Legation of the United States of America,
Mexico, January 14, 1846.

Lieutenant White, of the Somers, arrived here on the 12th instant with your despatches, of the 17th ultimo. I had the honor of addressing you on the 27th and 29th ultimo by the Porpoise. I forward with this duplicate of my despatch of 10th instant, relating to the disputed payment of instalments of indemnity due 30th April and 30th July, 1844.

The contest between the military and the government terminated as I had expected. On the night of the 29th December the greater portion of the troops in garrison here "pronounced" in favor of the revolutionists; one regiment only, that stationed in the palace, preserved a semblance of fidelity, but it was well known that many of its officers were disaffected, and on the following day General Herrera, satisfied that he could make no effectual resistance, resigned the Presidency. The ringing of bells and firing of cannon announced the success of the revolutionists and the overthrow of the government. When it is recollected that the civil authorities throughout the country, with the single exception of St. Luis de Potosi, were opposed to the movement of Paredes; that most of them had made loud protestations of their intention to resist it at all hazards; that both branches of Congress had unanimously declared their abhorrence of his treachery, and denounced his "plan" as an undisguised military despotism; and that, after all this war of manifestoes and resolutions, not a shot has been fired in defence of constitutional government, you may form some idea

On the resignation of Herrera, General Valencia, one of the revolutionists, who, as president of the council of government, by the then existing constitution, became President ad interim of the republic, assumed to act in that capacity

He invited Paredes to a conference in the city, which was declined. In the meantime the troops here, whom he had instigated to revolt, declared their preference for Paredes. He, then, with Almonte, Torrel, and other leaders of the revolution, proceeded to the headquarters of Paredes, where they were given by him to understand
that, having the army in his favor, he intended to organize a new government in his own way.

On the 2d January Paredes entered the capital with his troops, those already stationed here joining his triumphal march. On the same day, a junta of military officers, convened by him, met and established a plan of provisional government, to be administered by a President elected by a body composed of two notables from each department. These notables, nominated by Paredes, met on the following evening, and, as you may readily imagine, unanimously elected him President, and, on the 4th instant, he took the oath of office. By the plan of the junta of officers, a constituent Congress was to be convened, with unlimited powers, for the establishment of a new government, the mode of election to be announced within eight days. Before the expiration of the eight days, the President issued a proclamation, stating that the details of the organization of the constituent Congress could not be prepared within the limited period, but that they would be promulgated as soon as possible. The proclamation is filled with protests of liberal principles, and of the determination of its author to retire from public affairs so soon as the organization of the new government will permit him to do so. The papers which I have sent you present the details, into which I do not consider it necessary to enter, because no safe inference can be drawn, from any of the published declarations of Paredes, as to his real intentions. He had given the most earnest assurances of his fidelity to Herrera, and, after he raised the standard of revolt, had repeatedly, and in the most solemn manner, declared his fixed intention not to occupy any place in the government; but all his movements indicate that his purpose, for several months past, has been to place himself at the head of affairs without control or limitation. He had successfully cajoled the leaders of the revolution into an opposite belief, and now finds himself strong enough, for the moment at least, to act without them. They looked upon him as an instrument, and find him a master. It is thought by many of the best informed persons here, that the revolution was gotten up chiefly by the friends of Santa Anna, who are still numerous and influential, and that, had they not been outwitted by Paredes, the way would soon have been prepared for his return from exile and restoration to power.

Paredes has formed a cabinet composed of General Almonte, as Minister of War; Messrs. Castillo y Lanzas, of Foreign Relations; Parres, of Hacienda, and Becerra, of Justice, &c. With the exception of Almonte, they have not hitherto occupied any very prominent position in public affairs. Mr. Castillo y Lanzas was, some years since, chargé d'affaires at Washington. He is an intelligent and well educated gentleman, and were he permitted to exercise any control, would, as I have reason to know from free conversations with him at a time when he had no idea of being appointed to his present place, be decidedly favorable to an amicable adjustment of all questions pending between the two governments.
I will not hazard any conjecture as to the probable duration of the power of Paredes. In his recent movements he has manifested tact and energy. While exercising dictatorial power, he has abstained from all ostentatious display—he has not established himself in the national palace, where the Presidents have always resided—he moves about unattended.

The civil authorities throughout the country have generally acquiesced in the new state of things, but they will be prepared to throw off the yoke, if they can secure the co-operation of a portion of the troops. Arista, who commands on the frontier of Texas, is the only general now openly opposed to Paredes. His command has been transferred to General de la Vega.

But the greatest difficulty with which Paredes has to contend is in the state of the finances. Indeed, I do not see where means can possibly be found to carry on the government. The annual expense of the army alone exceeds twenty-one millions of dollars, while the entire net revenue is not more than ten to twelve millions. The amount of the public debt cannot be ascertained with any degree of precision; but it does not fall much, if at all, short of one hundred and fifty millions. On a small portion of it partial payments of interest are occasionally made; for the balance no provision whatever is thought of. The best index of the state of Mexican credit is the price of a class of securities, on which the interest, at the rate of 6 per cent. per annum, had until recently been paid with some degree of regularity, and for which a part of the import duties, supposed to be sufficient, had been specially hypothecated. They are now nominally at 25 per cent., but if offered in any quantity would not command 20 cents on the dollar. While there is a prospect of war with the United States, no capitalist will loan money at any rate, however onerous. Every branch of the revenue is already pledged in advance. The troops must be paid or they will revolt, and any attempt to reduce the military establishment would probably be attended with the same result.

You will be surprised at the prolongation of my stay in the capital. During the progress of the revolution the roads were infested by robbers, and scarcely a diligence passed on that to Vera Cruz without being plundered. Immediately after the entry of Paredes, I applied verbally, through our consul, to the commandant general for an escort to Jalapa, but was informed that there were no disposable troops on the road. Mr. Castillo took possession of the department of foreign affairs on the 6th instant, when Mr. Black, at my request, addressed him a written application for an escort. Mr. Castillo, on the 8th instant, replied that public order not having been yet completely restored, the force necessary for the escort could not be spared, but that it would be given when the state of political affairs would permit it, of which the consul should have timely notice. I send copies of these notes, (Nos. 1 and 2.) Nothing has since been heard on this subject. I shall not be surprised to receive, in a day or two, notice of the escort being at my disposition. When received, I shall proceed,
without delay, to Jalapa. If there be any disposition on the part of those now in power to reconsider the decision of their predecessors, I feel satisfied that my absence from the capital will tend rather to accelerate than to retard its manifestation. I learn from good authority that my notes to Mr. Peña y Peña have been submitted to the council of government, but have not yet been considered.

I send the letter of Mr. Peña y Peña, addressed to you, which, being sealed, I declined forwarding until furnished with a copy. I have taken the liberty of breaking the seal. You will find the letter to be a brief summary of his note to me of 20th December.

P. S.—15th January. Mr. Black has received from Mr. Castillo notice that an escort will be furnished when required by me. I shall leave on the 17th instant, accompanied by Mr. Parrott.