

## COSTA RICA

### RECOGNITION OF THE GOVERNMENT OF COSTA RICA BY THE UNITED STATES

818.00/971 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, May 9, 1920—9 a.m.

[Received May 10—11:20 a.m.]

18. The inauguration of yesterday was well conducted and the Costa Rican Government is now well established. The President's inaugural address contained many good recommendations. If it is desirable a summary will be sent at once by cable, otherwise by mail. He spoke of the desire to maintain intact the friendly relations which happily existed between the Costa Ricans and the United States of America and in addition he stated, translated from the Spanish,

“Now that the commotion of restoration has ended and the country has returned to peace and calm the occasion is propitious to render the homage of frank sympathy and gratitude to the very excellent Mr. President Wilson, who placed his inflexible will on the side of our people, in defense of right and law, refusing his consent to the acts committed, which gave great encouragement to the work of popular recovery; to the American Consul Mr. Benjamin F. Chase, who seconded the purposes of his Government with incomparable serenity and decision.”

No other foreign government officer was mentioned.

Provisional President Aguilar seems to have fulfilled the condition of Department's telegram 30th of August last.<sup>1</sup>

CHASE

---

818.00/983

*The Consul at San José (Chase) to the Secretary of State*

No. 779

SAN JOSÉ, May 14, 1920.

[Received May 24.]

SIR: I have the honor to transmit herewith for delivery a sealed envelope addressed to The Honorable The Secretary of State, which was handed to me this morning by the Under Secretary of State for

---

<sup>1</sup> *Foreign Relations*, 1919, vol. I, p. 857.

Foreign Affairs of Costa Rica for such purpose and which he said contained an autographic letter from His Excellency Julio Acosta, President of Costa Rica, to His Excellency Woodrow Wilson, President of the United States.

I have [etc.]

BENJAMIN F. CHASE

[Enclosure—Translation <sup>2</sup>]

*President Acosta to President Wilson*

GREAT AND GOOD FRIEND: I have the honor to make known to Your Excellency that by the vote of my fellow citizens I have been called to exercise the duties of the Presidency of the Republic for the term of four years commencing to-day, when I assumed this high office. In the fulfillment of the duties of the First Magistracy of the State, I shall be pleased to promote and strengthen the friendly relations which happily exist between Costa Rica and the United States of America.

It is with pleasure that I avail myself of this occasion to present to Your Excellency my sentiments of cordial affection.

I am Your Excellency's Great and Good Friend,

JULIO ACOSTA

*The Secretary of State for Foreign Relations,*

ALEJANDRO ALVARADO QUIRÓS

SAN JOSÉ, May 8, 1920.

818.00/991a : Telegram

*The Secretary of State to the Consul at San José (Chase)*

WASHINGTON, August 2, 1920—noon.

16. The President has issued instructions to recognize the present Government of Costa Rica. You are therefore directed to communicate this fact to the Minister for Foreign Affairs and to be governed accordingly.

COLBY

818.00/999

*The Consul at San José (Chase) to the Secretary of State*

No. 823

SAN JOSÉ, August 6, 1920.

[Received August 17.]

SIR: I have the honor to acknowledge the receipt early on the morning of August 3rd of the Department's cable advising that recognition of the present Government of Costa Rica had been directed by the President.

<sup>2</sup> Translation supplied by the editor.

Immediately upon receipt of the cable an appointment was made with the Minister of Foreign Affairs and the information conveyed to him. A few minutes later the Minister of Foreign Affairs, the Under Secretary, the Protocol and the writer went to the President's residence and told him. In a few minutes it was advised by the President to the Banks and others. There was great rejoicing and the newspapers gave the notice much prominence. It counteracted the effect produced by the British notice of recognition to a large extent. That was considered as a direct result of the British representations on the Amory Oil concession and the notes held by The Royal Bank of Canada.<sup>3</sup> The press is very bitter in arraiguing Great Britain on the latter.

Herewith is enclosed an extract from *La Gaceta* of August 4th,<sup>4</sup> giving the text of my note, in translation into Spanish and of the reply. My note in English was:

"San Jose, Costa Rica, August 3, 1920.

His Excellency

Alejandro Alvarado Quiros,  
Minister of Foreign Affairs.

Sir: I have the honor to confirm my verbal message of this morning advising that the President of the United States has issued instructions granting recognition to the present Government of Costa Rica.

I take great pleasure in communicating the following as the message referred to above: [Here follows paraphrase of Department's telegram of August 2, printed *supra*.]

With the assurance of my highest consideration and esteem, I have [etc.]

Benjamin F. Chase,  
American Consul."

The reply in translation was:

"No. 19, E.

San Jose, August 3, 1920.

Mr. Benjamin F. Chase,

Consul of the United States of America,  
San Jose.

Mr. Consul: I have had the honor to receive your courteous note of this date, in which you confirm the notice which you gave me verbally this morning, relative to that, [the] Most Excellent, the President of the United States, has had the goodness to give his recognition to the Government of Costa Rica, over which presides Mr. Julio Acosta.

<sup>3</sup> By legislative decree of June 28, 1919, the Tinoco regime authorized the issue of 15 million colones in currency notes, and by legislative decree of July 8, 1919, it authorized the circulation of notes of 1000-colones denomination. In a transaction with the Tinoco's the Royal Bank of Canada came into possession of 998 of the 1000-colones notes. The Law of Nullities No. 41 of Aug. 21, 1920, nullified these issues.

<sup>4</sup> Not printed.

It is a pleasure to manifest to you again the satisfaction which this agreeable notice causes to the Government of Costa Rica, and I trust that the relations between the two countries will be in the future as intimate and cordial as before.

I take [etc.]

Alejandro Alvarado Quiros "

I have [etc.]

BENJAMIN F. CHASE

#### CONCESSIONS<sup>5</sup>

#### Cancelation of the Tinoco Concessions by the Costa Rican Congress—Formal Protest by Great Britain on behalf of the Amory Concession

818.00/974

*The Consul at San José (Chase) to the Secretary of State*

[Extract]

No. 772

SAN JOSÉ, *May 7, 1920.*

[Received May 19.]

SIR:

A Bill was introduced in congress and referred to a specially elected commission for examination providing for the trial of Tinoco and his adherents for military rebellion and declaring his acts during the time from January 27, 1917 to September 3, 1919, as null and void, with exceptions for the exclusive benefit of the Treasury. . . .

I have [etc.]

BENJAMIN F. CHASE

818.6363Am6/42 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, *July 16, 1920—9 a.m.*

[Received July 17—10:25 a.m.]

39. Last night Costa Rican Minister for Foreign Affairs called at my room to show a note he had just received from the acting British Consul dated 13th July advising that (translation of the note in part as follows) :

["]The Legation of his Britannic Majesty in Panama and Costa Rica has received instructions from His Majesty to present to the Costa Rican Government a vigorous protest with respect to the projected legislation in so far as it may affect the Amory contract and to indicate that His Majesty's Government would view the cancellation of the contract (in which there is British capital invested and in

<sup>5</sup>For previous correspondence concerning oil concessions, see *Foreign Relations, 1919*, vol. I, pp. 865 ff.

the fulfillment of the clauses of which they have already spent considerable sums) as a serious attack against British rights legally acquired, for which there exists no justification.”

See your telegram of December 9, 5 p.m.<sup>6</sup> last year and my confidential June 19, 4 p.m.<sup>7</sup>

The question as to the cancellation of that concession with others is before Congress and my information is that part of the bill has passed third reading. See my despatch number 790 June 4th.<sup>7</sup>

Lack of recognition of this Government by our Government is placing it in jeopardy and threatens its very existence. This British question is one of many which it cannot handle properly without prompt recognition by the United States, and American interests in general are affected injuriously as a result. Instructions advised by telegram June 19, noon,<sup>7</sup> have not been received. Please instruct if any further information required before the question of recognition of the present Government can be determined.

CHASE

---

818.602/7 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, July 21, 1920—4 p.m.

[Received July 22—12:20 a.m.]

43. Yesterday afternoon Congress passed finally the law nullifying all of the Tinoco concessions and other acts as reported with my despatch number 790 June 4th<sup>7</sup> with some unimportant modifications. The President is expected to sign it promptly.

Your December 9, 5 p.m. last year.<sup>6</sup> The Amory concession is thereby entirely annulled.

CHASE

---

818.00/990 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, July 28, 1920—4 p.m.

[Received July 29—7:14 a.m.]

44. My July 21, 4 p.m. Please examine enclosures with my despatch number 790 June 4th.<sup>7</sup> The President has called a meeting of citizens for next Saturday to advise as to whether the law should be approved. This is reputed to be because of fear on account of the very strong representations made by the British Government as

<sup>6</sup> *Ibid.*, p. 876.

<sup>7</sup> Not printed.

to the Amory concession and the Royal Bank of Canada claim, the latter reported as practically an ultimatum.

CHASE

818.00/992 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

[Extract]

SAN JOSÉ, August 3, 1920—1 p.m.

[Received August 4—1:55 p.m.]

46. . . .

My July 28, 4 p.m. The President has vetoed the act referred to on the advice of the junta of notables apparently with pressure of Great Britain. Congress has referred it to a special committee and may pass it over the veto.

CHASE

818.602/10 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, August 11, 1920—5 p.m.

[Received August 12—3:47 a.m.]

52. Reliably informed that Costa Rican Congress this afternoon passed the law annulling Tinoco contracts, etc., referred to in last paragraph my August 3, 1 p.m. over the veto by more than two thirds. This includes Amory concession.

CHASE

818.602/12 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, September 4, 1920—11 a.m.

[Received September 5—6:46 p.m.]

62. Your 22, August 17th, 7 p.m.<sup>11</sup> The following concessions to foreigners appear to be annulled by the recent act of Congress:

*British:* (1) Construction of a storage place for explosives and their free entry into the country; (2) Amory oil concession.

*Spanish:* (1) Monopoly to manufacture paper; (2) the right to grow beans for export.

*Colombian:* Coastwise launch service on the Pacific Ocean.

*Panamanian:* Exclusive concession to take pearl shells and to manufacture buttons from them.

Some other concessions were annulled by the Provisional President and some others appear to be lapsed and others may not have been found.

CHASE

<sup>11</sup> Not printed.

818.6363Am6/53 : Telegram

*The Consul at San José (Chase) to the Secretary of State*SAN JOSÉ, *October 5, 1920—4 p.m.*

[Received October 6—10:55 a.m.]

69. Today the Costa Rican Government published the reply to the British Government relative to Amory concession and the Royal Bank of Canada denying their right to diplomatic intervention and advising that the Costa Rican courts are available to them. Particulars by mail.

CHASE

818.6363Am6/58 : Telegram

*The Chargé in Costa Rica (Martin) to the Acting Secretary of State*SAN JOSÉ, *December 31, 1920—4 p.m.*

[Received January 1, 1921—10 p.m.]

25. British Minister delivered yesterday formal protest against cancellation vote for Amory concessions. Note sustains original thesis that the annulment of the laws and acts of Tinoco is unconstitutional and declares that the British Government has a direct interest in concession. Government of Costa Rica is much concerned at British attitude and at intelligence that the cruiser *Cambrian* will shortly return to Punta Arenas and remain in Costa Rican waters a month.

MARTIN

**Efforts by the Costa Rican Congress to Cancel the Pinto-Greulich Concession—Apparent Conflict between the Terms of the Concession and the Rights of Other American Enterprises**

818.6363/30 : Telegram

*The Consul at San José (Chase) to the Secretary of State*SAN JOSÉ, *May 22, 1920—9 a.m.*

[Received May 23—6:22 p.m.]

22. The Committee on Public Works yesterday submitted to Congress a report that the Pinto-Greulich oil concession<sup>12</sup> is not a law of Costa Rica. A copy of the report is not yet obtained.

CHASE

<sup>12</sup> The so-called "Greulich Concession" of 1916 is referred to in official Costa Rican publications as the Pinto-Greulich Contract, from the names of the signatories, Enrique Pinto, Secretary of Fomento, and Leo J. Greulich, concessionaire. It was acquired, in 1917, by the Costa Rica Oil Corporation, of which the holding company was the Sinclair Central American Oil Corporation. See *Foreign Relations*, 1919, vol. I, pp. 866 *passim*.

818.6363/30: Telegram

*The Secretary of State to the Consul at San José (Chase)*

WASHINGTON, June 4, 1920—11 a.m.

8. Referring your 22, May 22, 9 a.m. regarding Pinto Greulich oil concession, you are instructed to cable full report of all proceedings aimed at the rescission of this concession, the names of persons who have participated at any point in the discussion and the interests which they represent. We are informed that a party named Field has made the unfounded statement that this Government does not view with disfavor the cancellation of the concession. This statement if accurately reported is without any prior knowledge on the part of this Government and has not received our sanction. The concession is claimed by the Sinclair Oil and Refining Company, a responsible American concern of standing which has invested large sums in Costa Rica under the concession. Any action of the authorities in Costa Rica looking to cancellation would be a source of concern and a subject of inquiry. This is an important matter on which we desire accurate and full knowledge at the earliest moment.

COLBY

818.6363/34: Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, June 9, 1920—5 p.m.

[Received June 10—7:20 p.m.]

27. Conversations have been had with a brother of the President, the president of Congress and ex-President González as to the proposition to cancel the oil concession after receiving your June 4, 11 a. m., and gave copies of paraphrase to the last two. All express a desire to comply with the wishes of our Government in every way possible.

Ex-President González says he did not know Field was coming to Costa Rica until he arrived and that he had no understanding with him.

The delay in formal recognition from the United States is a matter of much anxiety to many people of this country and is giving opponents a chance to circulate stories and embarrass the Government.

CHASE



818.6363/48 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, July 19, 1920—6 p.m.

[Received July 20—2:30 p.m.]

40. The following resolution was recently enacted by Congress, translation in part:

“to urge the Executive, (a) to without delay demand before the courts of the Nation, and through the medium of the public office, or of a special attorney, the annulment of the decree and publication specified in order that the nonexistence of the Pinto-Greulich contract be declared, adopting the measures deemed fit in the benefit of national interests.”

On receipt of this resolution of Congress President Acosta last Saturday called a conference of seven prominent lawyers who advised him that the said contract was legal. This information was given to me confidentially by the President's brother today.

CHASE

818.6363/51 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, August 16, 1920—5 p.m.

[Received August 17—8:55 a.m.]

56. My telegram number 40, July 19, 6 p.m. Resolution quoted passed Congress this afternoon again by more than two thirds after the President had refused to act upon it.

CHASE

318.115Un3/— : Telegram

*The Secretary of State to the Consul at San José (Chase)*

WASHINGTON, August 17, 1920—6 p.m.

21. Department informed that Costa Rican law of November 25, 1913, providing for nationalization of certain Hydrocarbons including petroleum appears to be interpreted by decree of April 18, 1914, and by the granting of certain concessionary rights by Costa Rica, to apply to lands whose titles were acquired from nation prior to date of law mentioned and that operations threatened under such interpretation imperil subsoil rights of American citizens in lands so acquired.<sup>13</sup>

<sup>13</sup> On Aug. 9 the United Fruit Co. informed the Department through its attorneys that it believed its subsurface rights were being imperiled by the Pinto-Greulich concession. Letter not printed.

Request Foreign Office to advise you whether Costa Rican Government interprets this law to have the retroactive effect mentioned, so as to provide for separation of subsoil rights in petroleum from surface rights to lands and this without compensation to owners of lands whose titles were acquired from nation prior to date of law.

In this connection you will please refer to provisions of Article 20 of the Constitution of Costa Rica to effect that private property is inviolable and shall not be appropriated without due compensation. Refer also to understanding of Government of United States that Article 18 of Mining Law of 1868 provides that in future only ledges, placers, or deposits of metals, half metals, or precious stones may be denounced and conceded in lands owned by private parties and that Article 505 of the Civil Code of 1888 has been in force since that year and provides that "the rights of ownership are not limited to the surface of the land but extend by accession from or upon the surface and also downward. Save the exceptions established by the law or by convention, the proprietor may establish all the constructions or qualifications which he wishes and also construct underneath as he deems fit, and extract from those excavations all the products encountered."

In making this inquiry, Department does not desire to be understood as withdrawing its support to any American concession in so far as it does not interfere with petroleum and other underground rights already vested in other American interests under the laws of Costa Rica prior to 1913. Make it clear that Department's purpose is to obtain view of Costa Rican Government as to important laws of that country which may affect American interests and that Government of the United States should not be understood as discriminatory in favor of or against any responsible American citizens who have interests in Costa Rica, but is only concerned as, of course, is the Government of Costa Rica in the maintenance of the lawfully acquired rights of such American citizens.

COLBY

---

818.6363Am6/49 : Telegram

*The Consul at San José (Chase) to the Secretary of State*

SAN JOSÉ, August 30, 1920—11 a.m.

[Received August 31—5:07 a.m.]

59. President Acosta vetoed all acts of the final session of Congress including the resolution referred to in my telegram of July 19, 6 p.m., Sinclair oil concession, which had passed Congress that day over a former voting [*veto?*], and much other important legislation, alleging that regular term expired a day earlier by limitation of time.

CHASE

318.115Un3/11 : Telegram

*The Consul at San José (Chase) to the Secretary of State*SAN JOSÉ, *October 8, 1920—6 p.m.*

[Received October 9—10 a.m.]

70. Your number 21, August 17, 6 p.m. The reply of the Costa Rican Government<sup>14</sup> has just been received alleging that subsoil rights always belonged to the State. The communication is long. Particulars by mail today.<sup>15</sup> I will send summary by cable if desired.

CHASE

818.6363/61

*The Chargé in Costa Rica (Martin) to the Secretary of State*

No. 13

SAN JOSÉ, *November 10, 1920.*

[Received November 22.]

SIR: Adverting to my telegram No. 5 of October 30; 5 p.m.,<sup>15</sup> relative to the demand of the Government of Costa Rica that the Costa Rica Oil Corporation, an American company, make a full report before the 12th, instant, regarding its obligations, operations, production and the ownership of its stock, I have the honor to transmit herewith the text and translation of the communication embodying the demand, which was published in *La Gaceta* of October 30, 1920.<sup>15</sup>

In his reply to the Costa Rican Government, copy enclosed,<sup>15</sup> which was delivered today, Mr. Herbert G. Wilson, Manager of the Costa Rica Oil Corporation, states that the Company has complied with all the terms of the contract, that it has not been found necessary to take advantage of the extension of time requested after the entrance of the United States into the World War, and that since the acquisition by the Company of the Pinto-Greulich concession in New York on January 29, 1917, there have been no negotiations whatever with respect to the transfer of the contract to the Sinclair Central American Oil Corporation, which is simply a "holding company".

The aggressive attitude of the Costa Rica Government in threatening to annul the concession in case of non-fulfilment of the terms of the contract, without the extension of time which was declared void, is accentuated by the action of Mr. Alejandro Alvarado<sup>16</sup> in addressing a letter, in his capacity as Minister of Justice, to the

<sup>14</sup> Dated Oct. 5; not printed.<sup>15</sup> Not printed.<sup>16</sup> Alejandro Alvarado Quirós.

Attorney General, requesting an investigation of the charge of bribery brought against the Pinto-Greulich *cessionnaires* by Congress last year. The letter was published in the issue of "*La Gaceta*" of October 31, 1920.

The Attorney General is required:

1. To request of ex-President González Flores the necessary excerpts from his private papers which were used as evidence by the members of Congress, and
2. To file with the courts a charge of bribery, if the case so merits.

As I had the honor to point out in my telegram cited above this action on the part of the Government may possibly be regarded as a manoeuvre calculated to placate Congress. On the other hand, as suggested in my telegram No. 7 of November 2; 6 p. m.,<sup>17</sup> there is ample ground for the belief that an effort is being made to provoke a discussion of the question of subsoil rights in the forthcoming special session of Congress. It is conceivable that such a debate if precipitated now would jeopardize the Costa Rica Oil Corporation's concession. Yesterday the Minister for Foreign Affairs, of his own motion, told me that the Government did not desire to raise the question of subsoil rights until the next regular session.

If Mr. Alvarado's statement reflects the true sentiments of the Government, it can only be assumed that the present agitation against the Costa Rica Oil Corporation is inspired by rival interests.

The Standard Oil Company of California, in conjunction with the United Fruit Company has succeeded in inducing 45 municipalities out of a total of 55 to petition the Government to present the subsoil bill (private ownership of subsoil deposits) to Congress at once. Three more municipalities are reported to have promised to sign the petition.

To counter the danger which the proposed measure might involve if it were submitted to Congress during the investigation of the Pinto-Greulich concession, the lawyers of the Costa Rica Oil Corporation have been spreading the report that in case the Congress declares for government ownership the United States will sustain claims for damages. This impression, obviously erroneous, was doubtless derived from the first part of the Department's cable No. 21 of August 17; 6 p.m.

The representative of the Standard Oil Company of California, in turn, has intimated to me that ex-President González Víquez, who is supposed to have drafted the Foreign Office Note of October 5, 1920, which was transmitted with Consul Chase's despatch No. 868 of October 8th, last,<sup>18</sup> is retained both by the Costa Rica Oil Corporation

<sup>17</sup> Not printed.

<sup>18</sup> Not printed; see consul's telegram no. 70 of Oct. 8, *supra*.

and the Amory Company which have a community of interests and that his real motive in opposing the subsoil question is to resuscitate the Amory concession.

When questioned by me as to the verity of the foregoing assertions Mr. Wilson stated that his Company had no interests in common with the Amory Company, and that the latter was much more likely to seek a new concession than to attempt to revive the contract annulled by the Costa Rican Congress.

The situation as described herein is further complicated by the endeavor of the Pan-American Oil Company, whose representative, Mr. M. B. Hereley, arrived in San José last week, to obtain a concession to exploit oil lands. I also understand that another company, of whose identity I am ignorant, is also attempting to persuade the President to present its proposal to Congress. Every effort will be made to ascertain what interests are financing the last named venture. In the meantime I should welcome for my guidance and confidential information an expression of the Department's policy with respect to the subsoil question.

I have [etc.]

JOHN F. MARTIN

---

818.6363/61

*The Acting Secretary of State to the Chargé in Costa Rica (Martin)*

No. 7.

WASHINGTON, December 13, 1920.

SIR: The Department acknowledges the receipt of your telegram No. 5 of October 30, 5 p.m.<sup>19</sup> and your despatch No. 13 of November 10, 1920, relative to the demand of the Costa Rican Government that the Costa Rican Oil Corporation, an American company, make a full report before the twelfth of November, regarding its obligations, operations, production and the ownership of its stock, and transmitting a copy and translation of the demand as well as a copy of the reply of the Costa Rican Oil Corporation.

In reply, the Department informs you that it is awaiting the receipt of further memoranda both from the Costa Rican Oil Corporation and the United Fruit Company concerning the appropriate interpretation of the Costa Rican laws relative to the ownership of subsoil deposits, particularly of petroleum, and pending the receipt of such memoranda, has arrived at no final conclusion regarding the matter as affecting the controversy between the Costa Rican Oil Company on the one side and the United Fruit Company and the Standard Oil Company on the other side, concerning the rights of the first-named Company under the terms of the so-called Pinto-Greulich concession.

---

<sup>19</sup> Not printed.

With respect to the statement made by you in the next to the last paragraph on page 3 of your despatch <sup>20</sup> regarding the possibility of the support of this Government being given to claims for indemnity on the part of the Costa Rican Oil Company in the event that its concession shall be invalidated or rendered less valuable through the action of the Costa Rican Government, you are informed that if the Government of Costa Rica should take action against the concession, of an apparently unwarranted nature, the Government of the United States would be disposed to give careful consideration to any claims for indemnity which the Costa Rican Oil Corporation might file as a result of such governmental action by Costa Rica.

This Government understands that upon the occurrence of an alleged invasion of the property rights of one of the American companies by the other, the correct procedure would be to have the matter adjudicated by the parties in the Costa Rican courts.

I am [etc.]

For the Acting Secretary of State:

ALVEY A. ADEE

---

<sup>20</sup> See despatch no. 13, Nov. 10, from the Chargé in Costa Rica, 8th paragraph, p. 843.