

at Washington. The President has sent in on all these occasions the correspondence which was asked for, which has been printed by order of Congress. In this manner every year, since 1862, there has appeared a volume, of more or less bulk, of the official correspondence on the affairs of Mexico, composed for the most part of the notes and their annexes, sent by this legation to the Department of State; that from the department to the legation of the United States in Mexico; that of some consulates of the United States in the republic; that of the legations of the United States in Europe, in so far as the Secretary of State has thought fit to give them to light, and that which has been exchanged upon the same business between this government and the French legation resident in this city.

When European intervention in Mexico appeared imminent, I thought it my duty to transmit to the government of the United States every document of any importance that came into my hands having relation to our affairs. Sure that justice was on our side, and that whatever document should be offered to the examination of this government, and through it to the consideration of the people of the United States and the judgment of the civilized world, could no less than render obvious the bad faith and the groundlessness of the protestations of our invaders, I thought by this course we would gain much without exposing ourselves to any loss. The weight of these considerations increased very considerably when France threw off the mask with which she had commenced the war, and openly declared her object was to uproot the national government of Mexico, to substitute for it a European monarchy, imposed by force, and with the ulterior view, although not confessed, that if the plan should have good result it would reduce our country into a French colony.

The military successes which the invaders gained in the third and fourth years of the war came very efficiently in aid of the efforts of the French government to mislead public opinion respecting the true state of the question, with the object of creating the impression that all was concluded, and that the entire nation had humbly submitted to the adventurer sent by Napoleon as his manager. Our position abroad became worse as that of the French improved, and then there remained for us no choice than to present, in an authorized and efficacious manner, to the whole impartial world our side of the question through the government of the United States.

Having, therefore, these objects in view, I endeavored to submit to this government not only the official reports of the battles fought by our generals, and which showed that the war of independence was actively prosecuted at the very time when Napoleon, on solemn occasions, had declared it had ended, but also all other data which threw some light on the feeling of our people, or the reasons for which it was not possible for us to make more vigorous resistance, and all other incidents of the war, including, as may be supposed, the numerous intercepted correspondences of our enemies.

Among those documents are many of a private nature which, until now, have not met the public eye in Mexico, and the knowledge of which is indispensable to form an accurate opinion of the events of the last six years. My desire to deposit in the Department of State of the United States whatever documents might have relation to our affairs led to the extreme of sending to it many of those emanating from our enemies, all those published by foreign governments which came into my hands, and, besides, the discussions had in the legislative body and senate of France, on the same question. The result of all this has been, that in the six volumes which form the collection of these documents there are most important data that cannot elsewhere be found, and the knowledge of which is indispensable to a just appreciation of events, not merely in what relates to negotiations entered upon by foreign nations about our affairs, as for example between the United States and the French government, but even about the events which were happening in the republic during the war.

Believing that I exaggerate in nothing the importance of these documents, it has, then, seemed to me that it would be proper at least that in the archives of the governments of each of our States, or in the public library that may be therein, there should exist a collection of the said documents, as well that the persons who in future may devote themselves to writing the history of this epoch of trial may, without great difficulty, obtain the data without which their labors would be incomplete, as that the young may profit by the severe lesson which they teach us, and may see how far the moral aid of the United States has contributed to our triumph.

Making, therefore, a great effort to acquire a sufficient number of collections, for there is a great scarcity of the volumes printed in the three first years of the war, I have succeeded in collecting at last what were wanting, and of which I have the honor to send you one, intended for your State. If there should be a public library in it I should think it preferable that you should please to send it there, because thus it would be in the reach of a greater number of persons, and will produce the results the most desirable.

I avail of this occasion to renew to you the assurances of my most distinguished consideration.

M. ROMERO.

The GOVERNOR of the State of ———.

Mr. Seward to Mr. Romero.

DEPARTMENT OF STATE,

Washington, June 11, 1867.

DEAR SIR: I have the honor to acknowledge the receipt of your favor of the 4th instant, marked extra official, enclosing a copy of the circular addressed by you to the several governors of the Mexican States at the time of transmission to them of "the collection of documents on Mexican affairs during the late war with France, published by order of the government of the United States," for which be pleased to accept my thanks. I am gratified to see that you have so disposed of the collection that it may come to the knowledge of the Mexican people and furnish interesting materials of history.

I am, my dear sir, your obedient servant,

WILLIAM H. SEWARD.

DON MATIAS ROMERO, &c., &c., &c.

Mr. Romero to Mr. Seward.

MEXICAN LEGATION,

Washington, June 14, 1867.

Mr. Romero presents his compliments to Mr. Seward, and has the honor to enclose a translation of a letter from General Diaz, dated at Tacubaya, on the 26th ultimo, containing information in regard to military operations in the city of Mexico.

General Diaz to Mr. Romero.

TACUBAYA, May 26, 1867.

MY MUCH ESTEEMED FRIEND: Since my last letter to you the division of General Riva Palacio and a brigade from Puebla, which was attached to the army of the east during the siege of Queretaro, have been incorporated to the army of

operations against the city of Mexico; also the army of the west under the command of General Corona, and two divisions of the army of the north under that of General Francisco Alatorre; we thus number in all some 35,000 men, and within a few days Mexico shall be ours.

I could have taken it with the forces of the eastern army alone, but I had not sufficient cavalry to cover all the outlets, through which the principal guilty parties would have escaped us; but now with 9,000 cavalry all the avenues will be well guarded, and the same thing will happen as at Queretaro—none will escape us. I have full faith and great confidence in the result.

Within the city of Mexico, its press still endeavors to deceive the people by denying the fall of Queretaro and imprisonment of Maximilian; but both the people and the army have heard of it. I consider the occupation of Mexico a matter of very few hours, and I do not believe that Vera Cruz will attempt to hold out afterwards. In conclusion, when you shall have received this letter, the soil of Mexico will have been already cleared of traitors.

Without time to say more, I repeat myself your sincere friend,

PORFIRIO DIAZ.

Señor Don MATIAS ROMERO,
Mexican Minister, Washington.

WASHINGTON, June 14, 1867.

A true copy:

CAYETANO ROMERO, *Secretary pro tem.*

Mr. Seward to Mr. Romero.

DEPARTMENT OF STATE,
Washington, June 15, 1867.

SIR: I have the honor to acknowledge the receipt of your note of yesterday, enclosing a translation of a letter from General Porfirio Diaz, detailing the history of recent events in Mexico.

While thanking you for the information thus communicated, I avail, &c.

WILLIAM H. SEWARD.

Señor Don MATIAS ROMERO, &c., &c., &c.

Mr. Romero to Mr. Seward.

MEXICAN LEGATION,
Washington, June 15, 1867.

Mr. Romero presents his compliments to Mr. Seward and has the honor of sending to him, unofficially and confidentially, a copy of extracts of a letter dated Paris, May 28, 1867, addressed to Mr. Romero, to which he referred in the conversation he had with Mr. Seward this afternoon at the Department of State.

[Translation.]

PARIS, May 28, 1867.

There is here a crowd of rabid Mexicans; one Blancarte was telling me last evening the atrocities committed by the French—what they have gathered together, and beyond all Bazaine. There is good reason for the belief

that the traitors are at work to get the United States to draw from Jaurez guarantees for the safety of their lives and property; in this sense it is said that Almonte is laboring in London, availing himself of the influence of the English and American minister in Paris that he may realize such thought. Almonte has written to several noted persons from the United States, and obtained from them letters of recommendation from as many personages as he could. Haro went suddenly to London. It is probable that he may there join Almonte, for the purpose intimated. The said priest thinks that the protection of the United States is his only rock of salvation. As for me, I have for some time thought this project was meditated, and the propositions made in the Congress of the United States prove that they have promoted it.

Mr. Romero to Mr. Seward.

[Memorandum.]

WASHINGTON, July 15, 1867.

Mr. Romero said that all he knows about the reported disposition of the Mexican government not to allow Mr. A. Dano, who had been acting as French minister near the late Maximilian, to leave the republic, is, that while Maximilian's trial was going on Mr. Dano made an application to General Diaz, then besieging the city of Mexico, to allow him to go to Queretaro to assist Maximilian. General Diaz replied officially on the 10th ultimo, as he has informed Mr. Romero, that he did not feel himself authorized to accede to Mr. Dano's request, unless he should be instructed to do so by the President of the republic. Mr. Dano did not push his application any further, and the matter seems to have dropped there.

As regards the rumors that the Mexican government intends to keep Mr. Dano as a hostage, Mr. Romero has received no information which can in any way confirm that assertion. Mr. Romero, however, believes that, supposing it to be true that a second application of Mr. Dano's to General Diaz for a passport to leave the republic has been declined, as stated, it will be only because General Diaz refused to accept the responsibility of such action, which involves questions foreign to his province as a soldier, and in no way showing a determination of preventing, finally, Mr. Dano from leaving Mexico.

The Mexican government, to whom this subject was undoubtedly submitted by General Diaz, has in all probability acted on it before this; but its determination, which in my opinion would be to let Mr. Dano go, cannot be known here for some days yet.

Mr. Romero to Mr. Seward.

[Translation.]

WASHINGTON, July 12, 1867.

MY DEAR SIR: I have the honor to transmit to you, for your information, the minutes of the French legislative assembly for the 21st and 22d of June last, containing the discussion of various questions relating to the state of the French treasury, in connection with the intervention of the Emperor of the French in the internal affairs of Mexico. I also permit myself to send you some of the articles published by the Paris press on the same subject.

I remain your very obedient servant,

M. ROMERO.

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

Ex. Doc. 20—13

[From the *Moniteur Universel*, the official journal of the French empire, No. 173, June 22 1867.—Translation.]

LEGISLATIVE BODY.

Friday, 21st June, 1867, Mr. Schneider presiding.

The PRESIDENT. The Chamber has decided that the debate on the supplemental credits should take place to-day. The discussion is open; Mr. Berryer has the floor.

Mr. BERRYER. My remarks to the Chamber shall be as plain and brief as possible.

The question is about a considerable financial operation, sanctioned by the bill now before the house. The negotiation made by the minister of finance is for a capital of fifty-four millions of francs, remitted by Mexico to the French government, charged upon its debt, which was fixed at two hundred and seventy millions by the treaty of Miramar. That treaty assured the revenue on the fifty-four millions to France, at the value of the bonds when they were issued.

The remission was made, and is considered by the legislative assembly as representing the capital, the interest on which was to be assured to this country. Out of those fifty-four millions, the sum of 40,100,000 francs has been applied to the budget of 1864, and the rest, say 13,900,000 francs, was added to the budget for 1865.

At this period, the financial report of 20th December, 1865, came in, stating that the rentes had been converted into obligations of the second series, like those of the first series, issued in May, 1865.

The minister of finance informs us that the obligations had been negotiated, and the result was a loss of more than two millions of francs to the treasury; and consequently the appropriations for the budget of 1865 would have to be increased.

Such is the condition of things; and from the loss of the two millions by the Mexican negotiation, instead of thirteen millions, only eleven millions are put in the budget of 1865.

This is not a proper way to reckon. It is true, an entire credit was opened, but only two millions was set down as loss to the French treasury; and in the report of 1865 it is charged to arrearage; but I believe interest is never considered as payment of part of the principal of a debt. It is not correct, then, to state two millions as the entire loss on the Mexican obligations. Some explanations were made in December, 1866. In the report of that date it is stated that the appropriation of eleven millions from the budget of 1865 had not been applied, because the rentes and obligations had not been realized; and the grantees were excused from their contract by reason of *vis major*.

I think the excuse is scarcely reasonable. What was the contract? We are not informed. What were its conditions, its nature? From the report of 1865 we must consider it a binding engagement, and not a conditional obligation; and yet they say it could not be executed!

The operation is somewhat explained by the report we discuss to-day; the committee say: "The Mexican rentes of fifty-four millions, converted into obligations, ceded to the discount bank, have been reduced to 42,857,200 francs."

The difference, then, to the treasury, is not two and a half millions of francs, as stated by the minister of finance in his report for 1865, but a loss of eleven millions, the difference between fifty-four millions and forty-two millions, to have been paid by the concessionaries. And who are they? Nobody can discover.

Now let us look at the result of the operation. The obligations sold were negotiated at a time when their rate was 340, and yet the company that owed the forty-two millions to the state, what did they pay? Only fourteen million two hundred and eighty-seven thousand francs; so that the real loss to the treasury is not only eleven millions, as we have mentioned, but several millions

more. Fifty-four millions were given for forty-two millions, and the purchasers at three hundred francs sold for three hundred and forty-one, doing an excellent business.

What, then, were the circumstances of *vis major* that prevented the execution of the contract? It is a loss of twenty-five millions to the treasury. And what has the treasury to show for it? Instead of forty-two millions, it has received fourteen millions, and twenty-eight millions in Mexican bonds; and we all know how much Mexican bonds are worth.

We have then the right to ask who are the concessionaries? I think I am not mistaken when I say they are the persons to whom the Mexican bonds were ceded in 1865 for three hundred francs; the same persons who issued the first loan of rentes and lotteries, and who made such profits; and they did not merit the preference shown them.

In May, 1865, the concessionaries of the loan received the titles at the rate of three hundred francs and sold them for three hundred and forty, and then the loan was closed. There was a margin of forty francs on each bond, making twenty millions profit on the five hundred thousand bonds.

I do not say the company made a clear profit of twenty millions, for there were the costs of negotiation; but we cannot accept the company's declaration that a second contract was impossible. The Mexican loan was converted into obligations of a second series, exactly similar to the first; and what is more, the same concessionaries proposed to take the obligations of the second series, which they received at three hundred francs, for three hundred and forty-five francs, and they even advertised them for three hundred and forty-five francs.

That took place in 1865, when circumstances were favorable. Now, if these concessionaries are the same that made the contract I have mentioned, how do they cause a loss of twenty-eight millions to the treasury, when their duty was to pay forty-two millions, and receive a receipt in full when they pay only fourteen millions into the treasury? I do not see why they are so favored; it is a question that ought to be explained to this house.

I have a few more questions to ask the minister of finance on this Mexican business. What were the conditions of the contract? What circumstances gave the right to a company that had made such immense profits on two series of obligations not to pay the forty-two millions it owed to the treasury? That ought to be explained.

It has often been said that the sole motive for the Mexican expedition was to insure an indemnity to the French residing in Mexico that suffered losses previous to the expedition; and such was the tenor of articles in the treaty of Miramar. Articles 11 and 12 stipulate that a sum of twelve millions shall be reserved for our countrymen who have suffered losses. This twelve millions was to be realized by a board, presided over by one of our well-known bank directors. And where are those twelve millions?

In 1866 a convention was drawn up by Mr. Dano, fixing the indemnity for the French injured previous to the expedition at forty millions, including twelve millions by virtue of the treaty of Miramar; and to these twelve millions, representing a nominal value of sixteen millions, are to be added twenty-four millions of the convention of 1866. And how much of this will the poor suffering French get?

What has become of the twelve millions remitted by Mexico in virtue of the treaty of Miramar, and of the twenty-four millions that were to have been remitted in virtue of the convention of 1866? This is an important question, and its solution would shorten debate in this house on the Franco-Mexican financial affairs. We would all like to know to whom said payments have been made.

There were a variety of creditors, or people who pretended to be creditors. You know it was the amount claimed for the French that caused a diversion