in this country to take charge of the sale of the bonds, because it would give them more credit, and there would be more hopes of their sale; but in case I should fail in finding a person or company of that respectability and position to take charge of the sale of the bonds, I would certainly give it to his house. He did not seem much pleased at this.

Among the irregularities in General Carvajal's bonds there is one I cannot pass over in silence.

Eighty per cent. of the custom-house revenues of Tampico and Matamoras is mortgaged for their payment, and it is known that such part is more than the supreme government has to dispose of in those custom-house returns, after deducting what is already pledged for the debt contracted in London, and by the English and Spanish conventions. As long as our war with France lasts, and while such powers support Maximilian, we may delay the payment of those appropriations; but when peace is restored we must certainly pay them, and as the bonds could not be secured before that, a great difficulty would arise for the consideration of our enemies, who would take advantage of it to discredit the bonds, and might even say they were fraudulent, thus giving our good faith a rude blow, from which it would be hard for us to recover.

Another serious inconvenience that presents itself in General Carvajal's arrangements, and to which I have already alluded, is the danger of squandering the funds in his disposal. Although nobody would suspect him capable of squandering the funds himself, yet unfortunately he has so much confidence in certain persons who have ingratiated themselves into his favor, it is very probable they would squander the public funds. As a proof of this assertion I will tell you that

Moreover it is known that he purchased many things of no possible use in our war with France, and that he offered salaries and considerable presents. For instance, he appointed Mr. Henry, the lawyer of Corlies & Company, as attorney for the supreme government, with a salary of ten thousand dollars per annum.

I have not been able to see Mr. Cisco yet, but I expect to meet him to-day in Mr. Barney's office.

I repeat to you the assurances of my most distinguished consideration.

M. ROMERO.

The Citizen MINISTER OF FOREIGN RELATIONS,

Chihuahua.

WASHINGTON, April 20, 1867.

A true copy

IGNO. MARISCAL, *Secretary.*

No. 22.

MEXICAN REPUBLIC, GENERAL IN COMMISSION,

New York, September 1, 1865.

I have the honor to acknowledge the reception of your note of yesterday, enclosing one to me from the minister of relations of the republic, informing me under No. 267 of what has taken place at the legation, and of the resolution it has taken in regard to the contracts for loans that have been made in virtue of the commission with which the supreme government honored me.

In reply I inform you that I will comply strictly with the dispositions of the supreme government, and therefore I refer the affair to you to decide what I am to do in the case.

I believe it to be my duty to enclose you the note I address to-day to the minister of relations, not enclosing the documents mentioned, because I wanted you to examine them in your conferences with me, or with the house of Corlies, about which I will make due inquiry, as we agreed upon to-day.

I hope when you examine into the business thoroughly you will communicate your determination to me, and in the mean time I renew to you the assurance of my distinguished consideration.

JOSÉ M. J. CARVAJAL.

The Citizen MINISTER PLENIPOTENTIARY

of the Republic, in Washington, Present.

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, *Secretary*

No. 23

For the information of the citizen President of the republic I have the honor to communicate to you that on yesterday I gave formal notice of the revocation of the power I had conferred on Mr. Daniel Woodhouse to represent me in is-

suing the bonds, and now I am busy cancelling and annulling the contract which I sent you with my note No. 1 of the 9th of last month.

I have been obliged to proceed in this way, because the company I treated with have refused to advance the promised funds, and would not sign the additional articles as they had agreed to do by verbal promise, and because I found out they were lacking in respectability, and did not possess the funds necessary to fulfil their engagements.

Now, in this emergency my prime duty is to save the republic any trouble that might arise from the contract which I have annulled, and, in fact, I am acting by advice of one of the best lawyers of this city, who thinks the interest of Mexico will be saved when once the power is annulled, and no kind of responsibility can attach to the supreme government. In due time I will communicate to your department the steps that are taken in the affair till it is satisfactorily concluded.

I am pained to see my efforts thus frustrated, as I had induced the supreme government to believe it would get the resources it so much needs; but sacrificing all self-love to public good, I have preferred to act in the manner I have done, than to have sanctioned a convention which, though it would have furnished me present means, might afterwards have frustrated all the plans of the government, bringing upon it very serious engagements without any permanent benefit to the country.

I confess, then, that I have been deceived as well as other respectable persons who had better local knowledge than I could have, and by unworthy speculators who acted fraudulently for the sole purpose of taking advantage of Mexico without rendering equivalent services, and so the best I could do was to annul all I had done.

The precautions I have taken have prevented the bonds that were to have been issued from falling into the hands of Woodhouse; fraud has been prevented, and all that is lost is the time employed in attempting to attain benefits much desired for the citizen President. I say only time has been wasted, because, from the moment I began to mistrust the company represented by Woodhouse, I commenced negotiations with other bankers to effect the loan, and they are now far advanced and promise a better result, as you will see from the annexed letters, numbered from 1 to 5, that I have exchanged with Messrs. John W. Corlies & Co. upon the proposed convention which I was going to sign by virtue of the authorizations of the supreme government. No. 1 contains copies of recommendations in favor of the house of Corlies & Co. given me by bank presidents of this city, placing great confidence in their credit and respectability.

The negotiation had reached this stage when your note of the 13th of July reached me yesterday, containing yours of the same date, No. 267, which was addressed to the minister of the republic in Washington, and in which the supreme magistrate has been pleased to say that my acts are subject to the approbation of the minister, and that functionary ought to approve of my convention in case it will effect the more prompt realization of means than any he can propose, and which may not injure any future project which, in his judgment, is better and has better prospects of realization.

Although my engagements with the house of Corlies & Co. are anterior to the supreme order of July 13, as you will see from the dates of the letters, and the bonds were already in press, and as I do not wish to depart from the instructions of the supreme government in the least particular, I have suspended the signing of the convention in order to submit it to the revision and approbation of the minister of the republic in Washington, whom I keep informed of the state of affairs, to determine what he considers most expedient for the interests of our country, and, in view of the negotiations he has undertaken, to approve of my labors or not, as he may think of more or less prompt realization than his, in accordance with the instructions of the supreme government.

As the conclusion of this business depends upon the legation, it is unnecessary for me to discuss the terms of the proposed convention, and I will only say they are the least onerous under the circumstances, and included the sale of the mines and public lands, while obtaining promptly the resources indispensable to save the republic from a foreign yoke. In assuring you I will abide by the decision of the legation in order to conform to the President's commands, I beg you to thank him for the confidence he has placed in me by trusting me with a commission I have done all I could to carry out, and which I now consider as concluded as far as the loan is concerned, the business now resting in the hands of the minister in Washington.

I repeat to you the assurances of my distinguished consideration.
Liberty and reform! New York, September 1, 1865.

JOSE M. J. CARVAJAL.

The Citizen MINISTER OF FOREIGN RELATIONS AND GOVERNMENT
of the Mexican Republic, Chihuahua.

A true copy:

CARVAJAL.

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, Secretary.

No. 24.

MEXICAN LEGATION IN THE UNITED STATES OF AMERICA,
New York, September 2, 1865.

I have just received your note of yesterday acknowledging mine of the 31st of August last, in relation to the part I should take in the arrangements you concluded by virtue of the authorizations you have from the supreme government.

I have noticed what you say about your willingness to comply strictly with the dispositions of our government, and that in consequence you submit to me the business you had begun with the house of Corlies & Co., of this city, with a view that I may decide whether it shall be completed or not.

Before making known to you my determination on the subject, I would like to see the documents you referred to yesterday in the letter you addressed to the citizen minister of foreign relations and government of the republic, of which you sent me a copy with your despatch. I entreat you to send them to me, advising you in the mean time not to conclude the pending contract.

I renew to you the assurances of my distinguished consideration.

M. ROMERO.

The Citizen General JOSÉ M. DE J. CARVAJAL, &c., &c., &c.

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, Secretary.

No. 25.

ST. NICHOLAS HOTEL, NEW YORK CITY,
August 31, 1865.

DEAR SIR: Upon my return from the meeting at No. 71 Broadway, which, by the way, was a decided failure, I found your card at my door. I feel sure

you will excuse me. I desired very much to meet you and get your views. The fiasco of the United States, European, and West Virginia Land and Mining Company is complete; but, thank Heaven, it has resulted in two things: the bonds are engraved, and willing men stand ready to put them in the market *couleur de rose*. I feel no disposition to despair; far from it. A united effort will make us all right.

Please consider me fully committed to your cause, and, as ever, your faithful friend and devoted servant,

LEW. WALLACE,
Major General.

Señor MATIAS ROMERO.

WASHINGTON, April 28, 1867.

A true copy:

IGNO. MARISCAL, Secretary.

No. 26.

Confidential.]

NEW YORK, September 1, 1865.

MY DEAR SIR: In compliance with your request this morning, that I should call at the office of the American Bank Note Company and inquire how far the printing of the bonds, &c., in the affair between General Carvajal and Woodhouse had progressed, I stopped at the office of that company on my way down town, but found that they knew nothing of the affair, and had no such bonds under way in their establishment.

Thinking there might be some mistake in the name of the company, I then called at the office of the National Bank Note Company, but they knew nothing of any such bonds. As there are only three such companies here, and as the third, the Continental, has for its president our friend, Mr. Dunbar, whom I know you would have addressed direct had it been his company that was meant, I did not know what to do, but inquired of the officers of the National company if they knew of any other company that might have such a job in hand. They said they believed there was such a company at No. 73 Broadway, (the same building where Woodhouse has his office,) but they did not know if they were doing any work. Thinking, as it was in the same building with Woodhouse, it might be the very place where the work was in progress, I at once proceeded there, and, after much difficulty, for the building is a very large one, and full of small offices, I found, by inquiring of the janitor, in which room the office was. The bank-note companies, I would remark, are usually large and important associations, as the business is one of great responsibility and requiring great reliability and good character, and the offices are among the most elegantly and expensively fitted up of those in any business. I found here, however, no signs of any such character. The office was small and plain, with only one or two desks, and extremely plainly furnished. The parties may be entirely respectable, and have only just commenced business, but the appearances are very ordinary, and, as I learned from the janitor, they have but one small room up in the garret for their work. I mention these points only to show that whereas the three companies that I have named, and which do nearly all of such work that is done in this city, would have been particular in their inquiries as to the legitimacy of the work intrusted to them, these parties, who are styled on their sign the United States Bank Note Company, *might* not be so particular, or at least if they were to be interested in the affair in any way. I have no warrant to make these remarks, or to suggest any inference therefrom, except the character of the person for whom they were doing the work, the fact of

their being in the same building with him, and the general appearance of their office. They may be all right, but the impression made upon me is different from what it would be if it was one of the other well known and responsible companies that was doing the work. On inquiry I found that it was here that the work was being done, although the statement, as made to you, was that it was at the American Bank Note Company. As I entered, the two gentlemen in the office were conferring upon a proof or prepared form of one of the drafts or notes in question, which, after some conversation had passed, they allowed me to examine. It appears to be a species of draft for the sum of \$5, made to appear like a bank-note, which sum was to be paid out of the proceeds of bonds sold for account of the Mexican government. The paper appeared to have the signatures of two persons engraved upon it, one of them, I believe, that of Carvajal, so that they could be emitted without any signature in writing except, perhaps, of Woodhouse, if he is the person who appears as the custodian of the proceeds of the bonds. My examination was necessarily hasty and incomplete, and I can speak only from memory. They said there were three different pieces which they were preparing—one the bonds, another drafts, and a third notes. Of what kind these latter are, or the former, I cannot say, as I saw but the one I have described. They said they would be ready for delivery in about a week, as they were all prepared and ready for printing now. I asked if any had yet been printed; they said there had not, that they were only now about ready for printing. They were very particular in their inquiries as to whom I came from, why I inquired, &c., and said they knew nothing of the Mexican minister in the matter—they looked simply to the parties who gave them the order; they were the only ones they had to deal with, &c. They said they had been at a great deal of trouble and expense in the matter, and had neglected other work to do this, and that they could not afford to stop in the middle of a job in this manner. There was altogether something in their manner that suggested to my mind whether they really did not pretty well understand that the business they had in hand might, either from the character of the party who brought the work to them or the nature of the bills or notes themselves, have something irregular in it. Still I may do the parties entire injustice in suggesting any such suspicions, and they may be every way worthy and reliable men. I would suggest that they be informed that they will be protected to the extent of any expenditures or liabilities they may have incurred in the matter, as well as properly considered, so far as any profits they might have made out of the job, and that in this way the affair could be arranged with less difficulty than otherwise. They were so direct and particular in their inquiries that they had no difficulty in arriving at the fact that I was sent to make these inquiries by the Mexican minister, and that the issue of these bonds or notes would probably be allowed to proceed no further, as well as that the powers under which they had been issued had been revoked. Legal notice to them of these facts would, however, be desirable.

I am, very truly, your obedient servant,

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, Secretary.

No. 27.

No. 1.] 32 DEY STREET, NEW YORK, August 25, 1865.

GENERAL: In the matter of negotiating a loan of thirty millions (30,000,000) of dollars in the bonds of your government, the question of compensation is one

which must approximate in amount to the difficulties under which said loan must be placed. First, then, in this special loan, there are peculiar circumstances to consider. Your government, in one sense, is a disorganized government. There is within the territory named an empire, claiming to be established, and exercising full governmental powers, established therein by the aid of other powerful nations and "vi et armis;" said imperial government having diplomatic relations with many empires and monarchies of the world, and holding regular court organizations, and surrounded by diplomats from many other nations. True, it is claimed that your government has been wrongfully overridden, and that said deposed government has its regular organization; yet it is continually assailed by the usurping power, and compelled to move from place to place; therefore, to propose to negotiate a loan in behalf of the weak against the strong is of necessity a project surrounded with great difficulty. One point of advantage in placing the loan before the public here is, that the sympathy of our people is on your side; but when it is considered that we have just passed through a terrible ordeal of civil strife, and are left with an enormous public debt, and when it is further considered that said debt is mainly held by our own people, it will be seen that there are difficulties to surmount which will require almost superhuman efforts to overcome. How can this be done?

1st. A powerful public sentiment must be created in favor of your government. This will require the procurement of the influence of our government and the press. And however much interest may be felt in the abstract idea it is well known that the most powerful stimulus to such sentiment is that which will the most powerfully appeal to self interest. Therefore, in order to accomplish this point, heavy "largesses" will have to be pledged or given outright to the press and to parties of influence in high places.

2d. A systematic series of articles touching upon the various points of interest will have to be prepared by able writers, and they will have to be paid liberally.

3d. Advertising extensively and liberally in every conceivable popular form will have to be done, and this is very expensive.

4th. The interest and active energetic co-operation of leading banks and bankers will have to be secured. To do this thoroughly and successfully will require the expenditure of a very large portion of whatever may be obtained as bonus or commission in the arrangement with you.

5th. In order to avoid the necessity of a personal explanation to each applicant for the bonds, and to further strengthen the minds of those who might by such explanation be partially or wholly satisfied, it will be absolutely requisite that several of the most prominent and eminent lawyers of the United States, after having carefully examined the case, should certify that all the proceedings therein connected with the issue of the bonds are regular, and that the loan is binding on your government, and a valid lien on the property, &c., pledged for their redemption. This certificate, we think, should be published for the information and satisfaction of our capitalists and people generally. To obtain this examination and such certificate will be expensive, and should be liberally provided for. In addition to all the foregoing, in order to render this (as we shall desire, if we undertake it) a thoroughly popular loan, there will inevitably be numerous minor expenses and disbursements, which in the aggregate will amount to a large sum, but nearly all of which, with all of the larger expenditures suggested, will be as necessary in the negotiation of a loan of thirty millions as they would be in a loan of a much larger amount.

In view of the foregoing, and with the hope that in case the arrangement is made the result will be mutually satisfactory and beneficial, we propose to undertake and to use our best and most vigorous efforts to accomplish the negotiation or sale of thirty millions of dollars of your bonds, of style and description as heretofore talked between us, at a price not less than 60 per

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cent. of their face, but of course using our best judgment and endeavor to obtain a higher price for them if the market will bear it. We also propose to use every effort to accomplish all that is requisite in accordance with the suggestions first mentioned in this letter, and generally to do all in our power to make the loan a complete, perfect, and speedy success, on the following conditions, viz:

1st. You to place in our hands, as your agents, the bonds to the extent named, ready for negotiation and sale, as fast as we can dispose of them.

2d. To allow us as a commission, from which to meet the expenses heretofore suggested, and as our compensation in the transaction, your bonds of the same description to the amount of seven and a half millions of dollars, deliverable to us, or becoming our personal property, *pro rata* to the sales for your account.

3d. To give us the option or refusal until two years after the formal declaration of peace in Mexico of a grant, or grants, similar in all respects to those contained in your arrangement heretofore made with the "United States, European, and West Virginia Land and Mining Company," relating to the building of a railroad, telegraph, canal, &c., and the grants of land and other privileges connected therewith, only that the amount of your bonds granted towards that enterprise shall be *twelve and a half* millions of dollars.

4th. That in case your government should negotiate a further loan in this market that it shall be placed through us. Our commission on such other or further loan to be three and a half per cent., ($3\frac{1}{2}$ per cent.) to cover all expenses of sale.

5th. That if, after our effort, either from the nature of the case, from governmental interference, or from any cause beyond our control, we should be unable to place this loan, or any considerable amount thereof, you will allow us as compensation for our time, labor, and expenses incurred, or to be incurred, an amount of your bonds hereafter to be settled and agreed upon, and deliverable as we may mutually decide on further conference.

It will of course be necessary for our mutual protection and benefit that we hold an appointment as agents of your government for all the purposes herein contemplated, and we shall arrange the disposal of the funds which may be realized in any manner you may decide, subject to the sight draft of yourself or your authorized agent.

We will, if you deem it advisable, guarantee publicly the payment of the first semi-annual interest on the bonds sold, reserving, however, from the proceeds of sales a sum sufficient to meet the same. And we shall by advertisement, and by personal effort, endeavor to promote and encourage the emigration to your country of the right kind of people, to purchase your lands and mines, and for such other purposes as may benefit your government.

In fact, if the connection is formed, we shall, as your agents, in all cases feel bound, as well as ready and willing, to do all in our power to promote the interests of your government, in so far as we may be able to do so without violating the laws of our own.

Awaiting your consideration of the foregoing, and your early reply, we have the honor to subscribe ourselves yours, very respectfully,

JOHN W. CORLIES & CO.

General JOSÉ M. J. CARVAJAL,

Governor of Tamaulipas and San Luis Potosi,

acting for said States and the United States of Mexico.

A true copy of the original in my possession:

CARVAJAL.

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, *Secretary.*

No. 28.

NEW YORK, August 25, 1865.

GENTLEMEN: I have read your letter of this date, in which you make to me certain propositions in relation to the organization of a loan for my government and other matters connected with it.

In reply, hastily, I have the honor to say, in general terms, that I accept your offer, with these provisos:

1. That you pay all expenses of printing and sale of bonds, &c.
2. That if any future loan should be given you by my government, you negotiate it at 3 per cent.
3. That as to the railroad, &c., contract, certain explanations and amendments be made establishing guarantees and limitations on just and equitable principles.
4. And that the proposed fund to be set apart be hereafter definitely fixed by us.

With these exceptions, you may consider the agreement settled, adding only that I must have an advance of some money, and in negotiable paper, as verbally suggested to you.

Very respectfully, your friend and obedient servant,

JOSÉ M. J. CARVAJAL,

Governor of Tamaulipas and San Luis Potosi,

acting for said States and the United States of Mexico.

Messrs. JOHN W. CORLIES & Co.

NEW YORK, September 2, 1865.

The above is a true copy of the original:

CARVAJAL.

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, *Secretary.*

No. 29.

NEW YORK, August 25, 1865.

GENERAL: Your favor of the 25th instant, in reply to our first letter of this date, is received, and its contents carefully noted.

We observe that you accept the proposition we have had the honor to make you, relative to the negotiation or sale of thirty millions of dollars of your bonds, with certain amendments or provisos. In considering the stated amendments, we have to say to the first, that the bonds being placed by you in our hands, ready for sale, as originally suggested, we will consent that you may reserve from our commissions a sum sufficient to pay for engraving and printing the bonds, stipulating, however, that the amount shall not exceed twenty-five thousand dollars.

In reply to your second proviso, we would have you agree that no further or additional Mexican bonds shall be put upon the market in this country by you or your government, nor any intimation given of a proposed further loan, until the present loan of thirty millions shall be placed, or until, failing to place it, we relinquish the undertaking. And we agree that, in case a further negotiation of bonds is then desired, on your behalf and through us, we will charge a com-

mission thereon of only three per cent., to cover all charges and expenses of sale.

To your third proviso we accede.

To your fourth proviso, we would stipulate that the amount be fixed at one million of dollars in the bonds, to be delivered to us as soon as they can be prepared, and after you shall have received proper and thoroughly satisfactory evidence of the honor and integrity of our firm.

Said bonds, or the proceeds thereof, are to be used by us in any manner we deem desirable and expedient in the promotion of our mutual interest towards accomplishing the speedy and satisfactory placing of the loan, the object being mutually understood and intended to enable us to make all necessary and liberal expenditures and arrangements and thorough trial of the market, while protecting us from great loss in consequence, in case of failure. But in the event we succeed in disposing of the loan as desired, then this one million of dollars of bonds advanced to be deducted from the amount of our commissions, or become a part thereof.

We believe the foregoing must be considered a fair and liberal proposition on our part, in view of all the circumstances alluded to in our former letter, and if you think favorably, we shall be pleased to receive your reply accepting our proposal as herein amended; and we think we may safely say to you that we have but little doubt that we can place you in funds to a very considerable extent towards accomplishing your intended operations.

We are, general, your obedient servants,

JOHN W. CORLIES & CO.

General JOSÉ M. CARVAJAL,
Governor of Tamaulipas and San Luis Potosi,
acting for said States and the United States of Mexico.

A true copy of original :

CARVAJAL.

WASHINGTON; April 20, 1867.

A true copy :

IGNO. MARISCAL, Secretary.

No. 30.

NEW YORK, August 25, 1865.

GENTLEMEN: I am in receipt of your second letter of this date, being in reply to mine advising you of the receipt of your first letter, (containing your proposition for the negotiating a loan of thirty millions of dollars on behalf of my government,) and making sundry suggestions of amendments, or provisos, agreeing on which, I accepted your proposition.

In your letter above acknowledged, now before me, I have your remarks and your decision on the amendments or provisos I suggested; and relying on your good faith and earnest endeavors to accomplish the speedy sale of the contemplated bonds, being convinced that you will thoroughly and effectually (and I hope and believe successfully) test the markets, and settle the question whether our bonds can be placed in this country, I accept your proposition contained in your first letter on this topic, but subject, however, to the amendments contained and stipulated for in your second letter.

I shall therefore be pleased to have you, at your earliest convenience, cause to be prepared a formal contract and all other necessary papers, embodying all

the points as thus mutually agreed upon, which I shall then execute on behalf of my government in due form.

Meantime, I remain yours, respectfully, &c.,

J. M. J. CARVAJAL.

JOHN W. CORLIES & Co., New York.

NEW YORK, September 2, 1865.

The above is a true copy of the original addressed by me to Messrs. Corlies & Co.

CARVAJAL.

WASHINGTON, April 20, 1867.

A true copy :

IGNO. MARISCAL, Secretary.

No. 31.

No. 428.] MEXICAN LEGATION IN THE UNITED STATES OF AMERICA,
New York, September 8, 1865.

In consequence of excitement for the last few days, and the great heat in this city, I was taken with a fever yesterday and had to keep my bed, and though I have not entirely recovered, I find myself able to write you these few lines.

I have taken several steps in the business of the loan, and I regret that the state of my health does not permit me to give you a full account of it; but I will do so to-morrow as fully as possible.

What needs principal explanation in detail is my determination in regard to General Carvajal's business. At present, however, I will confine myself to the notices you will find in my letters to him, and of which I send copies.

I think proper to say to you that General Carvajal, in some of his communications, supposes the contract with Corlies & Co. to be concluded and finished, while in others he says it is not.

In a short time I will make known to you my final determination on this subject.

I repeat to you the assurances of my distinguished consideration.

M. ROMERO.

The Citizen MINISTER OF FOREIGN RELATIONS,

Chihuahua.

WASHINGTON, April 20, 1867.

A true copy :

IGNO. MARISCAL, Secretary.

No. 32.

MEXICAN REPUBLIC, GENERAL IN COMMISSION,

New York, September 3, 1865.

Last night I received your note of the 2d instant in reply to mine of the 1st, requesting particulars of the contract with Corlies & Co, of this city, which I was to submit to your final approval.