

EXECUTIVE DEPARTMENT.

Form 101.

# THE CREDIT FONCIER COMPANY,

NEW YORK OFFICE:

Room 708, No. 32 NASSAU STREET,

MUTUAL LIFE INSURANCE BUILDING.

ALBERT K. OWEN, Chairman.

DAVITT D. CHIDESTER, Secretary.

JOHN W. LOVELL, Treasurer.

IGNACIO POMBO, Representative, Mexico City.

*New York, March 16th, 1887.*

To the Stockholders of the Credit Foncier Company:

Doubtless you have read within the past four weeks statements which have been published in the newspapers in reference to the situation of affairs at the colony at Sinaloa. A minimum of fact has been the foundation for a maximum of exaggeration. To this have been added falsehoods of the most malignant character, inspired by the disappointed ambition of a few malcontents, who, failing to secure the advantages which they had hoped for, sought to cause the disruption of the colony, the first organized to practically illustrate the principles of integral co-operation.

Statements have been telegraphed over the country that sixty people at the colony were ill with the smallpox, and that a dozen had died from the contagion; that measles and diphtheria were epidemic; that one child who had died had been thrown into the bay to be eaten by sharks; that fresh water could not be had within a distance of thirty-five miles from Topolobampo Bay; that the colonists were on the verge of starvation; that the company had no title to the lands that they claim; that the soil was worthless for agricultural purposes; that nearly all the colonists were awaiting the opportunity or the means to leave and to return to their homes in the States; that they suffered from the intense heat of the day only to be chilled by the coldness of the air at night. These and many other distressing accounts, only equalled by the fertility of their authors for mendacious invention, have been presented as the true condition of affairs at Topolobampo. This is the general purport of what has been said, and will suffice for an introduction.

The first published statement of this character came from a crank named Nichols and was printed the 1st of February in the San Francisco *Chronicle*. The substance of the article was telegraphed to the *Times* and *World* of this city, and it has been reprinted in many other papers elsewhere. But there accompanied Nichols from Topolobampo, Mr. O. A. Carr, of Seattle, Washington Territory; Mr. Townsend, of South Haven, Mich., and a Mr. Richards, and their published statement gave the lie direct to every important assertion that Nichols had made, and since that date he has not been heard of. As to Nichols himself, his history is briefly told. He is one of a class of seedy, longhaired geniuses, who imagine that they have a mission in connection with movements to "save the world," but always with a mental reservation that they are to live at the expense of the saved. He was a frequent visitor at the office of the Company last year, but his character was quickly "sized" by Mr. Owen and others, who gave him to understand that he was not wanted at the colony, and that if he went he would be disappointed. But he was able, probably by borrowing money, to reach Topolobampo, and he remained there two weeks living on the colony, and during that time did one half day's work. That was too much for the constitution of a professional reformer to bear, and he took the first opportunity to depart for San Francisco, where he succeeded, probably, in getting a free pass to New York, through the influence of the *Chronicle*, as a recompense for the statements which were the foundation of the sensational article that that enterprising journal gave to the world.

The next who disseminated the startling news was a man named Fletcher, from Maine, who ventilated his spite in a Portland paper. The moment Fletcher arrived at the colony, he attempted to take a leading position in its affairs, but found that genius of his order was not appreciated at his estimate of its worth, and he subsided as a private into the ranks of the squad of growlers. But his influence was small in comparison with those of two men, Hawkins and Eaton, who had come on at the same time. They had, with others, been appointed Directors by Mr. Owen, provisionally, until an election could be had by the colonists. With Hawkins, at least, we have every reason now to believe that his joining the colony was only to promote a scheme, first by indirect and then

by direct means, to obtain control of the movement for his own purposes, and in which he secured the active support of a few who were disaffected either of their own motion or who had become so through his influence on their way thither.

Having made this general statement, we proceed to give facts furnished by colonists at Sinaloa in justification. And first a general statement signed by all the adult members, except the score or so who found it convenient to leave when thwarted in their purposes. It is dated February 1, and is as follows:

*To A. K. Owen, and to all whom it may concern:*

We the undersigned members of the Credit Foncier Company having been informed that sundry reports have been put in circulation in writing and otherwise to the effect that the colony is in destitute circumstances and in danger of want, unless sustenance is immediately furnished; that the company has no title to any lands in Mexico; no houses nor material to construct them, beg leave to state that this is not true, but is evidently calculated to defeat the colony and injure its promoters.

After several weeks experience on the ground, we submit the following statement:

We came to Mexico relying upon the published reports of Mr. Owen and others as to the climate, people, soil and other advantages offered by the country, and the franchises and concessions by the Government and railroad company, and we are satisfied that all of the statements were made in good faith and are fully sustained by the facts as we find them. That while we are embarrassed to some extent in pushing the great enterprise that we have in hand, for the lack of tools, implements, and ready means, there is, and has been, no such thing as destitution or want within the colony, nor danger of any, nor do we see any reason to apprehend anything of the kind in the future; that the lands of the Company are well located, and lie suitable for irrigation, and appear capable of producing all kinds of crops the year round, and that one crop can be raised without irrigation, during the rainy season; that in the opinion of experienced irrigators a ditch sufficient to irrigate 35,000 acres of the Mochis lands can be constructed at a cost of one dollar per acre.

That the railroad now contracted to be built by the Company can be constructed at very slight expense for grading; that stone for building purposes is plenty, and brick of good quality, can be burned very cheaply; grind stone and granite rock may be had within twenty miles and along the line of the railway, and we have every reason to believe that gold and silver mines of great richness may be opened within a short distance. Hard wood of various kinds and great beauty and fuel in plenty abound, except pine lumber for building purposes, which cannot be had within a distance of less than one hundred to one hundred and fifty miles, until a saw mill is erected.

That we fully indorse and corroborate all that was said concerning the harbor of Topolobampo and the city site thereon in the report published in No. 24, of the Credit Foncier, January 4, 1887.

We see no reason for discontent or doubting the entire success of the colony, but on the contrary we believe the opportunities are brighter than ever represented.

That our confidence in the ability, integrity and eminent capacity of our leader, A. K. Owen, is not only unshaken, but increases the more we know him and see his work.

That we steadily adhere to the principles of our organization so ably represented in him, and will at all times to the best of our ability sustain him in the great work in which he is engaged, earnestly desiring his early return, and trust that he may bring with him Mr. and Mrs. Howland and the Credit Foncier newspaper.

SUFRAGIO, February 1, 1887.

BENJAMIN WOODRUFF, Secretary.

John Clendening, Ellen Clendening, Annie Oliver, S. A. Merrill, Fred Rambaud, F. M. Bolin, Preston Fry, C. E. Shafer, Mary E. Shafer, Isaac B. Rumford, George A. Garrett, William H. Langham, John Friel, J. H. Foster, Jr. [objected to the first paragraph], Benj. Woodruff, Emma Woodruff, Tamzin Rickabaugh, Miss A. L. Norris, Geo. W. Lawrence, Mrs. G. W. Lawrence, J. L. Rickabaugh, Stephen R. Pratt, Thomas R. Jones, H. R. Robinson, C. H. Metcalf, Willis A. Fry, Elmer B. Hosford, John H. Lutton, L. T. Doyle, T. W. Doyle, Lewis Crook, W. A. Sannon, A. Haskell, Robert Cumming, E. W. Cochran, W. H. Mallott, Wm. Livesy, O. C. Witrous, A. Kendrick, J. E. Graham, Willie J. A. Rumford, J. G. Dawkins, Sara Rumford, A. E. Bolin, C. C. Salado, J. P. Boswell, Jane M. Boswell, Charles Asp, Stephen Young, Thomas Mitchel, William Rodger, Harry Warrington, John Baumann, Ida Hoagland, Lizzie L. Grasse, Hannah M. Latton, Mrs. M. Youngbury, Anna W. Allen, M. G. Desmond, Stephen Spencer, Lillard M. Roberts, J. M. Louderbach, O. C. Smith, Hans Madsen, C. D. Read, Morris Free, Daily Walker, Annie Walker, W. A. Keyes, Vinnie Desmond, C. J. Shepardson, J. F. Dow, A. M. Reade, E. L. Reade, W. A. Graves, E. J. Schellhouse, N. Haskell. (All right except cost of ditch, which will be more than above estimate) L. A. Gould.

(Letters received from Mr. Burt Pussey and others state that four copies of the above statement have been made and sent to each of the camps, and would be signed by every member except the malcontents, who have since left. These will, no doubt, be received here later; but we think it advisable not to delay this letter for them, though we would like to have printed all the names which have been signed. The telegram from the four directors, Messrs. Owen, Chidester, Peet and Schellhouse, dated March 7, shows, however, that 410 persons are united in the above expressed sentiments.)

To this general statement we add the testimony of individuals contained in private letters.

On February 3, Mr. Stephen Young writes to Mrs. Howland from Libertad, another one of the settlements of the colony on the Fuerte River, as follows:

"Mr. Hawkins has shown himself to be decidedly opposed to A. K. Owen and yourself. Since his boy died, he came here from the Bay [Topolobampo], and threw a very wet blanket over the whole enterprise by

saying the country is not healthy. His statement was based on the fact that some four had died at the Bay with smallpox, and one with something else. That the pipe line [from the Fuerte River to the Bay to supply water] would cost some three hundred thousand dollars; that the wet season would come before we were prepared for it, etc., etc. Mr. Eaton is very much with him. Mr. Hawkins said he would start for New York the next morning, and he would be able to do more for us there than can be done here. He was asked to state his method, if he considered it proper, but he declined. Before I wrote to you last, I heard Mr. Hawkins speak disparagingly of you, but thought I would not mention it. Others heard him speaking in the same vein of Mr. Owen. It so happened that Dr. Schellhouse was present at the close of Mr. Hawkins' talk, and took a diametrically opposite course. Mr. Hawkins had spoken of their great sacrifices in uniting with the movement, while Dr. Schellhouse declared that it would cost him a great sacrifice to remain out. \* \* \* A paper was got up under the auspices of Eaton and Co., which Mr. Hawkins was to submit to Mr. Owen as the sense of people here, and now a counter statement has been drawn up, which expresses the sentiments of a great majority of us. Some imagine that Mr. Hawkins has an eye to the main chance on the railroad question."

On February 4 Dr. J. M. Scally, who accompanied Messrs. Hawkins and Eaton to the colony, writes from Topolobampo to Senor Aurelio Sandoval, the agent of the Credit Foncier Company at Guaymas, Sonora, as follows:

"As very important developments appertaining to our colony have been brought to light in the last few days, so important as to make it an actual necessity for Mr. Owen to know about it, and also to put you on your guard in conducting our business that no undue advantages may be taken of us, I write you. Before we arrived here I thought, from what we could get from Mr. Hawkins, our director and attorney, that he was antagonistic to the interests of the colony, and when we arrived on the shore at the Straits of Joshua [Topolobampo] I hastened to tell Director Schellhouse of my suspicions, which I know was timely, and has been the means of some good, at least in the interests of the colony. Since our arrival Director Hawkins has been sowing the seeds of dissension among the colonists in every way he could, getting, or trying to get, all against Mr. Owen and Mrs. Howland and the colony's prospects; and we have also good reason to believe that he has made every effort that he could to prejudice the Mexican officials here against them. We are credibly informed that he has threatened to shoot Mr. Owen on first sight. We think he is a most unscrupulous rascal, and that his only motive in coming here was to do the colony all the injury he could. He packed up his things just at dark about ten days ago, and, with his family, horses and mules, said he was going to Saragossa on a visit, but told others confidentially that he was going home to the States; that Mr. Owen and Mrs. Howland were frauds and failures, and he condemned the country here generally. He afterwards visited our upper camp, and at a public meeting expressed the same sentiments, and stated that he was going to New York to fix things, seeing that the colony was a failure, etc. We, nineteen-twentieths of the colony, are against him and firmly attached to Mr. Owen and Mrs. Howland, and also to Sinaloa, Mexico, and the Mexican people. We are well pleased in every way, have plenty to eat, and never think of a failure. In a word, we have come here to make ourselves useful to humanity generally and especially to Mexico, for we now are Mexicans, and look to her great people for sympathy. Please say to Mr. Owen as early as you can, and let him know all I say and who says it, and he will know that every word is true. If he wishes to have what I write used publicly, either in Mexico or the United States, he can do so. We are all united and in peace in this camp, and nearly so in the other one."

February 5, Mr. S. R. Pratt, in charge of the commissariat, writes from Sufragio, one of the settlements of the colony on the Fuerte river, as follows:

"Hawkins took his little papers and started to join his wife at Saragossa, whence he said he should hurry to New York. \* \* \* Things are going as well as could be expected at the farm. We have just put down a first-class well and have three or four feet of excellent water. A pug mill has been erected and we are making brick as fast as possible for use at the farm and here. The vats for boiling sugar are being plastered. The machinery is well along and all will be ready in time. *Oronte* has not commenced cutting cane yet, but *Sacarry* tells me we shall have ample time."

On February 10, Mr. J. Byrnes writes from Topolobampo to Mr. Owen, as follows:

"As there has been so much transpiring here of late of such an unusual character, I thought it would be well to put you in possession of some of the facts so that you would not be taken by surprise on your arrival here. Director Hawkins was in Saragossa the last heard of him three days ago, but intending to go to New York, as he said, to fix things. But when questioned how, he refused to answer, but said he had more influence with the Mexican Government than all the Credit Foncier Company; yet I think mescal [a Mexican liquor] it was that spoke, as he has been full of it ever since he came here. He has been doing all he could to break up the colony since he arrived, as also has Director Eaton, and that sham, Turner. They refused to turn over the money belonging to the Credit Foncier Company until we were forced in self-respect and in self-defense to demand of them a settlement, and I hear to-day that they have yielded, after abusing you and Mrs. Howland in particular, and the Credit Foncier Company in general. They have got up a paper, and Eaton with about ten others have signed it, to the effect that you were a liar and swindler; that we have no land here; that there is nothing to build houses out of, and that we are in a starving condition. That paper Hawkins is going to circulate in the States if possible to kill the company. But it would have done your heart good to see with what unanimity the colonists have

stood by you. We told Turner we would do so and work out this scheme on your plan if every director you had appointed turned against us, or else we would die right here on this ground, and nineteen out of twenty will do it, too. We are for you first, last and for all time. \* \* \* All the small-pox patients will leave the hospital in two days more. No new cases have shown themselves for two weeks. \* \* \* General good health now prevails here. Be careful of contracting the small-pox at Guaymas or on the road. The last cases took it on the cars. \* \* \* We have a stone kitchen and dining-room nearly ready to cover. I think they will be ready by the time you get here. \* \* \* We need some No. 16 galvanized iron to make pipe for testing artesian wells. If we had enough to make about 150 feet of 4-inch pipe I know we could soon settle the question as to water for present use on the Mochis lands [near Topolobampo]. I think we ought to clear and put in a crop of at least 500 acres for our sustenance, that is, put it in at the rainy season. If we can raise enough to eat we are sure of success here."

February 15 Mr. Byrnes adds a postscript: "All well at present writing. Anxiously waiting for you to come. No smallpox now. All convalescing finely."

On February 10, Mr. S. R. Pratt again writes from Sufragio to Mr. Owen, as follows:

"Hawkins is said to be at Saragossa, waiting for a chance to start back to New York, and is said to have several hundred dollars of the money collected at Guaymas from those that came with him and Eaton. Mr. Eaton is doing the cause much damage. Turner is a mischief maker, and has left. A committee is said to have waited on him. Had not your telegram arrived when it did, I fear Eaton would have been invited to leave. I have tried to keep things as quiet as possible and prevent harsh or rash movements. I tell you that responsibility tames me. If it were not for my position I should be as radical as any of them. All are well on the River [Fuerte]."

On the 12th Mr. Pratt again writes from Sufragio:

"I hear that Hawkins is still at Saragossa, waiting for a vessel to go to Guaymas. We have compelled those at Vegaton [another settlement of the colony] to pass over a portion of money collected at Guaymas, held by them, to Mr. Cummings, who was appointed by Mr. Young his deputy on the River, \$260. How much Hawkins got away with I do not know; he failed to give receipts in some instances, it is said. A little cheeky to carry away in the same pocket money belonging to the colony and also Eaton's paper alleging that we were on the verge of starvation if immediate succor is not furnished. We have good health now in camp."

On the 15th of February Mr. Pratt again writes to Mr. Owen as follows:

"Eaton and his party, numbering, women, children and all, twenty-four, left in the night, between the 13th and 14th. They went, I think, to Saragossa, where Hawkins and Turner had preceded them. I believe they are hastening to take a boat out of the country, although there are rumors that they have purchased land and are to found a new colony. I would not believe Eaton, Hawkins or Turner under oath, and I have to form my opinions entirely independent of what they say. Hawkins collected some money in the name of the company in Guaymas, and is supposed to have got away with several hundred dollars of it, and in the same pocket probably carried off the paper which Eaton drew up stating there is no material in the country out of which houses can be constructed, and other lies."

On the 16th of February, Mr. Thomas Young writes from Topolobampo as follows:

"The first break in the ranks of the Credit Foncier directorate has been made by Louis H. Hawkins, of the third department, and William F. Eaton, of the fifth. I stated some time ago that both these men came here in bad temper and abused everything, and feeling ran high. Before they had been here twenty-four hours they declared Mr. Owen to be a fraud and the whole scheme a magnificent failure. The following day they found the city site and the Mochis Ranch, and took a look at the Fuerte river, and came back and sang its praises. Finally, Mr. Eaton went up the river to Vegaton to carry out the instructions of Mr. Owen. Mr. Hawkins remained at the bay, engaging himself in such work as directing the small Mexican camp we have here, drinking mescal and such other things as fell in his way, making himself odious by getting up a family row, when, by misrepresentation, he got away to Saragossa, and the last heard of him he was at Vegaton, which place he left with a paper in his pocket, drawn up by Mr. Eaton and signed by his whole family, declaring that the whole colony was suffering from a famine; that we had no land in Mexico; that Mr. Owen was a fraud and the whole colony bubble had burst. This was signed by six or seven others. At last Hawkins was followed by Eaton and about thirty others, who left between two days—at 2 o'clock in the morning—for parts unknown. Should their whereabouts become known, please note that Hawkins, when last heard from, had about \$600 of the colonists' money in his pocket, which would have gone far to relieve the famine (!) alluded to in the documents I have referred to. \* \* \* We the colonists are united and in earnest and have no time to act as the tools of any self-interested director who may have come here with a big head on him, and are able to hold our own until the return of Mr. Owen, on the 25th of this month."

In February, Mr. W. J. Leavy writes from Sufragio as follows:

"Look out for derogatory news concerning the colony, as I presume you will have plenty of it. Director Hawkins came here and his boy died, after which he was every day drunk on mescal. He became disgusted and left. Before doing so, however, he drew up a paper to the effect that the enterprise was a failure and a

compensation for his services. He was urgent in his importunities to go to the colony. He was a lawyer, and not a man fitted for the trials of a pioneer's life, and he was left in charge of the Company's affairs at the office in this city when Mr. Owen departed for the colony. It was an unfortunate assignment of duty, for it resulted in constant turmoil and discord from the day he assumed the charge. When he learned that Mr. Owen was about to return to this city, after endeavoring to prejudice the officials of the railroad company whose interests are connected with those of the colony, he took his departure for Topolobampo, and with seventy others left Guaymas and reached the bay. During his journey, it seems from the letter of Dr. Scally, he was causing disaffection among those with whom he was traveling. Arriving at Topolobampo, he continued his intrigues, actively aided by Eaton, Turner and Fletcher, over whom he had gained an ascendancy, in the hope to oust Mr. Owen, and those who co-operated with him from the direction. As the effort resulted in entire failure, and learning that Mr. Owen was about to leave New York for the colony, Hawkins concluded that it was best to leave, and with his dozen followers, accompanied by their wives and children, left secretly by night, and they are doubtless now in the States, preparing to tell harrowing tales of suffering. Indeed, since we began the preparation of this statement the first installment has appeared, being a telegraphic letter from Nogales, Arizona, printed in the *Globe-Democrat* of St. Louis, and reprinted, in part, in the *New York Tribune* and other papers, as follows: It contains more falsehoods than we even had been prepared to expect, but we print it in full to show what desperate attempts will be made to injure our movement:

"NOGALES, A. T., March 3.—The train from Sonora this morning brought up a large number of the Topolobampo colonists. This party had only gone down as far as Guaymas, and there meeting some of the victims of the scheme, decided to return. They had the money to pay return fare. Their account of the condition of the Topolobampo colonists, while in many respects showing a humorous phase, has with it a dark side that is sufficiently ample to shade the sunside of mirth.

"The reporter had an interview with several members of the returning party, among them a bright middle-aged man from Chicago, Dr. Steele from Michigan, and W. G. Moore, of Buffalo, N. Y. The latter gentleman seems the least excited, and took his medicine good-naturedly, being happy in the thought that his people had responded to his telegram and forwarded him a through ticket home. He is, of course, the centre of interest to reporters. While taking breakfast with the reporter, he painted a word picture of the condition of the colonists that ought certainly to brand Col. Owen as a schemer. His story is this:

"The people at Topolobampo Bay are on a dry desert, with no fresh water within forty miles. Many of them have nothing to eat, and the returning victims state that it is no uncommon thing to see women with their children sitting on the rocks crying and imploring the Almighty to protect them from starvation.

"A large number of the discouraged colonists undertook to walk to the railroad, and many have been murdered by marauders and their little all taken from them. Some two weeks ago a party of colonists, in a little schooner, only forty feet in length, started for Guaymas, after having footed fifty miles to reach the coast, and in two days encountered a terrible gale. The little Mexican steamer *Altata* rescued the passengers of the little schooner and took all the women, children and some of the men on board and took them to Guaymas. Some of the men on board of the schooner, thirteen in all, were left to look after the baggage and they have not yet turned up, although they have been on the water for more than two weeks since the arrival at Guaymas of the *Altata*. It is now conceded that the little schooner and all on board are lost, as the sea has for several days been very rough. The vigor of the waves has even penetrated with great fury Guaymas Bay. The city of Guaymas is flooded with indigent families, and, to make matters worse, many of the families are those the heads of whom were lost on the ill-fated schooner.

"The informant cited to the reporter the case of one poor old German woman with nine children, the youngest being less than twelve years of age. Her husband was on the lost schooner, and she arrived in Guaymas without a cent. Although what few Americans there are in Guaymas are each day giving her money, rooms and other necessaries of life, she sits all day on the shore of the bay weeping, but still hopeful that the little schooner will bring her husband to her.

"Tales of woe similar to this are common in connection with this Topolobampo scheme. What makes it so hard with these unfortunate people is the fact that in the city of Guaymas there are few Americans, and charity is taxing them to death. To illustrate, one man who keeps a grocery and saloon near the depot pays out in cash to Topolobampo victims more than double the amount of his income. The victims have tried to get work to supply themselves with their daily bread, but as the place is an old-fashioned Mexican town there is no demand for labor.

"A few days ago Colonel Owen, the originator of the Topolobampo scheme, passed through here, presumably en route to the Bay of Topolobampo. While at Guaymas he met a large number of the destitute colonists, and when appealed to positively refused to call upon the indigent families. Colonel Hawkins, of Minnesota, who was the attorney for the colony, is now in Guaymas, en route to his home in the United States loaded with an immense amount of disgust, and his breast contains a vast amount of startling eloquence.

"To make matters worse, small-pox has killed off a number of the colonists, and now diphtheria is raging to a frightful extent in the families. Another large party will pass through here from Guaymas to-morrow.

swindle, and he succeeded in getting a few discontented parties to sign it, and will no doubt spread it far and near. I think the Credit Foncier Company can find a more competent man to discharge the duties of attorney than Mr. Hawkins. A meeting was called at the Bay [Topolobampo], and a memorial was drawn up and signed by us all and given to Dr. Schellhouse, which will be forwarded to New York, and perhaps published in the Credit Foncier paper. Mr. Eaton's crowd, too, were talking of getting up an indignation meeting against Mr. Owen."

On February 26 Mr. Edward Lovell, of this city, en route for the colony, writes from Guaymas as follows:

"There is a good deal of trouble, of which, I presume, Mr. Owen has written you the particulars. Of the thirteen would-be colonists that came ahead of us, there is not one that has not been so frightened by the twenty-one who have just returned with Hawkins, Turner and Eaton that they have all decided to return to their homes, and I think it the best thing they can do, for a poorer set of men would be hard to find. I will write you immediately from the Bay, and give you as clear an idea of the present prospects as I can. \* \* \* Small-pox is entirely out of the colony, as I learn from letters received, and there are but few cases here [Guaymas]."

On February 26 Mr. Owen, the founder of the colony, writes from Guaymas en route for Topolobampo as follows:

"The state of affairs is interesting in the extreme. Hawkins, Eaton, Turner and others, in all twenty-one, landed here the day before yesterday in the steamer *Altata*, and there are eleven more men in a sloop drifting in the Gulf of California. They sailed some five days before from the mouth of the Fuerte river, and Captain Robinson of the *Altata* says they would have certainly perished if he had not picked them up. The captain towed the sloop until the head wind was so great as to break the fastenings, and the sloop was left to sail on her voyage. You may imagine the uproar this new feature in our new departure creates, and it will be given to the press with steam at high pressure as soon as the deserters can get to the United States. \* \* \* We will come up in our own good time without a blemish, and will go forward with a steady hand to overcome the obstacles we may encounter in our new life. I am glad that the test of the strength of our principles and of our location at Topolobampo has come as it has, and at this time. My word for it, we are more than equal for everything. Most of those who came here with us to go to Topolobampo have become pale with fright, and will turn north to-day, with thankful hearts that they have escaped the small-pox and the inevitable death and shark-feeding which would have been their lot had not those good spirits, Hawkins, Eaton and Turner—three in one and one in three—not warned them! \* \* \* We will try and start to-day for Topolobampo, and you will have a good report inside of a week after we have reached our landing. I can see how things are from afar, and I have no fear but that there will be a healthy reaction in our affairs, now that every one is not compelled to carry pistols and to watch their characters and articles in general."

On the same day Mr. Owen again writes to another of us as follows:

"Under no conditions permit Mr. Hawkins or Mr. Eaton to enter the gates of our office. In virtue of my power as chairman and acting by the authority vested in me by the Board of Directors, I relieve Directors Hawkins and Eaton of their duty, and charge them with conspiracy against the Credit Foncier Company."

While preparing the foregoing statement, we received a telegram signed by the four Directors now at the colony, which had been forwarded by a courier to Fuerte, the nearest telegraphic station, to be wired to this city. It is in the words following:

**"No sickness, plenty provisions, four hundred and ten persons united, happy. Thirty deserted; peace followed."**

OWEN, CHIDESTER, PEET, SCHELLHOUSE.

As the resident Directors of the Company in the East, we think we can safely leave the question of veracity as between Nichols, Hawkins, Turner and Eaton on the one hand, and the earnest, practical people who constitute the great body of the colonists on the other, to the dispassionate judgment of every stockholder or to any disinterested person. Of the four hundred and forty colonists on the domain of the Company, thirty only have left, and they from the most ignominious motive, a failure to secure the control of its affairs as against those who had conceived the grand project, had organized the Company and had secured from the Government of Mexico the concessions needed to enable them to inaugurate a movement in practical co-operation under the most favorable auspices. Nichols is not worth considering. Hawkins, in our opinion—based upon undoubted information—is first an intriguer and, failing in his purposes, is a marplot. He did so far inspire Mr. Owen with confidence in him as to lead to his appointment as a Director. He is the only one of the board who has either asked or received