

In execution of the convention of Miramar, the future emperor decrees a finance committee of French, Mexicans, and English; and to show French prominence, the committee was to reside in Paris, and Mr. Germiny, a senator, ex-minister of finance, ex-governor of the Bank of France, should be its president and represent the French creditors. A duplicate of the ledger was to be sent to Mexico, and the original was to remain in Paris. All the decrees of the future emperor were published in the *Moniteur* just like French decrees.

The loan had a good puff in spite of prudent men who advised circumspection, and was successful.

Mr. Berryer opposed it in the assembly, because France seemed to encourage it according to the prospectus. Mr. Rouher is indignant at the doubts about Mexican resources, and does all he can to show the solidity of the loan. But he was mistaken; for, in less than a year, on the 10th of March, 1865, he declared to the assembly "that new resources were indispensable to complete the conquest."

A second loan is determined on, to be managed by Mr. Germiny and Mr. Corta, who had been sent to Mexico to examine the resources of the country; and it was made under the superintendence of the minister of finance. On the 30th June, 1865, we read in the *Moniteur*: "Messrs. Barron, Bourdillon, Count Germiny, and Mr. Corta have arranged the conditions for the new loan." The terms being arranged, the whole army of French financiers is brought into the field to assure its success. It was to have been issued on the 22d of April, but the bankers that engineer it are anxious to know if the government will not let its troops remain in Mexico until Maximilian is firmly seated on the throne.

On the 10th of April the subject is discussed in the assembly, and Mr. Rouher says:

"We are reproached for encouraging a Mexican loan when the finances of the country do not justify it; but Mr. Corta has just given you a glorious account of the resources of that magnificent country. Have no care; Maximilian will restore financial prosperity to the country, and furnish incontestable guarantees to those who trust him with their money. I repeat, this expedition is a great affair. By it France will conquer the civilization of a great country. Let its flag float a few months longer, till all resistance is subdued, and the bandits overcome; a few months more will do—the end will be gained; pacification will be complete. The French army must not return to our shores till its task is accomplished, and it has triumphed over all resistance."

(Applause followed this speech.) Mr. Jules Favre protests against the minister's eloquence that takes the place of facts. He is grieved to think that France, in the present condition of Mexico, would lend "its aid, its officials, and its money, to engage in unheard-of speculations." But the protest was vain, and the loan was opened on the 22d of April, with the consent of the minister of finance and all government agents. Before the close of the third day the 500,000 obligations were subscribed for, and 170,000,000 deposited with the Mexican commissioners by the French public. Such were the circumstances that opened, continued, and closed that loan. The influence of the government was seen and felt in every way, and therefore it is considered responsible. It not only facilitated the loan, in fact it issued it. But for official declarations and formal promises it would never have been taken; and, moreover, a large portion of the funds went to the state. There is no doubt about that. How then can the government refuse a just, equitable, and complete reparation to the bondholders?

Do not say they were tempted by high interest. Instead of using his seducing eloquence on this occasion, Mr. Rouher should have said: "This money we ask you for is to pay English creditors of Mexico, and Maximilian's debts;" then, do you think subscribers would have been so abundant and eager? No, certainly not. All that urged them to accept the loan was the government, and the government should not now resort to chicanery to avoid responsibility.

Such an act in a person would be considered mean, and certainly would not be accepted by the government.

Such is the written opinion expressed by Mr. Marie, and concurred in by Mr. Allon, Ploque, Cremieux, and Leblond. These eminent jurists say:

"If the government has taken such a part in these loans; if it not only *facilitated* them, but *realized* them by its sole influence; if it pledged its name, the name of France, to such an extent as to make the public believe that France favored the loan, why should it not be responsible for acts done upon this encouragement? The lenders, now ruined, might say: 'I believed in you; I believed in your assurances, in your fine speeches, in your promises, in France, and now I am ruined!' Could you reply: 'You were wrong; you should have believed in the opposition, for though my authority was imposing, my language was deceptive, my responsibility is null; that is all.'"

No, that is not all. The conduct and influence of the government persuaded capitalists. To them its declarations were positive and decisive; therefore, between the government and the bondholders there is a real responsibility in every sense of the word, and there is a question of loyalty.

J. MAHIAS, *Editorial Secretary*.

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No. 3.

[From the *Gazette de France*.]

PARIS, June 25, 1867.

Nothing is more unpleasant than this Mexican business, in whatever way you consider it. Mr. Berryer has handled it gently, and yet he called it "a shameful affair, where advantages were taken over poor people, and complaisance and condescension shown to contractors." It is very true these Mexican loans were a loss to the purchasers, and a gain to the brokers. The operation was so managed that the public and the state lost, while the brokers realized millions.

Mr. Berryer, who has followed this Mexican affair step by step, has clearly shown all the errors of the administration, and their deplorable consequences. Since Mr. Rouher's explanations, and the publications of the contract between Mr. Fould and Mr. Pinard, we can understand the progress of the negotiation. It certainly does no honor to the sagacity of Mr. Fould's administration.

In fact, from the stipulations, all the chances were against the state and the public, and in favor of the managers of the loan. We are surprised to see the treaty give the bankers the privilege of extending their payments to eighteen instalments from twelve, and permitting them to cancel their obligations in case of *vis major*.

This negotiation of Mexican bonds is a strange affair. The more we study it, the less can we understand how Mr. Fould managed such an important operation. In explaining this episode to the house, Mr. Berryer has rendered a signal service to the public. It is a memorable page for the hard history of the Mexican expedition, for documents about it are scarce, and we have to hunt hard to find any.

Mr. Berryer had the Fould-Pinard contract published. It was well; but we fear he will not be so lucky with the diplomatic documents. Mr. Rouher declared he could furnish none to the house at present, and he added: "In the serious predicament where we find the sovereign of Mexico, it would not be proper to publish documents showing coolness, conflicts and discussions, now of no importance to either government."

Mr. Rouher also said: "The government has not thought proper to publish the diplomatic correspondence, or any documents that, under present circumstances, can be of no use or benefit to either government, but might compromise ours very seriously."



We regret this suppression the more, since the last news from Mexico says Maximilian is no longer in danger, and that he will return soon from that sad journey. We are, moreover, astonished that the government that has assumed such great responsibilities in times past should now dread the publication of diplomatic notes that might enlighten the close of this expedition. Mr. Rouher ought to know that those refused documents are of much less interest to Mexico than to us, for they know much that has been concealed from us, and that those documents would have revealed. Does Mr. Rouher suppose, under present circumstances, the instructions given to Marshal Bazaine, or to his agents, would be of no interest to us? If he does, he is very much mistaken. The Mexican expedition is more interesting to France now than it ever was, and the manner in which it has been carried on and concluded is of the greatest significance in public opinion.

We know how the Italian, Roman, and German questions have been managed; why should we not know all about the Mexican question? We cannot imagine why Mr. Rouher deems its details of no importance to France, when nothing could better enlighten us on an expedition against which foreseeing public opinion had pronounced, and which it would have prevented if its voice could have been heard, or the free press had served it better. The opposition so bitterly complained of finds in these late revelations, scantily obtained, the proof of the correctness of its views; the genuineness of its patriotism, free from all party spirit.

Mr. Berryer says with truth: "In reflecting upon the disastrous consequences of that expedition, and on the victims it made, I cannot forget that it was chimerical, and that I opposed it from the first, declaring that it would end in disaster; and General Prim said so at Vichy, the very man who lately tried to revolutionize Spain, his native land."

On listening to that sad speech everybody said: "If we had heeded Mr. Berryer, we would not have had that deplorable expedition, and the public would not now be called on to furnish the enormous sums it has cost, and to repair the deficit caused by the lamentable Fould-Pinard transaction.

GUSTAVE JANICOT.

No. 4.

[La Gironde. Bordeaux, June 24, 1867.—Translation.]

The interpellations presented by Mr. Berryer, on the subject of the supplementary credits for 1866, contain a foretaste of the debate to which the Mexican question must soon give rise. We set it down at once that if the explanations of the government are to resemble the answer by which Mr. Rouher tried to satisfy Mr. Berryer, a very strong light will not be shed abroad by them. What did Mr. Berryer ask? that the diplomatic documents promised at the beginning of 1866, by a note in the *Livre Jaune* be at last communicated. Last year, to postpone this publication, the state of our relations with the United States was invoked; this year the eventuality of a conflict with the American Union has been set aside by the return of our expeditionary troops; but another motive for discretion has imposed itself on the willingness of the government; it is under consideration not to aggravate the position of the ex-emperor Maximilian. According to Mr. Rouher, if the diplomatic papers exchanged between Paris and Mexico were to see the light, the unfortunate prince whom we have taken to Mexico, would find himself more seriously committed than at this moment. This appears to us to be difficult enough to admit, but, in fine, the apprehensions of the minister of state spring from a good disposition, and we understand exactly that Mr. Berryer has not pressed the matter too much. What is less easy to comprehend is that at the very hour when Mr. Rouher was preoccupied with

the destiny of Maximilian, he should have attributed to him the quality of "sovereign of Mexico." It is plain also that Mr. Romero recently wrote that the greatest danger to Maximilian consisted in his title as pretender, and in the fear of the usage he would make of it at a later day should he recover his liberty. If, therefore, the speech of Mr. Rouher should reach Mexico before the fate of the ex-emperor should be decided, it would very probably produce upon men's minds the most dangerous effect. See, the partisans of rigorous measures would not hesitate to say, this man, who is our prisoner, is always regarded by the powers of Europe as in lawful possession of the sovereignty of our country, and we ought promptly to get rid of him if we do not seek to draw upon ourselves fresh invasions. But let us pass on from this detail to another portion of the interrogations put by Mr. Berryer.

It is remembered that by the treaty of Miramar, the emperor Maximilian, besides the annual indemnity of twenty-five millions for the maintenance of the French troops, acknowledged himself indebted to France in a sum of two hundred and seventy millions for the first costs of the expedition. At the close of 1864 our government was in part reimbursed with Mexican bonds representing, at the rate of sixty francs, a capital of fifty-four millions, on which 40,100,000 francs were appropriated to the budget of current expenses, and 13,900,000 francs to the budget of 1865. In announcing this combination, Mr. Fould said, in his report: "The situation of the treasury admits of awaiting for the negotiation of Mexican bonds of circumstances more favorable, which every day leads us to believe will soon develop themselves." These lines were written on the 9th of January, 1865. A year later Mr. Fould said: "These bonds have been negotiated since the close of the session, and in taking account of arrearages received, the treasury has had to bear, in this negotiation, a loss of 2,542,000 francs. Strictly this should have been divided between the budgets of 1864 and 1865; but the situation of the budget of 1864 not permitting the weakening of these resources, I have charged all the loss on the budget of 1865, which, in consequence, will only receive 11,358,000 francs, in place of 13,000,000 francs." The lines are dated December 20, 1865.

Thus, at that epoch, the minister affirmed that our Mexican portfolio was sold at a simple loss of 2,000,000, and a sum of 11,000,000 seemed acquired for the current expenses. This sum of 11,000,000 corresponded exactly with an excess of receipts for 1865—an excess which was the occasion of the warmest effusions from a devoted press. Never had more brilliant proof been given of the prosperity of our finances. We shall now see what should be thought of all this enthusiasm.

A year passed away. There is a fresh report from M. Fould, (December, 1866,) where we read: "The Mexican bonds, which had been negotiated, and which figured in the budget of 1865 for the sum of 11,358,000 francs, have only been in part collected. Circumstances of great force, invoked by the concessionists, have not allowed them to execute the conditions of the contract." We seize here, and at the earliest moment, the manner in which the mysterious and fantastic operation, called the equilibrium of the budget, is carried out. In his report of December 20, 1865, the minister had affirmed that the Mexican bonds were sold; he had only forgotten to say they were not paid. It is in this manner that the excesses are conquered.

On reading, six months ago, the report of Mr. Fould, the importance of the fact announced by that document became patent to us. We said (Gironde of December 27) all the papers must be placed before the eyes of the members and carefully examined. Then, attempting to divine in anticipation what had passed, "The government (we added) has, without doubt, sold its Mexican bonds to a financial company, which, not having been able to put them off at the exchange before the great fall in price last summer, must have sought for a revision of its contract for purchase. However, we regard it as



incontestable that the legislative body alone is competent to decide a question of this importance. It is, therefore, indispensable that the government should produce the contract before the chambers, and request it to pass upon it. If the company that bought the bonds has really suffered a loss by compulsion, and one not to be foreseen, the chamber will estimate the return which equitably should be made to it. It is important that it be not forgotten that it is money from contributors, for in case of return, the imposts must bear the burden; but if the company had gone into a speculation, dependent on events; if the fall was with the estimates of ordinary prudence, upon what principle, or by virtue of what law, could there be imposed on the treasury a loss which would not have any connection with it."

These are precisely the claims which we read of, that form the chief part of Mr. Berryer's speech. More fortunate than on the question of diplomatic papers, the eloquent orator has obtained from Mr. Rouher the textual communication of the treaty declared to be annulled by Mr. Fould. The reading of this paper will prove to our readers that when we reproach the administration of the finances with having incompletely informed the legislative body, we were within the bounds of truth. It is, in fact, evident not only that fifty-four million of Mexican bonds were not paid, when Mr. Fould placed them in the line of account of value received, but even that they really were not sold. As Mr. Berryer has announced the intention to return to this subject, in the form of an amendment, we will not dwell on it any longer to-day; neither will we attempt an estimate of the remarks of Glais Boizen, Picard, and St. Paul, on Mexican finances. The debate, although earnest and interesting, is not, to speak truly, gone into in a manner sufficiently direct, and it was agreed to drop the discussion until that on the budget of 1868 shall come up.

ANDRE LAVERTUJON.

No. 5.

[From the *Courier de la Gironde*.]

We resume the continuation of our Paris correspondence.

PARIS, June 23.

Scarcely a day passes in the legislative assembly without a proposal to suppress the address.

Not one-fourth of the time has been spent in useful legislation. The unfortunate Mexican question was the chief reason for that proposal; yet it will be hard to avoid that question.

Day before yesterday Mr. Berryer asked explanations of the government on the Mexican loans, and operations to which they had given rise.

I have often mentioned a sum of over 40,000,000 in the public treasury, received in payment from the Mexican committee. That sum, in bonds of the last Mexican loan, has never been realized. The French company that made such profits by that loan would have nothing to do with the bonds in possession of the state. This shows that there are certain institutions that issue bonds, but don't keep them or buy them.

Mr. Berryer was surprised that the discount bank, after profiting so much in issuing the Mexican loan, should refuse to take the 42,000,000 in bonds that remained in the treasury. Mr. Rouher handed in the treaty, signed by Mr. Fould and Pinard, director of the *Comptoir d'Escompte*, and the most important feature in it is that the institution should be released from its engagements, in case of *vis major*—that is, if a revolution overturns Maximilian.

The *Comptoir d'Escompte* refused to receive, on its own account, the Mexican bonds long before the Mexican revolution, for it saw Maximilian's throne

tottering. In fact, as there has been no *vis major*, the comptoir is liable to prosecution. But is it reasonable to force a financial institution to execute contracts that would ruin it, and at the precise time when the government had resolved to withdraw its troops?

It was boasted that the Mexican expedition was a glorious affair, the aim of which was to elevate, reorganize, and civilize Mexico; but Mr. Berryer has shown it was got up to make money—was simply an operation of avaricious speculators, whose sole cry was money from the first. It was said our countrymen had suffered from spoliation and must be indemnified, and our exorbitant demands caused England and Spain to quit us at Soledad. It was an unfortunate demand that brought on a disastrous war, without honor or profit to anybody. Not only the French creditors have lost by it, but the government has spent immense sums for nothing.

The consequence was most unfortunate, and amounts to this: To have our creditors paid their entire demands against Mexico, money was wasted, blood spilt, honor tarnished, and poor people ruined by two Mexican loans got up in France.

Mr. Rouher was not as explicit as he might have been; he was troubled by Mr. Berryer's questions. There is a Mr. Jecker, who is a personage of considerable importance in the concern. He was transformed into a Frenchman to take part in the French claims. His little claim was only 50,000,000!

The minister of state was much embarrassed yesterday when Mr. Picard mentioned Mr. Jecker's name, and he confessed that Jecker had caused much trouble to the government. When Mr. Haetjens asked him if the government intended to do anything for the Mexican bondholders, he refused to reply positively, because he feared his words would cause trouble outside of the assembly. Such a reply is unworthy of an imperial government. Too many interests are involved, to speak so lightly of such a serious affair. Mr. Rouher's answer will certainly be misinterpreted. People will think the government intends to do nothing for its victims, whose maledictions will certainly shower upon it. Our members are receiving thousands of petitions from Mexican bondholders. Mr. Haetjens has told you so. This question of reimbursing these men causes as great a sensation as the military bill.

The government asserts, through Mr. Rouher, that it is not responsible for the Mexican loans, but admits that these loans were encouraged and the bonds issued by a committee appointed by the Mexican government, under French patronage. Now, can any one deny that the loans were encouraged by the newspapers, by public agents of France, by its receivers general, by our army that went to Mexico, and by setting Maximilian on the throne of that country?

J. GOURRAIGNE.

No. 6.

WHAT MEXICO HAS COST FRANCE.

[Annexed to Mr. Romero's letter of July 12, 1867.]

The following statement of the outlays and receipts of the French government on account of Mexico has been furnished to the committee of the corps legislatif intrusted with the examination of the budget: