

this matter. He stated, however, at the same time, that it would be all right in a few days, as he had assurances from Washington that, in case the company should be hindered in any way in furnishing the money as rapidly as it might be required by the Mexican government, the government of the United States would advance to their company any amount to the extent of thirty millions, to aid it in this Mexican enterprise, &c., &c. Mr. E. B. Sackett made similar statements, although not quite so bold as those of Woodhouse.

All this, however, only served to strengthen me in my opinion that the United States, European, and West Virginia Land and Mining Company was a humbug, and that General Carvajal had been imposed upon by men who designed to obtain into their possession the bonds of the republic of Mexico, and who did not intend to advance to that government one cent until money had been received from the sale of the bonds, *if then*.

I again urged Mr. Tift to seek an interview on the following day with Mr. Spofford and other gentlemen I had named, which he promised he would do. I reported all this to General Carvajal, who of course felt very much dissatisfied, but still hoped on, believing it impossible that any American could be capable of making such misrepresentations and of committing so gross a fraud.

In the evening Woodhouse and Sackett called on General Carvajal, and then they both repeated to General Carvajal what they had said to me before, about Mr. Seward, &c., giving as an additional reason for their delay in paying the money, (which, however, as they stated, they had not felt at liberty to communicate to me,) that the government of the United States had communicated to the President of their company a desire that nothing should be done by the company until it could be done all at once and in perfect concert with the United States government, as otherwise it might, in case of some unforeseen defeat or accident, be fatal to the whole project in view.

The hollowness of all these statements and promises General Carvajal either did not see, or was unwilling to acknowledge at the time, for, on this very evening, after the interview with Woodhouse and Sackett, he expressed himself as still confident and hopeful, and assured Messrs Fuentes and Zarco (who also called on him and expressed their doubts) that everything would be right yet.

On the following day Mr. Tift stated to me that, according to my request, he called on Mr. Spofford and others, and that each one of these gentlemen had declared to him that they were not connected with this company in any way whatever, and that the use of their names was unauthorized by and the existence of the company unknown to them. In addition to this, some facts had come to light which connected Woodhouse with some former not very creditable transactions, and which did not help to raise his credit any. All of which I reported to General Carvajal in the evening, when, of course, he became satisfied that he had been made the victim of a swindle. I then urged upon the general the necessity of prompt measures, and to at once have the contract cancelled and the parties brought to justice if possible; but this he was not inclined to do, as he feared that the publication of this affair at that time would be injurious to his government, although I explained to him that instead of injuring the government then, it could, in my opinion, be benefited by it, and that it certainly would be much more injurious, at some future time, to pass this over in silence now, and that it would leave it in the power of Woodhouse & Co. to impose upon American citizens, who, not understanding this affair, might invest money in any bonds he might sell under his contract, and that it would be a repetition of the Jecker fraud. On this occasion I requested permission of General Carvajal, who, up to this time had remained secluded, to introduce to him Mr. J. N. Tift and Mr. J. W. Corlies, the gentlemen who had aided me in exposing this fraudulent concern, and who had offered me freely their assistance, if any was needed; and upon his consenting, I first introduced Mr. J. N. Tift, with whom he had a full conference, and who in turn introduced to the general Mr. Louis Henry, a lawyer of great respectability.

After full consultation it was deemed advisable by all parties that no time ought to be lost in at once revoking the power of attorney given to Mr. Woodhouse and in cancelling and annulling the contract.

Subsequently, General Carvajal made a new contract with Messrs. J. W. Corlies & Co., and since that time I have had no further connection of any kind with Woodhouse and his company.

I have the honor to be, sir, very respectfully, your obedient servant,

H. STURM.

Señor M. ROMERO, *Mexican Minister, &c.*

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, *Secretary.*

No. 152.

WASHINGTON, March 22, 1867.

GENTLEMEN: \* \* \* \* \*

I have noticed the article published in the World.

To complete the series of papers that I need in regard to the Woodhouse affair, I beg of you to write and send me at your earliest convenience a statement of what transpired between General Carvajal and Mr. Woodhouse, and especially in relation to the facts he mentions in his petition to Congress; with which, you know, I desire to have Mr. Tift's statement about the reported plot to assassinate Woodhouse, as you very likely have noticed that he now attempts to make me a part of it, when I did not know anything about it until after an attempt to extract from him some supposed forged papers had passed.

You will oblige me, too, by sending a copy of General Carvajal's affidavit, the revocation of his power to Woodhouse to print the bonds, and any other papers you may possess and which bear on this subject. I need them all as early as possible.

I am, gentlemen, very respectfully, your obedient servant,

M. ROMERO.

Messrs. JOHN W. CORLIES & Co.

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, *Secretary.*

No. 153.

NEW YORK, April 16, 1867.

DEAR SIR: In accordance with your verbal suggestion to the writer, (our Mr. J. N. Tift,) and with those contained in your favor of the 22d ultimo, we propose to state to you such facts as occur to us connected with the origin of our present relation with the Mexican government, and bearing upon the recent publications made in the newspapers by Daniel Woodhouse and others associated with him, and especially relating to his "petition" and the prospectus of the (so-called) "United States, European, and West Virginia Land and Mining Company," which we understand was not long since submitted for congressional investigation and action.

H. Ex. Doc. 38—10

In August, 1865, our friend General Herman Sturm, chief of ordnance of the State of Indiana, applied to us and desired to purchase a large quantity of "material" necessary to army movements and convenience, and proposed to pay for the same in cash. After a few days we submitted prices to him, which were satisfactory, but he then desired to buy the articles on a credit of sixty days, proposing to give us approved city acceptances for the same, to which we assented; but as the amount of the proposed purchase would reach nearly to \$500,000, we told him it would be necessary that the paper which he proposed giving should be found good beyond reasonable question. To this suggestion he at once assented, and then told us confidentially that General José M. J. Carvajal, of Mexico, was here "*incognito*" and desired these articles for the use and benefit of the liberal army of his country; that General Carvajal had been negotiating with one Daniel Woodhouse, representing the United States, European, and West Virginia Land and Mining Company, which company was to furnish him (General Carvajal) at once with from three millions to five millions of dollars in cash, to aid him in procuring supplies as stated; and that the time (sixty days) required was necessary only to perfect the action which was only formal on the part of the company.

He further told us that the said Woodhouse stated that the company was formed on a cash capital, actually and fully paid in in cash, of twenty millions of dollars, of which amount about twelve millions of dollars in money and United States seven-thirty bonds were then on deposit in the Bank of Commerce in this city, subject to the order of and belonging to the said company, and that in the acceptances at sixty days of this company he proposed payment for the contemplated purchase from us; also informing us that Woodhouse stated that Mr. Paul N. Spofford, Mr. Ezra Bliss, Mr. Joel B. Burnett, and others of our first class and responsible merchants, were stockholders and directors in the said company. At this time, however, General Sturm manifested some distrust of the truthfulness of Woodhouse's statements, and particularly desired that we should fully and thoroughly investigate the subject before we decided, not only that he might be morally and fully absolved from pecuniary responsibility in the premises, but also because he wished to be thoroughly advised with reference to future purchases such as he might desire to make for the Mexican government.

The writer thereupon went to the reputed office of the company at 71 Broadway, in this city, where the so-called company only had desk-room in the office of other parties, and found there one E. B. Sackett, who claimed to be connected with, and to answer and to speak for, the company, from whom, by questioning closely, the writer learned that the company was really formed upon a *claimed title* to about one million of acres of unimproved land in West Virginia and elsewhere; that not one dollar of *cash* had ever been paid in as capital stock of the company; that it had no *cash* on hand, and that not one of the *responsible* gentlemen named by General Sturm, as before stated, were either stockholders or directors in the company. When the conversation was ended and the writer was about leaving, Woodhouse came in, and although he was compelled to admit the entire truth of the information which had been obtained from Mr. Sackett, still he attempted to explain the use of the respectable names mentioned, by saying that the owners of the company had set apart stock for them and had elected them directors, of course without their knowledge, but he was certain they would be most happy to receive the stock and act as directors; and he further urged that, in any case, the company was entirely responsible, because of their valuable grants from the republic of Mexico. Upon the writer's expressing his desire to think further on the subject before granting the credit desired, it was agreed that another interview should take place the following day, which was accordingly had, and served only to confirm and prove to our judgment the fact that Woodhouse's statements and representations to General Carvajal, as stated by General Sturm, were simply a tissue of falsehoods, and

that the whole negotiation was based upon the most infamously false and fraudulent statements of Woodhouse, made for the purpose of receiving advantages to himself at the expense of the Mexican government. These conclusions were communicated to General Sturm, who, with others, was present at this interview, and who fully coincided with the views thus expressed.

Upon a statement of the case being presented by General Sturm to General Carvajal, the latter was also fully convinced of the correctness of the conclusions arrived at, and expressed a desire to see the writer, whereupon the first interview between either of our firm and General Carvajal took place. At this interview the writer was exceedingly impressed by the ardent love of his country and the desire to serve her manifested by General Carvajal, and also by the extreme mortification and sorrow he evidently felt at having been so deceived and swindled by and through the falsehoods of Woodhouse; and on his (General Carvajal's) urgent request, the writer promised to do whatever should be in his power to assist in extricating him from his unpleasant position, not only as an act of ordinary kindness, but because also of the deep interest which the writer has always felt in the welfare of republican Mexico, and in republican institutions everywhere.

To facilitate these interests the writer at once introduced to General Carvajal a thoroughly competent lawyer of this city, who immediately commenced and carried out the measures necessary to protect the interests of the Mexican government, of General Carvajal, and of the public generally, so far as they might be in danger through the previously contemplated connection with Woodhouse and his so-called company.

Several interviews followed between both members of our firm and General Carvajal, (on our part with sole reference to aiding him, as before stated,) until, finally, at the suggestion of mutual friends, and on his solicitation, we consented to an agreement which formed the basis and a part of the contract which was formally executed on the 11th of September between us and the Mexican government, which contract was approved by your government, and with the particulars of which you are fully conversant.

During the above-mentioned interviews we heard fully from General Carvajal his statements of the particulars of his preceding negotiations with Woodhouse. We naturally expressed surprise that he should have gone so far without knowing more about Woodhouse and his pretended company, which he explained by saying that Woodhouse having been originally introduced to him by one in whom he had confidence, (who, however, we have since learned, was in the employ of the so-called company,) and having mentioned the respectable gentleman before spoken of as being directly interested and associated with him in the company, he had confined his inquiries to learning particulars about them, and on finding that those gentlemen were of such standing and responsibility as would naturally warrant the conclusion that a company with which they were connected could not fail to be all right, he had gone on with the negotiations without seriously distrusting Woodhouse's statements, although he had always intended, before finally closing any arrangement, to have a full and thoroughly satisfactory examination of all the points stated by Woodhouse.

In subsequent conversations with General Lew. Wallace, he (General Wallace) fully confirmed all that General Carvajal had stated as above, adding that General Carvajal desired to have no premature publicity given to his operations, and consequently, being "a stranger in a strange land," it was almost impossible for him to investigate the case as he otherwise would have done at the beginning of the negotiations. In the absence of such investigation, even General Wallace had felt comparative confidence that all was right in the premises, relying upon the known respectability of the gentlemen before mentioned as having been falsely represented as being connected with the pretended company.

In taking the necessary legal steps to protect the right in the case, Mr. L. Henry, the lawyer before mentioned, soon learned that Woodhouse claimed to have a contract, fully executed, then in his possession, and also a power of attorney authorizing him to direct and control the printing of bonds under said contract; but General Carvajal stated that the document which Woodhouse claimed as a contract was only a part of the agreement which had been informally agreed upon between the parties, that this contained mainly the obligations of the Mexican government, and that the other part, which it had been agreed should in due time be formally prepared, was to sustain the obligations of Woodhouse and his pretended company to furnish the three millions of dollars in cash; to send emigrants (soldiers) to Mexico, and to do much which, if done, would naturally be of great service to the republic. General Carvajal also stated that Woodhouse desired to have the agreement in two parts, in order that he might show the one to Hon. William H. Seward, Secretary of State, and to others connected with our government, while the other part, being in violation of the neutrality laws, could be kept a secret in form, though Woodhouse claimed that secretly our own government would assist him in carrying out the whole.

General Carvajal stated that, acceding to this view, and confiding in these representations, the one portion of the contract had been prepared and sent to the notary public for the usual acknowledgments, to be returned to him (General Carvajal) and kept till all the papers were completed and the terms complied with by Woodhouse, in regard to the payment by Woodhouse, &c., when a formal delivery of the contract was to have taken place; and that he had, therefore, requested his friend, Señor Fuentes, to go to the office of the notary public and procure the papers, when they should be sealed, and return them to him; that Señor Fuentes had been met there by Woodhouse, who forcibly took one of the copies and still retained it; and that since that time, not even yet having become thoroughly convinced that the whole affair was a swindle, he had been trying to induce Woodhouse to finish the contract and pay the money, but without avail, until he had finally learned the real facts in the case, and how completely he had been duped. Señor Fuentes himself told the writer that "when Woodhouse took the paper from the office of the notary he demanded it from him, but found he could not get it except by force, and felt that he was not able to obtain it in that way, Woodhouse being a powerful man."

When Woodhouse learned that he was doubted and suspected, he at once made the most earnest efforts to bring respectable individuals into his so-called company, so that the valuable grants and franchises which had been contemplated could be availed of, but he could not succeed. He called a meeting of respectable merchants, bankers, and others, to be held at the office of another party, when he tried to set out the advantages in such a way as to induce them to join him, but this effort was of no avail. He offered large quantities of the stock in his company gratis to several if they would consent to act in concert with him, but they refused, and finally, as soon as the proper papers could be prepared by Mr. Henry, General Carvajal formally and publicly declared the pretended contract null and void, and revoked the power of attorney before alluded to, due notice of which was, in the writer's presence, served on the bank-note company with whom Woodhouse had been trying to arrange for engraving and printing.

Mr. Henry advised the prompt arrest of Woodhouse and his punishment for fraud, but General Carvajal and some of his business friends thought this course would be injurious to the interest of Mexico, in view of the fact that her bonds would soon be legitimately upon the market, and as it was believed that Woodhouse would not attempt to impose further on the public, but would in common decency remain quiet, and thankful that extreme measures were not pursued, it was decided best to defer further action.

Believing that the bank-note company had acted in good faith in the premises, (and they having incurred some expense under the direction of Woodhouse,)

it was thought only fair to continue the work with them, and we accordingly on behalf of your government, contracted with them to engrave the plates and to print some of the bonds, which was in time accomplished, and for all of which we paid them in full, and finally settled with them, receiving as the property of the Mexican government, as they stated, all the plates, dies, &c., which pertain to the bonds. While the printing was being done we heard rumors, which seemed entitled to some credence, that bonds were being printed, or would be printed by them, which were designed to be given to Woodhouse or others, in fraud and in violation of the rights of your government and of ourselves, whereupon we adopted such measures as seemed necessary for our protection. On application to the proper United States authorities, United States detectives were charged with watching and protecting the interests mentioned, and we believe they succeeded until, supposing all the material for printing the bonds was safely in our possession, there seemed to be no future need of their services. Some little time afterward, however, it was reported to us that Woodhouse had offered for sale some bonds of the Mexican government, which he stated were regularly issued under his pretended contract, and that he had also exhibited a letter, purporting to be signed by you, sanctioning and approving said pretended contract. Having been informed by yourself that you had never written such a letter, we placed the matter in the hands of an officer to investigate. He attended to the matter in his own way, and on attempting to secure the paper, which if it existed at all must have been a forgery, he was overpowered by Woodhouse and others about him, and was finally arrested by our city police upon the complaint of Woodhouse and conveyed to the "Tombs," from whence he was immediately bailed and finally discharged on the suggestion of the United States assistant district attorney, who stated to the court the facts in the case. About this portion of this case we believe you knew nothing until it was over, and it may be well now to inform you that the Doctor Canedo associated with Woodhouse in this matter, as spoken of in his pamphlet, was a notorious scamp and swindler, whose real name is McCormick, and whose own relative first informed us of this attempt by Woodhouse and him to sell spurious bonds, upon which information the above-mentioned investigation was had.

During all the time since the execution of our contract with your government we have steadily and earnestly been endeavoring to sell bonds and to aid that government by every legitimate means in our power. We have been successful in aiding to obtain large quantities of arms and munitions of war; have earnestly prosecuted an application for the guarantee of said bonds by the United States government, and, we have reason to believe, have in all things met your approval, as well as that of your government; but we have been exceedingly annoyed, hindered, and embarrassed, almost continually, by the operations of Woodhouse, who finally, some time since, actually introduced into the market, and actually induced some individuals to invest money in bonds, which were represented to be those of the Mexican government, issued under his pretended contract. These bogus bonds are in appearance so similar to those issued under our contract as to be well calculated to deceive and to warrant the conclusion that some one connected with the bank-note company must have fraudulently copied or retained some portion of the dies, plates or other material ordered and paid for by, and which should have been delivered to, us, as before stated, from which it has been possible to print a few of the bogus bonds alluded to.

Through an official notice from you thoroughly published, and in consequence of other precautions, we trust that the public has been fully protected from being swindled into any considerable investments in this fraudulent issue.

Woodhouse knew of our application for the guarantee of the genuine bonds by the United States government, and his recent publications in the newspapers, and his petition to Congress, in our opinion, grew mainly out of the fact that having, with those connected with him, utterly failed after repeated attempts to secure from us, or other respectable and honorable men connected and associated

with us, the slightest recognition of his pretended claim, or even an interview, he has finally concluded that he could possibly drive your government or us into some kind of an arrangement whereby he could derive some pecuniary benefit through his original fraud. Failing in this, as he inevitably must, we presume he will feel measurably content if he succeeds in introducing such doubts and difficulties in the case as may delay, or possibly defeat, the favorable action of our government in the premises.

There is much more of detail, and of some importance in this history, but we think the main and most important facts are already before you. Before closing, however, we desire to say a few words in relation to Woodhouse's petition to Congress, and his recent publications in the newspapers, for the purpose of calling attention more directly to some of the numerous falsehoods contained therein.

It has been already shown upon what false pretences Woodhouse induced General Carvajal to hold any negotiations with him whatever; hence it is unnecessary to recur to this point, but it seems proper to state that before General Carvajal became aware of the real facts in the case, and while negotiations were progressing in regard to details of the contemplated arrangement, in order to facilitate and hasten the expected results, he made drafts on the so-called United States, European, and West Virginia Land and Mining Company, at various times and for various amounts, aggregating, as stated by General Carvajal, about three millions of dollars. But we are informed that no portion of these drafts was ever used by your government, as stated by Woodhouse, and we know that a large portion of them was cancelled in our presence and returned to Woodhouse; while the remainder, with a small exception hereafter noticed, are, we believe, cancelled and now in the hands of Mr. Henry, subject to the order of said Woodhouse. The exceptions referred to are that one acceptance for ten thousand dollars was paid to the party who introduced General Carvajal to Woodhouse, (which individual has been hereinbefore referred to in fitting terms;) one acceptance for five thousand dollars was taken by Mr. A. M. Sackett, reputed to be a prominent stockholder and director in the so-called company, for the purpose, as he stated, of raising money for current expenses; and one acceptance for ten thousand dollars was paid to a person in Philadelphia on account of a transaction pending, which draft was dishonored at maturity, and still remains unpaid. So much for Woodhouse's statement that "two drafts of five hundred thousand dollars each were negotiated by President Juarez," and that "neither of these drafts nor any other acceptance of the company has ever been protested or dishonored."

Woodhouse says that, August 1, he caused the plates to be engraved from which bonds were to be printed, under his pretended contract. This is false on its face; for the labor of engraving alone involved months of time.

The statement that on the 12th day of August he delivered to his company fifty millions of dollars in bonds, is an equally transparent falsehood. The printing alone was absolutely impossible, even if the plates had all been ready; while in fact they could not have been commenced.

It is absolutely false that John W. Corlies & Co. ever refused to perform any agreement made by them with General Carvajal, relating to the advance of money upon the Woodhouse acceptances, or failed to perform any other promise made to him. This charge of bad faith on our part towards General Carvajal may be more effectually disposed of by the following quotation from a letter written to us by him, dated February 27, 1867, and received by us March 20, in which he says: "In concluding, I beg you to be assured that I, above all others of my countrymen, appreciate truly your great and noble efforts for Mexican independence and liberty; and that I pray to God for your success and happiness."

The statement that either of our firm ever expressed a wish to have either half or any part of Woodhouse's so-called company is equally false; on the

contrary, there has never been a moment when we would have accepted the whole of it from him as a present. He did, however, earnestly urge on the writer one hundred thousand dollars of the stock as a gratuity, if he would consent, to the use of his (the writer's) name as one of the directors, which proposition was promptly declined.

The statement that we agreed to advance to General Carvajal two millions of dollars in cash, and sell thirty millions of dollars in bonds within ninety days, is false; and it is equally false that the writer ever requested Woodhouse to sell the bonds, or any part of them, or to advance money as Woodhouse states, but, on the contrary, we kept studiously clear from any transaction with him of any nature, though he repeatedly called at our office and requested to be permitted to have some connection in the premises.

The facts hereinbefore mentioned show how void of truth are Woodhouse's statements that we used his plates for printing bonds, and prove that (in all probability through some connivance with some one connected with the Bank Note Company) he has been able to closely imitate the genuine bonds.

Of course, there is not one word of truth in Woodhouse's statement that our contract with the Mexican government expired in ninety days, nor at any time except at our option; and we have been, as is well known to the public, been doing business under it, and, as we believe, maintaining the most satisfactory relations with your government since the contract was executed.

Woodhouse says that in the name of the Mexican government he charges that the bonds we have sold are illegal and void. The minister of that government and its President differ from Mr. Woodhouse, and we imagine the public will be content with *their* decision, notwithstanding *his* protest.

The statements of Woodhouse in regard to his interview with officer Hay are so full of untruths that it would require too much time and trouble to enumerate and expose them. He intimates that you were a party in his attempted arrest, which of course you know is utterly false, though we think you would have been fully justified in aiding to expose his crime. He says the writer "was observed standing on the steps of the Stevens House, in a state of excitement," &c., while the bloodless battle, which he so graphically describes, was progressing on the opposite side of the street. We believe this may be taken as a fair sample of the truth or falsity of his whole statements; and in answer we will only say, that the writer was engaged in our office during all the time of this before-mentioned affair, and did not know of its occurrence nor of any difficulty until some time afterward, when he was informed by a friend and sent for by the officer; who was discharged as before stated.

It seems unnecessary to follow this matter further, and except for the fact that you request from us a statement of the main facts in the case, we should consider the time already spent as so much time lost; for very few who know any thing of Daniel Woodhouse would deem it necessary to contradict or disprove his false and malicious statements.

We have the honor to remain, very respectfully, your obedient servants,  
JOHN W. CORLIES & CO.

His Excellency M. ROMERO, *Minister, &c.*

WASHINGTON, April 20, 1867.

A true copy:

IGNO. MARISCAL, *Secretary.*

No. 154.

MEXICAN LEGATION IN THE UNITED STATES OF AMERICA,  
Washington, March 23, 1867.

DEAR SIR: You very likely have noticed the publication made by Daniel Woodhouse and his associates about the contract he signed with General Carva-

jal. As his statements are utterly devoid of truth, and slanderous on the Mexican government and myself, I am anxious to collect the necessary data to refute them on some future occasion; and as you are so familiar with those facts, and possess all the papers bearing on them, I will be very much obliged to you if you have the kindness to write for me a statement of this case, accompanying it with copies of all the necessary papers to prove the falsity of Woodhouse's assertions.

I am, sir, very respectfully, your obedient servant,

M. ROMERO.

LEWIS HENRY, Esq., *New York.*

WASHINGTON, *April 10.*

A true copy :

IGNO. MARISCAL, *Secretary.*

No. 155.

LAW OFFICE, 247 BROADWAY,  
*New York, April 17, 1867.*

MY DEAR SIR: In conformity with your request, I have the honor to report that on the 23d August, 1865, I was retained by citizen General José M. J. Carvajal as counsel on behalf of the Mexican government.

That the object of such retainer, as stated by said general, among other things, was to secure immediate counsel and legal assistance in a matter of great importance to his government, as well as to pilot him through with legal correctness in the negotiations and business which he came to this country to transact for his government.

That the immediate assistance he needed was in reference to a contract that he had entered into for his government with the so-called United States, European, and West Virginia Land and Mining Company, of New York, for the placing a loan in this country.

He further stated, substantially, that one Daniel Woodhouse, the managing agent of said company, had by various tricks and false pretences led him into a negotiation for, and execution of the contract aforesaid. He also further stated in detail the facts and circumstances which led to the execution of said contract. The substance of the principal portion of such statement appears on the following pages, being a copy of same, by him reduced to writing at my request, and submitted to me for my action in the premises.

Said general further stated to me orally, that prior to the execution of the contract in question, a further and supplemental contract was agreed upon between him and said Woodhouse, and which was to have been reduced to writing and executed and delivered with the original, and be made a part thereof, which supplemental bound Woodhouse's company to pay all drafts drawn upon it under the contract, whether they were in funds or not from the sale of bonds, to the extent of three millions of dollars.

And said supplement further provided that in case the said Woodhouse company failed to perform the agreement on its part, the said contract and grants therein provided should become null and void.

He further stated that he executed the contract and acknowledged the same before a notary, and left the same for writing out the proper certificates, and on sending for the same on the following morning, he learned that Woodhouse had obtained his duplicate, and claimed a delivery, he refusing to return the same, and also refused to execute the supplement agreed upon.

And further stated that Woodhouse had also obtained his power of attorney, whereby said Woodhouse was authorized to obtain the printing of the bonds of

the government, and that a bank note company was at that time preparing to make the plates for the bonds under the contract.

After due investigation in respect to the alleged fraud, and becoming satisfied that Woodhouse had been guilty of an infamous fraud and deception in obtaining said contract, and being also informed that Woodhouse had before been arrested for perpetrating a similar, but less important swindle, I advised that the contract could be rescinded for the reasons stated.

On or about the thirty-first of August, 1865, and after preparing the necessary papers, I obtained an interview with said Woodhouse, in the presence of General Carvajal, Mr. Tift, General Lew. Wallace, and other gentlemen at the St. Nicholas Hotel, New York. I then and there demanded a return of the contract and power of attorney aforesaid of said Woodhouse, which was defiantly refused.

I then caused two papers to be immediately served on him, (Woodhouse,) one an unqualified revocation of the power of attorney for the printing of the bonds, the other an unconditional declaration of revocation and rescission of the contract aforesaid, by said government, on the ground of having been obtained by fraud and false pretences.

Notice of the revocation of the power of attorney were also at once served on said bank note company, and further progress of the bonds stayed.

The aforesaid notices were served by Colonel Holister, a staff officer of said General Carvajal; and I am of the opinion that the original of said notices are retained by said general, as I fail to find them among my papers.

It was my opinion at that time, and I so advised, that an action should be commenced against the Woodhouse company by the government to obtain a decree setting aside the said contract for the reasons mentioned, but upon careful consideration it was concluded that such an action might prove injurious to the government at that time, and therefore no further action was taken in the matter.

I have the honor to subscribe myself, your most obedient servant,

LOUIS HENRY.

I also append hereto a statement reduced to writing by Wilbur F. Stocking, at my request, for the purposes aforesaid.

Respectfully submitted:

LOUIS HENRY.

AUGUST 25, 1865.

Daniel Woodhouse, secretary and general agent of the pretended United States, European, and West Virginia Land and Mining Company, by various acts and impostures, and false pretences, made me believe that said company was worth a capital of forty millions of dollars; that it did not owe one dollar of its original capital stock of twenty millions of valuable property, whose augmented value made every dollar equal now to two dollars. That said stock was now yielding large dividends; that the company could realize any amount of money by using their stock; that their acceptances would be as good as cash, and I could buy anything and to any amount in this city, in these United States, and in any part of the world.

That in case any of my drafts, and those of my government, should come too fast, and press the company, he (Woodhouse) had assurances from Washington, from a *very high source*, that he could get a loan of thirty millions at any time to meet any of my demands, and those of my government; that the United States government had granted his company the charter to construct a railroad from Point Isabel to Brownsville, Texas, and gave the company, or had offered, ten millions of dollars for transporting troops for the government, and munitions of war.