No. 106.

Mr. Logan to Mr. Evarts.

No. 99.] LEGATION OF THE UNITED STATES
IN CENTRAL AMERICA,
Guatemala City, July 17, 1880. (Received August 21.)

SIR: My previous dispatches have informed you of the visit of the Honorable Marco Aurelio Soto, President of Honduras, to Guatemala, as the guest of President Barrios. Desirous of showing him such attention as was in my power, a banquet was given in his honor, at the United States Legation, in this city, upon the evening of July 15.

There were present upon the occasion: President Soto, of Honduras; Mrs. President Barrios of Guatemala, the President being absent through sickness; Mr. Pedro Melendez, Minister of War and Finance of Salvador; Mr. Barrundia, Minister of War of Guatemala; Mr. Montúfar, Minister of Foreign Relations; Mr. Cruz, Minister of the Interior; Mr. Sanchez, Minister of Fomento; Mr. and Mrs. Dabry de Thiersant, of the French Legation; Mr. Graham, of the English Legation; Mr. Suarez, of the Spanish; Mr. Lama, of the Peruvian Legation; Mr. Medina, the American Consul, and several other notables.

The occasion drew forth many handsome tributes to our Government from the Central Americans, and strong expressions of the desire for a closer union with us. While no sentiment whatever of an offensive nature to European Governments was offered, President Soto, of Honduras, Mr. Melendez, of Salvador, and others, of Guatemala, openly said that the United States was the natural friend and protector of the Central American States, and that to the former nation the latter must look for their future. The whole affair was one of great harmony and good feeling.

I have, &c.,

C. A. LOGAN.

CHILI.

No. 107.

Mr. Evarts to Mr. Osborn.

No. 70.] DEPARTMENT OF STATE,
Washington, August 8, 1879.

SIR: I transmit herewith for your information copy of a dispatch from Mr. Ernest Dichman,* United States Minister Resident at Bogotá, reciting the causes which have prompted Colombia to proffer mediation for the settlement of the war between Chili and Peru and Bolivia, and announcing the appointment of Dr. Arosemena, the former secretary of foreign relations of Colombia, to visit Santiago, Lima, and La Paz on a special mission for the purpose of tendering such mediation.

Although abstaining from any direct indorsement of, or co-operation in, this apparently laudable effort of Colombia in the interest of peace and reconciliation, this government, which feels lively solicitude for the prosperity and tranquillity of the South American States, cannot but watch Dr. Arosemena's mission with especial attention.

* Printed under Colombia, *vide infra.*

In personal intercourse with the Doctor, when he visits Santiago, you will probably find a fitting occasion to express to him the warm interest taken by the United States in this tentative step, and the friendly solicitude of this government as to the result.

I am, sir, your obedient servant,

WM. M. EVARTS.

No. 108.

Mr. Osborn to Mr. Evarts.

No. 112.] LEGATION OF THE UNITED STATES,
Santiago, Chili, August 16, 1879. (Received September 17.)

SIR: * * * The war spirit is in the ascendency and it is likely so to remain until a trial of strength has been had.

President-making is now the order of the day, and I very much fear that this spirit will soon develop into one of President-breaking. The Cabinet is being repeatedly called before Congress for explanations concerning the conduct of the war, and it is now understood that there is soon to be another change in the ministry. The mass of the people, urged on by the politicians, clamor for more activity, while the administration hesitates. The government doubtless fears that a serious reverse would, in the present condition, produce a revolution. I seriously fear that Chili is being threatened by an enemy far more dangerous than the armies of Peru and Bolivia. Her internal political condition is that of confusion, and as each day succeeds the other it becomes more so.

A rumor obtained currency a few days since that the United States Government had determined upon intervention in the controversy, and the newspapers of the clerical party, accepting the rumor as well-founded, proceeded to inform the President as to his duties in the premises.

* * * * * * *

Of course the rumor was of short duration, but the discussion which it produced developed the existence of a strong public sentiment in opposition to dictation from without.

* * * * * * *

I have, &c.,

THOMAS A. OSBORN.

No. 109.

Mr. Osborn to Mr. Evarts.

No. 120.] LEGATION OF THE UNITED STATES,
Santiago, Chili, October 28, 1879. (Received December 18.)

SIR: Referring to your instruction, No. 70, regarding the mission of Dr. Arosemena, special ambassador of the United States of Colombia to the belligerents in the existing war in this section, I have the honor to inform you that I have discharged, to the best of my ability, the duty therein imposed upon me. Soon after the arrival of Dr. A. at this capital we were made acquainted with each other, and circumstances have since brought us together quite frequently. On more than one occasion before the arrival of your instruction he had mentioned to me the purposes of his mission, and had intimated a hope that possibly the United States Government might join the United States of Colombia in its ef-

forts for peace. I said to him in substance that I was without instructions touching the matter suggested by him, but that, while I knew that the United States Government felt a deep concern for the welfare of all the American republics, and that it regretted very much the present conflict and would rejoice at its termination, still I did not believe that it would, in the absence of knowledge that its good offices were desired by all the belligerents, or until it should have some good reason for believing that an effort by it in behalf of peace would be crowned with success, propose to meddle in the controversy in any manner.

Subsequently, when your instruction came to hand, I was more than gratified to observe that my expressions were in harmony with the views of the State Department in so far as the Department had seen fit to make them known. Dr. Arosemena is not hopeful of accomplishing anything now, and will leave here in a few days for Lima without formally tendering the good offices of his government. He has private assurances that the services of his government are not desired by Chili at present.

* * * * * * *

This country was never more confident of success in the war, apparently, than it is now. The government, as now organized, with Señor Santa Maria at the head of the cabinet, represents fully the aggressive war spirit of the country. The government has the confidence of the people in so far as the conduct of the war is concerned, and all are sanguine regarding the result. And yet I judge from the tone of the Peruvian press that the allies are quite as confident that they will ultimately triumph. While matters continue in this condition I am at a loss to understand how our government can possibly make itself useful in the direction of peace. I am sure that no proposition which would admit of the reoccupation by Bolivia of the territory between the 23d and 24th parallels, or any considerable part thereof, would be accepted by Chili, no matter where the proposition should come from.

* * * * * * *

The principal cause for the declaration of war against Peru was the secret treaty between Peru and Bolivia. Chili understands this compact to have originated in Peru's hostility to her, and I am led to infer that the "security for the future" mentioned contemplated an abrogation of the treaty and an assurance that a like one would not be entered into hereafter. If Chili should, however, get possession of the Tarapacá district, I apprehend that it would be interpreted to mean much more.

There can be no peace until at least one of the parties to the conflict shall show a disposition to abate some of its pretensions. I am confident that Chili is not so disposed now. If the allies are, I do not know it. The fact is, the belligerents have not sufficiently felt the horrors of war to incline them in the direction of peace. Up to this time the conflict has been confined to the sea. There has been no engagement worthy the name of battle by the army, and there must be, in my judgment, at least one serious, bloody engagement by the land force ere they will be found ready to listen to friendly suggestions from outsiders.

The Chilian land forces now number about twenty-five thousand men. They have been supplied with new arms of the most approved patterns, purchased in Europe. The men are regarded as good soldiers, and there will be much disappointment here if they fail to render a good account of themselves in the engagements which must, sooner or later, take place.

The capture of the famous turreted monitor Huascar by the Chilian navy has produced here the most unbounded enthusiasm. This vessel is now in the Valparaiso harbor undergoing repairs. This naval victory

leaves Chili undisputed mistress of the sea. It remains to be seen whether she is to be as fortunate on land. Her position is undoubtedly much stronger than it was prior to this naval engagement.

The government is anxiously watching the course of events in the Argentine Republic. There is much hostility there to Chili, and it is feared that that country may yet drift into an alliance with Peru and Bolivia.

I have, &c.,

THOMAS A. OSBORN.

No. 110.

Mr. Evarts to Mr. Osborn.

No. 78.] DEPARTMENT OF STATE,
Washington, December 26, 1879.

SIR: In my No. 67 of June 24 last, I sent to you a copy of my No. 23 to the minister of the United States at Lima, in relation to the status of foreign-built ships owned by Americans, and questions pertaining thereto. Having had occasion to address that minister farther on this subject, I deem it well to communicate to you the substance of my instruction to Mr. Christiancy, in the form of a further instruction to your legation, to the end that no occasion may exist for any failure of accordance in the premises between the diplomatic representatives of the United States at Lima and Santiago.

This department in its instructions (Nos. 65 and 67) to your legation, and in Nos. 7, 11, and 23 to the legation at Lima, has already defined the principles which should guide them in the determination of these questions, and can now do little more than reiterate and reaffirm the leading principles hitherto laid down, relying upon your judgment and discretion for their proper application in matters of detail, as it is manifestly impracticable to frame an instruction which shall meet every possible incident as it may arise.

The right of Americans to buy foreign-built vessels and to carry on commerce with them is clear and undoubted. A reference to paragraphs 220 and 221 of the consular regulations will show how perfectly this right is recognized, and how clearly the exercise of it is defined. It has existed ever since the origin of the Government. The fact that it is possible for collusion to take place between consuls and American merchants in foreign countries, in connection with these transactions, is not a sufficient reason to invalidate a right which exists independently of statute law, and which is advantageous to the interests of American commerce and enterprise. As a consequence and adjunct of this right, the flying of the American flag cannot be absolutely prohibited. As before stated in the instructions, if circumstances justify on the part of the consular officer an opinion that the sale was honest, and that the vessel has really become the property of a citizen, she may properly fly the flag of the owner's country, as an indication of such ownership and an emblem of the owner's nationality.

The duty of the consul in reference to these transactions is clearly enough indicated in Article XVII of the consular regulations. He is forbidden by law to grant any marine document or certificate of ownership, but he may properly make record of the bill of sale in his office, authenticate its execution, and deliver to the purchaser a certificate to that

effect, and also certify that the owner is a citizen of the United States. A considerable discretion and responsibility rest upon consuls in regard to determining the good faith of such transactions. They are not to conclude, as a matter of course, that all such transactions are genuine and honest. They are to take notice of any circumstances which would indicate that the transfer is fraudulent, and in all such cases it is their duty to refuse the certificates referred to. But, on the other hand, they are certainly not required to consider the mere fact of the transfer of a foreign-built vessel to an American citizen as an evidence of bad faith. The presumption is rather on the other side, as in all transactions in civilized countries, and in the absence of any indication of fraud a sale in a regular way, with the usual business formalities, is to be regarded by the consul as made in good faith.

When such transactions have been perfected, and when a consul, thoroughly satisfied of the good faith of the parties, has given his certificate of the transfer of a foreign-built vessel to an American citizen, and a vessel furnished with such consular certificate has been regularly cleared from the port where the consul referred to is stationed, and has come within the jurisdiction of another consular officer or diplomatic representative of the United States, it should require very strong evidence of fraud to induce the second consular officer to deny the American character of the vessel, to refuse the regular and necessary clearance to enable the vessel to pursue its voyage, and still more to insist upon such a vessel hauling down its flag. In cases where a consular officer or diplomatic representative is thoroughly convinced that a vessel has no right to an American certificate of sale, and consequently no right to the use of the American colors, he will be justified in going to the extent indicated; but this discretionary power should be used with the utmost caution and reserve.

Vessels in these circumstances, of course, cannot claim the privileges and immunities and the thorough protection which are accorded to regularly registered American vessels plying between ports of the United States and those of foreign countries. The American owners domiciled abroad, engaging in business of this sort, take upon themselves all the risks incident to such traffic. If they are seized by the war vessels of one or the other belligerent, and carried into courts of admiralty as prizes, they have no right to demand from the diplomatic officers of the United States that they shall be accorded anything more than fair treatment in such courts; that is to say, the fact that they are provided with consular certificates of American ownership secures for them only presumption that such is the fact, and they are not necessarily for that reason entitled to demand from the legations of the United States anything more than that protection afforded to every other species of property belonging to American citizens domiciled in foreign countries.

In the absence of any statutory provisions in regard to these important and delicate matters, it seems to be the duty of the Executive branch of the Government to prevent as far as possible any damage or danger to American interests, and, in addition, to guard and cherish to the extent of its power the right of neutrals to carry on honest commerce between nations engaged in hostilities, reducing to the least possible degree the hinderances to neutral trade, which inevitably arise from a state of war.

You will therefore, in all cases that may arise, keep these considerations constantly in sight, and apply them with that judgment and discretion which have hitherto won the approval of the President. The action of the legation at Lima in the matter of the "Itata" was com-

mended, because there seemed sufficient reason to doubt the regularity of the transfer in virtue of which she was displaying the American flag. If, as has been intimated, that vessel and her consorts, are now about to resume our flag, and other merchant vessels are preparing to pursue the same course, it will be the duty of the consul, under the direction of the legation, in that country where these ships first display American colors, to inquire strictly into the circumstances of the alleged transfers, and refuse or grant clearances according to the merits of each particular case. This being done, it is obvious that the act of one American consul or minister should not be challenged or reversed by another, except upon the strongest proof of mistake or collusion.

I am, &c.,

WM. M. EVARTS.

No. 111.

Mr. Evarts to Mr. Osborn.

No. 83.] DEPARTMENT OF STATE,
Washington, February 19, 1880.

SIR: I have received a dispatch from the minister of the United States at Lima, with a copy of a letter from the consul at Lambayeque, Mr. Montjoy, from which it appears that certain property of the American Oil Company, at Talara, which is described as "exclusively American property," and other like effects at the Lobos Islands, have been destroyed by the fleet of Chili; also that "a launch belonging to an American steam tug-boat was captured and taken away by the Chilian vessels, although made fast to the steamer and flying the American ensign."

It is understood that these facts are already within your cognizance. You will bring these acts to the early attention of the Chilian Government, and so represent the matter as may distinctly show, without however any appearance of captious opposition to the legitimate processes and needs of war, that the United States expect the equitable rights of their citizens under treaty and the law of nations to be respected to the full, as befits the relations between two such friendly powers.

I am, &c.,

WM. M. EVARTS.

No. 112.

Mr. Osborn to Mr. Evarts.

No. 131.] LEGATION OF THE UNITED STATES,
Santiago, Chili, February 25, 1880. (Received April 10.)

SIR: Under date of the 3d instant the minister of war and marine issued an order to the chief officer of the Chili squadron regarding the course to be pursued in the further prosecution of the war, an extract from which, with a translation in English, I herewith inclose.

* * * * * * *

It will be seen that this government proposes to adopt more vigorous measures than it has heretofore had recourse to in the prosecution of the war, and that to that end it directs the bombardment and destruction of all towns on the Peruvian coast which have prepared cannons for

defense, and the destruction of all moles and other property in the various ports of the enemy used in the loading aud discharging of cargo.

To say nothing of the misery and suffering which would necessarily ensue from a rigid execution of this instruction, it occurred to me that neutral rights and interests were liable to become very seriously jeopardized by it, and I therefore suggested to my colleagues of the diplomatic corps that it might be well to consider the propriety of addressing the Chilian Government on the subject. The result was a meeting of the corps, and, after a full discussion, an understanding that each representative should address the Chilian Government concerning the interpretation to be placed on the order in question. A copy of my note is herewith inclosed.

You will observe that I have urged that bombardment should only be resorted to as against towns which possess some importance in a military sense, and that even then sufficient notice should be given to enable non-combatants and neutrals to remove themselves and their property from danger. You will also have observed that I have protested against the right of Chili to destroy the moles and other means of loading and discharging cargo on the enemy's coast, except where such destruction appears to be necessary in view of the military situation.

An important fact in connection with this subject is that a very large proportion of the population, and even a larger proportion of the property, in the various towns on this coast, whether in Chili or Peru, is foreign; and it is upon these people and upon these interests that the severity of this measure must, in a great degree, fall, if its execution is insisted upon. Many of these people are Americans. If the government should listen to my suggestions, much ruin would be avoided, and I am not without hope of such a result.

My note is now under consideration at the foreign office, as are also those of the other ministers, and I anticipate a reply soon.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 131.—Translation.]

Extract from order of minister of war and marine, February 3, 1880.

So, then, now that it is manifest that the enemy did not duly appreciate the humanity of our conduct, I believe that our hostilities must be conducted with greater severity. In virtue of this, all towns on the coast that are protected by cannons should be bombarded and destroyed; all railroads that are serving the enemy in the transportation of troops and elements of war should be fired upon; and all moles and boats employed in the ports of the enemy in loading or discharging cargo should be destroyed. In a word, our standard of conduct hereafter must be to do the enemy all possible injury, without neglecting anything that is authorized by the law of nations, until it is made to feel the necessity of obtaining peace. Any other course will result in prolonging the war without limit, and will greatly increase the sacrifices which the country is making to sustain it.

If heretofore it was believed that great severity in conducting our hostilities was, until a certain point, unnecessary; now we have sufficient data to believe that we shall not oblige Peru to lay down her arms except by reducing her to absolute want, and making her feel, in the property and interests of her inhabitants, all the burden of the war.

[Inclosure 2 in No. 131.]

Mr. Osborn to Señor Amuñátegui.

LEGATION OF THE UNITED STATES,
Santiago, Chili, February 21, 1880.

SIR: I find published in the Diario Official an order from the minister of war and marine of your excellency's government issued on the 3d instant to the commander-

in-chief of the Chili squadron, regarding the course to be pursued in the prosecution of the present war, touching the purport of which I deem it my duty to address your excellency.

The very cordial relations which exist between our respective governments encourage me to believe that the motives which impel me cannot be misconstrued, and that my suggestions will be received by your excellency as they are offered, in a spirit of the utmost sincerity and friendship.

I understand the order mentioned to direct the bombardment and destruction of all Peruvian towns which have made preparations for defense, and the destruction of all launches, and other property whether public or private, used for loading and discharging cargo in the various ports of the enemy. The instruction to bombard is, I understand, unrestricted, except as stated above. The importance of the place in a military point of view is not to be taken into consideration. It is enough to know that it has in place some cannons for defense. Nor is there any requirement for the notice now so generally recognized as necessary by the civilized governments in such cases.

The right of bombardment is a cruel one in any aspect, and the public opinion of the world very justly demands that it should be sparingly exercised, and when exercised that the horrors attending it should be mitigated in the greatest degree possible. It is a relic of the barbarism of the dark ages, against which civilization has for several centuries steadily and unceasingly directed its fire, and while the progress which has been made may not be as great as good men everywhere could wish for, still much has been accomplished for humanity. The limits which circumscribed its exercise in the ages which are past have been through the expansion of an enlightened public sentiment gradually reduced, until, I respectfully submit to your excellency, the law of nations recognizes it only as pertaining to ports which possess some inportance, strategic or otherwise, in a military sense, and that even then sufficient notice of the proposed bombardment should be given to enable non-combatants and neutrals to remove themselves and their property from danger. And so, too, regarding the destruction of the launches and moles. It will hardly be seriously contended that such destruction could be justified except when the necessities of the military situation might seem to require it.

These observations are of a general character, but it is in its bearing upon the interests and rights of neutrals that I desire more especially to direct your excellency's attention to the order in question. These rights are liable to be seriously compromised by a rigid execution of the order, if I correctly understand its purport. The destruction of all the moles and launches on the Peruvian coast, for instance, involves the destruction of all neutral commerce with that country without the necessity of a blockade. I trust to be informed that my interpretation of the order in this respect is a mistaken one.

Without, however, particularizing further, I feel that my duty has been performed in bringing the matter to the consideration of your excellency, and I shall rest in the hope that whatever may appear to be wrong in the order referred to, in so far at least as it affects the right of neutrals, will be duly righted.

With sentiments of the highest consideration, I have, &c.,

THOMAS A. OSBORN.

Hon. MIGUEL LUIS AMUNÁTEGUI,
Minister of Foreign Relations.

No. 113.

Mr. Osborn to Mr. Evarts.

No. 132.] LEGATION OF THE UNITED STATES,
Santiago, Chili, February 27, 1880. (Received April 10.)

SIR: The Minister of Foreign Relations has addressed me a note soliciting the friendly aid of our legations at Santiago and La Paz in securing an exchange with Bolivia of prisoners of war, in answer to which I have assured him that I would very cheerfully render his government all the aid in my power and that I would communicate at as early a day as possible with my colleague in La Paz on the subject. I further informed the minister that Judge Pettis had been absent from his post, and that I was uninformed touching the time fixed for his return, but that I judged that the legation had been left in the hands of some person who would give due consideration to my communication if Judge P. should not be there to receive it.

I have this day written to the legation in La Paz, as promised in my note.

I have, &c.,

THOMAS A. OSBORN.

No. 114.

Mr. Osborn to Mr. Evarts.

No. 133.] LEGATION OF THE UNITED STATES,
Santiago, Chili, March 5, 1880. (Received April 10.)

SIR: In several of my dispatches upon the subject of the existing war in this section I have expressed the conviction that if Chili should succeed in placing her army in possession of the rich nitre and guano deposits of the Tarapacá district she would insist upon holding them, regardless of any intimation which she may have made touching the purposes of the war. Prior to her occupation of this district her authorized officials here strenuously insisted that great injustice was done her if it was believed that her purpose was one of conquest.

* * * * * * *

The drift of public opinion has constantly been in the direction indicated, and now I doubt if any responsible citizen would have the temerity to suggest a contrary course. There has been, and is now, doubtless, a difference of opinion as to the manner in which the annexation should take place, but that Tarapacá is to be annexed, now that it is in the possession of the Chilian army, is an acknowledged fact which no one presumes to question. A proposition for peace which should exclude the possibility of such a consummation would not, in my opinion, be seriously considered by this government. Just prior to the adjournment of the late session of Congress a resolution proposing an immediate annexation was offered by a very prominent and influential member, but the minister of the Interior urged that its adoption then would be inopportune, and at his request it was laid aside. I judge that the government would prefer to accept Tarapacá as a reimbursement for expenses in the war to any other form of annexation.

The management of the nitre and guano interests in the conquered territory is presenting some difficult questions to the Chilian Government. By military order an export duty upon nitre of one dollar and fifty cents per hundred pounds was established some three months since, but from various causes comparatively little has been shipped, and the revenue derived therefrom is very small. Of the principal causes for the meagre shipment may be mentioned, the excessive duty and the fear upon the part of the individual owners of a confiscation of their interests if Peru should recover her lost possessions. The government is sadly in need of money, and is making every effort to bring about a shipment of the nitre, but I incline to the belief that before much is accomplished in that direction a reduction of the duty will be found necessary.

The average value of nitre in the European markets during the year 1878 was thirteen shillings per hundred pounds. At this figure it would hardly pay to engage in its production, with the export duty as fixed. In 1878 the amount exported from the Pacific coast was 313,000 tons. Assuming this to be an average year, it will be seen that upwards of

seven millions of dollars per annum could be realized from this source with the duty at one dollar per hundred pounds.

I inclose a military order recently issued regarding the exportation of guano from the district mentioned. These guano deposits are, it is understood, all mortgaged to secure the payment of the Peruvian foreign debt. An agent of a part of the Peruvian bondholders has been here for about five months endeavoring to secure an arrangement with the government by which the guano in question should be appropriated to the payment of the debt for which it was mortgaged, and the inclosed order is the result. In diplomatic circles here this action of the Chilian Government in permitting the foreign bondholders of Peru to pay themselves from the conquered territory is very highly spoken of.

It occurs to me that there may be some question touching the ownership of guano shipped under this order in the absence of further action by the Chilian Government.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure with No. 133.]

Military order touching exports of guano from the occupied district of Peru.

JOSÉ A. VILLAGRAN, GENERAL-IN-CHIEF OF THE ARMY OF RESERVE, &C.

The province of Tarapacá being occupied by the Chilian army, and in virtue of the powers conferred upon me by the Supreme Government, I proclaim:

That as the foreign holders of Peruvian Bonds have solicited due permission from the Supreme Government to ship guano from the Peruvian deposits, occupied by the arms of the republic, and there being no impediment to granting this permission, I decree:

ARTICLE 1. The foreign holders of Peruvian Bonds are hereby allowed to extract guano from the Peruvian deposits occupied by the arms of the republic, under the following conditions:

1st. The bondholders shall name a committee or a responsible business house to direct the operations.

2d. The Chilian Government reserves the power of intervention and of naming one or more functionaries to inspect, and if it be thought opportune, to direct the operations of extraction and shipment.

3d. The functionaries referred to in the foregoing paragraph shall dispatch the loaded ships to Valparaiso, whence they cannot sail to a foreign port until the sum of 30*s.* per ton of guano on board has been paid into the custom-house.

4th. This payment shall be made in bills of exchange upon London, in favor of the Chilian Government and to its satisfaction; this payment shall be lowered to 20*s.* per ton, in case that the price of guano falls below £6 per ton.

ART. 2. The papers of the ships sent off shall be made out to the order of the firm of Messrs. Baring Bros. & Co., or to some other equally respectable firm, in case consignation is not arranged with them.

Until a contract of consignation be signed, the ships' papers shall be made out in favor of the Chilian Minister and Plenipotentiary in Europe, and of James Croyle, esq., and Sir Charles Russell.

ART. 3. The consignee or consignees of the guano shall proceed to sell the cargoes, and, after deducting the sums expended, be it in the obtaining of this permission, be it in payment of the debts referred to in Article 1, or be it to repay the shipping expenses, or in other similar objects, the remainder shall be divided between the foreign holders of Peruvian Bonds, in whose favor the guano deposits have been mortgaged.

PROVISIONAL ARTICLE. Until the committee, mentioned in Article 1, be named, Mr. John Proctor is authorized to arrange provisionally the mode of shipment, he being empowered to use for that purpose the material in possession of the Government.

Let this be published, noted, and communicated.

J. A. VILLAGRAN.

No. 115.

Mr. Evarts to Mr. Osborn.

No. 87.] DEPARTMENT OF STATE,
Washington, April 13, 1880.

SIR: I have to acknowledge the receipt of your No. 132, in which you inclose a copy of a note from the Chilian Minister of Foreign Affairs, soliciting the friendly offices of the legations of the United States at La Paz and Santiago, in securing an exchange of prisoners of war between Chili and Bolivia, and to say in reply that Mr. Adams, who succeeds Mr. Pettis in the mission to Bolivia, presently departs for his post at La Paz and will be instructed in the direction desired. The person in charge of the archives of the legation at La Paz is not authorized to act in a diplomatic sense.

I am, &c.,

WM. M. EVARTS.

No. 116.

Mr. Evarts to Mr. Osborn.

No. 88.] DEPARTMENT OF STATE,
Washington, April 14, 1880.

SIR: I have to acknowledge the receipt of your No. 131, communicating information of the order made by the Chilian minister of war and marine to the chief officer of the navy to bombard all cities and towns and destroy all moles and launches of the enemy, where practicable, and in reply to approve the spirit and purpose of your note (a copy of which you inclose) to the minister of foreign relations of Chili on the subject of that order.

Commending the method you employed of expressing your views in the premises by a separate note rather than in connection with your colleagues, I conclude by observing that this government desires you to make every proper effort to restrict to collisions of a military character the cruelties and destruction of life and property involved in the prosecution of this deplorable war.

I am, &c.,

WM. M. EVARTS.

No. 117.

Mr. Evarts to Mr. Osborn.

No. 89.] DEPARTMENT OF STATE,
Washington, April 23, 1880.

SIR: I transmit herein for your information a copy of a late instruction* sent to Mr. Adams, the newly appointed minister of the United States to Bolivia, respecting a proposition of Chili, touching an exchange between those countries of prisoners of war.

I am, &c.,

WM. M. EVARTS.

* See Mr. Evarts's instruction to Mr. Adams, *ante*, page 78.

No. 118.

Mr. Osborn to Mr. Evarts.

No. 143.] LEGATION OF THE UNITED STATES,
Santiago, Chili, April 30, 1880. (Received June 5.)

SIR: Referring to your dispatch, No. 83, concerning the destruction by the Chilian fleet of certain property of the American Oil Company at Talara, Peru, and the seizure at the Lobos Islands of a launch attached to an American tug-boat, I have to inform you that the instructions therein contained have been duly observed.

The information which I have been enabled to obtain bearing upon this subject is exceedingly meagre, yet I judge that I am sufficiently acquainted with the facts to warrant the conclusion that the destruction of the property at Talara, at least, was without justification. Talara is far removed from the field of actual military and naval operations, and if the property destroyed had been used, or if it was in condition to be used, to further the prospects of Peru in the war, I am not advised thereof.

My information in regard to these matters is limited to a copy of the letter of Consul Montjoy, written to Mr. Christiancy under date of January 3. By referring to your copy of this letter you will see that the information furnished, touching the affair at Lobos Islands, is based entirely upon a conversation with a Peruvian official at that point, and while it may be correct in every particular, I am as yet without testimony confirming it. It is true, however, that this government has asserted from the beginning of the war that Peru should not be permitted to export guano or nitre, and to that end has insisted upon the right to destroy, in the various ports used for these purposes, the means by which these articles have been loaded. Early in the war her navy destroyed the moles and launches at the guano deposits of Pabellon de Pica and Huanillos. The loss was very great, and the owners, who were British subjects residing in Great Britain, had the earnest support of their government in an effort to obtain assurances from Chili that they should not be again molested if they should repair their moles and launches. The note of Lord Salisbury was, I am credibly informed, somewhat dictatorial in its tone, but it accomplished nothing. The guano deposits are, it will be borne in mind, the property of the Peruvian Government, and it was contended here that Peru relied upon the exportations from them for means with which to carry on the war. That Peru has been very materially crippled in her finances by Chili's course in this matter will not admit of a doubt.

The Lobos Islands contain large beds of guano, and I infer that the launch referred to was seized to prevent its being used in loading that article.

I may add that the naval officer under whose immediate direction the acts complained of were committed was a rash man, and that he has since paid with his life for his excessive temerity.

I have reason to believe that the government has cautioned its naval officers against a repetition of such scenes as that at Talara. But while the war lasts, I feel confident that Chili will endeavor to maintain her position regarding the exportation of guano.

I have, &c.,

THOMAS A. OSBORN.

No. 119.

Mr. Osborn to Mr. Evarts.

No. 151.] LEGATION OF THE UNITED STATES,
Santiago, Chili, June 10, 1880. (Received July 29.)

SIR: Herewith find inclosed a copy of the message of the President, delivered to the Chilian congress at its opening on the 1st instant. The events of the war, with which you are already familiar, have claimed the attention of the executive to the almost total exclusion of other topics. An English translation of so much of the message as treats of the commerce of the country and its financial status is also inclosed, and a reference thereto will show you that, notwithstanding the war, the past year has been a prosperous one for Chili.

I have, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 151.]

Translation of parts of the President's message referring to commerce and finance.

* * * * * * *

The ordinary consequences of war have been but little felt in Chili. During its progress there has been a notable improvement in trade, partly owing to the favorable crops of the last two years and to the rise in the price of copper and nitrate, and partly to the effects of the economies introduced into the country during the commercial crisis of the former years.

Money is now more abundant than it was before the war; discount has fallen; there is a greater ease in business transactions, and property has risen in value.

During the past year the imports amounted to the value of $22,740,000 and the exports to $36,620,226, giving a balance of $13,880,226 in favor of the latter.

Compared with the preceding year we see an increase of $6,892,401 in favor of exportation, while the importation diminished by $2,582,011.

The value of agricultural produce exported last year amounted to $12,811,570; exceeding the previous year $4,138,009. Minerals were exported to the value of $20,280,-258, which sum exceeds by $2,754,392 the exportation during 1878. The minerals exported from the port of Antofagasta are not included in this, as the statements have not yet come in.

The ordinary and extraordinary receipt during the year 1879 amounted to $27,693,-087.74, and the expenditure to $24,777,360.12. But in the latter amount many sums spent by our legation in Europe are not included.

Large sums have been received from the sale of nitrate or from duties levied upon that article.

The guano deposits are now being worked and will, ere long, be developed.

The expenses of the war have hitherto been paid by the sums voted on several occasions, by the increase of the ordinary sources of income, caused by the increasing riches of the country, and by the income now derived from the territory occupied by our troops.

No. 120.

Mr. Osborn to Mr. Evarts.

No. 155.] LEGATION OF THE UNITED STATES,
Santiago, Chili, August 4, 1880. (Received September 17.)

SIR: Some movements have been made here by a number of the European legations with a view to removing the obstacles to peace. The legations which took part in this movement were those of France,

Italy, and Great Britian, but the minister of the latter took but little interest in it and seemed to regard it as futile. There was nothing which indicated even in the remotest degree a disposition on the part of the European powers to dictate terms to Chili, nor was there the slightest evidence of an intention to urge a peace except with the full and free consent of the belligerents. In answer to a suggestion from me the Italian minister said quite emphatically that European intervention with force was not to be thought of.

I am not aware that the German minister, Baron von Gülich, was consulted in this matter. He is about to depart for his home in Europe on leave of absence, and I therefore conclude that the German Government has in contemplation no movement of an extraordinary character in this part of the world. I see no reason to hope for an early conclusion of the war. Public opinion here emphatically demands Tarapacá, and I fear that Peru is determined to continue the desperate and apparently hopeless struggle rather than cede it. * * * *

The army has been remitted to its strength prior to the late battles in Southern Peru, and I judge that it now contains about 25,000 effective men. Much discontent pervades it at the delay of the government in giving the order to march on Lima. The government is, for obvious reasons, exceedingly desirous of avoiding a campaign against Lima, and will, I judge, for the present occupy the army with expeditions to Northern Peru.

I have, &c.,

THOMAS A. OSBORN.

No. 121.

Mr. Osborn to Mr. Evarts.

No. 164.] LEGATION OF THE UNITED STATES,
Santiago, Chili, September 9, 1880. (Received October 22.)

SIR: Responding to your instruction No. 98, I have the honor to inclose an English translation of a note received by me from the minister of foreign relations on the day of its date. You will observe that it is simply an acknowledgment of the receipt of my note to which your instruction refers concerning the course to be observed by Chili in the prosecution of the war in this section, and an assurance that it should be laid before the President. A similar note was received at the European legations, but no further response has been deemed necessary by this government. I am assured, however, that our respective notes have received that consideration which the gravity of the subject of which they teach demanded, and I am led to believe that they have exercised no small influence in the subsequent conduct of the war. In so far as the naval operations are concerned, I have heard of no cause of complaint since about the first of last January. Unfortunately their land forces are not so easily controlled. I judge that the reports which have gone to the world from Peruvian sources regarding the behavior of the Chilian soldiery at Pisagua, Mollendo, Tacna, and Arica are more or less exaggerated; still it is undoubtedly true that they are not wholly without foundation. The common Chilian soldier is a strong and reckless man, paying but little regard to discipline, and, in battle, a stranger, alike, to fear and to instincts of mercy. He is impatient under restraint, and is too apt to turn a deaf ear to commands which do

not conform to his liking. This is the one great fault with the Chilian army—its want of respect for the commands of its officers in battle. The authorities here understand that perfectly, and to this knowledge, in a great degree, is due the hesitation of the government in entering upon the Lima campaign. There is not the slightest doubt entertained here as to the ability of the Chilian army to enter Lima, but it is feared by the more considerate ones, that once there, the soldiers might be guilty of excesses which would not redound to the credit of their country. The Chilian peon hates the Peruvian as if by instinct, and his hatred is as bitter as it is natural. To this common feeling add the flame which stories of torpedoes and of hidden mines laid for his destruction necessarily produce, and you will be able to comprehend, perhaps in a modified degree, the spirit which animates the common Chilian soldier in this war.

Preparations for an extensive campaign continue, and unless peace shall come soon, the government will undoubtedly be driven into the movement against Lima.

* * * * * * *

I think I see some slight evidences here of apprehension upon the part of the government of armed intervention by the European powers, to the extent of preventing the Chilian army from entering Lima, if that campaign should be undertaken, but my inquiries * * * have failed to develop anything in justification of this fear further than can be implied from the uncommon interest in behalf of peace now being manifested by the representatives of Great Britain, France, and Italy.

I have the honor, &c.,

THOMAS A. OSBORN.

[Inclosure in Mr. Osborn's No. 164.—Translation.]

REPUBLIC OF CHILI, DEPARTMENT OF FOREIGN RELATIONS,
Valparaiso, February 26, 1880.

SIR: I have had the honor to receive the note which you directed to me, dated the 21st instant, calling the attention of my government to the contents of the communications which the minister of war, in the field, sent on the 28th of January and the 3d of February to the chiefs of the army and of the Chilian squadron with regard to the course to be, by them, pursued in their belligerent operations.

To-day I will lay before His Excellency, the President of the Republic, the observations that you were pleased to make concerning said communications.

Limiting myself for the present to an acknowledgment of the receipt of your estimable note I improve with pleasure the occasion to reiterate to you the sentiments of high consideration with which I am,

Your obedient servant,

MIGUEL LUIS AMUÑÁTEGUI.

No. 122.

Mr. Osborn to Mr. Evarts.

No. 165.] LEGATION OF THE UNITED STATES,
Santiago, Chili, September 13, 1880. (Received November 4.)

SIR: Responding to your instruction No. 100, I have the honor herewith to inclose an English translation of the note received by me in February last from the minister of foreign relations regarding an exchange of prisoners with Bolivia, as also a copy of my reply thereto.

* * * * * * *

I am, &c.,

THOMAS A. OSBORN.

[Inclosure 1 in No. 165.—Translation.]

Mr. Amuñátegui to Mr. Osborn.

REPUBLIC OF CHILI, DEPARTMENT OF FOREIGN RELATIONS,
Valparaiso, February 20, 1880.

SIR: The government of Chili is desirous of ransoming some soldiers which Bolivia has made prisoners in unimportant encounters that have taken place between the scouts of our respective armies.

At present we have many Bolivian prisoners from which we would give the number necessary to ransom those which they have belonging to us.

Convinced of the benevolent sentiments that animate you, my government has believed that perhaps it could count upon your friendly assistance in bringing about an exchange of all the Chilian prisoners which are in Bolivia for a corresponding number of those which we have in Chili.

In case there should be no objection on your part to assist in carrying into effect this proposition, I would venture to request that you should be pleased to solicit in our name the co-operation of your worthy colleague in La Paz.

As soon as a favorable response shall be received from you, I will be careful to send to you the list of Bolivian prisoners that we now have, so that the exchange can be perfected in La Paz.

I improve the occasion, &c.

MIGUEL LUIS AMUÑATEGUI.

[Inclosure 2 in No. 165.]

Mr. Osborn to Mr. Amuñátegui.

LEGATION OF THE UNITED STATES,
Santiago, Chili, February 23, 1880.

SIR: I have the honor to acknowledge the receipt of your estemed note of the 20th instant, wherein your excellency is pleased to solicit the aid of this legation, as also that of my colleague in La Paz, in securing an exchange of prisoners of war with Bolivia.

Your excellency can rest assured that such aid as it may be in my power to render to your excellency's government in this connection will be most cheerfully given, and I shall avail myself of the first mail which leaves for the north to communicate with the United States legation in La Paz on the subject, pursuant to the suggestion contained in your note.

It is possible, and I fear even probable, that my colleague in La Paz, Judge Pettis, has not yet returned from his home in the United States, whence he went in November last. He expected to return about this time, but I am as yet unadvised of his having reached his post. Nor have I, since his departure, had any correspondence with his legation, and I am quite ignorant regarding the person in whose hands it has been left. I judge, however, that the legation was placed in charge of some competent person, and that even though my colleague shall not have returned, my communication, upon its arrival in La Paz, will receive proper attention.

With sentiments of the highest consideration, &c.

THOMAS A. OSBORN.

CORRESPONDENCE WITH THE CHILIAN LEGATION IN WASHINGTON.

No. 123.

Mr. Asta-Buruaga to Mr. Evarts.

[Translation.]

LEGATION OF CHILI.
Washington, December 15, 1879.

Mr. SECRETARY: I have the honor to address your excellency for the purpose of calling your attention to the case of a torpedo-boat, which it is proposed to ship from Bristol, R. I., so that it may be used against Chili in its present war with Bolivia and Peru.

This legation has received reliable private information confirming the intelligence published on the 12th instant in the Evening Telegram (a slip containing the intelligence in question will be found on the margin of my letter), to the effect that this terrible agent of destruction has been in process of construction for some time, in pursuance of an order given by Peruvian commissioners or agents with the object above stated.

Without considering the question whether in legitimate warfare the use of an instrument of hostility would be admissible which uselessly endangers and sacrifices many lives, it may be asserted that a torpedo-boat comes under the head of armed vessels, as does any other of larger dimensions belonging to a navy, the fitting out of which violates the neutrality of the country in which it takes place. These boats are managed and operated by their own independent force, or as auxiliaries of other vessels forming part of a squadron. In such capacity they go to form, in my judgment, armed expeditions, whose preparation is in evident violation of the laws of the country in which it occurs, and from which they are conveyed for the purpose of carrying on hostilities against another with which that one is at perfect peace. I do not consider that this torpedo-boat is included in the right which is allowed to belligerents to purchase arms or other articles contraband of war in a neutral country.

Consequently, and in virtue of the stipulations of the treaty of 1832 between this country and Chili, which is still in full force as regards peace and sincere friendship, and of the neutrality law, I would request your excellency to adopt suitable measures to prevent the said torpedo-boat from leaving any port of these United States, it being evidently intended for hostile use against Chili.

I avail myself of this occasion to repeat to your excellency the assurances of the very high consideration with which I am

Your excellency's, &c.,

F. S. ASTA-BURUAGA.

No. 124.

Mr. Evarts to Mr. Asta-Buruaga.

DEPARTMENT OF STATE,
Washington, February 10, 1880.

SIR: Your note of the 15th of December last, in relation to a rumor that a torpedo-boat was about to be shipped from Bristol, R. I., for the use of the Allies in the present war with Chili, was duly received. In reply I have the honor to observe that the facts, as now within the knowledge of this Department, do not constitute any sufficient ground of criminal action against the builders of the craft, such as would necessarily follow the preliminary measures prescribed in our neutrality statutes.

I have the honor, however, to add that I have requested my colleague of the Treasury to cause a watch to be kept on the movements of the suspicious craft to which your note refers, in order that any evident intent to violate the neutrality laws may be at once reported and acted upon.

Accept, &c.

WM. M. EVARTS.

No. 125.

Mr. Asta-Buruaga to Mr. Evarts.

[Translation.]

LEGATION OF CHILI IN THE UNITED STATES,
Washington, April 24, 1880.

SIR: In the conference which I yesterday had the honor to have with your excellency, in relation to the war in which my country is involved with Peru and Bolivia, you informed me that you had received official advices from the former of those republics, to which, in view of their gravity, you deemed it indispensable to call my attention.

By those advices your excellency was informed that the corvette Chacabuco and the transport Loa had appeared, on the 10th of March last, off the island of Lobos de Afuera, and that after notifying the governor of the island of the object of their visit, they had proceeded to burn and destroy the wharf, platforms, cars, boats, and other appurtenances of the port, and to take on board everything movable that they could find on the island, including mules, horses, cattle and provisions, belonging both to the company which is engaged in taking guano there, and to the store of the parties who supply it with provisions (over which the flag of the English consul was floating), without leaving anything on the island for the inhabitants to eat, save a quantity of rice and jerked beef sufficient to last them for eight days; that the commander of the Chilian vessels had declared, on performing these acts, that he had positive orders to take whatever he could find, to await re-enforcements, and then to destroy all the ports of Peru between Paita and Callao. Finally, that without any provocation on the part of the inhabitants, and without any warning to them, shots had been fired at their dwellings.

Your excellency further informed me that you had also received official advices that instructions had recently been issued by the ministry of war and marine to the Chilian squadron in the sense stated by the aforesaid commander, and that you were likewise informed that, as regarded those orders, representations had been addressed to the Government of Chili by the diplomatic ministers accredited to it, in behalf of neutral interests in Peru and Bolivia; your excellency observing that, in view of this intelligence, and since it was proposed to destroy property in those ports, ninety per cent. of which was understood to belong to foreigners, a large proportion belonging to North American citizens was thereby endangered, for which reason you requested me to give you some satisfactory explanation concerning the nature of these proceedings, and the reasons which had led to the adoption of such extreme war measures, since such acts of hostility affected not only the combatants and other inhabitants, but also neutrals, whose property and commerce thereby received injuries for which it was the duty of their respective governments to demand reparation, in the interest of their citizens. Your excellency remarked that you referred to this state of things in order that I might call the attention of my government to it, as likewise to the view which was taken of its action, reminding me that, during the course of this war, the government of this country had uniformly maintained strict neutrality, notwithstanding the fact that it had been urged, in various quarters, to assume a different attitude.

To all the above statements made by your excellency in the aforesaid conference, I had the honor to rely that I had no knowledge of the facts alleged, but that I would refer them to my government, together with

your excellency's observations, feeling confident that it would hasten to rectify the inaccuracy with which I thought that those facts had reached your excellency, and to manifest the legitimacy with which hostilities are adopted, even to a rigorous degree, under the present circumstances of the war, for the purpose of completely subduing the enemy.

I nevertheless think it proper for me, in the mean time, to give you an idea of the line of conduct that has been followed in this war, in which Chili was forced to engage in defense of her rights.

In the early part of the war, Chili carried on hostilities against the two allied republics with extreme mildness, respecting the property of her enemies even to excess. She made war, arms against arms, without the rigor which is authorized by a state of war, or by the necessity of putting a speedy end to a deplorable and ruinous struggle, in order to re-establish peace on a solid and permanent basis. The prevalence of a state of war allowed her, however, within the sphere recognized by civilized nations, to disable and destroy her armed enemies, and whomsoever in any way, even incidentally, took part in warlike operations against her; to render useless or destroy any property belonging to her enemies, and any means of communication and traffic; to deprive the enemy of all resources, provisions, and means of subsistence, and, if military necessity required it, to extend her action with the same legitimacy to all inhabitants and property in the hostile country, so as to render it unable to continue hostilities.

A precedent for this course is found in the war in this country in 1861–'65, and in the recent European wars.

Chili did not do so. She now, however, finds herself obliged to comply with the demands of a military necessity, although she is careful not to disregard the dictates of humanity and the precepts of international law; she is obliged to do so by the conduct of her enemies, who, as is shown by Peruvian official documents, conduct hostilities on land by illicit means, and carry on an irregular warfare with armed prowlers. Nothing, therefore, remains for my government but to adopt severe repressive measures against hostilities of that character, in order not to prolong the contest indefinitely, at an immense sacrifice of blood and treasure and to the great detriment of even foreign commerce. Under these circumstances, it is not strange if Chili has ordered the bombardment of armed ports whence resources are procured for the enemy, or that she should cripple the activity of railways and other means of communication which enable him to transport troops and munitions of war; nor is it strange that she should order the destruction of wharves, apparatus, and material intended to facilitate the loading and unloading of vessels, and to serve to maintain establishments like that of the island of Lobos, from the working of which the Government of Peru derives means to continue the war. Those establishments, moreover, in several of the ports, even if controlled by neutrals residing there or associated with enemies, partake of the same hostile character.

If, through hostilities which are performed through military necessity, the property or interests of foreigners residing in the enemy's country are injured, it is an evil similar to many others which emanate from the exceptional condition of a state of war. My government, however, has endeavored to avoid, as far as possible, doing injury to neutrals residing in the territory of the enemy, and I make bold to assert that it cannot be justly charged with doing anything detrimental to those interests without imperious necessity. Nevertheless, it is a recognized rule of international law that, if a neutral suffers injury through the unavoidable hostile acts of a belligerent, he does not thereby acquire a claim

to indemnity; because, if he has preferred to continue or comes to reside in a belligerent country after the commencement of hostilities, it has been his intention to submit to all the contingencies consequent upon a state of war.

There is still another circumstance to which I will take the liberty of calling your excellency's attention, and it is that the bulk of the property in the ports of Peru has been transferred, perhaps surreptitiously, to foreign hands, since the beginning of the war, with a view to investing it with a neutral character, which explains why so large a proportion of that property has been represented to you as belonging to foreigners.

Yet, in spite of all, I can likewise assure your excellency that the Government of Chili, with the fairness and justice that characterize it in its dealings with friendly nations, will not refuse to make such reparation as may be called for by sound reason and the recognized principles of international law, and it hopes that the claims which it may prefer on account of the acts of foreign citizens during the war will be considered in the same spirit of reciprocity.

Hoping, sir, that the contents of this note will be satisfactory upon some of the points which formed the subject of our yesterday's conversation, until I shall have reported them to my government, so that it may explain them more fully, I have the honor to avail myself of this occasion to reiterate to your excellency the assurances of my most distinguished consideration.

F. S. ASTA-BURUAGA.

Hon. WM. M. EVARTS,
Secretary of State, &c., &c., &c.

No. 126.

Mr. Hay to Mr. Asta-Buruaga.

DEPARTMENT OF STATE,
Washington, June 18, 1880.

SIR: I have the honor to state that the Secretary of the Treasury has informed the Department of his decision, recently given, that under the proclamation of the President of the United States of November 1, 1850 (9 Stat. at L., p. 1004), Chilian vessels will be held exempt from paying any higher tax on their tonnage than 30 cents per ton.

It is understood that few cases, if any, have occurred where a tonnage duty in excess of that amount has been exacted from such vessels. I inclose a copy of the proclamation referred to. The Department will transmit, under cover to your address, one or more copies of any Treasury circular on the subject which may be received.

Accept, &c.,

JOHN HAY,
Acting Secretary.

[Inclosure.]

By the President of the United States of America.

A PROCLAMATION.

Whereas by an act of the Congress of the United States of the twenty-fourth of May, one thousand eight hundred and twenty-eight, entitled "An act in addition to an act, entitled 'An act concerning discriminating duties of tonnage and impost, and

to equalize the duties on Prussian vessels and their cargoes,'" it is provided that upon satisfactory evidence being given to the President of the United States by the government of any foreign nation that no discriminating duties of tonnage or impost are imposed or levied in the ports of the said nation upon vessels wholly belonging to citizens of the United States, or upon the produce, manufactures, or merchandise imported in the same, from the United States, or from any foreign country, the President is thereby authorized to issue his proclamation declaring that the foreign discriminating duties of tonnage and impost within the United States are, and shall be, suspended and discontinued, so far as respects the vessels of the said foreign nation, and the produce, manufactures, or merchandise imported into the United States in the same from the said foreign nation, or from any other foreign country; the said suspension to take effect from the time of such notification being given to the President of the United States, and to continue so long as the reciprocal exemption of vessels belonging to citizens of the United States and their cargoes as aforesaid shall be continued, and no longer;

And whereas satisfactory evidence has lately been received by me from the Government of the Republic of Chili, through an official communication of Señor Don Manuel Carvallo, accredited to this government as envoy extraordinary and minister plenipotentiary of that republic, under date of the thirty-first of October, 1850, that no other or higher duties of tonnage and impost are imposed or levied in the ports of Chili upon vessels wholly belonging to citizens of the United States, and upon the produce, manufactures, or merchandise imported in the same from the United States, and from any foreign country whatever, than are levied on Chilian ships and their cargoes in the same ports and under like circumstances:

Now, therefore, I, Millard Fillmore, President of the United States of America, do hereby declare and proclaim that so much of the several acts imposing discriminating duties of tonnage and impost within the United States are, and shall be, suspended and discontinued so far as respects the vessels of Chili, and the produce, manufactures, and merchandise imported into the United States in the same from Chili, and from any other foreign country whatever; the said suspension to take effect from the day above mentioned, and to continue henceforward so long as the reciprocal exemption of the vessels of the United States, and the produce, manufactures, and merchandise imported into Chili in the same as aforesaid, shall be continued on the part of the Government of Chili.

Given under my hand, at the city of Washington, this first day of November, in the year of our Lord one thousand eight hundred and fifty, and the seventy-fifth of the Independence of the United States.

MILLARD FILLMORE.

By the President:

W. S. DERRICK,
Acting Secretary of State.

CHINA.

No. 127.

Mr. Seward to Mr. Evarts.

No. 451.] LEGATION OF THE UNITED STATES,
Peking, July 12, 1879. (Received September 4.)

SIR: A conference of foreign ministers was held on the 10th instant at the house of Sir Thomas Wade, doyen of the diplomatic body, at which it was agreed that the following questions, to wit, taxation of foreign manufactures and foreign-owned domestic produce, official intercourse, and judicial proceedings, require attention and shall be brought under discussion with a view to reach conclusions to be put before the Chinese Government. Sir Thomas Wade was requested to communicate with absent ministers in this sense, and to say that it is proposed to meet for the study of these questions early in September.

The matters indicated have formed the subject of a number of dispatches heretofore addressed by me to the State Department, both from