

13 P 850

THE
UNITED STATES, EUROPEAN,
AND WEST VIRGINIA

Land and Mining Company.

PROSPECTUS,

CONTRACT FOR MEXICAN INTER-OCEANIC
Railway, Canal, and Telegraphs.

CAPITAL,.....\$20,000,000.

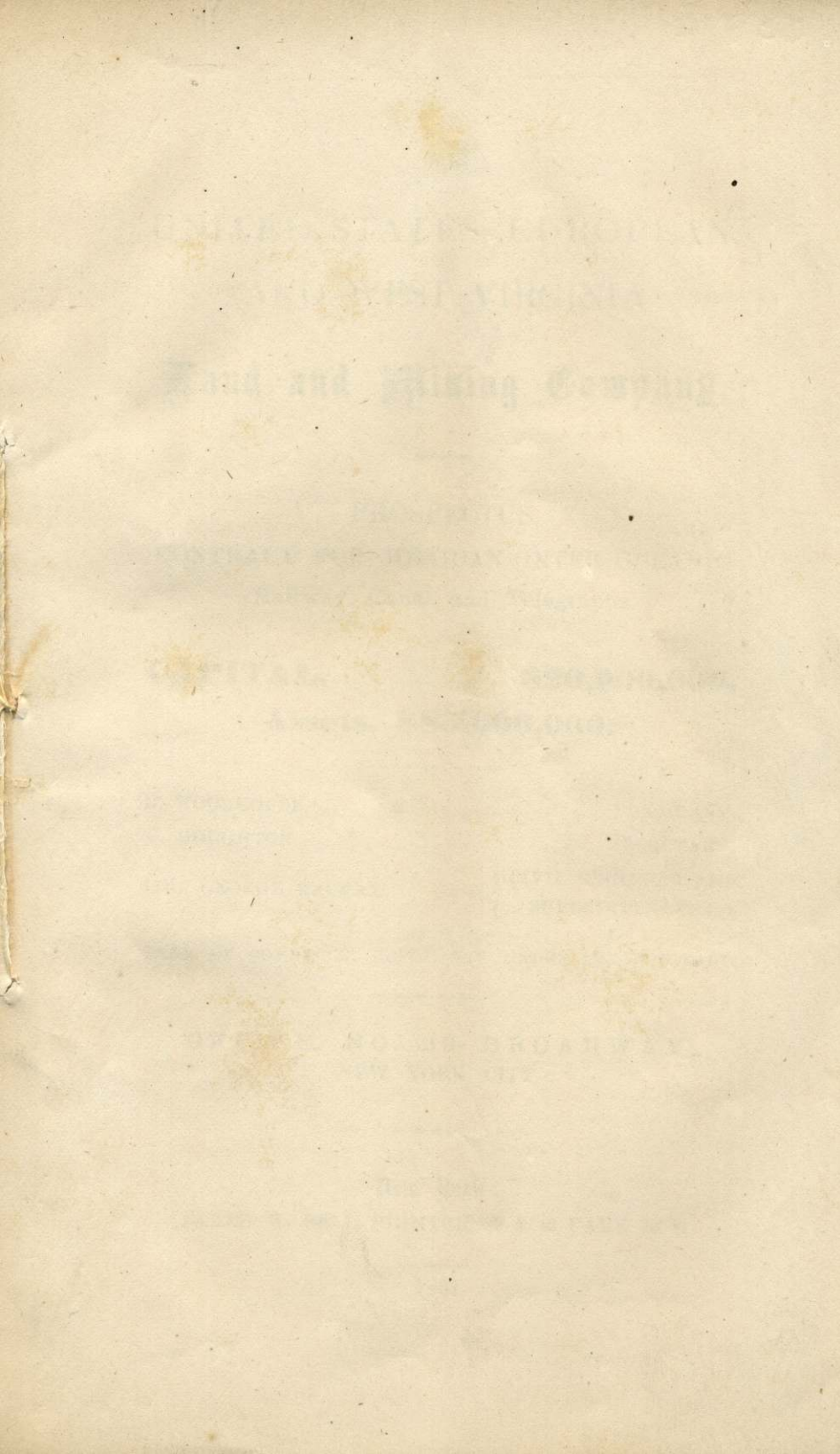
Assets, \$85,000,000.

OFFICE, NO. 29 BROADWAY,
NEW YORK CITY.

New York:

JARED W. BELL, PRINTER, 39 & 40 PARK ROW.

1867.



THE
UNITED STATES, EUROPEAN,
AND WEST VIRGINIA
Land and Mining Company.

PROSPECTUS,
CONTRACT FOR MEXICAN INTER-OCEANIC
Railway, Canal, and Telegraphs.

CAPITAL,.....\$20,000,000.
Assets, \$85,000,000.

D. WOODHOUSE,..... PRESIDENT.
V. HOUGHTON,..... SECRETARY.
COL. GEORGE MACKAY, { CIVIL ENGINEER AND
SUPERINTENDENT.

BANK OF COMMERCE, DEPOSITORY UNDER THE CONTRACT.

OFFICE, NO. 29 BROADWAY,
NEW YORK CITY.

New York:
JARED W. BELL, PRINTER, 39 & 40 PARK ROW.

1867.

PROSPECTUS.

THE UNITED STATES, EUROPEAN, AND WEST VIRGINIA LAND AND MINING COMPANY, is a corporation established in 1865, under the laws of the State of New York, to promote American colonization, emigration, and mining enterprises.

It has a capital of \$20,000,000, and assets, as will hereafter appear, valued at \$80,000,000, to which Mexico reserves to itself the right to add \$25,000,000, by the subscription of its own people, within one year after peace shall have been declared.

ITS FRANCHISES ARE AS FOLLOWS :

- 1.—250,000 acres of agricultural and mining lands in Western Virginia.
- 2.—4,500 square miles of agricultural lands, and
- 3.—2,136 mines of fifty acres each in the Republic of Mexico, to be located and worked by the grantees thereof.

Certain specified grants, more fully set forth in the annexed contract with the Republic of Mexico, and which may be generally, though imperfectly, stated as follows :

- 4.—The sole right to construct a double track railway, on a grant 150 feet wide, from Matamoras to Mazatlan, with branches to the city of Mexico, Soto La Marina, and Tampico, by routes to be determined by the grantees.
- 5.—The payment by Mexico of all land damages incident to a right of way, and to depot accommodations, &c., for the purposes here mentioned, together with the

cost of all material produced in the country, and useful in the construction of said railway, such as sleepers, lumber, fencing, building materials, and the like; leaving to the Company only the obligation of grading the track, laying the rails, and purchasing rolling stock.

6.—The right to navigate any bay, lake, or river, in connection with, or continuation of, the primary enterprise.

7.—The right to construct canals, wherever convenient to connect navigable waters used by this Company in the prosecution or extension of its enterprise.

8.—The right to construct telegraphs, connecting any points which may be intersected by its works.

9.—The right to sink artesian wells wherever the grantees may elect.

10.—The grant of town lots, free of charge, together with requisite municipal privileges to such emigrants as, under its patronage, may make settlement within the territory.

It will be perceived, by the foregoing, that all former grants by any government to the subjects of another, are thrown into the shade by the magnitude and importance of the concessions made, and the prospective advantages here secured to American citizens.

They cover all the rights of way hitherto sought, with a view of securing exclusive control of inter-oceanic communications, whether by means of railway or canal.

They give a virtual monopoly of all the gold and silver products, and a concentration in our commercial centres of all the trade of that country—one of the most productive, and by nature most wealthy on the globe.

Its unfortunate political condition has hitherto rendered it impossible to enter upon the work of colonization and internal improvements as contemplated; and so essential was quiet and order deemed to the successful issue of these enterprises, that they were by special

agreement postponed until after one year from the declaration of peace.

The depressed financial credit of that Republic in the market, caused by the offer of a large amount of bonds at a price so low as to effectually destroy their value as an investment, has deterred this Company from offering any of the bonds in their possession, through the ordinary channels—it having been their determination that Mexico should receive the full value in money of any securities negotiated through their agency.

The full amount of fifty millions of bonds, authorized by the annexed contract, is, therefore, now in their hands, and can be placed upon the market whenever, by the national recuperation of Mexico itself, or by the friendly endorsement of any other government, they shall acquire the commercial value to which they are entitled.

ASSETS.

For the completion of the vast enterprises contemplated, the following provision is made :

Seven per cent. Bonds—being the amount of the Mexican grant,.....	\$20,000,000
Stock of the Company, say one half thereof at par,.....	10,000,000
Subscriptions promised by Mexico and reserved to the Government and people thereof,.....	25,000,000
Sale of Lands and Mining Property belonging to the Company,.....	30,000,000
	<hr/>
	\$85,000,000

It is estimated that the whole of the internal improvements contemplated, including an inter-oceanic canal, can be completed for the sum of \$120,000,000.

The \$85,000,000 already provided for, will be more than sufficient to complete the east and west lines of

railroad and their contemplated branches, including telegraphs, &c., without any bonded debt whatever ; and leave a considerable surplus, to be devoted to the collateral enterprises for which provision is made.

The increase of stock incident to the enlarged operations referred to, could not be estimated at less than \$35,000,000. No bonded debt would therefore be necessary to ensure their completion in all their parts.

In this calculation, nothing has been said of the mines that would be developed by the railways themselves, and which it has been estimated will more than pay the cost of construction through the mountainous regions where the mines exist, and where alone deep cuts will be necessary.

Let us consider what would be the effect of a successful consummation of this enterprise upon Mexico, upon the United States, and upon the future of this Company.

FIRST—UPON MEXICO.

That Government possesses 166,482 square miles of territory, with a population of 8,283,000, and a present real estate valuation of \$1,335,000,000, or \$163 50 to each person.

With every advantage of soil, climate, and production, and with the richest mining region on the globe, there is no reason why, by a slight infusion of American skill and capital, its property valuation should not be increased, so as to compare favorably with that of the United States, which is \$404 to each individual—being nearly three times its own.

At this time Mexico produces upwards of \$24,000,000 a year in gold and silver from her mines. American skill and industry, properly protected, would increase that sum, in an incredibly short period, to \$75,000,000, to say nothing of the yield of iron, lead, zinc, copper, and precious stones, which exist in untold quantities and value. Internal wealth furnishes the means for external trade, and upon the increased production and exportation of the precious metals, grain, cotton, tobacco, sugar,

rice, corn, and fruit, there must follow an increased demand for, and importation of, all the products of more temperate latitudes, especially manufactures, instruments of husbandry and labor, works of art, and all luxuries demanded by improved social conditions.

With the developement of her internal forces, which must inevitably follow such a system of internal improvement as is here contemplated, the commercial exchanges of that country, which now amount to about \$70,000,000, would very soon be increased more than five-fold. If the wealth and importance of a people is to be determined by the extent of its commercial intercourse with other portions of the world, the result of this enterprise, will be to elevate Mexico to a first class position among nations, and return to her more than a hundred fold in value, for every concession she has made, and every dollar in money or credit she has granted.

SECOND—UPON THE UNITED STATES.

By this contract the United States secure the exclusive control of a railway route, from the mouth of the Rio Grande to the Pacific—reducing the passage from New York to San Francisco to less than fourteen days—or only two thirds the time now required by the Isthmus route, and diminishing the railway transportation of the Pacific road over arid plains of alkaline dust in summer, and impenetrable snows of the Sierra Nevada in winter, to a two days passage over the tierras templades, or tablelands of Mexico, through a country overflowing with luxuriance, and possessing the finest climate in the known world. They secure to their own citizens the bulk of all its foreign trade. It is stated on good authority that the portion of her increased commerce thus acquired, would not amount to less than \$70,000,000 per annum of imports, and an equal value of exports; the duties on the former of which cannot be estimated at less than \$10,000,000—probably much more—and the income tax arising from both at not less than \$600,000, making \$10,600,000 advantage to the treasury alone.

They acquire forever a settlement, without war or diplomacy, of the doctrine that "in the hands of Americans shall remain the destinies of America," and secure to themselves the power of intervention to protect the vested rights of their citizens whenever the misrule of the Mexican government or the interference of foreign powers with its affairs, shall render such intervention expedient. Finally, by the introduction of skilled labor, the increase of wealth and the extension of the means of inter-communication, they secure an assimilation of the social and political character of the people to that of our own, and a preparation for the social and political union already foreseen to be inevitable.

THIRD—UPON THE FORTUNES OF THE COMPANY.

After the foregoing statement, it is needless to argue that the Company cannot fail to stand without a rival in the value of its stock, considered merely as an investment. Its roads will be constructed at the least cost per mile to its stockholders of any road in the world. It will possess, instead of a bonded debt, a large cash surplus, unless it should extend its operations as indicated above, and even in that case no bonded debt whatever will attach to the property and franchises secured and belonging to it. It will possess a monopoly of all the travel, traffic, and telegraphic communications of the country, and can affix such prices as will yield profits unsurpassed by any similar enterprise.

GOVERNMENT AID.

WILL THE UNITED STATES GUARANTEE THE LOAN ?

In obedience to the understanding had with the representative of Mexico, through whom the contract with the United States, European, and West Virginia Land and Mining Company was negotiated, that company has presented to Congress a petition embodying the wish of his government, and has respectfully asked such a guarantee of the bonds now in its hands as will give them a value, as nearly as possible, equal to that of American securities.

It is believed that within the fifteen years limited by the contract, all that is herein contemplated can be accomplished without aid from any quarter. Should such aid be required, negotiations have already been opened by two European powers for the purchase of the bonds on condition that their citizens shall be admitted to a participation in the benefits of the contract.

The Company has, however, deferred any definite action in this matter until their own government has had an opportunity to consider and act upon the proposition already submitted to it—to guarantee the payment of the bonds at maturity, and thus furnish Mexico with \$50,000,000, greatly needed by her in her present extremity, and this Company with the means of prosecuting its enterprise to an immediate conclusion.

It is not proposed to discuss at length the great interest our people have in this measure. It is apparent such an interest exists, and rights of such importance cannot be allowed to remain unsecured. It is scarcely less apparent that the grand results can be much sooner realized, if our government will give its sanction to the enterprise by appropriate legislation.

It is believed that Congress will regard such an en-

dorsement, as not only advantageous to the United States, but as demanded by the duty we owe to a government, whose persistent fidelity to republican principles at a time when we, as a nation, were in imminent peril, prevented imperialism from establishing itself firmly on this continent, and contributed thereby immeasurably to our success.

SECURITIES.

The securities to the loan granted by President Juarez, when his authority thereto was unquestioned, are more than ample. For its redemption at maturity, and the payment of the accruing interest are pledged 80 per cent. of the customs and other revenues of the States of Tamaulipas and San Luis Potosi, amounting to \$3,000,000 per annum, 55,000,000 acres of territory, and \$50,000,000 worth of select mineral land, to be chosen by the holders; in addition to which the bonds are made a legal tender in payment of all dues of whatever nature to the government itself.

The validity of the contract, and the value and sufficiency of the securities guaranteed, have been submitted to eminent lawyers, both of the United States and Mexico, and unanimously sustained. Surely neither more nor higher securities than these ought to be demanded.

THE ARGUMENTS AGAINST THE GUARANTEE.

The chief arguments adduced by the enemies of the measure, are the following:

1st. "That Mexico is in so unsettled a condition, that no stable executive can be said to exist, with which the people of that country are satisfied."

This, instead of being an argument against, is in favor of the measure. If the government of the country was stable, and peace uninterrupted, there could not be an occasion or even a pretext for aid.

Aid is needed not by the strong, but by the weak. Assistance is demanded not by the rich, but by the poor.

Mexico at peace—with a republican government, administered with equity, and sustained by the people—would ask no favors of us or any other nation. She would be able not only to pay her debts, but to defend her territory against foreign assault.

But Mexico, oppressed by foreign domination, distracted by domestic quarrels, with its constitution practically subverted, and the political action of the country an ever changing camera, is a fit subject for active sympathy, aid, and intervention, especially when by giving them, we establish forever the Monroe doctrine, and acquire to ourselves, rights and privileges, for which this or any other nation might well pay millions.

2nd. "In the present financial condition of the country, it would be inexpedient to increase the public debt, or liability."

Nothing can be more unsound than this objection. So far from increasing the public debt, it is a measure specially calculated to aid in its payment. The interest on the public debt must be paid by duties on imports and taxes on profits of trade, in one form or another. Whatever measure increases either of these items of income to an amount greater than the sum expended therefor, is a positive advantage to the country, considered in reference to its finances.

Now what would be the result of this measure? It has already been shown, that at the very least, \$70,000,000 of Mexican products and manufactures can be imported the first year after the guarantee of this loan, the adjustment of their government, the establishment of peace, and the flow of emigration, contemporaneously with the construction of the railways and the opening of the mines.

This \$70,000,000 of imports would call for a corresponding \$70,000,000 of exports. Even if the average tariff on this amount of imports was not higher than 15 per cent., and it probably would be, the profits from that source to the government, would be \$10,000,000, to which must be added at least \$600,000 for income tax

arising out of the profits of trade on the whole \$140,000,000, giving a sum total of \$10,600,000 of profits, not otherwise to be obtained, against a sum of \$3,500,000 interest to be possibly paid on the bonds—a gain of \$7,100,000 per annum. As a simple measure of economy, it is, therefore, commended to our adoption, and would be wisely repeated wherever the same results could be accomplished with any nation. But when we find that \$3,500,000 is not to be paid annually, but that the greater part or all of it will come from the revenues of Mexico herself; and that the bonds may also be partly retired by use for the payment of debts due to Mexico, or the purchase of land or mines, nothing is clearer than that it is little short of political blindness to refuse to guarantee them on the ground, that to do so, would increase our own national burdens.

OTHER CONSIDERATIONS.

It is admitted that California and Nevada, through their gold and silver mines, saved this nation from bankruptcy during our late war. But the mines of our western coast are no more comparable with those of Mexico, either in number or richness, than are those of the Atlantic coast with those of California. The mines opened by this railroad in the process of construction, would, with those belonging to the *systems* cut and developed thereby, pay our whole national debt.

Millions have been offered in vain, by this and other nations, for a right to construct railways or canals across the country from the Caribbean sea to the Pacific ocean.

Yet here is a grant universal in its character, extent, and location, conveying the most complete rights of way, free from land damages, and with the right to take and use all material needful in the construction of the work, at the expense of the government.

Such are the marvelous advantages offered by Mexico to the people of this country. Even if a large pecuniary consideration were demanded therefor, it should be paid without hesitation. But no such demand is made.

On the contrary, Mexico makes herself the debtor, and requires no stipulation from us, save that her bonds placed in our hands shall be negotiated at a reasonable rate.

By granting its endorsement, the United States will not only render such a negotiation certain and immediate, but give to the securities a value far higher than was contemplated by President Juarez when the negotiations were authorized, without itself incurring any liability to loss. On the contrary, so much do the securities offered exceed the liabilities assumed, that our government may well be more than willing they should, by the non-payment of the loan, fall into its hands.

CONTRACT.

TO WHOM IT MAY CONCERN.

As manifested by various decrees or supreme orders of different dates, it is the policy of the constitutional republic of Mexico, of which Benito Juarez is now the citizen President, to encourage in all lawful and consistent ways emigration to and colonization of the States of Mexico. In furtherance of said policy, the citizen President aforesaid issued supreme orders from the city of Chihuahua, then the seat of government, one dated November 8th, 1864, the other dated November 12th, 1864, authorizing General Jose M. J. Carvajal, then and now civil and military Governor of the States of Tamaulipas and San Luis Potosi, amongst other powers, "to arbitrate the ways and means that may be necessary" for certain specified purposes; also to contract a foreign loan of such amount as he might think required "to promote the same policy," of which supreme orders, extracts vesting said authorizations, have been copied in the English and Spanish languages, and the copies duly authenticated, delivered by the said General Carvajal to the party with whom the following arrangement has been undertaken.

KNOW YE, THEREFORE, that in conformity to the policy mentioned, and by virtue of the authority conferred by the said supreme orders, said General Jose M. J. Carvajal, on this 15th day of May, 1865, at the town of San Carlos, Tamaulipas, has bound and obligated the government of the states of which he is Governor, and the general government of the United States of Mexico, of which he is the agent as aforesaid, all of the first part, to and with the United States, European, and West Virginia Land and Mining Company, organized under the laws of the State of New York, in March, 1865, office 43 Exchange Place, New York city; and that the said United States, European, and West Virginia Land and Mining Company, of the second part, has, at the same time and place, similarly bound and obligated itself to and with the said State governments, and the said general government of the United States of Mexico, to the effect and in the words and figures following, to wit:

First.—The said parties of the first part, hereby grant to the said party of the second part two hundred and fifty square leagues of vacant agricultural lands, situated in the State of Tamaulipas, and two hundred and fifty square leagues of vacant agricultural lands, situated in the State of San Luis Potosi, to be selected and located by the agents of the said second party.

Second.—The said parties of the first part also hereby grant to the said party of the second part two thousand one hundred and thirty-six mines, situated in the States of Tamaulipas and San Luis Potosi, to be selected, located, denounced and worked by the agents or assigns of the said second party. The mines to be thus selected, &c., it is expressly understood, are what are designated by the mining laws of Mexico as "company mines," composed of seven *pertenencias* of a square of two hundred Mexican *varras*, equivalent to about fifty (50) square acres to a mine.

Third.—And the said parties of the first part, also, hereby grant to the said party of the second part the privilege of constructing and operating, under its sole management and direction, a substantial double track steam railway, to begin at the city of Matamoras, on the Rio Grande river, and running by way of the cities of San Carlos and Victoria, and the towns of Jamauve, Palmillas, and Miquihuana, in Tamaulipas, and the city of San Luis Potosi, in the state of San Luis Potosi, to extend to the western limit of the latter state, with a view to its ultimate extension by the most eligible route to Mazatlan, on the Pacific coast. Like privilege is hereby granted to said second party, to construct and operate branches of said railway to Soto La Marina and Tampico, by such routes and through such places as to said second party may seem the best. To effect all which, the said first parties further grant to the said second party, the free and uninterrupted right of way for said railroad and branches, of a width not exceeding one hundred and fifty feet, together with the right to convert to its use for said railroads all material convenient to the line thereof, and of whatever kind necessary in the construction of the same, the payment of such rights of way and construction material to be arranged and provided for by the government of either of the said states in which they may be situated, whenever they are the property of an individual proprietor or citizen who claims compensation for their conversion. Also

lots of land suitable in situation and quantity for station houses, water tanks, depots, storage houses, and every appurtenance essential to the operation of railroads. Also the privilege of navigating any bay, lake, or river, when necessary to perfect and continue any line of travel or transportation. Also the right to construct canals, when they may be convenient to connect any such bays, lakes, and rivers. Also to construct telegraph lines along said railroads and branches, or between points which they may intersect. Also to sink artesian wells whenever they may be required for the purposes of said second party. Also to continue and complete said railroads, telegraphs, and lines of water communication and travel from the western limit of the state of San Luis Potosi to the port of Mazatlan, on the Pacific coast, by routes the most eligible and the best calculated to promote the improvement and development of the country, this latter privilege to be valid and complete only when it is formally sanctioned by the general government of Mexico; the said General Carvajal pledging himself to exert all his influence and interest to accomplish said ratification, upon grants, terms, and conditions similar to those specified, relative to the railroads, &c., from Matamoras to the western limit of the state of San Luis Potosi.

Fourth.—It is hereby expressly stipulated by and between the contracting parties of both parts, that the foregoing grants and privileges are made upon the following provisions and conditions, to wit:—

1. That the capital stock of said second part shall be extended to at least fifty millions of dollars, of which the citizens, corporations, municipalities and state governments of Mexico are to have the privilege of taking up and subscribing twenty-five millions, at the par value of each share, up to and within one year from and after the proclamation of peace in said Republic by the proper authorities thereof.

2. That the said second party shall select, distribute, denounce and work all mines which it may locate under the foregoing grant, so as to conform in all things to the regulations and prescriptions of the mining laws of Mexico.

3. That said second party, to select and locate the

lands, and to work, or cause to be worked, the mines above granted, it shall be allowed time up to the said proclamation of peace, and also ten years thereafter.

4. That the lands above granted, (excepting the quantity which it can by law originally locate and retain,) shall be sold and transferred by said second party, in parcels or tracts not exceeding eleven square Mexican leagues in extent, to different individuals, within ten years from and after the proclamation of peace, in order not to violate the general colonization law of Mexico, passed by the Mexican Congress about August, 1824, by which it was enacted that the government should not sell or grant to one individual or company more than eleven leagues of land: a prohibition applicable alone to the government, not to companies or individuals.

5. That the emigrants, colonists, miners, and all other persons introduced by said second party into the states of Mexico, shall not become entitled to the franchises, rights, and privileges of Mexican citizens until they shall have each complied with the requisitions prescribed, or which may be hereafter specially prescribed, for naturalization by the laws or decrees of the republic of Mexico.

6. That the said second party shall complete and put in operation the railroads, telegraphs, &c., aforesaid within fifteen years from and after the proclamation of peace in the said republic, or such longer time as the engineer of the road may deem indispensable, and the ratification by the general government thereof, of the contemplated extension of said railroads, telegraphs, &c., from the western limit of the state of San Luis Potosi to the Pacific coast, and the subscription of the increase of the capital stock, (\$25,000,000,) reserved for the Mexican shareholders, if the same should be taken up by them within the time allowed and specified for their subscription.

7. That if any circumstance or accident should occur, not within the foresight or control of said second party, making it impossible for it to prosecute the work above prescribed, the time thus unavoidably lost shall not be counted as part of the fifteen years limited for the completion of the same.

8. That the several grants above mentioned, having

relation to internal improvements, shall be exclusive in said second party for a term of twenty-five years from their completion, and during the progress of the same, in consideration that the said second party obligates itself to transport, free of charge, the military officers, troops, and munitions of war of the general government during the continuance of said term.

9. It is further understood, that if the said general government shall grant said second party the privilege of constructing and operating railroads, telegraphs, and lines of water transportation at pleasure, throughout the territorial limits of the republic, under inducements, privileges, and land grants, similar to those embraced in the foregoing stipulations, said second party will further obligate itself to transport, for all time to come, over its said railroads, &c., at half fare rates, the said military officers, troops, and munitions of war.

10. That if the emigrants, colonists, laborers, or employees of the said second party, to be sent by it into the Mexican states, conformably to the objects and stipulations herein recited, should at any time be unlawfully, or in violation of the said objects and stipulations, employed by the said first parties in a manner to divert them, or any of them, from the service of the said second party, then the said first parties shall be responsible to said second party for all damages incurred thereby; and in such event, said second party shall be and is hereby authorized to retain and place to its credit such bonds of the Mexican government, or proceeds of the sale of bonds in its possession, under the financial arrangement hereinafter developed, as will in amount cover the damages actually incurred, the particulars of the expenses and damages to be ascertained, fixed, and liquidated by an account verified by affidavit of the Secretary of said second party; and in case there should not be, at the time, any bonds or proceeds of the sale of bonds, in possession of said second party, with which to liquidate the amount of expenses and damages incurred as aforesaid, the same shall constitute a just claim against said parties of the first part, to be by them paid within a reasonable time after presentation of the verified account.

11. That as soon as the said second party shall cause a sufficient number of emigrants or colonists to be collected at suitable points for residence, the governor of the state within which they are collected shall, upon

petition of such emigrants or colonists to him presented, incorporate them into towns, and grant them town lots gratis, provided said petitioners shall have become citizens of the Republic of Mexico and conformed their application for corporate rights to the law of the state. When incorporated, the citizens of said towns shall have the privilege of electing their own municipal authorities and directing their corporate affairs, particularly as respects corporate taxes and public schools.

Fifth.—The said party of the second part, in consideration of the grants aforesaid, agrees to and with the said parties of the first part, as follows :

1. To construct and put in operation the railroad and branches, telegraph, and lines of water transportation above mentioned, according to the conditions, limitations, obligations, and provisos specified in connection therewith.

2. To forward colonists, emigrants, and laborers to the states of Mexico as above stipulated, being careful that none but industrious and respectable white people shall be thus forwarded.

3. To receipt and negotiate the sale of thirty millions of bonds of the government of the United States of Mexico and the states of Tamaulipas and San Luis Potosi, said bonds to be duly issued to second party for that purpose, redeemable, bearing interest, and payable, printed and in form as hereinafter specified, with the understanding between said parties as follows :—

Said second party is to receive a general commission of five per centum upon all amounts realized from the sale of said bonds, the commission being intended to cover expenses and compensate said second party for services in and about the negotiation of the bonds. If the said bonds sell for any amount over sixty cents in gold to the dollar in bonds, then said second party is to receive a commission at the rate of thirty per centum on the excess realized by the sale.

The said bonds are not to be sold by said second party at a less rate than forty dollars, (\$40,) in gold for every one hundred dollars, (\$100,) in bonds.

And in case it should become desirable on the part of the said general government to hereafter increase its loan to the sum of fifty millions of dollars, (\$50,000,000,) offered it by said second party, or to even a greater amount, then bonds of similar style, issue, conditions, guarantees, and

purport, (except that the land and mining guarantees of the increased loans will be extended to the vacant lands and mines of the republic generally, as the general government shall direct,) and in amounts sufficient to cover the increased loans, whatever the increase may be, shall be issued by the said government and delivered to said second party for sale upon the same terms, as respects rate of commission, as are above specified for the first issue of thirty millions dollars, (\$30,000,000.)

The proceeds of the sales of all bonds sold under the foregoing arrangement are to be deposited in the Bank of Commerce of the City of New York, subject to the order of said second party, for the use of said general government of the United States of Mexico.

The bonds so to be issued and negotiated are to be printed in the Spanish and English languages, and in the words, figures and form, as follows :—

FORM OF BOND.

“At or before the expiration of twenty years the United States of Mexico and the states of Tamaulipas and San Luis Potosi, will pay to D. Woodhouse, or bearer, the sum of ——— dollars, (the amounts to be \$50, \$100, \$500, and \$1,000,) with seven per centum interest, payable semi-annually, on the ——— day of ———, and the ——— day of ———, (the dates to be regulated at the time of printing the bonds,) in each year, at the Bank of Commerce in the City of New York, principal and interest payable in gold. For the payment of this bond the faith of the United States of Mexico is hereby pledged. Its payment is also specially guaranteed by the pledge of \$50,000,000 in select mineral lands in the states of Tamaulipas and San Luis Potosi, of the minimum value of \$100 per acre, and by five millions of acres of select agricultural lands in the same states of the value of from \$1 to \$50 per acre ; also, by the pledge of eighty per cent. of all the federal and state revenues accruing from port duties, imposts, and taxes in the states named, aggregating at least \$3,000,000 per annum. This bond is receivable in payment of all lands and mines at the minimum prices, (\$1 per acre for agricultural lands and \$100 per acre for mineral lands,) and of all dues in any manner payable to the said general and state governments within the states of Tamaulipas and San Luis Potosi, and of duties at the ports of Tampico, Sota La Marina, Matamoras, Comargo, Mier, New Laredo,

and such others as may be hereafter established in said states.

"Dated, at San Carlos, in the state of Tamaulipas, United states of Mexico, this _____ day of _____, 1865.

Entered :

JULIAN CERDA,
Secretary."

Attest :

JOSE M. J. CARVAJAL,
Governor of Tamaulipas and San Luis Potosi, acting for said States and the United States of Mexico."

And the said second party agrees to endorse the bonds which it may negotiate whenever its endorsement is necessary to the negotiation of the same. Also to honor all orders that may be drawn against the proceeds of sales on deposit, (as above arranged,) by said General Jose M. J. Carvajal, or by the said general government of Mexico, or by its lawful agent in the United States of America, to be appointed by the said General Carvajal.

Sixth.—To give to said second party additional strength to perform all the undertakings on its part to be performed according to the foregoing stipulations, the said first parties hereby further grant, to said second party, \$20,000,000 in the bonds of said first parties, of style, conditions, purport, &c., similar to that above set forth ; in consideration of which grant, as well as of those that precede it, and of the confirmation of the same, said second party hereby binds itself to issue to the said states of Tamaulipas and San Luis Potosi, five millions of its full paid stock, that being one fourth of its original full paid capital stock, which fair valuation of its lands, added to the fair value of the lands, privileges, and bonds above granted, represent \$80,000,000.

Said party of the second part, also hereby obligates itself to advance to said first parties, from time to time, as they may require, its acceptances, payable on demand or otherwise, to the amount of \$50,000,000 or more, the drafts to be drawn in words and figures as follows :—

FORM OF DRAFT.

" SUPREME ORDERS OF THE 8th AND 12th NOVEMBER, 1864.

[JUAREZ] { " UNITED STATES OF MEXICO,
" STATE OF TAMAULIPAS,
" SAN CARLOS, JULY 4, 1865. } [LINCOLN]

"To the company known as the United States, European, and West Virginia Land and Mining Company, New York :—

"Pay to the bearer five dollars from the funds in your possession, from the sale of Mexican bonds."

Said obligation of the second party is based upon the understanding hereby agreed to, that said first parties undertake to always have their bonds as above described, in the possession of said second party, for negotiation and sale by it as above provided for, the proceeds thereof to be drawn against at the minimum rate of forty cents in gold to every one dollar in bonds.

Seventh.—Finally, it is further agreed and understood, by and between the contracting parties, as conditions absolutely essential to the validity of all the grants and privileges herein conceded by the said parties of the first part, that nothing herein contained shall ever be so construed as in any manner to impair the sovereignty or integrity of the Republic of Mexico.

That the said second party and its employees shall pay all lawful taxes and imposts levied on their property in the said republic ; that whomsoever said second party may locate on its lands and mines herein granted, shall be subject to the laws of the republic and the states thereof, and become citizens thereof, entitled to all the privileges, and submitting to and performing all the duties of such citizens ; that said party of the second part and its agents and officers shall never, under any circumstances, give aid or countenance, directly or indirectly, to any plans of revolution or secession against the constitutional government of Mexico and its free institutions ; at the same time, that the said second party shall not be responsible for the unlawful and unauthorized conduct of its employees or emigrants, nor shall such conduct work any forfeiture against said second party, unless it be proven a party thereto. Also, that all questions that may arise

under this arrangement, between the general or state governments aforesaid, and the said second party shall be adjusted by private arbitration—the arbitrators, two in number, to be chosen one by each of the parties interested, and in the event of their disagreement, the question or questions, in dispute, shall be referred to some court or justice of lawful jurisdiction in the United States of Mexico.

Witness our hands and seals hereunto affixed, on the day and year aforesaid.

JOSE M. J. CARVAJAL, [L. s.]

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

DANIEL WOODHOUSE, [L. s.]

Secretary, Superintendent, and General and Financial Agent of the United States, European, and West Virginia Land and Mining Company.

Legacion Mexicana,
En Los
E. Unidos de America.

The undersigned, Envoy Extraordinary and Minister Plenipotentiary from the United Mexican States to the government of the United States of America, do hereby certify that General J. M. de J. Carvajal, of the Mexican army, is the Governor of the State of Tamaulipas, of Mexico, appointed by the national government of the republic, and that he was authorized by his government, under date of November 12, 1864, to make contracts for the purchase of arms and munitions of war and negotiate funds under the terms and conditions and with power therein specified, and that any contract or purchase that he will make in pursuance of and in accordance to said instruction, will bind the national government of Mexico, and the public faith of the country.

Done in the City of Washington, this 7th day of June, in the year 1865.

M. ROMERO.

I certify that General Jose M. J. Carvajal, of the army of the republic of Mexico, is Governor of the States of Tamaulipas and San Luis Potosi, of the said re-

public, and that as such he has full powers to dispose of the public revenues and other resources of the said states. I also certify that he is especially empowered by the supreme order, dated Chihuahua, November 12, 1864, to contract loans and bind the public faith of the nation for their payment, and that all contracts be made celebrate in conformity with the aforesaid powers will be binding on the Mexican republic and on the states he represents, and that the signature to the foregoing contract is a genuine signature of the said General Jose M. J. Carvajal, and known to me as such.

Done and sealed at my Consulate office, in the city, county, and state of New York, this 31st day of July, in the year 1865.

[L .s.]

JUAN N. NAVARRO,

Mexican Consul General.

*United States of America, State of New York, }
City and County of New York, to wit : }*

Be it known, that on this 31st day of July, in the year 1865, at said city of New York, before me, Stephen D. Van Schaick, a notary public for the state of New York, duly commissioned and qualified, dwelling in thhe said city of New York, personally came Daniel Woodhouse, to me known to be the same person who, in an official capacity, as hereinafter mentioned, executed the foregoing instrument, and who, being by me duly sworn according to law, on his solemn oath deposes and says, that he is the duly appointed Secretary, Superintendent, and General and Financial Agent of the United States, European, and West Virginia Land and Mining Company, and he thereupon acknowledged that he, in that capacity, signed, sealed, and delivered the foregoing instrument as the authorized act and deed of said Company for the uses and purposes therein mentioned.

L.S.

In testimony whereof, I have hereunto set my hand and affixed my official seal the day and year herein mentioned.

S. D. VAN SCHAICK,

Notary Public for the State of New York.

public and that as such he has full power to dispose of
the public revenues and other resources of the said
state. I also certify that he is lawfully empowered
by the supreme power, dated 6th October, November 12
1844 to contract loans and that the public debts of the
nation for the payment and that all contracts be made
in conformity with the said laws and that the same
be binding on the Mexican Republic and on the states
the representatives and that the signature of the foreign
contract is a receipt for the said contract.

Done and signed at my Consulate office in the city
of New York, the 31st day of July
in the year 1844.

JULIAN N. NAVARRO

United States of America, State of New York,
City and County of New York.

Be it remembered, that on
the 31st day of July, in the year 1844, at said city of
New York, before me, Daniel W. Schack, a Justice of the
Peace for the State of New York, duly commissioned
and qualified according to the laws of the State of New York,
personally came Daniel W. Schack, to me known to be
the same person who is named in the said contract, and
after reading the same, he acknowledged the contents thereof, and
that he had signed the same according to law, and that he
had deposited the same in the office of the
Register of the State of New York, and that he
had acknowledged the same in the presence of
the undersigned, and that he had signed the same
as the authorized and lawful agent of said Company, in
the name and for the benefit of said Company.

In testimony whereof, I have hereunto set
my hand and affixed my official seal the
day and year therein mentioned.



D. W. SCHACK

Notary Public for the State of New York.

At the time the contract was being made, one of the chief points of discussion was the most practicable means of providing Mexico with a circulating medium upon such a basis as to secure for it confidence and credit. After careful consideration the form of the draft, as embodied in the contract, was agreed upon. The drafts, engraved and printed after the style of the United States greenbacks, and paid out by the government, will assume a place in Mexico somewhat similar to that held by the greenbacks in the United States.

Under the terms of the contract Mexico may draw upon the Company, against the proceeds of sales of bonds, for \$50,000,000, or more, as she may desire. She can take the accepted drafts and pay them out for the wants of her government of every kind and nature. After being so paid out, they will circulate as currency throughout the Republic, and being of small denominations, and payable in New York, they will, on an average, be one year in reaching the place appointed for their payment.

To meet them the Company would either have the bonds, which would be held at par, or the proceeds from the sales of them. In most cases the parties holding drafts would take bonds in payment or exchange, because they are a legal tender, at par, for all custom-house dues and internal revenues, bear seven per cent. interest, are payable in gold, and convertible into lands and mines at fixed prices. When held by a government they will pass the sovereignty of the land, at the option of the holder, provided Mexico should not be true to her obligations under the contract.

The Mexican government, in paying its debts by these drafts, would supply a convenient and safe circulating medium to the people, and by receiving its bonds in payment of its dues, realize one hundred cents on every dollar of its obligations, which it never did heretofore. In addition, it would have the use of at least \$50,000,000 per annum without charge.

It is a part of the fifth article of the contract that

○ Mexico may increase her loans hereafter, by extending the guarantees to the vacant lands and mines of the Republic generally. In disposing of her bonds, circulating her drafts, and again receiving her bonds in payment of dues, she has a perpetual source of credit which may extend to \$100,000,000 per annum, or more, and finally cause her bonds, by judicious management, to assume a place in the markets of the world surpassed by those of no other country.

It is conceded that the resources of Mexico are inexhaustible, and that her income will always be equal to the expenses of her government. With the facilities of credit afforded to her under the plan arranged in the contract, with the checks and balances provided, she never could be short of funds, as the Company would constantly be advancing to her all she required in acceptances and proceeds arising from sales of bonds.

By the financial system thus inaugurated by the Company, not only would the full value of the bonds be realized by Mexico, but a correct disbursement of the funds arising therefrom would also be secured, as a perfect check against frauds and robberies is provided.

In securing full value for her bonds, and protecting her in the proper application of the funds, Mexico would have no cause nor desire for repudiation. In the present moral status of nations, it is only in cases where little or no value has been paid, that repudiation is deemed at all tolerable; where the par value of an obligation has been received and appropriated, national insolvency alone can occasion failure of payment.

Under the grants extended to the Company for railroads, canals, telegraphs, mines, and wells, they will, at an early day, put a line of steamers in operation between New York and Brazos Santiago, and construct a railroad from the latter place to Matamoras, and from thence to Mazatlan, on the Pacific coast, with branches to the different central points, as contemplated in the contract. These improvements, with the results that will follow the large emigration of Americans into Mexico under

the auspices of the Company, will be the rapid means of opening the vast resources and commerce of that country, and of more than doubling the amount of the property at present taxable by the government.

Mexico, in her distracted condition, largely brought upon her through our secession rebellion, which encouraged the French government to make war upon her, has struggled manfully in sustaining herself, relying upon receiving aid from our government through this Company. The only object of a guarantee of the \$50,000,000 of bonds, as asked for in the petition of the President of the Company, is to place them at par at once and give to Mexico the immediate assistance she needs. She stands like a merchant under protest, with ample resources, yet too embarrassed to avail herself of them, and only needs a kindly friend to lend her credit. To such a friend she offers abundant security and protection.

In becoming this friend by endorsing the bonds, the United States have the satisfaction of knowing that the money would not be misapplied, by injudiciously handing it over in bulk to agents who might avail themselves of the nation's distraction, but appropriated to meet the honest necessities and wants of the government.

Then, too, in becoming this friend, our government would secure great and decided gains to this country, and in no event could it sustain any loss. All the trade and commerce of Mexico, rapidly increasing an hundred fold through the operations of the Company, would be diverted to the United States. Her people would become our fast friends, and through the system of developments, improvements, and emigration inaugurated by the Company, and the associations established through the friendly intercourse of commerce, such a feeling between the people of the two countries would follow as would accomplish perfect harmony, unity, and fraternity.

Dios é Libertad.

D. WOODHOUSE,

President.

