NICARAGUA.

Mr. Dickinson to Mr. Seward.

No. 123.] LEGATION OF THE UNITED STATES,
Leon, Nicaragua, December 20, 1866.

SIR: I transmit herewith a copy and translation of a note received from the minister of foreign affairs of this government, in answer to your despatch relative to filibustering expeditions against this country.

I am, sir, respectfully, your obedient servant,

A. B. DICKINSON.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

Señor Cortez to Mr. Dickinson.

[Translation.]

NATIONAL PALACE, MANAGUA, *November* 30, 1866.

Mr. MINISTER: I have the honor to answer your excellency's valuable despatch of the 22d instant, enclosing a copy of a note from the office of the honorable Secretary of State of the government of the United States, and to inform your excellency that by the reading of them his excellency the President has manifested much satisfaction, and approved in a high degree the solicitous and patriotic proceedings of your excellency in the discharge of a subject the bare announcement of which was an affliction to Nicaraguans, and presaged great calamities for the country; in consequence of which I have been directed by his excellency the President to manifest to your excellency his most sincere expressions of gratitude, and at the same time you will receive from the people of the republic the most unequivocal proofs of their regard.

I am, with every consideration, your excellency's very obedient servant,

ROSALIO CORTEZ.

Hon. A. B. DICKINSON,
United States Minister Resident, &c., &c., &c.

Mr. Dickinson to Mr. Seward.

No. 124.] LEGATION OF THE UNITED STATES,
Leon, Nicaragua, January 8, 1867.

SIR: I transmit herewith a copy and translation of a note which I have received from the Nicaraguan government, narrating a late unsuccessful attempt to subvert this government, and a copy of my answer thereto.

I am, sir, very respectfully, your obedient servant,

A. B. DICKINSON.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

Señor Cortez to Mr. Dickinson.

[Translation.]

NATIONAL PALACE, MANAGUA, *December* 27, 1866.

Mr. MINISTER: In the midst of peace, which has been so happily enjoyed, a lamentable and criminal incident occurred on the 25th instant, at 11 o'clock at night, which was perpetrated by a small number of men who, abusing the lenity with which the government has treated them, and blinded by party passions, have not stopped short of carrying their opposition into crime in their disgraceful attempt, although the authorities have made justice their exclusive profession. The combined plan was to assault the *cuartel* of this capital by means of bribing the soldiers on the outposts of the garrison, for which purpose they prepared a sufficient quantity of opiated liquor to put the guard to sleep, as they could not otherwise count on men enough with good arms.

Everything was prepared on the night indicated, and about 30 of the conspirators had met in a particular house, when the plot was discovered and disclosed through the activity of the military authorities, who surprised them in the act of carrying out their intentions, and, after meeting with a little resistance, captured nearly all of them, resulting in two deaths and a few wounded of the party.

The government being then at Masaya, and on its return from a visit to San Juan del Norte, accelerated its march to this capital, arriving the morning of the 26th, and immediately proceeded to take the necessary measures for the punishment of such of the conspirators as were discovered, and to prevent a repetition of similar acts.

In the other portions of the republic there has not been the least disturbance of order, the people showing themselves to be obedient to the constituted authorities, and indignant at the disturbers who would by paltry passions subvert the peace and the tranquillity which have been so long and happily enjoyed.

I have the honor to put you in possession of these facts that you may impart them to his excellency the President of that republic, reiterating the distinguished consideration and esteem with which I subscribe myself,

Your obedient servant,

ROSALIO CORTEZ.

Hon. A. B. DICKINSON, *Minister Resident, &c., &c., &c.*

Mr. Dickinson to Señor Cortez.

LEGATION OF THE UNITED STATES,
Leon, January 8, 1867.

Mr. MINISTER: Your esteemed note of December 27 is received, and it is with profound satisfaction that I learn from it that the present able and vigilant chief magistrate of this republic has again suppressed the vain attempt to subvert his government.

I forward by this mail the agreeable news to my government, and sincerely hope that a long and happy peace may be in store for this republic.

I am, sir, very respectfully, your obedient servant,

A. B. DICKINSON.

Señor ROSALIO CORTEZ,
Minister for Foreign Affairs, &c., &c., &c.

Mr. Dickinson to Mr. Seward.

No. 128 *bis.*] LEGATION OF THE UNITED STATES,
Leon, Nicaragua, March 6, 1867.

SIR: I transmit herewith a copy and translation of a note which I have received from the minister for foreign affairs of this government, reporting the capture by revolutionists of the two forts on the transit route, and a copy of my answer thereto.

I am happy to say, however, that the report has turned out to be entirely false, and that the forts referred to have not been assaulted or disturbed, or the transit steamers interfered with, either by revolutionists or other hostile parties.

I am, sir, respectfully, your obedient servant,

A. B. DICKINSON.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

Señor Silva to Mr. Dickinson.

[Translation.]

NATIONAL PALACE, MANAGUA, *February* 13, 1867.

Mr. MINISTER: According to the report received to-day from the alcalde of Pueblo Grande of Ometepe, Castillo Viejo and Fort San Carlos have been assaulted and taken by the enemies of the peace of Nicaragua; and as it is certain that for this operation the revolutionists have made use of some of the Transit Company's steamers, his excellency the President has ordered me to communicate this news to your excellency, and such as shall be hereafter received, as I have the honor of doing, availing myself of the honor to assure your excellency of the sentiments of esteem and respect with which I sign myself your excellency's very attentive and obedient servant,

A. SILVA.

Hon. A. B. DICKINSON, *Minister Resident, &c., &c., &c.*

Mr. Dickinson to Señor Silva.

LEGATION OF THE UNITED STATES,
Leon, February 15, 1867.

SIR: I received to-day your excellency's note of the 13th instant informing me that Castillo Viejo and Fort San Carlos had been assaulted and taken by revolutionists, and that some of the Transit Company's steamers had been made use of by the revolutionary party to effect this result.

It is so clearly against the interests of the Transit Company to aid the enemies of the peace of Nicaragua that I cannot believe that the company or any of their agents have been in the least accessory or instrumental in bringing about this result, and I therefore do not believe it possible that any of their steamers have been voluntarily used to assist the revolutionists to the command of two of the most important positions on their route, thereby giving the revolutionists the complete control of the transit.

It is so easy to capture the boats while under the guns of either of these forts that it is quite possible that some of them may have been forcibly taken and used after one of the forts had been captured.

I shall await further news of this deplorable event with much anxiety, as I am satisfied that it will endanger the interests of the Transit Company even more than it is likely to jeopard the peace of Nicaragua; for while the transit will be interrupted and disarranged, to its very serious detriment, the government, with its present excellent military status, will undoubtedly be able to keep the peace within the remaining portions of the republic, and to retake the forts in due course of time.

Meantime, rest assured that I shall spare no exertions on my part to aid the government in its just endeavors to preserve its authority, even to the calling, if necessary, for the support of my government to keep the transit from being broken up by lawless violence.

I have the honor to be, with sentiments of the highest esteem and respect, your excellency's very obedient servant,

A. B. DICKINSON.

His Excellency ANTONIO SILVA,
Minister General, &c., &c., &c.

Mr. Dickinson to Mr. Seward.

No. 130.] LEGATION OF THE UNITED STATES,
Leon, Nicaragua, March 20, 1867.

SIR: I have the honor to acknowledge the receipt of your despatches Nos. 84 and 85, dated February 2d and 13th last, respectively, and also of a circular from the department dated January 17th last, relative to the coolie trade.

I enclose a translation of the manifesto of Señor Francisco Guzman, who was inaugurated as President of Nicaragua on the 1st instant, at Masaya.

I am, sir, respectfully, your obedient servant,

A. B. DICKINSON.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

[Translation.]

NICARAGUANS: Elevated by your suffrages to the presidency of the republic, and highly grateful for the distinguished honor conferred upon me by placing in my hands your dearest interests, I am in duty bound to make known the rule of conduct which I propose to pursue, my opinions, my desires, and my hopes.

In commencing my administrative period I am certainly very far from considering myself the chief of the nation, with the right of command over my compatriots. I am simply a citizen charged to watch over the common welfare, the responsible and removable agent, with no more power or force than the power and the force of my fellow-citizens, without other influence, without other prestige than I may have gained by the justification of my acts and the love and sympathy of the Nicaraguan people.

I desire to be, above all, a civil agent, disposed always to amalgamate, avoiding the shock of clashing interests; I desire to be the link of union between opposing parties, to unite the miserable rivalries of localism, the exaggerated passions which the pertinacious spirit of party imposes upon true public interests; I desire to smother, if possible, by an open conciliatory course, the principal cause of our misfortunes, the origin of our evils, that black political intolerance which envenoms the air of the country and declares irreconcilable enmity to a dissenting brother.

Though as a private man I can give my sympathies to whatever political faction of the country I choose, as a public man I know no party colors, none but Nicaraguan brothers; and in every instance during my administration the most meritorious shall always be preferred to the most attached.

I am called to govern a people educated in the scale of misfortune, but always disposed to work and to sacrifice, and capable, therefore, of improving in a high degree their actual condition. I do not wish, however, to dress up the national pride by presenting a brilliant situation unattended with embarrassments, neither do I wish to dazzle with vain and pompous promises which rarely come to be fulfilled.

In my conception the progress of the nation should be the nation's proper work; the government neither can nor ought to be more than one of the elements of such a work, even though it be the most powerful. When the state, trespassing certain limits, carries its influence into the commerce, the agriculture, the industry, and all the branches which form the elements of culture of a country, making itself their protector and centralizer, apparently guiding while it is only dragging the nation along, it creates those odious monopolies and their sad train of consequences which result in paralyzing the fountains of wealth.

I believe that the principal need of the republic is to secure upon solid bases its proper tranquillity. This result, in my opinion, can only be secured by the absolute dominion of the constitution and the laws, and to these I propose to subject myself in the strictest manner. The administration of justice and of the public treasury will occupy my very particular attention; absolute independence in the first and every possible economy in the second; in these essential branches judge me, Nicaragua. To enlarge the power of the magistrate, the municipal power, from the first to the last of its agents, the power of all those who are charged to watch over the security, the honor, the life, and the property of Nicaraguans; exemplification and honesty in the management of our scanty treasury, suppression of those employés who are judged to be unnecessary; order and the severest rigor in case of the least shade of dishonesty in the management of the revenues—such are my opinions on these two points.

I know very well that in the position which I am to occupy for the next four years I am to be the target of rough criticism, but instead of fearing, I desire, on the contrary, to hear perpetually the authorized and free voice of the supreme judge of the term, the sovereign tribunal of civilization, public opinion; the opinion that has its voice, and that voice the press, which I love and reverence and which I call to my aid, desiring its counsels, its severest criticism, and invoking it for my guide in my rough path, not as a servile and adulatory press, sold always to power, and submitted in advance to the eyes of the mandatory, a dense cloud of incense hiding from the sight the sufferings, the necessities, and the true aspirations of the country. Republican by conviction and by character, I desire to hear the counsels of the press, which criticises with moderation and independence, to listen to its judgments, however severe they may be; and you need not fear that an agent of the government will ever go around, with iniquitous laws of circumstance, to put his hand upon him who has energy and patriotism enough to censure the abuses or the equivocations of power. Its calumny I shall meet impassibly, despising, but never persecuting for it.

Finally, I call upon all men to help me in my task by their example and their light. I call upon all honorable men, without distinction of political opinions, who carry in their souls the true sentiments of progress and love of country, the pacific and laborious people who desire liberty and order, who love work, and who will be always the best props of my government. I desire, also, that the active and enterprising foreigner, who wishes to make ours his second country, shall come and co-operate with us in the common work, in which he will always find me the first to welcome him when he comes to bring to Nicaragua the examples, the population, and the spirit of enterprise which we lack. With this object, we ought to cultivate with earnestness our foreign relations, principally with the great republic

of the United States, with which, unfortunately, we have not as yet any treaty; and not for one moment ought we to neglect what is so necessary for the future of our country, or move slowly in uniting our interests with those of the other Spanish American republics, and especially with our sisters of the centre, to-day more than ever bound together by a common destiny.

Fellow-citizens, as the simple delegate of the people, charged with strange interests, which to me are so dear, I hope to return the power which is confided to me with the tranquil conscience of an honest man who has endeavored to comply with his duty. My programme is the form of oath which I am to take; my most ardent desire is to secure the happiness of the many, even in spite of the opposition of the few, and the grandest of my aspirations shall be to contribute to the last as the most devoted in the holy enterprise of making of Nicaragua a true republic, where reigns in all its purity the constitutional system, where liberty, security, and order shall not be a chimera, and where, in fine, whoever may desire it may find among us a tranquil and hospitable asylum.

FERNANDO GUZMAN.

MASAYA, *March* 1, 1867.

Mr. Dickinson to Mr. Seward.

No. 132.] LEGATION OF THE UNITED STATES,
Leon, Nicaragua, May 8, 1867.

SIR: Since the inauguration of President Guzman, the cholera has driven the government from place to place, and kept it partially disorganized. But the government is now settled down at Managua, and the cabinet, though not completely organized, will soon be together, ready for business.

Ex-President Martinez is still at Managua, but having accepted the appointment of minister to England, he expects to take his departure for that place some time during the present summer, and will be accompanied by Señor Antonio Silva, now minister-general, who will go out as secretary of legation.

The President has appointed Señor Tomas Ayon, a lawyer of Leon, as minister for foreign affairs, but fear of cholera at present prevents his going to Managua to enter upon the duties of his office.

The administration of President Guzman is not in perfect harmony with that of Martinez. The first decree issued by Guzman was a general amnesty to all political offenders, which let loose upon the country a great many of Martinez's enemies; and some official appointments under the present administration have not been entirely satisfactory to Martinez. But I have reason to believe that the wise counsels of both, and the relationship existing between them, will eventually induce these two leading men to act in harmony, especially as both of them have the best interests of their country at heart.

I am, sir, respectfully, your obedient servant,

A. B. DICKINSON.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

Mr. Dickinson to Mr. Seward.

No. 135.] LEGATION OF THE UNITED STATES,
Leon, Nicaragua, June 24, 1867.

SIR: I transmit herewith a copy and translation of a note which I have received from the minister for foreign affairs of Nicaragua, complaining that the English residents on the Mosquito coast are governing, instead of being governed by, the Indians of that territory, and setting up various other pretensions on that coast, which Nicaragua believes to be an infringement upon her sovereign rights over the Mosquito territory, as defined by the treaty between Nicaragua

and Great Britain of 28th January, 1860; and alleging also that those foreign residents are sustained in their proceedings and pretensions by the British government.

The note requests that the subject be communicated to the Department of State at Washington, and solicits the good offices of the United States in behalf of the efforts of Nicaragua to effect a peaceful settlement of the disputed questions.

At the time the note was handed to me, ex-President Martinez was about taking his departure from Managua, as envoy extraordinary and minister plenipotentiary to England, for the purpose of arriving, if possible, at some pacific solution of the questions in dispute, and I, therefore, at the verbal request of the minister for foreign affairs, sent a note to Mr. Adams, our minister at London, enclosing a translation of the note before mentioned, a copy of which I transmit herewith.

I also append hereto a copy of my note in answer to that received from the government of Nicaragua.

In order that the subject may be presented in full, I append a translation of the Mosquito treaty hereinbefore mentioned, from which it strikes me that Great Britain has a little the best of the argument. But, nevertheless, I was willing to go as far as possible in my own good offices without compromising our government, and had no doubt that my government would also be willing to interpose its friendly mediation, to bring about, if possible, a settlement of these complicated questions.

I am, sir, very respectfully, your obedient servant,

A. B. DICKINSON.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

Señor Ayon to Mr. Dickinson.

[Translation.]

NATIONAL PALACE, MANAGUA, *June* 13, 1867.

Mr. MINISTER: The government of the United States, which your excellency so worthily represents, as well as the other American governments, ought to remember how many efforts and how great sacrifices Nicaragua has made to recover her sovereign rights over the Mosquito coast, which the government of Great Britain disputed in the character of protector of a nation which it supposed to be formed by the Indians residing in that place; and that after a prolonged diplomatic discussion, in which Nicaragua was judged to have demonstrated by evidence the effectiveness of her ancient rights, with the much that was written for the American and English press elucidating the points controverted by Nicaragua and England, it resulted at last in the celebration of the treaty of the 28th of January, 1860, with which it was believed that those difficulties were satisfactorily settled.

My government remembers with satisfaction and gratitude the good offices which were then exerted by the United States to conduct the question to a reasonable termination, and the consideration of these services induces it now to acquaint you with the new emergencies which are arising with the British government in the execution of the treaty.

It has always been with my government a chief object to prevent the intervention of England which would establish in this republic a protectorate over those Indians, subjects of Nicaragua; and especially after the British government has acknowledged in the said treaty the sovereign rights of Nicaragua in the territory and on the coast of Mosquito, and the government of Nicaragua agreed therein that the Indians should govern themselves and govern the residents in the reserved territory according to their own customs or the regulations which from time to time might be adopted, provided they should not be opposed to the rights of Nicaragua.

But far from complying with the treaty in the essential point that the Indians should govern themselves and the residents within the reserved territory, it has come to pass that a reunion of English residents on that coast have elected as chief of the Mosquitoes an Indian child, giving him for guardian one of the same foreigners, who is to govern until the child becomes of age. It is now pretended by the English cabinet that Nicaragua must accept such election, and is obliged to comply with the treaty in favor of the foreigners who are governing in the name of the Indians.

My government maintains that by the treaty the Indians ought to govern themselves according to their customs, and to govern the residents in the reserved territory; and that it is in contravention of that stipulation, and also endangering the sovereign rights of Nicaragua, to permit those foreign residents to govern there instead of being governed by the Indians. Such proceedings lead to the belief that England wishes to continue the old intervention, changing only the name, for the reason that that of protectorate is thought to be odious and alarming.

And not solely to that are the pretensions of the British agents limited. Notwithstanding the fact that England has acknowledged in the treaty that the Mosquito coast, including the reserve, is an integral part of the territory of Nicaragua, and also that in the same treaty it is stipulated that Nicaragua can collect duties on the goods imported at San Juan del Norte for consumption in the republic, it is pretended now by the ministers of her Britannic Majesty that the same rights do not exist over those which are consumed in the territory referred to, and that this government cannot dispose of the woods along the banks of the river Wava belonging to Nicaragua.

His excellency the President desires to preserve the good relations which are happily cultivated with the government of her Britannic Majesty, but at the same time it is made his imperative duty to defend the sovereign rights of Nicaragua, with which object he has seen fit to accredit a minister plenipotentiary and envoy extraordinary to that court, to depart in a few days.

It is also believed that the government of the United States, from whose profound penetration the importance of these questions cannot be concealed, will lend its good offices to induce the British cabinet to comply literally with the treaty of January 28, 1860, of which I have the honor to transmit a copy.

And with the object that your excellency may submit the whole to the knowledge of the honorable minister of state in the department of foreign affairs of the government at Washington, I have received orders to address the present communication, in which, at the same time of complying, I have the honor of subscribing myself your excellency's very attentive and obedient servant,

TOMAS AYON.

Hon. A. B. DICKINSON,
Minister Resident, &c., &c., &c.

Translation of the treaty between Great Britain and Nicaragua relative to the Mosquito territory.

ARTICLE 1. At the exchange of the ratifications of the present treaty, her Britannic Majesty, in conformity with the conditions and agreements specified in the same, and without affecting any questions of boundary between Nicaragua and Honduras, will recognize as an integral part and under the sovereignty of the republic of Nicaragua, the country occupied or reclaimed, up to this time, by the Indians of Mosquitia, within the frontiers of said republic, whatever that frontier may be. The British protectorate over said part of the Mosquito territory shall cease three months after the date of the exchange of the ratifications of said treaty, in order that the government of her Majesty may have time to give the necessary instructions to carry out the stipulations of said treaty.

ART. 2. There shall be assigned to the Indians of Mosquitia, within the territory of the republic of Nicaragua, a district of country which shall, as stipulated above, remain under the sovereignty of the republic of Nicaragua. Said district shall be embraced within a line which shall commence at the mouth of the river Rama in the Caribbean sea; thence up the middle of said stream to its source; thence westwardly with the meridian of Greenwich to 84° 15′ longitude west; thence north along said meridian to the river Hueso, and down said river, in the middle of the stream, to its mouth at the sea, according to Bailey's map, to latitude 14° 15′ north and 83° longitude west from the meridian of Greenwich, and thence south, along the Caribbean coast, to the point of beginning. But the district thus assigned to the Mosquito Indians shall not be granted by them to any person or foreign State, but on the contrary it shall be and remain under the sovereignty of the republic of Nicaragua.

ART. 3. The Mosquito Indians residing within the district assigned to them by the foregoing article shall enjoy the right to govern themselves and all persons residing within said limits, according to their own customs and in conformity with rules which they may adopt from time to time, not incompatible with the sovereignty of Nicaragua. In conformity with the foregoing reserved right, the republic of Nicaragua covenants not to oppose said rules and customs thus established, or which may be established within said district.

ART. 4. Nevertheless, it is understood that nothing contained in this treaty shall at any time hereafter be interpreted to be an impediment to the full and absolute incorporation of the Mosquito Indians in the republic of Nicaragua upon the same footing as other citizens of the republic, to be governed by the laws and general rules of the republic in lieu of their own rules and customs.

ART. 5. The republic of Nicaragua, desirous of promoting the social condition of the Mos-

quito Indians, and to provide for the maintenance of the authorities to be established according to article third of this treaty, in the district reserved to said Indians, agrees to concede to said authorities, for such purpose, during the term of 10 years, the annual sum of $5,000. Said sum shall be paid at Greytown, in half-yearly payments, to the person authorized to receive it by the chief of the Mosquitoes, and the first payment shall be made six months after the exchange of the ratifications of this treaty. To pay this sum, Nicaragua shall levy and specially assign a tax on the weight of all bales and goods imported through that port for consumption in the territory of the republic; and in case the amount received from said tax shall not be sufficient for said purpose, then the said amount shall be taken from the other revenues of the republic.

ART. 6. Her Britannic Majesty agrees to use her good offices with the chief of the Mosquitoes in order that he shall accept the stipulations contained in this convention.

ART. 7. The republic of Nicaragua will constitute and declare the port of Greytown, or San Juan del Norte, a free port, under the sovereign authority of the republic. But the republic, taking into consideration the immunities which the people of Greytown have enjoyed up to this time, consents to the trial by jury in all civil and criminal cases, and to perfect liberty in religious belief, and to the free exercise of public and private worship; the same shall be guaranteed to them in future in the same manner as they have enjoyed them up to this time. Vessels arriving at or sailing from said free port of Greytown shall be taxed with such charges only as shall be necessary to maintain safe navigation, such as light-houses, and to pay the police expenses of the port. Neither shall there be imposed duties or charges in said free port upon merchandise arriving there in transit from ocean to ocean.

But nothing contained in this article shall be interpreted to prevent the republic of Nicaragua from imposing the customary duties upon merchandise destined for consumption in the territory of the republic of Nicaragua.

ART. 8. All alienation of lands made in good faith and for just value by authority of the Mosquito Indians since the first day of January, 1848, situated outside of the limits of the territory reserved to said Mosquito Indians, shall be confirmed, provided the same shall not contain more than one hundred yards square within the town of Greytown, and one league square if situated outside of said limits: *And provided further*, That said alienation is not in contravention with anterior legal transfer made under the authority of Spain, the republic of Central America, or the State of Nicaragua: *And provided further*, That neither of said transfers includes territory that the government of Nicaragua requires for the construction of forts, arsenals, or other public buildings. This stipulation only includes those transfers of land made since the first day of January, 1848.

Nevertheless, in case any of the transfers referred to in the foregoing paragraph of this article shall be found to exceed the stipulated extent, the commissioners hereafter to be named, if they shall be convinced of the good faith of any of said transfers, shall concede to the holder or holders of the same, or their representative, an area only equal to the extent stipulated. And in case that any lands alienated in good faith shall be required by the government for forts, arsenals, or other public purposes, then an equal area of land shall be given to the holder in lieu of that taken.

It is understood that the alienations mentioned in this article shall not extend west beyond 84° 30′ of longitude of the territory reserved to the Mosquito Indians by article 2d. And should it be found that alienations have been made beyond that point, then the same shall be replaced by lands embraced within the limits of the territory agreed upon.

ART. 9. The republic of Nicaragua and her Britannic Majesty, within six months after the exchange of ratifications of the present treaty, shall name each one commissioner to decide upon the good faith of the alienations mentioned in article 8th, made by the Mosquito Indians, of lands up to this time possessed by them, and situated outside the limits of the territory described in article 1.

ART. 10. The commissioners mentioned in the preceding article shall meet as soon as practicable after receiving their appointment in the places hereinafter named; and before commencing business they shall make oath to decide formally, carefully, and impartially, according to their knowledge and belief, in accordance with justice and equity, without fear, favor, or affection to their own country, all the cases brought before them for their decision; and said decision shall be written in a book kept for registering their decisions. In all cases wherein said commissioners shall differ, they shall, before proceeding in any other case, name a third person, who shall act as arbitrator and best friend. In case they do not agree in the nomination of the third person, then each one of the commissioners shall name one person, and in all cases wherein the commissioners differ in opinion as to their decision, it shall be determined by lot which of the two persons thus named shall act as arbitrator or best friend in that particular case.

The person thus chosen, before proceeding to act, shall make oath in the form prescribed by the commissioners. This declaration shall be written in the registry of proceedings. In case of death, absence, negligence or declination, or incapacity of said persons to act or serve as arbitrator or best friend, other persons shall be named in their place as aforesaid for the same purpose, and shall sign the beforementioned declaration. The republic of Nicaragua and

her Britannic Majesty agree that the decision of the two commissioners, or of the arbitrators or best friend, shall be final, and shall be put in immediate execution.

ART. 11. The commissioners, arbitrators and best friend shall keep an exact register of all their proceedings, and shall name all the clerks and assistants necessary to assist them in their proceedings.

The salaries of the commissioners and clerks shall be paid by their respective governments, and the salary of the arbitrators shall be paid one-half by each government.

Dated Managua, January 28, 1860.

PEDRO ZELIDON. [SEAL.]
CHAS. LENNOX WYKE. [SEAL.]

Mr. Dickinson to Señor Ayon.

LEGATION OF THE UNITED STATES,
Managua, June 17, 1867.

Mr. MINISTER: I have the honor to acknowledge the receipt of your excellency's esteemed note of the 13th instant, relative to the pretensions of British subjects and agents in the Mosquito territory and their growing tendency to encroach upon the sovereign rights of Nicaragua, and to say that I am preparing to send by the next steamer a copy and translation of the same to the Secretary of State at Washington. I also send by your minister to England, who goes out by the same steamer, a note to the minister of the United States at London, commending the subject to his good offices, and enclosing to him a translation of your note.

Sincerely hoping that the questions may be amicably settled, I have the honor to be your excellency's very obedient servant,

A. B. DICKINSON.

His Excellency Señor TOMAS AYON,
Minister of Foreign Relations, &c., &c., &c.

Mr. Dickinson to Mr. Adams.

LEGATION OF THE UNITED STATES,
Managua, June 17, 1867.

SIR: I transmit to you a translation of a note which I have received from the minister for foreign affairs of this government, showing that certain agents of the British government are disposed to revive their old protectorate over the Mosquito coast, which Nicaragua regards as an infringement upon her sovereignty.

I also transmit the same to the Department of State at Washington.

Should you be able, by your good offices, to contribute in any manner towards a settlement of this vexed question between the two countries, you would be not only preventing much future trouble, but acting, as it seems to me, in accordance with the uniform policy of our government.

I am, sir, &c.,

A. B. DICKINSON.

CHARLES FRANCIS ADAMS, Esq., *&c., &c., &c., London.*

Mr. Seward to Mr. Dickinson.

No. 93.] DEPARTMENT OF STATE,
Washington, August 13, 1867.

SIR: Your despatch of the 4th of June, No. 135, has been received. It is accompanied by a copy of a note which was addressed to you on the 13th of June last by Señor Tomas Ayon, minister for foreign affairs of the republic of Nicaragua, your acknowledgment of that communication, and a copy of a letter founded thereon, which you have addressed to Mr. Charles Francis Adams, minister of the United States in London.

Señor Ayon announces in his communication that the government of Nicaragua entertains fears of a departure of the government of Great Britain from some important stipulations in the treaty between Great Britain and Nicaragua, rela-

tive to the Mosquito territory, concluded on the 28th of January, 1860. Mr. Ayon asks the good offices of this government in inducing an adherence and faithful fulfilment of the treaty on the part of Great Britain.

Your note to Mr. Adams recommends Mr. Ayon's application to his favorable attention. Your proceedings in the matter, as well as your note to Mr. Adams, are approved by the President.

I observe that Mr. Ayon's note, while it is quite general in its terms, is at the same time unaccompanied by proofs to sustain the views which it presents; nor has this department been furnished with any information concerning the subject from her Majesty's government.

Mr. Adams will be immediately instructed to express to Lord Stanley the President's earnest desire that the whole subject may be amicably adjusted. It is proper, however, that you should inform the government of Nicaragua that more explicit information will be required before any urgency in the matter can properly be adopted by the United States.

I am, sir, your obedient servant,

WILLIAM H. SEWARD.

A. B. DICKINSON, Esq., *&c., &c., &c.*

Mr. Dickinson to Mr. Seward.

No. 142.] LEGATION OF THE UNITED STATES,
Leon, Nicaragua, October 22, 1867.

SIR: I transmit, herewith, translations of a note and memorandum which I received some days ago from Señor Tomas Ayon, the minister for foreign affairs of this government, in regard to the Mosquito questions pending between Nicaragua and Great Britain. I also enclose a copy of my note to the minister for foreign affairs in answer thereto.

It is proper that I should state for your information the reasons which induced me to assume in that note that the action of the United States government in regard to the Mosquito questions would depend somewhat upon that of the government of Nicaragua in regard to the Nicaraguan transit.

In the month of May last the Central American Transit Company, through their political agent here, applied to the government of Nicaragua for certain amendments to the company's contract, which the government at first refused to grant. But in the month of June following, after the government became convinced that it was impossible for the company to make the necessary improvements in the route without having the amendments granted, the President of Nicaragua, through his minister, Antonio Silva, agreed to grant them on condition that the company would obligate itself to restore the harbor of Greytown.

Although the government was not legally bound by this agreement, as it was not formalized into a written document, the President well understood it, for he had made substantially the same promise to me. Since then the company has put in operation a powerful dredging machine, and commenced the work of opening the harbor, But, meantime, on the 30th of August last, this same Antonio Silva, commissioned by the President, has made a contract with a German by the name of Maximilian Sonnenstern, giving to the latter and to the company which he might form thereafter, the exclusive privilege of establishing a line by canal between the two lakes of Managua and Nicaragua, by way of the Tipitapa river, and extending it for interior traffic down the San Juan river to Greytown. This latter contract cuts off one of the proposed amendments to the Central American Transit Company's contract, which covers precisely the same ground between the two lakes that the Sonnenstern contract does.

In a conversation between the President and myself in June last, he stated

to me that the government would, among other amendments, concede to the transit company the right to extend its line between the two lakes, by way of the river Tipitapa, on condition that the company would build a wharf at Granada on Lake Nicaragua, and restore the harbor at Greytown. It now turns out that both the wharf and the work at Greytown are to be done for the benefit of the Sonnenstern project. I have lately learned from a reliable source that a German friend of Sonnenstern recently took the contract to Panama to make some arrangement with the Panama Railroad Company.

Unless the Sonnenstern contract is defeated in Congress it will not only seriously interfere with existing rights of the transit company, but will make the proposed amendments worthless to that company. The bad faith of this government toward the transit company has therefore induced me to write the note before mentioned, which I think will have the effect to bring the government to terms on transit matters.

A day or two ago I was invited to a conference with the President and minister of foreign affairs upon transit questions in connection with the Mosquito difficulties, and the President then stated that Mr. Antonio Silva was not authorized to make the agreement which he did with the political agent of the transit company. It appears, however, that the same Antonio Silva was the person commissioned by the President to make the Sonnenstern contract. At this last interview the President expressed much solicitude in regard to the Mosquito questions and earnestly desired the interposition of the United States government. On my representing to him the troublesome questions that would arise out of the Sonnenstern contract in connection with the Central American Transit Company, in case that contract should go into effect, he replied to me that it could be defeated in Congress, and that the government was still willing to make a liberal contract with the transit company and grant them all the privileges necessary to put the route in successful operation, and that there would be no doubt of its ratification by the Nicaraguan Congress. An unofficial communication upon transit questions, a copy of which I enclose, undoubtedly led to the request for the official conference upon transit matters before alluded to.

I am, sir, respectfully, your obedient servant,

A. B. DICKINSON.

Hon. WILLIAM H. SEWARD,
Secretary of State, Washington, D. C.

Señor Ayon to Mr. Dickinson.

[Translation.]

GOVERNMENT HOUSE, *Leon, October* 3, 1867.

SIR: Very grateful to his excellency the President of the republic have been the sentiments contained in the official letter which your excellency addressed to me on the 25th ultimo, in virtue of a despatch received from the Department of State of the United States, communicating that your note to Mr. Adams, as also your proceedings in relation to the pretensions of the government of Great Britain over the Mosquito territory, had been approved by his excellency the President of the United States; and that Mr. Adams had received instructions to express to Lord Stanley the most ardent desire of the President of the United States that the subject may be treated amicably, but that before the United States can properly adopt more urgent measures, it is necessary to receive more explicit information from this government. I beg your excellency to make known to the minister of state that the government of Nicaragua appreciates the just value of and correspondingly acknowledges the important offices which the American Union has seen fit to interpose in its behalf to induce the government of Great Britain to treat amicably the questions which its agents are exciting against Nicaragua in regard to their rights in the Mosquito territory; and with the object of giving to your excellency the information desired by the minister of state in order to adopt more urgent measures, I remit to your excellency a memorandum which I have made upon those questions, promising to transmit other important documents thereon when the government returns to the city of Managua.

I beg your excellency to make known to the minister of State the memorandum referred to, and to accept the assurances of esteem and consideration of your obedient servant,

TOMAS AYON.

[Translation.]

Questions in relation to the sovereignty of Nicaragua in the territory of the Mosquito Reserve:

FIRST QUESTION.

First. Upon the payment of the subvention offered by the government of Nicaragua to the Mosco Indians.

We must examine beforehand what are the bases on which Nicaragua grounds her right of defence against the pretensions of the British cabinet.

In article 1st of the treaty which this government celebrated with Great Britain the 28th of January, 1860, the country then occupied or reclaimed by the Mosquito Indians within the frontier of the republic of Nicaragua is recognized by the British government as an integral part, and under the sovereignty of the republic; and by article 2d the district reserved to the Mosquito Indians is particularly recognized as territory of the republic of Nicaragua and under its sovereignty.

It is undisputable, then, that the British government recognizes in general the sovereignty of Nicaragua over all the coast occupied by the Mosquitoes, and also recognizes in particular the sovereignty of the republic in the territory of the reserve. This recognition is the fundamental principle of the rights of Nicaragua.

Second. In order to understand the questions pending we should examine as fundamental circumstances what is the extent and what are the limitations imposed in the treaty as to the sovereignty of Nicaragua over the territory of the Mosquito Reserve, so that we shall not lose sight of the fact that the exercise of sovereignty is susceptible of divers forms, but that the form does not alter the substance, which, according to the principles of international law, consists in the existence of a supreme authority which directs and represents the nation in its moral personality.

By article 3d of said treaty Nicaragua agrees that the Mosquito Indians shall govern themselves and govern all the residents within the district designated in article 2d, according to their own proper customs and in conformity to the regulations which they might from time to time adopt, not being incompatible with the sovereign rights of the republic of Nicaragua.

In order to give clearness to the matter we are aiming at in article 1st: Great Britain recognizes in general terms, and without any limitation, the sovereignty of Nicaragua over all the coast occupied by the Mosquitoes; and Nicaragua, by article 3d, delegates to the Indians the power of government by which they are within the reserved district to govern themselves and the residents according to their proper customs, &c. But if it is true that Nicaragua delegates to the Indians the power to govern for themselves, it is also true that Nicaragua reserves the full sovereignty, as in article 2d it is said definitely thus: "There shall be assigned to the Mosquito Indians within the territory of the republic a district which shall remain, as stipulated above, under the sovereignty of Nicaragua." And it could not be otherwise, because if it is considered that Nicaragua could not retain said sovereignty, the recognition of this right which the British government explicitly gives would be void of all signification, which could not be supposed of a stipulation intended to establish positive rights and obligations. From which it is deduced that the Indians are subjects of Nicaragua; that they do not form an independent nation, and that the Mosquito territory is an integral part of the territory of this republic.

The government of Nicaragua was informed by the governor intendant of San Juan del Norte (Greytown) that the election of the chief of the Mosquitoes was not by the Indians of that place, but by a party of foreigners, putting in nomination as chief a child, and appointing as his tutor one of the foreigners. Hence the government of Nicaragua declines to give the pension of five thousand dollars annually to the authorities thus constituted—not the Indians, but the foreigners. The British minister claims that sum, with interest, alleging that to decide as to the mode in which the chief of the Mosquitoes is elected is contrary to the rights of this republic, even when thus practiced; that formerly, as now, the votes of the principal chiefs were cast for the person designated by the predecessor in office; that then, as on the present occasion, the election was in favor of a child, and the public business was directed by a tutor (guardian) until the chief became of legal age; that article 3d of the treaty secures to the Indians the right of governing themselves according to the regulations from time to time adopted. Deducing from which, that although the election was disapproved by the government of Nicaragua, and of a character entirely new and unusual, the Indians were justified, by virtue of the treaty, in adopting that mode, which, even though of an extraordinary nature, was not incompatible with the sovereign rights of Nicaragua. The British minister adds that in regard to this reserve the republic of Nicaragua, in article 3d, agrees to respect and not to interfere in such customs and regulations thus established, or which may be established within the Mosquito territory. From all which it is concluded that the refusal to make the payment is contrary to the tenor of the treaty, and that England has the right to reclaim the sum unpaid as one of her powers of intervention.

All these reasonings of the British minister are contested by the tenor of the treaty itself.

The British government, by a condition imposed by the Congress of this republic, recognized, in terms absolute and without any limitation, the right of sovereignty in favor of

Nicaragua over all the Mosquito territory. This recognition should produce its legal effects between England and Nicaragua. By consequence England has no power to make reclamation in favor of the Mosquitoes, because they are not subjects of England, but of Nicaragua.

The government of Nicaragua recognized its own sovereignty in conceding to the Mosquito Indians within the district designated in article 2d the right of governing *themselves, and of governing all persons residing within said district, according to their own customs and in conformity to the regulations which might from time to time be adopted by them, not being incompatible with the sovereign rights of the republic of Nicaragua.* With this reservation of not to be incompatible with her sovereign rights, Nicaragua agrees to respect, and not to oppose, such customs and regulations thus established or which may be established within said district.

It is seen, then, clearly, that what Nicaragua agreed was to concede to the Indians the power of self-government, according to their usual and proper customs, not being contrary to the sovereign rights of the republic. If the Indians, wanting the faculty to govern themselves, consent that a foreigner shall come among them and govern them with the name of guardian, authorized by other foreigners, and also contrary to stipulated terms, then, instead of the Indians governing the residents in the reserve, the residents are the governors of the Indians.

Moreover, if Nicaragua agreed to concede solely to the Indians the right of governing, and not to foreigners of any other nation, because one of the principal purposes of the treaty was to remove every foreign influence from the governments of the Indians, it is evident that the fact of foreigners coming to govern them, besides being opposed to the terms of the treaty, is contrary to the sovereign rights of Nicaragua recognized by England, and consequently the government of the republic can neither recognize such authority nor pay the pension offered to the Indians.

This is the proper ground of the question.

Fourth. The British minister, conceding the importance to Nicaragua of the question considered under the aspect of the foregoing article, in a note of the 19th May, 1866, denies that the government of Nicaragua has the right to allege anything against the election of the chief of the Mosquitoes. In respect to which he says that the information which the government has received is inaccurate; that in regard to it the list of the individuals who composed the electoral college is clear; that the Mosco Indians were on that occasion represented by their lesser chiefs; that it is a point of little importance whether the chief was elected according to the ancient customs of the Indians, or according to new ones adopted, in both cases the election being valid according to the treaty; and that by the latter mode, although there should be faults in the election, the correction should be made by the Mosco Indians, and not by the government of Nicaragua, which would have no reason to interfere, as is said, because the sovereignty would not be affected thereby.

In this reasoning of the British minister there are various things to observe. In the first place, there is no denial of having named for chief of the Moscos a child, and for tutor of this child a foreigner, who is to govern during his minority. This sole circumstance is a manifest infraction of the treaty, wherein it is agreed that the Indians shall govern for themselves, in order to remove every intervention or foreign protectorate. In the second place, it is not stated whether the lesser chiefs who represented the Indians in the election were Indians also, thus evading the assertion of this government that the election was by foreigners. And in the third place an inconsequence of the minister is noticed which is offensive to good sense, as I shall proceed to demonstrate.

By note which the minister of relations for this government addressed on the 29th of November of last year, answering the reclamation for the pension and interest already referred to, it is said that, even on the supposition that the subvention to the Indian chief should be refused without just cause, the British legation would have no right to ask indemnification for it, because it would be equivalent to a continuation of the protectorate, against the provisions of article 1st of the treaty.

In note of the 10th of May of this year the British minister answered, saying that every nation which is a party in a treaty with others has, first of all, the obligation to see that its stipulations are complied with, and that in a case like the present, international as well as national duty is compromised to it; and adds that he cannot observe without extreme surprise and regret the assertion made by this government that Great Britain has no right of action in the matters pending between the Mosco Indians and the republic of Nicaragua.

In the first place, I should say for Nicaragua that Great Britain, as well as any other nation, has the right to claim the fulfilment of a treaty in regard to her own rights, but not in regard to those which are alien, over which we should suppose that the owners possessed the exclusive power either to reclaim or renounce, as they should judge more or less convenient; and that it is evident that Great Britain, without the Mosquitoes having made reclamation of any sum, and without their having notified this government in the name of their authorities to whom the subvention should be delivered, appears defending with such zeal those supposed rights to the subvention and its interest, even though not demanded by those who are really interested; whence it appears that it is not the Mosquitoes who are making the claim, but the English subjects who made the elections, and who desire, under the shelter of the treaty, to prolong the English protectorate and govern that coast.

In the second place, I would say, that if England has the right to claim the fulfilment of the treaty in regard to the subvention of the Indians, notwithstanding that this subvention is not for the English government nor for their subjects, then also Nicaragua, and with greater reason, has the right to claim the fulfilment of the treaty to the end that the Moscos shall be governed by themselves and not by foreigners; for Nicaragua delegated the government of the reserve on condition that the Indians should govern themselves and the residents within it, and not that foreigners should come among them to seize the power against the purpose of the contracting parties, and principally of Nicaragua, whose sovereignty is concerned. Wherefore it follows that the claim for the subvention and its interest made by the English government is inadmissible: 1. Because having recognized the power of full sovereignty of Nicaragua in all the territory of the Mosquitoes they implicitly recognized the Indians as subjects of the republic; consequently, from the moment that England made that acknowledgment she has nothing to do with the relations of Nicaragua with her Indian subjects, because by such intervention England attributes a superiority over Nicaragua offensive to the sovereignty which she has recognized. 2. Because if England sees fit she can claim perpetually the fulfilment of the treaty according to her understanding of how much of the rights belong to her or spring from the treaty in favor of her subjects, but not as to those belonging to other nations, though having concurred in the celebration of the treaty, or to the subjects of another nation, as the Mosquitoes of Nicaragua, because the said treaty has not named or recognized her as a protector of alien rights. How would it appear to the government of England if Nicaragua should reclaim against the provisions which they made, or the conduct which they observed in respect to their own subjects, because such provisions and such conduct should not be in consonance with the treaty? The relations of a sovereign with its subjects belong to a category independent of all foreign intervention, and the interests and relations between them can only be the object of a treaty. Otherwise, the British protectorate over the Moscos would only be a change of name. 3. Because no nation is permitted to call another to account for what passes between its citizens, or between the government and its citizens. The same government of England says to the courts of Europe, in a circular of January 19th, 1821, in consequence of the principles of intervention proclaimed by Russia, Prussia, and Austria in the circular of Laybach:

"That no government was more disposed than it to interfere in the conduct of another state when its immediate security or essential interests were seriously compromised. This right was an exception to general principles emanating solely from the circumstances of the case, the danger making the exception to the general rule, and was incorporated as such in the institutions of the law of nations. The principles on which this rule is based (says Great Britain) sanction an intervention too frequent and extensive in the internal affairs of other states, nor can this intervention be arrogated by a diplomatic concert without attributing a supremacy irreconcilable with the rights of sovereignty of the other states, and with general interests, and without establishing an oppressive system attended with the gravest consequences."

England gave them a noble example, protecting the independence of the great nations of Europe. Has she in the course of time changed those principles? Does she recognize the right of independence for the powerful nations, but not for the weak? If England, then, recognized the sovereignty of Nicaragua in the Mosquito reserve, she ought to cease all intervention on her part in the relations of this government with the Indians, because that intervention is irreconcilable with the rights of sovereignty which the British government recognized in favor of Nicaragua, and because she thus establishes an oppressive inspection, while she has declared that her protectorate over the Moscos should cease after three months from the celebration of the treaty. Therefore, Great Britain can only reclaim her own proper right or those of her subjects, but never those of foreign subjects. 4 Because, even conceding that England, as a party to the treaty, has the right to claim the fulfilment with regard to the subvention conceded to the Moscos for their social improvement, and to provide for the maintenance of the authorities, neither the persons who are now acting as such authorities, nor those who conducted the election, nor the chief who rules as tutor, are acting in accordance with the treaty, but as strangers, and consequently Nicaragua is not obligated to give them the subvention which was offered to the Indians, and not to the strangers who have come among them arrogating the sovereign rights of election and command which belonged originally to Nicaragua and to the Indians by delegation. 5. And finally, because the example which the English minister has presented in his note of May 10th of last year, that if the Turkish government were accused of infractions of the rights guaranteed by a treaty with another power to Wallachia or Moldavia, over whom Turkey exercised the sovereignty, it would be a case in point, is not applicable to the present case, for the reason that it does not appear in the treaty of January 28, 1760, that Nicaragua submitted the rights of the Mosquitoes to the guarantee of Great Britain. So far from being a similar case, Nicaragua in that treaty sought to remove the intervention of that power which had been endeavoring to establish itself under the name of protectorate.

SECOND QUESTION.

Claim of the English minister for the duties which Nicaragua collects upon the goods introduced into the reserve.

1. The government of the republic, in view of article 1st and the latter part of article 2d of the treaty celebrated between this republic and her Britannic Majesty the 28th of January, 1860, issued a decree on the 4th of October, 1864, declaring that the maritime importation of foreign effects for consumption within the territory assigned to the Mosquito Indians should be made through the port of San Juan del Norte, subject to the same rules and imposts established for those to be consumed in the said port. This disposition has been the subject of a new reclamation. By note of the English minister, Mathew, addressed to the minister of relations of this government, dated May 10, 1866, it is said, "That for the first time it is known, and with some surprise, that the merchandise brought into the Mosquito reserve had been introduced as contraband at other points; but that with respect to the imports for consumption by the Indians it was unnecessary to say that they would have to pay more by reason of the duties imposed on transit in addition to those necessary charges, and that their cost would be less for the charges of freight if disembarked in their old and proper ports instead of Greytown."

Four months after that note was addressed by Mr. Mathew, Mr. Wallis, in charge of the legation, in the absence of the first, in a note of the 5th of September of the present year, says that, speaking of the imports collected in Greytown upon merchandise destined to be consumed by the Mosquito Indians, the object of every tax was to procure the necessary funds to sustain the expenses of the State; that all the inhabitants contribute more or less to the common welfare, and all should equally enjoy the benefits which the imports produce in the protection of their persons and property. But under what aspect do the Mosquito Indians have the benefit of the duties collected by the government upon the merchandise which is consumed in the reserve? Mr. Wallis adds, alluding to a despatch from this ministry, that if contraband is introduced through the reserve into the interior of the republic, the remedy would be for the government to appoint employés to look out for it.

It is seen, then, that Mr. Mathew recognizes the power of Nicaragua to collect duties upon merchandise destined for consumption in the reserve, and that the single question he treats is the diminution of costs by disembarking in the reserve, to avoid the freight from Greytown; while Mr. Wallis, officiously constituting himself a business attorney of the Mosquito Indians, denies that right to Nicaragua, alleging as a reason that the Indians receive no benefit from the product of the tax.

In the first place we should repel as illegal this intervention of the English agent in the relations of this government of Nicaragua with its subjects, the Mosquito Indians. What Great Britain has pretended in this matter is to procure the fulfilment of the treaty as a power that concurred in its celebration, and not to ask any privilege in favor of the Indians, as that they shall not pay duties on the importations into the reserve. This is not a right springing from the treaty, and Great Britain cannot pretend such exemption.

The reason of the English agent for that exemption should not be admitted as a consequence of the treaty, because there is no such consequence; and because, if we were to widen that stipulation and open its consequences, we should go from one to another to the remotest, thus authorizing to England an intervention extensive and prejudicial to the sovereignty of Nicaragua.

This is not a mere fiction. In the organization of a state all its interests are so interwoven that they form a unity so inseparable that one cannot be touched without more or less affecting the whole.

2. But, moreover, in the same treaty it is stipulated that Nicaragua shall collect those duties. By articles first and second Great Britain recognizes as an integral part, and under the sovereignty of the republic, the country up to that time occupied or reclaimed by the Mosquito Indians within the frontier of said republic wherever that frontier should be; and it is agreed that there shall be assigned to the Mosquito Indians within the territory of the republic a district that shall remain, as stipulated, under the sovereignty of Nicaragua.

In article fifth of said treaty, speaking of the subvention to be given by Nicaragua to the Indians, in the final paragraph it is said: "*To pay this sum Nicaragua shall impose and especially assign a duty upon the weight of all bales of goods which shall be imported through that port for consumption in the interior of the republic, without prejudice to the right to make up the deficit from the other revenues of the republic.*"

If the reserve, then, is an integral part of the republic of Nicaragua, and under its sovereignty, according to articles first and second, it is evident that the goods consumed in it should pay the duties imposed upon those for consumption in the territory of the republic, of which said reserve is an integral part. This is not simply a consequence more or less forced, but a literal test of the treaty, as it should, above all things, be understood when the purpose of the stipulating parties is inquired into.

3. But there is another question no less legal than the preceding to repel the pretension of the British agent.

By article seventh of said treaty it is declared that Greytown, or San Juan del Norte, shall

be a free port under the sovereign authority of the republic, which is compromised not to impose any duties or charges upon the vessels which arrive at said free port, or depart therefrom, except enough for the due maintenance and security of navigation for light-houses and to pay the police charges of the port. It is also declared that no duties or charges shall be imposed in that free port on the goods which enter it in transit from sea to sea. These are the only limitations accepted by Nicaragua upon the imposition of duties either on vessels or goods entering the port.

Now, then, if the goods passing from the port to the reserve are not included in the single limitation of goods passing in transit from sea to sea, why should there be imposed upon Nicaragua another limitation contrary to its sovereignty and to article seventh of the treaty?

If Nicaragua should consent not to collect duties upon goods carried into the reserve, it would lead to the idea that she considered the Mosquitoes an independent nation, and would also authorize in that territory considerable deposits of merchandise to be introduced as contraband on a large scale impossible to prevent, except with a force so numerous and extensive as to depopulate the country.

It is, then, established that Great Britain has no right to intervene in representation of the Mosquito Indians, nor to reclaim privileges not comprehended in the treaty; that Nicaragua has the right to collect the tax upon goods destined for interior consumption, and that the reserve being an integral part of Nicaragua, its part of the consumption is subject to the payment of duties as well as the rest of the republic; and finally, that the single limitation recognized by Nicaragua in the treaty is not to collect duties on goods passing in transit from sea to sea, which cannot be considered as comprehended with those destined for consumption in the reserve, which is an integral part of the territory of Nicaragua.

THIRD QUESTION.

Reclamation of the British minister for the concession to cut woods, made to Mr. Wm. Vaughan.

1. On the 28th of February, 1866, the government of this republic, by a contract celebrated to that effect with Mr. William Vaughan, jr., conceded the exclusive right for ten years to cut mahogany and other woods on the river Wava and its tributaries on lands belonging to Nicaragua, within five English miles of the margins of said river. This concession has given place to a new claim of the British agent.

By note addressed to the ministry of relations, on the 5th of September of last year, Mr. Allen Wallis says that the Mosquito Indians suffer great damage by the government of Nicaragua disposing of the wood within their district, as it is the single branch of their finances; that if the government of Nicaragua is considered by the treaty as having the right to make concessions for the cutting of wood in the Mosquito reserve, it would also have the right to impede the Indians in making use of the wood and other products of that country.

The government of Nicaragua sees with just surprise to what lengths the British agents go with the stipulations of the treaty in their desire to form out of the district conceded to the Indians an independent nation with rights opposed to the sovereign rights of Nicaragua. By this manner the protectorate of Great Britain, whose suppression was the principal object of the two contracting nations, would continue under the cloak of the treaty, giving to it an elasticity inconsistent either with the purpose to remove all foreign intervention from the government of the Indians, or with the sovereign rights of the republic in the territory of the reserve.

To all the reasons anteriorly expressed which are also applicable to the present question, should be added that Great Britain recognized the sovereignty of Nicaragua over all the coast then occupied by the Mosquito Indians belonging to the sovereign, the mountains, woods, rivers, and other things of a public denomination, which can only be disposed of by the sovereign, whether for the common use of the inhabitants or for those objects of public interest which are considered most expedient.

With this right the sovereign regulates game-laws and fisheries, grants public lands, decrees imposts, tolls, and land taxes, and declares its right of property in all mines of fossils and metals, or in a portion of their products.

These rights are founded on original occupancy, which could not be supposed to be effected by one or several subjects, but by the sovereign.

Furthermore, no clause being embraced in the treaty referring to the cutting of woods, or in which the sovereignty of the republic is limited in that particular, there is no foundation whatever for the claim made by the British minister in opposition to the concession which this government authorized to Mr. William Vaughan, jr., to cut woods on the river Wava, within the territory of Nicaragua, a pretension which has caused the utmost surprise to the government of the republic, because it is in all aspects opposed to its sovereign rights and foreign to the stipulations agreed upon by the two contracting parties.

AYON.

LEON, *October* 3, 1867.

Mr. Dickinson to Señor Ayon.

LEGATION OF THE UNITED STATES,
Leon, October 21, 1867.

SIR: I have very carefully examined and considered your excellency's very clear and able exposition of the questions in dispute between the governments of Nicaragua and Great Britain, in regard to the Mosquito territory, which I received on the 3d instant from your excellency in the form of a note and memorandum upon the questions pending between the two governments.

It has necessarily occupied considerable time to make the translations and copies and properly prepare the papers for the Department of State at Washington, and it was therefore impossible to transmit them by the last mail. But the further time which I have been able to bestow upon the subject has more than compensated for the delay by giving time for the whole case to be properly laid before the Secretary of State in connection with a copy of this communication, which I now have the honor of addressing to your excellency, explaining, as I shall proceed to do, my own views as to the position which I conceive the United States government will be justified in assuming in regard to these important questions.

From the time when the Spanish-American States first proved to the world that they had attained their independence, the United States have asserted that the American continents, by the free and independent condition which they had assumed, were thenceforth not to be considered as subjects for future colonization by any European power.

In furtherance of this principle, the Clayton-Bulwer treaty of 1850, between the United States and Great Britain, declared that neither one of the parties would ever occupy, or fortify, or colonize, or assume or exercise any dominion over Nicaragua, Costa Rica, the Mosquito coast, or any part of Central America. But it will be remembered that this stipulation was made with direct reference to an interoceanic communication across the territory of Nicaragua, and for the purpose of guaranteeing such encouragement and protection to the said interoceanic route as the two governments could extend to it consistently with their attitude of neutrality.

The action of the United States government, then, in regard to the Clayton-Bulwer treaty must depend very much upon the action of the government of Nicaragua in regard to the transit route; and when the government of Nicaragua gives practical evidence of its intention to remove all obstacles to such route on its part, by granting the necessary concessions for a successful transit, there will then be sufficient inducement for the government of the United States to insist upon a strict observance of the stipulations of that treaty. But if the present American company are denied privileges and concessions which have been freely granted to the English and the French, there is little inducement left for the United States to interfere in the settlement of the Mosquito questions.

With regard to the treaty of the 28th January, 1860, between Nicaragua and Great Britain, and the pretensions of the latter growing out of that treaty, a careful consideration of the whole subject in all its bearings leads very forcibly to the conclusion that it is of the utmost importance to the future welfare, if not the very existence, of Nicaragua to retain its sovereignty unimpaired over the Mosquito territory and not allow it to be undermined and gradually alienated by the influences now at work to transfer it to foreign hands. And it only remains for Nicaragua to prove her good faith and her friendly disposition to citizens of the United States to secure the good offices and the lasting friendship of the government of the United States.

With the earnest hope that these questions may result favorably to Nicaragua, I beg to subscribe myself, &c., &c.,

A. B. DICKINSON.

His Excellency Señor THOMAS AYON,
Minister for Foreign Affairs, &c., &c., &c.

Mr. Dickinson to President Guzman.

LEON, *September* 28, 1867.

Mr. PRESIDENT: Permit me to address your excellency again upon a subject which I believe we both have very much at heart: the success of the Nicaraguan transit. Letters recently received from the transit company convey the gratifying intelligence that the company had not only concluded to accept the obligation to open the harbor of San Juan del Norte, but had actually commenced the work, with powerful machinery and a strong force of men, on the faith of the proposition made by Mr. Silva to the political agent of the company in June last, that, on such condition, the amendments to the contract before then proposed by the company should be granted.

But I fear that the contract celebrated between the government of Nicaragua and Maximilian Sonnenstern on the 30th of August last, which I have recently had an opportunity of examining, will prevent the company from enjoying the proposed concessions in their full spirit and intent.

Even should the company of the interior line be confined strictly to the internal com-

merce of the country, without any design on the part of the government that it should interfere with a transit line over the same route, there would still be clashing interests and many difficult questions to settle before two separate companies could run harmoniously over the same line.

Supposing, for instance, that the two companies should be established over the same line, one for interior traffic and the other for transit purposes, would the transit company be excluded from carrying any of the interior commerce or way passengers of the country? or would the transit company, after spending vast sums of money and making great and valuable improvements on the river and harbor of San Juan, to be freely enjoyed by the other company, be excluded from the free enjoyment of the canal between the two lakes?

These are grave questions, and if they should be answered in the negative I fear that the transit company would be defeated in their enterprise.

The transit company could hardly consent to make one end of the line of the other company, and that much the costliest and most difficult part, and then be prohibited from running on the other end of the line. It will readily be seen that in that view of the case the company of the interior line would be deriving immense advantages from the works and expenditures of the transit company without rendering to the transit company any equivalent whatever in return.

I do not wish to be understood as saying anything against the internal improvements of this country; on the contrary, I desire to favor such improvements in every possible manner. But the first great improvement to be made is the restoration of the harbor of San Juan del Norte; and this must be done by the transit company, aided by such concessions from the government as will enable them to compete successfully with the Panama Railroad Company, now more than ever to be feared as a formidable rival. Whatever obstructs their free course over the best route which Nicaragua affords will have a tendency to defeat the great work on which all the others depend for their success.

I was led by the liberal and enlightened views expressed by your excellency during my last visit to Managua, to feel the utmost confidence that nothing could transpire to prevent the company from obtaining a liberal and perfect contract, with all the concessions that would be required to make the transit a complete success; and I therefore assured the company that they could go on at once with their improvements without waiting for the formal amendments, and that they need have no fears as to the result; that the government would grant all the essential amendments, and the company would be required to fulfil their part of the contract and make a good and reliable transit.

The company have acted on my advice in so promptly commencing the improvements which they are now making without waiting for the formal contract. They have thereby shown their entire faith in the Nicaraguan government, and the whole system of works which they propose are so evidently for the benefit of Nicaragua that they can hardly conceive it possible for Nicaragua to refuse to give them every possible assistance. So well known is it to them that every railroad or similar public improvement in the United States receives, not only from its government but from every town or city through which it passes, large contributions in lands and in money, and every possible support and encouragement in the way of legislation, that they feel every confidence that when the case is properly understood, and when the government of Nicaragua feels confidence in the company, they will receive a like encouragement and support in this country.

What the views of the company may be when they receive notice of the contract lately made with Mr. Sonnenstern I cannot tell, but I fear that it will have a very discouraging and damaging effect upon the company, and it may compel them to abandon the undertaking, the consequences of which to Nicaragua your excellency can better imagine than I can express.

I trust now that the company may not form the opinion that Mr. Sonnenstern is working against their interests, because I hoped and believed that he would be selected as the company's engineer in their great works. His knowledge of the country and his experience as an engineer would, I thought, make it better for the interests of the company, as well as of the republic, that he should be their principal engineer.

I beg to assure your excellency that in all these transit matters I study the interests of Nicaragua quite as much as I do those of the company, and I believe that such a contract can and ought to be made as will give the company every guarantee of success, and at the same time be directly beneficial to the republic in every respect.

I do not ask for a contract that will in any single particular work against the direct interests of the republic. I only ask for such a one as will guarantee the success of the transit, and thereby secure the success and prosperity of Nicaragua.

But I refrain from further remarks upon this interesting subject until I shall be more fully advised of the views of the government as to whether the contract recently celebrated with Mr. Sonnenstern is designed or calculated to interfere with the full scope of the transit amendments which have been proposed by the political agent of the company. At the same time permit me to express the hope that nothing may transpire to prevent the great transit enterprise from being realized to the fullest extent compatible with the interests of the republic.

With assurances of the highest consideration, permit me, &c., &c., &c.,

A. B. DICKINSON.

Mr. Seward to Mr. Dickinson.

No. 98.] DEPARTMENT OF STATE,
Washington, November 23, 1867.

SIR: Your despatch of the 22d of October, No. 142, has been received. It is accompanied by a statement from the minister of foreign affairs of Nicaragua of the questions which are in debate in reference to the sovereignty of Nicaragua in the territory of the Mosquito reserve, together with the correspondence concerning that statement which has taken place between yourself and the minister for foreign affairs. The statement has been carefully considered, and it will be immediately transmitted to Mr. Adams for his information, with instructions to inquire concerning the antagonistic positions which may be assumed by the British claimants, and in a spirit of friendship for Nicaragua, to exercise good offices with sound discretion, referring, if necessary, to this department for special instructions.

You are quite right in insisting that the government of Nicaragua shall not violate, by legislation or otherwise, either in letter or spirit, its contract with the Nicaraguan Transit Company. My instructions to Mr. Adams concerning the Mosquito question are given in the confident expectations that your suggestions in respect to the Nicaraguan Transit Company will have been complied with.

I am, sir, your obedient servant,

WILLIAM H. SEWARD.

A. B. DICKINSON, Esq., *&c., &c., &c.*