No. 520.

Mr. Evarts to Mr. de Pestel.

DEPARTMENT OF STATE,
Washington, March 2, 1880.

SIR: I have the honor to acknowledge the receipt of your note of the 10th ultimo informing me of the recognition of the principality of Roumania by His Majesty the King of the Netherlands, and in reply it is proper to state that the President has caused such steps to be taken on the part of the Government of the United States in a like direction as will, it is hoped, result in the establishment of diplomatic relations with the Prince of Roumania at no very distant day. To this end I have already addressed the proper committees in Congress.

Accept, sir, &c.,

WM. M. EVARTS.

No. 521.

Mr. de Pestel to Mr. Evarts.

LEGATION OF THE NETHERLANDS,
Washington, May 12, 1880.

Mr. SECRETARY OF STATE: I take the liberty of again calling your excellency's kind attention to the subject of my letter of the 6th of January last relative to the duty of 10 per cent. which is levied in the United States on Dutch colonial products imported from the ports of the Netherlands.

If the Government of the United States admits, as I hope it does, the justice of the claims of my government, and is disposed favorably to receive its request for the removal of this discriminating duty, it is important that the matter should be taken into consideration while Congress is still in session, unless the government is able to satisfy our desire by a simple executive measure.

Awaiting your excellency's reply, I avail myself of this occasion to renew to you the assurances of my highest consideration.

DE PESTEL.

PERU.

No. 522.

Mr. Christiancy to Mr. Evarts.

No. 94.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 23, 1879. (Received January 22, 1880.)

SIR: Since my dispatch No. 93, of last week, several important facts have occurred with reference to the Peruvian Government.

On the afternoon of the 18th instant President Prado, without any previous notice or suspicion, but with the full knowledge of the minister of war and the minister of foreign affairs, and probably of the whole cabinet, left Lima; went to Callao, and about 4 p. m. embarked on the En-

glish mail steamer Payta for Panama, as it was given out by his friends, with the intention of visiting the United States, and perhaps Europe, in the interest of Peru. But the general belief here among all classes seems to be that it was a desertion of the post, which, under an accumulation of calamities, he felt he could no longer hold with advantage to himself or to the country. I have no decided opinion as to which is the true version of the affair. I am inclined to judge him leniently, because he has been more favorable to constitutional government than most Peruvian politicians, and yet the difficulties of his position were so overwhelming that it is possible the most unfavorable explanation of the cause of his leaving may be the true one.

I inclose herewith a correct translation of his decree on leaving, taken from the South Pacific Times, merely remarking here that the resolution of congress of the 2d May, to which he alludes, was that which was intended to authorize him to command the armies of the republic in the south.

I inclose also a translation from the same paper of his address to the nation and the army on leaving.

General La Puerta, the first vice-president, was thus left as President, and though all the old ministry tendered their resignations, he refused to accept them, and they all continued in office; General de La Cotera, minister of war and marine, continuing as president of the council, and virtually the head of the government, and though for years known to be a Piérolist, yet, like a true and gallant man, as he seems to have been, he felt bound to sustain the constitutional government. But immediately upon the departure of Prado a spirit of inquietude and want of confidence in the government seemed to pervade the public mind, and it was not difficult to discover that there was a general wish that Piérola should assume the dictatorship, all seeming to have more confidence in his intelligence and capacity than in any other man, and I must also say that the large majority of American citizens here (of whom there are perhaps one hundred in Lima) seemed to sympathize with this Piérola movement, though, like true Americans, they carefully abstained from taking any active steps in that direction.

Martial law having been already declared in Lima and Callao, on the 19th appeared a decree prohibiting the assembling in the streets of more than four men at any one place. But the inquietude still continued to increase. I could not avoid feeling the effects of a terrible premonitory swell about to sweep over the land like an earthquake wave.

Yesterday (Sunday) afternoon, while writing a private letter, about half past 4 p. m., I began to hear the tramp of infantry, and soon after of cavalry, in front of the legation. I supposed it to be a review, and kept on writing. But the tumult increased. I went to the balcony (which no one can understand who has not been in a Spanish town, and which is a projection in the second story over the street, some five feet wide, with sash and glass front and ends, from which you can see all along the street), and then I saw about one thousand infantry forming in line and some cavalry at each flank. The number was soon increased to about two thousand, and presently I saw mules and donkeys hurrying up with ammunition, and I began to be interested. I soon learned that two battalions of infantry, who had refused to obey the orders of the minister of war and whose colonels the government had attempted to remove, had mutinied and declared for Piérola, and their quarters were in the palace of the inquisition, on the opposite side of the Plaza de Bolivar (or Plaza de la Inquisition), and adjoining buildings exactly the opposite side of the same block on which the legation is situated.

In a few minutes after I had noticed this position of forces, and learned the object of La Cotera, to reduce the mutineers, the battle opened, at first only with small-arms—a constant roar and sheets of flame. General La Cotera (at the southwest corner of the plaza), fully exposed to the fire, on horseback, giving his orders with as much coolness as upon a dress parade. Soon there arrived upon the ground two mountain howitzers (they had no heavy artillery) and a Gatling gun, which kept up a constant roar. The mutineers being on the house-tops, all of which have flat roofs, and many of them a kind of parapet near the eaves, rising from 2 to 4 feet, were effectually protected from the shots of the assailants, while the government troops, in the open streets, were fully exposed to *their* shots. The mutineers were but about 600, who had declared for Piérola, but the advantage of their position made them more than equal to the (about) 2,000 government troops. The soldiers fought well on both sides, except that some of the government troops, in the midst of the action, went over to the mutineers (as I learned afterwards; but it was around the corner and out of my view), and some of them whose officers were Piérolists disbanded and dispersed. But I saw not the slightest evidence of cowardice. The private soldiers on both sides are substantially all Cholos Indians, and a few negroes and mixed blood. These Indians are a mild, gentle, amiable, and very industrious people, who do about all the labor that is done in Peru except by Chinese and negroes; and, though kept in slavery for more than three hundred years (and many still living who have been slaves), they are as good material for the rank and file of an army as can, I think, be found anywhere. They are small, wiry men, capable of much greater endurance than any white race I have ever seen, and only need to be well commanded to make most formidable armies. There was no shrinking as they fought in the streets exposed to the terrible fire from their almost invisible foes. I saw many wounded and carried away; saw several fall and one man killed instantly about five rods from my balcony on the street of Abancay, along which the main force of the government troops were placed—the lower or north end of the Plaza de Bolivar, where the hottest of the fight was, being in full view and about twenty rods from my balcony.

But these details are of no interest to you. I will only further remark that the battle continued from about twenty minutes before five until dusk. The mutineers were not dislodged. Continual defections had been going on among the various other regiments of the government troops elsewhere in the city, one after another going over to Piérola, and by the time that La Cotera returned to the Grand Plaza (on the north side of which the government palace is situated) he found Piérola in full possession of two sides—the east and south. He ordered his cavalry to charge, which they did, but they melted away before the terrible Remingtons of Piérola's infantry. But the government troops kept the north side plaza and the palace. This was early in the evening. The government forces seemed everywhere to be rapidly going over to Piérola, and about this time he received information that the city of Callao had declared for him, as well as the officers of the principal forts and batteries; and though he might, in a very short time, have triumphed in Lima and taken the palace by continuing the fight, he wisely determined (and I hope and believe from motives of humanity) to march with his forces for Callao, which he did, where he was hailed as a deliverer, all the forces, forts, and batteries declaring for him. He took possession of both railroads to Lima. No trains were run during that day. He was simply waiting for the remaining government forces

at Lima to disintegrate or to declare for him; and he judged rightly, knowing the powerful influences at work.

The Catholic bishops, with whom Piérola has always been a favorite, went yesterday afternoon to the acting president, La Puerta, and satisfied him that, as the great mass of the people as well as the army were in favor of Piérola, to continue the contest longer would be a wanton waste of life. But La Cotera was the last to yield, and he was only made to yield by the officers of the regiments in the palace itself going to him late yesterday afternoon and assuring him that they could no longer be accountable for the fidelity of their men, and had themselves determined to yield to Piérola; when, mounting his horse in the patio of the palace, with a few faithful friends as a guard, he rode out of the palace hissed and jeered by the rabble, but undismayed, and, with the rigid features of a bronze statue, scorning the servility of the crowd, rode off to his own house in Lima, preserving his honor and fidelity to the last, and commanding the respect of the thinking class, even of his enemies, who could not fail to see in him one of the last survivors of the proud and chivalric hidalgos of the Spanish race in its better, or, at least, its more heroic age. And yet, among the more intelligent men of all classes, the general verdict is that he was a man of more courage and chivalry than mental capacity.

* * * * * * *

Piérola, as is now supposed, will proclaim himself dictator. He is admitted on all hands to be a man of great mental capacity, of boldness, and decision, and it is generally believed that his inclinations are kind and humane. But he most thoroughly believes that in time of war, or any great national crisis, the law of self-preservation is superior to any written constitution. He is now to be tested, and so much is expected of him that it will be hard to meet all those expectations; and it is quite possible he may fail, and, in the course of a year, become as unpopular as Prado is to-day. In the mean time, however, since he has found that the whole responsibility rests upon him, he grows circumspect. He might have come in here last evening (Monday), and taken quiet possession of the palace and the government, and there was none to oppose him. But he waited, was expected to-day, and his friends telegraphed him to come, to which he replied, just before noon, in substance (I saw the dispatch in the telegraph office when it came): "Let all the military officers sign a document stating to whom they acknowledge obedience, so that I may know what orders to issue"; and up to this time, 6.30 p. m., he has not yet arrived in Lima. No one, however, seems to doubt that he will proclaim himself dictator.

I inclose you his letter of last evening, published in his paper this morning in Spanish, and if I can get the time before the mail will translate it.

DECEMBER 24—11 a. m.

Piérola at 7 p. m. came up with a large body of officers and took quiet possession of the palace and the government, and to-day for the first time in three days the doors of the various places of business and of the private dwellings are open, the police are again on duty at every street corner, and all seems quiet and peaceful.

The revolution in this part of Peru is an accomplished fact.

* * * * * * *

You will see by my dispatch No. 88 that I had anticipated the present state of things, and asked instructions, which, for the present, I shall await.

I have expected to see before this hour some proclamation or pro-

nunciamento issued by Piérola showing his general plan of government, but up to this hour, 12 m., none has appeared.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 94.]

Departure of President Prado.

[From the South Pacific Times.]

His Excellency President Prado, came from Lima, accompanied by several of his ministers, by the train which left Desamparados Station at 3.5 p. m. on Thursday last. Arriving at Callao, he at once proceeded on board the Pacific Steam Navigation Company's steamer Payta, which left that afternoon on her regular itinerary for Panama. The following morning two documents, of which the following are translations, were published:

Mariano Ignacio Prado, Constitutional President of the Republic.

Inasmuch as I am authorized to leave the country by a legislative resolution of May 2, 1879, and very urgent and important matters demanding my presence abroad, and it being my duty and desire to do all I can in favor of the country,

I decree:

Solely. That the first vice-president take charge of the presidency of the republic in conformity with articles 90 and 93 of the constitution.

* * * * * * *

Given in the government house in Lima on the 18th day of December, 1879.

MARIANO I. PRADO.

MANUEL G. DE LA COTERA.
B. ELGUERA.
ADOLFO QUIROGA.
J. M. QUIMPER.

[Inclosure 2 in No. 94.]

Proclamation of President Prado.

The Constitutional President of the Republic to the Nation and to the Army:

FELLOW CITIZENS: The great interests of the country demand that I shall leave to-day for abroad, separating myself for a short time from you, at a time when considerations of a different order counsel my remaining among you. The motives which induce me to adopt this resolution are in reality very great and very powerful. Respect it, for a man who like myself serves his country with good will and complete f denial has a right to exact it.

Soldiers, if our arms suffered partial disaster in the first days of November, on the 27th of the same month they were crowned with glory in the province of Tarapacá. I am sure that under any circumstances you will imitate the example of your comrades in the south.

Peruvians, his excellency the senior vice-president of the republic remains intrusted with the executive power, in accordance with the law. I recommend him to you to aid him in all his acts with your co-operation.

In taking leave of you, I give you the assurance that I shall in due time be with you again. Have faith in your fellow citizen and friend,

MARIANO I. PRADO.

LIMA, *December* 18, 1879,

[Inclosure 3 in No. 94.]

Proclamation of General Piérola.

To the People and the Army:

Silent and sorrowful before the exigent demands of the people and the army, I resigned myself to circumstances during the days which followed the shameful flight of Prado and the advent of the superanuated General La Puerta, hoping that the

army would decide at last to overcome the scruples of a misunderstood loyalty which stayed a part of it from acting according to its convictions, which are those of the nation, and desirous of avoiding any collision between brothers and the loss of a part of our forces.

The headlong and impatient ambition of General La Cotera, after brutally stifling the unanimous voice of the people of Lima and Callao, provoked a conflict yesterday, employing the forces under his command to disarm the patriots of the army whose only aim was the salvation of the country and the defeat of the foreign foe.

In Lima but a few moments sufficed to show how irresistible was the patriotic desire of the people and the army, and it would have sufficed for me to remain a few hours more in the capital to end all resistance.

Yielding, nevertheless, to the motives I have already expressed, I preferred to retire to this city, which has received me without any manner of resistance, to the end of making impossible all chance of strife between brethren and of favoring the tranquil adhesion of those remaining in Lima to the political *régime* proclaimed months ago by the whole nation.

Thus all conflict is made utterly inexcusable, and throws in its true light the responsibility for its evils upon its sole authors.

That portion of the army still under their orders in Lima, will not, I am confident, permit this responsibility to become a fact, to the immeasurable injury of all. The hour of national reparation has struck. In the series of disasters which have marked the history of our foreign war, Peru has no part. In shaking off, as she now does, the old rule, she raises the most eloquent protests against that deplorable history, and presents herself worthy of her name and her destinies before the other peoples of the earth.

For us there is, as there can only be, but one aspiration; a swift and full triumph over the foreign enemy. To achieve this work, we are now all brothers, without the memory even of our past divisions, and drawn one to another by the indissoluble tie of love for Peru.

Whatever may retard for an instant the complete national unity is an act of treason to our country. Unity is the one condition of the power and triumph of Peru. To that end has ever consecrated and now consecrates his most zealous efforts, your fellow citizen and comrade in arms,

N. DE PIÉROLA.

CALLAO, *December* 22, 1879.

No. 523.

Mr. Evarts to Mr. Christiancy.

No. 53.] DEPARTMENT OF STATE,
Washington, December 26, 1879.

SIR: Your dispatch No. 77, of November 5, 1879, has been received. You express in it the opinion that the time has arrived for a definite and precise declaration of the principles which are to govern the ministers and consuls of the United States, and more especially our naval officers, in reference to the use of the American flag by foreign-built ships, claimed to have been purchased by American citizens from subjects or citizens of a belligerent power, during the existence of an actual war between such belligerent government and another belligerent, towards both of which our government maintains the position of a neutral. You say that if left to your own judgment, you would decide at once and without reserve that any transfer made by citizens of one of the belligerents to a citizen of the United States, during the pending war, so far from being treated as *prima-facie* evidence of good faith and validity, should be treated as *prima facie* fraudulent and void; and that it should be so held, as well by our consuls as by our naval officers, until clear and satisfactory evidence of the reality and good faith of the transfer should be produced. You then go on to say that your doubts in regard to the matter arise from the fact that you are informed that this Department has approved not only your views, but also those of the minister of the United States in Santiago and our consul at Valparaiso.

which you say are diametrically opposed to yours. You then proceed to state the views of these officers in a manner which, it is necessary to say, is not justified by any dispatches which have been received from them at this Department. You next refer to the case of the Itata, expressing your opinion that that vessel is about to assume again the American flag, and that a large part of the Chilian merchant marine will range itself, by means of the fraudulent transfers, under the same colors. You ask, therefore, for definite instructions in view of these possibilities as to the duty of diplomatic representatives and consular officers, as well as of officers of the United States Navy.

This Department, in its instructions numbered 7, 11, and 23, to your legation, and in instructions of similar purport, numbered 65 and 67, to the legation in Santiago, has already defined the principles which should guide you in the determination of these questions.

In reply to your request for further instructions, this Department can do little more than reiterate and reaffirm the leading principles hitherto laid down, relying upon your discretion and judgment for their proper application in matters of detail, as it is manifestly impossible 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, as stated in instruction to your legation, No. 11, of May 8, ever since the origin of this 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 stated before in the above-mentioned instruction, 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 rests 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. In the absence of any indications of fraud, a sale in the 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 certifi-

cate 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 a 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. Your action and that of your predecessor, in the matter of the Itata, has been commended, because there seemed sufficient reason to doubt the regularity of the transfer, in virtue of which she was displaying the American flag. If, as you intimate, 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, sir, your obedient servant,

WM. M. EVARTS.

No. 524.

Mr. Christiancy to Mr. Evarts.

No. 98.] LEGATION OF THE UNITED STATES,
Lima, Peru, December 31, 1879. (Received January 22, 1880.)

SIR: Referring to my dispatch No. 94, showing the events which led to the breaking up of the old constitutional government and the accession of Don Nicolás de Piérola to the dictatorship, I have the honor to inclose you several decrees and addresses of the dictator showing the nature of the government established by him, and the nature of the means employed to carry his will into effect; all of which, as you will perceive, have the merit of clearness and brevity.

* * * * * * *

From these various papers you will be able to judge of the present status of the government here.

I enumerate these various papers in the statement of inclosures herein.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 98.—Translation.]

Nicolás de Piérola, Supreme Head of the Republic:

Considering:

First. That the inhabitants of Lima and Callao, by their respective acts, have spontaneously invested me with the supreme authority in the State, with full and complete powers;

Secondly. That the army and navy of the republic have adhered to this step, which has been long the general aspiration of the country, and that it is confirmed by the army in the south and by all the towns in telegraphic communication with the capital;

I decree:

SOLE ARTICLE. With the title of Supreme Head of the Republic I accept the position and powers with which I have been invested.

The chief clerk of the ministry of foreign affairs is intrusted with the publication and communication to the proper persons of this decree.

Given in the government house in Lima, this 23d day of the month of December, 1879.

NICOLÁS DE PIÉROLA.

By order of his excellency.
The chief clerk of foreign affairs,
E. LARRABURE Y UNÁNUE.

[Inclosure 2 in No. 98.—Translation.]

Letter to His Holiness, Leon XIII.

NICOLAS DE PIÉROLA, *Supreme Chief of the Republic of Peru.*

MOST BLESSED FATHER: A spontaneous vote of Peru, given simultaneously and unanimously by the people and the military and naval forces, has just invested me with the supreme command of the republic, with omnipotent powers, which, in accordance with national inspirations, manifested perseveringly for some time back, and with the most ardent desires of my heart, will be employed for the regeneration of the political institutions, which urgently demand it, striving before all else to prepare the triumph of our arms in the war in which we are engaged with Chili.

In communicating to your holiness my investiture with the supreme authority of this republic, so dear to the paternal heart of your holiness, I feel the most intimate complacency in solemnly ratifying the sentiments of unyielding faith and filial love with which I kiss the august hands of your holiness, asking from you your apostolic benediction.

Given in the palace of Lima on the 23d day of the month of December, in the year of Grace 1879.

[L. S.] NICOLÁS DE PIÉROLA.

The secretary of state for the department of foreign affairs and worship:
P. JOSÉ CALDERON.

[Inclosure 4 in No. 98.—Translation.]

The supreme chief has addressed the following letter to the chiefs of friendly States:

NICOLAS DE PIÉROLA, *Supreme Chief of the Republic of Peru.*

GREAT AND GOOD FRIEND: The unanimous acclaim of the people, the army and the navy of the country, has just invested me with the supreme magistracy of Peru, with omnipotent authority, which I shall exercise, keeping in view the regeneration which our institutions demand, but above all and before all the triumph of the arms of the republic in the war in which it is engaged with Chili.

In announcing to ——— ——— my investiture with the supreme power, I have the very especial satisfaction of expressing the sentiments of loyal friendship in which I abound towards the and the person of , for whose prosperity and glory I offer the most sincere and fervent prayers.

Given in the palace of Lima on the twenty-third day of the month of December, in the year of our Lord 1879.

[L. S.] NICOLÁS DE PIÉROLA.

The secretary of state for the department of foreign affairs and worship:
PEDRO JOSÉ CALDERON.

[Inclosure 6 in No. 98.—Translation.]

NICOLÁS DE PIÉROLA, *Supreme Head of the Republic.*

Considering the inconvenience of the decree of interdiction of the 8th of November last, it is hereby annulled.

The secretary of finance is intrusted with the fulfillment, publication, and circulation of this decree.

Given in the government house in Lima this 25th day of December, 1879.

N. DE PIÉROLA.

MANUEL A. BARINAGA.

[Inclosure 7 in No. 89.—Translation.]

Provisional statute.

NICOLÁS DE PIÉROLA, *Supreme Head of the State.*

Inasmuch as it is my intention to conciliate the respect due to natural justice and the traditional policy of the republic, with the ample and speedy action which the regeneration of our institutions and the definite and glorious triumph of the national arms require—

I do hereby sanction the following provisional statute:

ARTICLE 1. The sovereignty and independence of Peru are the bases of its political and social existence.

ART. 2. The unity of the Peruvian family and the integrity of the territory, historically and juridically belonging to it, cannot be interrupted nor lessened without committing an act of treason against the country.

ART. 3. Article 4 of the old constitution relating to the religion of the State will remain unaltered.

ART. 4. The government guarantees primary instruction to all citizens, and encourages superior and scientific instruction.

ART. 5. The independence of the judicial power is sanctioned; but the government reserves to itself the right of watching effectively over the prompt and correct administration of justice.

ART. 6. The civil and penal codes remain in full vigor and force, whilst the necessary reforms are being initiated with regard to them.

ART. 7. Personal security, liberty, and property are guaranteed by the government.

The right to honor; equality in the eyes of the law; the liberty of the press, anonymous writings being prohibited; any such will be punished as pasquinades. Offenses committed through the medium of the press will not change their nature thereby, and will therefore be judged by the respective courts.

The liberty of industry, provided that same be in no way harmful.
The liberty of association.
The right of petitioning for justice or pardon, individually or collectively, but in due form and manner.

ART. 8. Treason against the country, military cowardice and insubordination, desertion in the field, peculation, breach of public trust, bribery, embezzlement of public property, premeditated and treacherous homicide, robbing in gangs, whatever be the condition of the guilty party or the character with which he be invested, will be judged according to military law during the present war, and capital punishment inflicted. The property of anonymous societies, industrial, mercantile, or banking establishments, will be considered as public property for the application of the sentence.

ART. 9. Civic virtues and brave and heroic deeds will be rewarded by the munificence of the nation through the medium of its head.

ART. 10. A council of state is hereby created, composed as follows:
Of the archbishop of Lima.
The president of the congress of jurists.
The president of the supreme court of justice.
The president of the comptroller's office.
The prior of the consulate court (of commerce).
The rector of the University of Lima, and six councillors more, who will be appointed by the Supreme Head of the Republic, and one of whom must be a general of the army.

ART. 11. The government will consult the council of state with regard to such matters as, in its opinion, may require it. It will also act as a court of appeal and final decision in all litigious questions connected with the administration.

ART. 12. This statute will remain in force until the republic be endowed with definite institutions.

Given in the government house in Lima this twenty-seventh day of the month of December, 1879.

NICOLAS DE PIÉROLA.

The secretary of state for foreign affairs and worship, and temporarily for government and police:
PEDRO JOSÉ CALDERON.

The secretary of state for justice and instruction:
FEDERICO PÁNIZO.

The secretary of state for public works, commerce, &c.:
MARIANO ECHEGARAY.

The secretary of state for war:
MIGUEL IGLESIAS.

The secretary of state for maritime affairs:
MANUEL VILLAR.

The secretary of state for financial matters:
MANUEL A. BARINAGA.

[Inclosure 8 in No. 98.—

Military organization of the Republic.

Nicolás de Piérola, Supreme Head of the Republic.

Considering:
That it is absolutely necessary to furnish the country with a proper military organization in order to insure the defense of its sovereignty and integrity of its territory,
I decree:

ARTICLE 1. The military forces of the nation will be formed of four armies in active service, as follows: Two armies of the south, styled first and second, respectively; one army of the center; one army of the north.

ART. 2. The reserve forces of these armies will be divided into *movable and stationary reserves.*

ART. 3. The following rule will be observed in raising the contingents for the formation of the different armies: Every Peruvian from 18 to 30 years of age must enter the army on active service, and those from 31 to 50 years old the reserve.

ART. 4. The respective contingents will be formed by the sub-prefects of the provinces, and placed at the orders of the departmental authorities.

ART. 5. The following are exempted from obligation of belonging to the army on active service and the movable reserves:

1st. All public employés in general.
2d. Professors of instruction exercising their profession.
3d. Members of colleges and universities.
4th. Those citizens who contribute 50 soles or more monthly for the war.
5th. Proprietors and employés of printing offices and printers.
6th. Lawyers and medical men exercising their professions, as proved by the respective license.
7th. Hospital and ambulance employés.
8th. The only sons of widowed mothers.
9th. The only brother of any citizen killed in the battles of the present war.
10th. All citizens physically disqualified for the profession of arms.

ART. 6. The stationary reserve will be formed of the citizens exempted by the foregoing article, and the superfluous forces of the movable reserve.

ART. 7. The contingents of the army on active service which result to be superfluous will join the reserves.

ART. 8. The organization of the armies will be decreed separately.

ART. 9. The secretary of state for war is intrusted with the fulfillment of this decree.

Given in the government house in Lima this 26th day of December, 1879.

N. DE PIÉROLA.

MIGUEL IGLESIAS.

No. 525.

Mr. Christiancy to Mr. Evarts.

No. 106.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 21, 1880. (Received February 17.)

SIR: I have the honor to inclose translations of nine several decrees of the dictatorial government of Peru.

I call special attention to inclosures Nos. 3 and 5, in reference to the currency of the country, adopting gold as the standard coin and the pound sterling as the denomination for general use. The value of paper soles, when received for taxes or duties due the government, has been fixed at 12 pence sterling for the present (see No. 5), though in private transactions between individuals the rate ranges from 11 to 12 pence, and is daily fluctuating within these limits.

I also call special attention to the circulars issued by the secretary of foreign relations (Nos. 6 and 7) to the representatives of friendly and neutral nations in reference to the war, and the question of the right of neutral vessels to ship, under the authority of Chili, nitrates from the nitrate beds in those parts of Bolivia and Peru now in possession of the Chilian forces. This is a peculiar question, and one upon which I would like to receive and follow the views of the Department.

* * * * * * *

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 3 in No. 106.—Translation.]

The currency of the country.

OFFICE OF THE SECRETARY OF FINANCE.

Nicolás de Piérola, Supreme Head of the Republic.

Considering:

First. That one of the principal causes of the present bad condition of business affairs ha been the creation of paper money of forced circulation, and for this reason,

it being urgent to put an end to the changeable value of the actual circulating medium, ruinous alike to commerce, industry in general, and especially to employés of the government and the laboring classes;

Secondly. That among the precious metals gold unites the best properties for use as money;

Thirdly. That it being impossible to coin at once national gold coin, it is necessary to adopt one of the foreign circulating mediums;

Fourthly. That the pound sterling has the most extensive circulation and is the one which is almost wholly adopted as the basis of drafts, and it being also the unit in which we ought to receive a considerable portion of our income;

I decree:

1st. That gold be considered the legal circulating medium, and I will shortly issue the new law in conformity with which national money shall be coined.

2d. Meanwhile the pound sterling will be adopted as the legal money.

3d. The public receipts and expenditures shall be fixed and met in said money.

4th. Obligations contracted from now in future shall be considered by the tribunals of justice as stipulated in this money, if they do not contain an express condition to the contrary. Regarding anterior contracts, whatever currency is therein expressed shall not be ignored, and in consequence will be complied with in the money agreed upon.

The secretary of state in the office of the department of treasury and commerce is charged with the due execution of this decree, and will cause it to be published and made known.

Given at the government house in Lima on the 14th day of January, 1880.

N. DE PIÉROLA.

MANUEL A. BARINAGA.

[Inclosure 5 in No. 106.—Translation.]

Value of the paper note.

Nicolás de Piérola, supreme head of the republic.

Considering:

First. That, the legal circulating medium being established by decree of this date, it is requisite to provide for the actual condition of the paper note of obligatory circulation, and likewise the means of redeeming the entire issue;

Secondly. That, there not being a sufficient quantity of gold coin or silver soles in the market, to require debtors to the state to pay in coin would be to impose an impossible and extremely onerous obligation upon them;

Thirdly. That the depreciation of paper money, as is consequent, having occurred successively and in different hands, to receive it in the fiscal offices for a greater value than its actual price in hard money in the market would be to benefit unjustifiably the present holders at the cost of the entire country;

Fourthly. That, as it is already impossible to remedy the loss suffered by the people, it is necessary to put an end to it by preventing the further depreciation of the paper note, and to secure a fixed price for it at present, until it be redeemed;

Fifthly. That, according to the duly-proved commercial fact, the price of the paper note is at present something less than 12 pence per sol;

I decree:

1st. That the paper note of obligatory circulation be received in the offices of the state at a fixed price of 12 pence for every sol.

2d. That the issue of notes intrusted to the old committee of issue, to the amount of 60,000,000 soles, be closed, and all the superfluous notes in their possession, and the plates which have served to manufacture them, destroyed.

3d. That a monthly sum of fifteen thousand pounds sterling, which shall be entered in the general estimates, be set aside for the exclusive purpose of redeeming an equal amount in notes, effected by the fiscal committee, created by decree of this date, independently of the extraordinary redemption of same which the government may be enabled to effect.

The secretary of state for finance and commerce is intrusted with the execution of this decree, and with its publication and circulation.

Given in the government house in Lima this 14th day of January, 1880.

N. DE PIÉROLA.

MANUEL A. BARINAGA.

[Inclosure 6 in No. 106.—Translation.]

The following two circulars referring to the war have been addressed to the representatives of friendly nations:

CIRCULAR.] LIMA, *January* 14, 1880.

Your excellency is aware that a question of limits, though twice decided, finally brought on war between Bolivia and Chili, which latter country finished by declaring war against Peru also, on account of her having formally expressed her intention of remaining faithful to the treaty of alliance adjusted with the former of the two countries, although at the same time, and in virtue of that very treaty, she was straining every effort to re-establish fraternal relations between the belligerents and preserve the equilibrium and peace of the continent.

Chili, pretending to enforce an act of revindication in which she was herself both judge and plaintiff, had already, in a treacherous and violent manner, seized hold of the Antofagasta region, which had been adjudged to belong to Bolivia by two successive treaties, and subsequently occupied the entire Bolivian coast and opened hostilities on Peru without allowing herself to be detained in her course by any consideration of humanity for defenseless towns, or out of respect for the rights conceded by the laws of nations, or even out of consideration for the interests of neutral nations.

Peru, reposing in fatal confidence and totally unprepared for a war which she never expected to be engaged in, was forced to sustain an unequal and disastrous naval campaign, in which the heroism she displayed is a sufficient recompense for the final glorious, but disastrous, result.

Peru has likewise beeen similarly unfortunate on land, although one single day, the only one on which strictly speaking it can be said that a battle was properly fought, in spite of the superiority of the forces and elements opposed to her, was sufficient to enable the final result, which will not be long delayed, of the terrible duel to which this noble republic has been provoked, in spite of her generous desires and frank and honorable intentions, to be prophesied with the most complete certainty.

Finally, the department of Tarapacá, which forms the southern boundary of the Peruvian territory, has been occupied by the Chilian army, and Peru will reply to this act in the only way which her honor and pride dictate.

Chili, however, in the mean time, whose actions with respect to the territory temporarily occupied by her, should be limited to the exercise of the hostilities permitted by the law of nations, doubly violates it, attacking both the sovereignty and property of the republic. She arrogates the former to herself, imposing taxes on the nitrate industry of the department in question, the importance of which is notorious throughout the world, and she assails the latter, appropriating to her own uses the portion of the nitrate riches belonging to the Peruvian fisc, exporting and selling same in foreign markets.

To these attacks on the dignity and property of the nation, Peru opposes the moral force of justice, and will employ it, as may be thought most convenient, aided by the material force at her disposition to rescue her property from the hands of her enemy or from those whoever may assist her in her work of plunder. And this is not a matter of a possible contingency in the future; for it is an actual fact that the saltpetre of Tarapacá, as well as that of the Bolivian coast, is being exported in neutral vessels, without the aid of which Chili would be powerless to carry out her criminal intent.

The flag of friendly nations cannot protect property of which Peru has been violently defrauded and over which she will exercise her due rights as far as her strength enables her.

The good faith and considerations which Peru shows for her friends induce her to make the foregoing frank declaration, which I have the honor of communicating to your excellency on behalf of the new government which the republic now possesses.

Begging your excellency to accept, &c.,

PEDRO JOSÉ CALDERON.

[Inclosure 7 in No. 106.—Translation.]

CIRCULAR.] LIMA, *January* 14, 1880.

One of the first acts of the new government of Peru, which I have the honor to represent in the department of foreign affairs, was to annul the decree issued by the former government establishing a commercial interdiction with Chili.

This act proves the elevated spirit and the sentiments of justice and propriety which preside over its every resolution, and testify to its firm intention of lessening as far as possible, of reducing to the narrowest limits, the inconveniences and evils attendant upon a state of war.

The enemy however does not appear to be animated with a like spirit, since not content with the flagrant violations of international law it has been guilty of whilst engaged in hostilities with Peru, and which have merited universal reprobation, Chili now pretends that the mere notification of the blockade of such ports, the closing of which she doubtless thinks will cause us the greatest damage, is sufficient for the efficaciousness of the blockade.

Being powerless to close the entrance to the principal ports on our extensive coast by occupying said entrance with a sufficient force for that purpose, she is manifestly striving to introduce into the Pacific a system of paper blockades, which can never possibly be maintained as legitimate, and which none of the principal European powers would even think of at the present day.

The right of neutrals to consider such a blockade as null and void of effect is manifestly plain, and to tolerate it or show the slightest respect for it, would be to encourage a pretension radically unsustainable, and which would become a scandal to the times we live in, were it to be supported in the slightest degree by those whom it most prejudices.

As it is right that the true state of the case should be laid before our friends in a matter of such weighty importance, I feel certain that your excellency and your government will look upon this communication as another proof of the cordial sentiments with which Peru maintains her relations with —— ——.

I take this opportunity of assuring your excellency, &c.,

PEDRO JOSÉ CALDERON.

No. 526.

Mr. Christiancy to Mr. Evarts.

No. 111.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 28, 1880. (Received February 25.)

SIR: I have the honor to inclose to you a copy of my letter of the 25th instant to C. A. Nugent, esq., our consular agent at Arica, also a copy and translation of the letter of Admiral Montero, in command of the Peruvian forces at Arica, on the subject of the blockade of the port of Mollendo by Chili, dated the 9th instant.

The whole substance of the reply of the consuls to the note of the admiral appears in my letter, of which copy is inclosed.

* * * * * * *

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 111.]

Mr. Christiancy to Mr. Nugent.

LEGATION OF THE UNITED STATES,
Lima, Peru, January 26, 1880.

SIR: Your letter (No. 2) of the 14th instant received, inclosing a copy of the letter of Admiral Montero, commander of the Peruvian forces at Arica, dated January 9, on the subject of the blockade, and the reply of the consular corps thereto, informing the admiral that the contents of his letter would be referred to the ministers of their respective countries.

At this distance, with the uncertainty and irregularity of the mails, I can give you no specific advice applicable to the precise state of facts which may exist at any moment, as that state of facts may be changing from day to day. In fact I am informed here, through the British minister, that since the letter of Admiral Montero, another vessel has been added to the Chilian blockade squadron in front of Arica, and another to that blockading Mollendo. I can only lay down for your guidance some general principles recognized and insisted upon by the Government of the United States, as applicable to blockades, and leave you to apply them to cases of American vessels entering or seeking to enter the port claimed by Chilian authorities to be blockaded. No nation has taken stronger ground or more persistently maintained it against mere

paper blockades. The American doctrine is that, to entitle a blockade to the recognition of neutrals, or in any manner to affect the rights of neutral vessels to enter or depart from the port claimed to be blockaded, the blockade must be maintained by the presence of such a force as to render the entrance or departure of the neutral vessel manifestly dangerous. The principle adopted by the treaty of Paris (of April 16, 1856), to which both Chili and Peru have become parties (upon this point), does not differ very materially from the American doctrine, though it may seem to go even further, as it requires "that blockades, to be binding, must be effectual; that is to say, maintained by a force sufficient in reality to prevent access to the coast of the enemy." But, whether this really goes further than the American rule we need not discuss, as you and I are to be governed in our official action by the latter, and under this, the mere fact that a neutral vessel might slip in or out unobserved, at night, or during a fog, could not of itself be held to invalidate the blockade. And if the blockading squadron be driven off the port by a storm, this will not invalidate it, if they return to their post as soon as the weather will permit. But if they are driven from the port by the enemy or voluntarily leave it, for even a few days (possibly for a single day), this terminates the blockade, and it cannot be re-established without giving, *de novo*, a fair notice to neutrals.

A practical question of some importance may arise upon the course which I understand has been quite usual with the Chilian blockading squadron, of withdrawing so far from the port at night, and sometimes by day, that first, vessels might innocently enter without the knowledge that a blockade had existed there, and second, vessels which had been informed that the blockade had existed some time before, might, on approaching the port to see whether it still existed, and seeing no blockading vessels and receiving no warning from them, might enter in good faith, believing that the blockade had been abandoned.

In neither of these cases could such vessel be properly seized as a prize for a breach of the blockade; but should receive reasonable notice to depart, or not to land or receive cargo. And if this habit of leaving the port thus unguarded should continue for any great length of time, I doubt whether all neutral nations would not be justified in treating it as inefficient for any purpose, and absolutely null. Such intermittent blockade must, in time, it seems to me, become intolerable to neutrals.

Should the blockading squadron attempt to seize or interfere with any American vessel, in violation of any of the principles above laid down, my advice is: that you make a proper protest, and allow officers and owners of such vessels, through you, to protest against such action.

I am, &c.,

I. P. CHRISTIANCY.

[Inclosure 2 in No. 111.—Translation.]

The Peruvian admiral to the consular body at Arica.

ARICA, *January* 9, 1880.

SIR: I think it opportune to place under the knowledge of the honorable consular corps residing in this department, that some merchant vessels of neutrals have entered and departed freely the port of Mollendo, notwithstanding the men-of-war of the republic of Chili, which announced the blockade, were cruising off the port mentioned. Such has been the case with the steamer Bolivia of the English company on the 17th of the same month; nevertheless, two Chilian vessels, perhaps, were at sight, which is publicly known. And as these cases are frequently and inevitably repeated, and especially on the south coast of the republic, where the naval forces of Chili are simulating that hostility which the law of nations recognizes as blockade, and for the efficiency of which invariable rules have been established, I think it my duty to call the attention of the foreign consular body here to the subject, they having under their care the custody of the interests of the citizens of their respective nations, in order to guard the rights which they so worthily represent, and in obedience to the principles universally acknowledged. Be pleased to consider seriously the tenor of this note, and appreciate properly the question of the legality of the proceedings to the Chilian squadron; as it is seen that they cannot substantially sustain the effectual blockade in conformity to the sound and incontrovertible doctrine of international law. Such blockade, although claimed to have existed, is *de facto* relinquished for want of effectual and immediate force to maintain it, and in virtue of the facts to which I have referred.

With distinction and consideration of esteem, it is grateful to me to subscribe myself, &c.,

L. MONTERO.

To the DEAN of the honorable consular corps residing in Tacna.

No. 527.

Mr. Christiancy to Mr. Evarts.

No. 112.] LEGATION OF THE UNITED STATES,
Lima, Peru, January 28, 1880. (Received February 25.)

SIR: I have the honor to inclose to you a copy of my letter of the 24th instant to Mr. Merriam, our consul at Iquique.

I call attention to this letter, especially as regards granting clearances to American vessels shipping nitrates from Iquique on account and under authority of Chili. The circular of the secretary of foreign relations of Peru on this subject will be found in my dispatch No. 106, inclosures 6, 106, and 7, 106.

It does not seem to me that the right of our consul at Iquique, holding his exequatur from Peru, necessarily depends upon the merits of the question of belligerent right to ship nitrates as between Peru and Chili, nor that the question is necessarily the same as would arise upon a clearance granted by an American consul in a Chilian port to a vessel loaded with such nitrates. But if I am in error in the advice I have given, I wish to be promptly corrected.

The question is to me a somewhat novel one, and I have to depend upon the general principles which seem to me applicable to the circumstances. Fortunately, however, there is very little American shipping on this coast.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 112.]

Mr. Christiancy to Mr. Merriam.

LEGATION OF THE UNITED STATES,
Lima, Peru, January 24, 1880.

SIR: Your letter No. 49, of the 17th instant, is received. I think your course in exercising your official functions with the full consent and approbation of the Chilian authorities now in possession of Iquique and the surrounding country, is strictly right so long as your official acts shall in no measure be made to operate to the injury of or in hostility to the rights of Peru, or to such as she claims and which are still in contest between her and Chili. But any official act which might aid either of the parties to the contest might be complained of by the other as a departure from the duties of strict neutrality.

You are appointed only as a consul to Peru, and hold your exequatur from its government only, and, therefore, as it seems to me, you cannot, even with the assent of the Chilian authorities, do any official act to which the assent of the Peruvian Government might not fairly be presumed. That assent may be presumed to the extent of allowing you to protect American citizens and to exercise your ordinary functions in reference to American seamen, and upon conflicts arising between the officers and seamen of American merchant vessels, and no objection would now be made to granting clearances to American vessels engaged in any other trade than that of shipping salitres (excepting also contraband, of course).

But the question of granting clearances to American vessels which may load with salitres at Iquique stands upon peculiar grounds. These salitres come from Peruvian soil, which, though now in possession of Chili, is yet in dispute and subject to the arbitrament of arms. Peru, in the circulars of her secretary of foreign relations, has taken the ground that the rights of war, as the contest now stands, do not give Chili the right to deprive the territory of this property and to transport and sell it on Chilian account, and Peru claims that no title can thus be acquired.

Under these circumstances, for you to grant clearances to vessels shipping this nitrate in hostility to Peru and for the direct benefit of Chili, may, I am inclined to think, be properly looked upon by Peru as an unfriendly act tending to aid her enemy in the prosecution of the war. I know that such is the view taken by the government here, and as the shipping of this nitrate at Iquique must be under the exclusive

authority of Chili, and you are not accredited to that country, I think the Peruvian Government would withdraw your exequatur should you grant clearances in such cases. It is true that your refusal to grant such clearances may not stop the injury to Peru, because the Chilian authorities may authorize their own captain of the port or other officer to give clearances, which would avail for what they were worth as the acts of a government or authority de facto.

I shall lay the matter before our government and be guided by its instructions, but in the meantime, until different instructions are received from our government, I think the safest course for you is to act upon the advice above given.

I am, &c.,

I. P. CHRISTIANCY.

No. 528.

Mr. Evarts to Mr. Christiancy.

No. 63.] DEPARTMENT OF STATE,
Washington, March 1, 1880.

SIR: Your dispatch, No. 106, of the 21st January last, has been received. It is accompanied by translations of certain recent decrees of the Peruvian Government and copies of circulars addressed by the minister of foreign affairs of Peru to the representatives of friendly nations. All these inclosures, with the exception of those which you number 6 and 7, relate to internal affairs of that country, and do not appear to call for any special instructions. One of the papers referred to, however, assumes that Chili has seized those nitrates on the Peruvian coast which Peru claims as her own, and is exporting their products in neutral vessels, and that, therefore, Peruvian cruisers will not respect a neutral flag detected in that business.

Although in the present subdued condition of the Peruvian navy there may not be much risk of capture of neutral vessels by the Peruvian men of war, it is proper that you should remind that Government of the eighteenth article of its treaty of 1870 with the United States, which expressly stipulates that free ships shall give freedom to goods, and that everything shall be deemed free which shall be found on board the vessels belonging to citizens of either of the contracting parties, although the whole lading or a part thereof should belong to the enemies of either, articles contraband of war always excepted. It seems clear, therefore, that if a Peruvian cruiser should capture an American vessel whose cargo, in whole or in part, should consist of the nitrate referred to, the treaty would be violated in a case for which it was specially intended to provide. For such an act that government would certainly be held accountable. It is hoped, therefore, that that government, as a proof of its friendly disposition toward that of the United States, and of its desire to observe in good faith its formal treaty stipulations, will either so modify the circular referred to or will give such orders as may prevent an act of which we should have such just cause to complain.

I have received copies of the two circulars through the chargé d'affaires of Peru in Washington, and have prepared replies thereto, which I inclose. You will please retain copies of the same on your files and deliver the originals.

I am, sir, &c.,

WM. M. EVARTS.

[Inclosure 1 in No. 63.]

Mr. Evarts to Señor Calderon.

DEPARTMENT OF STATE,
Washington, March 1, 1880.

SIR: I have received, through Mr. José Cárlos Tracy, the chargé d'affaires accredited to this government, your excellency's note of January 14 last, complaining that nitrate from that part of Peru which is occupied by the military forces of Chili is shipped thence in neutral vessels, and claiming the right to detain or capture such vessels on the high seas.

In reply, I have the honor to acquaint your excellency that I have received a copy of the same paper from Mr. Christiancy, the minister of the United States at Lima, and I have instructed him upon the subject. He will, doubtless, in due time, make known to your excellency the views therein expressed, which, therefore, I will not now repeat.

I avail, &c.,

WM. M. EVARTS.

[Inclosure 2 in No. 63.]

Mr. Evarts to Señor Calderon.

DEPARTMENT OF STATE,
Washington, March 1, 1880.

SIR: I have received, through Mr. Tracy, the note of your excellency of the 14th of January last, which represents that the prohibition against intercourse with Chili, which had been decreed by the late administration of Peru, had been repealed. Your excellency also represents that the blockade declared by Chili of certain ports and inlets of the territories of her adversaries, is inefficient.

In reply, I have the honor to state that hitherto this Department has not received from any other quarter similar information or any complaint upon that subject. If, however, the fact should be as your excellency represents, it will probably enable those interested in a resumption of the intercourse between Peru and Chili to avail themselves of the opening made for them by the repeal of the prohibitory decree to which your excellency adverts.

The views of this government on the subject of blockade are, it is presumed, well known to the Government of Chili. If, therefore, the cruisers of that government shall capture or detain a vessel of the United States for having, in the absence of a force competent to prevent it, entered a port or inlet of her enemies, which had been declared in a state of blockade, reparation for that act will be required.

I avail, &c.,

WM. M. EVARTS.

No. 529.

Mr. Evarts to Mr. Christiancy.

No. 65.] DEPARTMENT OF STATE,
Washington, March 2, 1880.

SIR: Your dispatch No. 112, of the 28th January last, has been received. It relates to the authority of the consul of the United States at Iquique to grant clearances to American vessels. Your letter to him upon the subject is in general approved. No consul, pursuant to our law or regulations, has the right to grant a clearance to any American vessel, even if his post is at a port conquered and possessed by the enemy of the country from whose government he may have received his *exequatur*. It is the exclusive province of the belligerent authority for the time being—civil, military, or naval—to grant such clearances, and the consul, as is required in time of peace, should not deliver the vessel's papers until the clearance shall have been presented to him by the

master. The consul's course is not to be governed or influenced by the components of the cargo of the vessel. If these, according to the existing authority, may lawfully be exported, the consul cannot properly gainsay that opinion. It is natural that Peru should be incensed at the exportation of nitrate for the benefit and account of her adversary. It is to be regretted, however, that she should allow her resentment to lead her to claim a belligerent right not acknowledged by any authority, that of capturing on the high seas vessels of a neutral for having on board a cargo from a place which she controlled before the war. In this case, however, her title to it was annulled, or at least suspended, by the armed occupation by Chili of the region whence the article was taken. The attempt of Peru, therefore, to avenge upon neutrals her want of good fortune in the contest will not, it is to be feared, add to her reputation for magnanimity or regard to public law, and certainly will not be acquiesced in by the governments of neutrals, whose interests may thereby be affected.

I am, &c.,

WM. M. EVARTS.

No. 530.

Mr. Christiancy to Mr. Evarts.

No. 138.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 24, 1880. (Received April 13.)

SIR: I have the honor to inclose to you the circular issued on the 17th instant by the secretary of foreign relations of Peru to her diplomatic agents abroad, in relation to the sale of nitrates by Chilian authority in the province of Tarapacá, and to the alleged inhuman manner in which Chili is carrying on the war.

Probably you will receive the same circular from Mr. Tracy, the chargé d'affaires of Peru, if not already received. On the subject of the nitrates, you are probably sufficiently informed already, or soon will be, through the representative of Peru. (See my dispatches Nos. 112 and 117.)

* * * * * * *

This mode of carrying on the war by Chili has produced a strong feeling here among all the representatives of foreign (neutral) powers—English, German, Italian, and French. A protest of the diplomatic corps has been suggested, * * * not only against attacks made without notice upon the peaceable citizens of unarmed towns, but to insist that, before any of the towns upon the coast, even Callao, should be bombarded, a reasonable time should be given for the inhabitants, and especially neutrals, to remove themselves and property from danger, and for all foreign shipping to leave and all foreign consuls to remove their archives and effects to some place of safety; and that, if these reasonable demands should not be complied with, then to place the vessels of war of the neutral nations between the Chilian fleet and the shore, with orders to return any fire the assailing fleet might make upon the town.

There will, doubtless, be a meeting of the corps in a few days, and, if so, I shall endeavor to act coolly and with circumspection; and while I shall avoid protesting against any of the regular and legitimate means which one belligerent may, according to the more humane practices of

modern warfare, properly use to weaken its opponent, I shall nevertheless join in protesting against all such measures as are supported only by savage or semi-barbarous practices of past ages, but condemned by the more humane codes of modern warfare. Humanity has some rights, even higher than those of belligerents.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 138.—Translation.]

Circular to the diplomatic corps.

DEPARTMENT OF FOREIGN AFFAIRS,
Lima, March 17, 1880.

Chili continues still further to advance on the path of illegal hostilities and of her own dishonor.

In my circular of 14th January to the representatives of the friendly powers, I have already denounced and condemned the attempts against the sovereignty and against the property of Peru, committed up to that time, as also the manifest abuse of the occupation of the province of Tarapaca, and all solely to carry out the condemnatory purpose of wresting from Peru the rich provinces of that territorial division of the republic.

Now, as you will see in the accompanying "Boletin," by the proclamations published in Iquique on the 23d and 25th February last, Chili resolves to wrest from the hands of the nitrate refiners, nitrate, which, according to their respective contracts, was to be exported and sold as the property of the Peruvian exchequer, in order to export and sell it in favor of the Chilian treasury and as if it were its property; and on the pretext of a supposed demand for permission of the foreign holders of Peruvian bonds, it authorizes the extraction of guano from our deposits, which, it says, are occupied by its arms, although the latter are insufficient to maintain a real and permanent occupation, still circumscribed to certain deposits, which are not even mentioned in the said proclamation.

Although this supposes the perfect right of the said bondholders to obtain payment of this credit by the means indicated, the permission involves the payment to the Chilian Government of twenty or thirty shillings per ton, a manifest defraudation, and the sole object of the license conceded, and every thing points to the conclusion that their petition has been brought about by a secret manœuvre, a veritable collusion to steal and divide amongst them the riches of Peru, made by those who in that fraudulent bargain have thought to find a quick, although disgraceful way of satisfying an asperation which they can with difficulty reconcile to their own conscience.

Against these attempts, dictated by an insatiable desire for the property of others, and on account of the urgent want of resources to continue an unjust war, the vandalic character of which is becoming more marked from day to day, the Peruvian Government sees itself under the necessity of making the declaration expressed in the decrees of the 15th instant, which you will find contained in the same "Boletin."

You will also read in it the frank and loyal report of the secretary of hacienda, dated January 27, wherein he fully justifies all that has been done by the new government in regard to its external finances, consulting the interests of its creditors, notwithstanding the exigencies of the war.

Provoked to a war which it has never, for its part, been able to look upon otherwise than as a high continental expedient, and as a duel of honor, Peru finds herself opposed to an enemy who does not accept the combat on the same footing, and who is insensible to the noble sentiments of justice and chivalry, and, ignoring the most obvious principles of the law of nations, of humanity, and of civilization, converts an international struggle into a treacherous assault on defenseless persons, pillage, war without quarter, and destruction without limit.

To this frenzy which is even making Chili forget what she owes to herself as a Christian republic, Peru will uphold that manly perseverance which is necessary for the vindication of her right, and the reparation of the injuries at present inflicted on her through the scandalous abuse of force.

In the mean time she cannot but consider as accomplices of her enemy all those who, under the cover of a foreign flag, co-operate in the depredation of her rights and the increase of the rescources with which Chili tramples upon and outrages what the community of cultured nations regard as most sacred and respectable.

She will treat, therefore, such co-operators as enemies who, having broken by their

own deliberate will the neutralty which they ought to observe for their protection, lose *ipso facto* all right to any protection, associating themselves in a work of usurpation and detention, which nothing can justify, inasmuch as in the present war, Chili, neither before nor subsequent to its declaration, has expressed any demand or pretension against Peru. Chili declares and makes war against Peru solely because the latter is the ally of Bolivia. This is the only cause of her hostilities. All that has not for its object the paralyzation of the forces of the republic, or the destruction, when the evident necessity requires it, of the elements which might be used to injure it, is iniquitous and contrary to universal morality and the law of nations, and authorizes reprisals in such measures as a nation respecting itself and being conscious of its imprescriptible duties, will not go beyond. You will please transmit the contents of this dispatch and the inclosed "Boletin" to the prime minister of the government where you are residing, and leave him a copy of both should he so desire.

God keep you, &c.,

PEDRO JOSÉ CALDERON.

No. 531.

Mr. Christiancy to Mr. Evarts.

No. 140.] LEGATION OF THE UNITED STATES,
Lima, Peru, March 24, 1880. (Received April 13.)

SIR: I have the honor to inclose to you the copy of a letter and protest from Mr. Montjoy, our consul at Lambayeque, which I have just received, in reference to the depredations of the Chilian fleet at Lobos Islands, and at Eten. The injury, as you will readily perceive, is much clearer than the remedy.

I shall, however, forward a copy of his letter and protest to our minister in Santiago.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 140.]

Mr. Montjoy to Mr. Christiancy.

CONSULATE OF THE UNITED STATES OF AMERICA,
Lambayeque, March 17, 1880.

SIR: I have the honor to transcribe to your excellency the following report from Mr. Stalpe, of Lobos de Afuera Islands, of the proceedings of the Chilian cruisers at those islands, and also the attack made by the same vessels upon the port and town of Eten.

"LOBOS DE AFUERA, *March* 16.

"On the 10th instant there arrived here the Chilian corvette Chacabuco and transport Loa, which, after notifying the governor of their intent, proceeded to burn and destroy moles, platforms, cars, launches, &c., and to embark everything movable found on the islands, including mules, horses, live-stock, and provisions, as well from the company's stores as from the purveyor's store, over which the English consular flag was flying. In fine, they have completely stripped us of everything, and, as I telegraphed you on the 13th instant, I am sending the people away as fast as possible, leaving the contracted Chinamen until the last. In the interest of humanity and at my urgent solicitations, the commander, Don Oscar Viel, left me rice and charqui for eight days, and spared the steamer Ballestas, which he said was forfeited by her voyages being illegal, on my representation that she was absolutely necessary to transport the people to the mainland, as we could not depart upon the ships, which do not feel inclined to move at present.

"The commander assured me that his orders to take away everything were most positive. The mole is this time completely destroyed, and the loading may be considered as definitely suspended.

* * * * * * *

"The commander of the Chilian naval forces notified us that his orders are to await a re-enforcement of ships and to destroy all the ports from Payta to Callao. A third Chilian ship joined the squadron at Eten, after which they proceeded to sea, and we have seen them no more."

The resolution of the Chilian Government, as expressed by the commander of the bombarding forces, Capt. Oscar Viel, to destroy the ports of the coast, will, no doubt, arouse your attention as also that of the other foreign diplomatic officers in Peru, from the fact that at least 90 per cent. of all the immovable property in those ports belongs to foreign residents, such as dwellings, storehouses, &c. What favorable effect the destruction of such property can have upon the result of the war is not very clear to me, and therefore I request your serious consideration of the disastrous effects of such acts upon the Americans engaged in commerce and trade on the coast—effects which destroy the strenuous efforts of our government and citizens for the last few years to promote and encourage trade and commerce with Peru and to procure in this country an outlet for our manufactures and products. The solution of this difficult situation I leave to your excellency, as eminently qualified by your capacity and position. Still, I consider it to be my duty, as an officer of the United States, to protest, in the name of our government and of her citizens resident in this district, against all such barbarous and inhuman acts as directed chiefly and solely against American and other foreign citizens and their lives and property, and declaring that such acts do not and cannot contribute in any manner towards debilitating or harassing the people or Government of Peru, with whom Chili is at war, but are evidently and solely acts directed with premeditation against neutral residents of foreign nations who are peaceably prosecuting their legitimate trade and commerce under the protection of the general law of nations.

* * * * * * *

I have, &c.,

S. C. MONTJOY,
United States Consul.

No. 532.

Mr. Christiancy to Mr. Evarts.

No. 151.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 6, 1880. (Received April 27.)

SIR: Referring to your dispatch No. 63, I have the honor to inclose herein a copy of my official note to the secretary of foreign relations of Peru, of April 3 (No. 39), calling his attention to the 18th article of the treaty between the United States and Peru, and expressing to him the views entertained by our government of the effect of that treaty as to American vessels transporting nitrates from that part of Peru now in the military occupation of Chili.

I desire further to say that, from the first appearance of the circular of the secretary of foreign relations, I had taken the same views of the clause to which you allude, that you have expressed in your dispatch. But as I knew that Peru had no cruisers which could safely get south of Iquique for the present, I looked upon that clause in the decree as *brutum fulmen*, an abstraction, so far, at least, as the United States were concerned, and thought it good policy to allow the other foreign representatives here to deal with that abstraction until it should become a practical question.

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure in No. 151.]

Mr. Christiancy to Señor Calderon..

LEGATION OF THE UNITED STATES,
Lima, Peru, April 3, 1880.

MONSIEUR LE SECRÉTAIRE: By reference to the letter of Hon. William M. Evarts, Secretary of State of the United States, to your excellency, dated the 1st of March last, which I had the honor to send to your excellency to-day, it will be seen that I am expected to explain to your excellency the views which my government entertains of that part of your excellency's circular of the 14th January last which, in effect, declares that the flag of a neutral and friendly nation shall not protect from capture by Peruvian cruisers nitrates shipped under the authority of Chili from that part of Peru in military possession of Chili upon such vessels of neutral and friendly nations.

In the performance of the duty thus imposed upon me, I have the honor to call your excellency's attention to the eighteenth article of the treaty of 1870, between the United States and Peru, and to inform you that in the opinion of the Government of the United States the shipment of such nitrates upon vessels owned by citizens of the United States is directly and expressly covered and protected by said article, which in substance (among other things) provides that free ships shall give freedom to goods, and that everything shall be deemed free which shall be found on board the vessels belonging to the citizens of either of the contracting parties, although the whole lading or a part thereof should belong to the enemies of either, articles contraband of war always excepted; and that in the opinion of the Government of the United States, if a Peruvian cruiser should capture an American vessel, or seize its cargo or any part of it, because that cargo, in whole or in part, should consist of the nitrates referred to in the circular of your excellency, such capture or seizure would constitute a clear violation of said eighteenth article of the treaty.

The Government of the United States therefore confidently trusts that the Government of Peru, upon having its attention thus called to the treaty, will, from its friendly disposition to the United States and its desire to preserve inviolate the faith of its treaty, either so modify the circular referred to or will give such orders as may prevent an act which would give to the United States such just cause of complaint.

The undersigned will not permit himself to doubt that upon a careful examination of the treaty this reasonable request will be readily complied with.

I improve, &c.,

I. P. CHRISTIANCY.

No. 533.

Mr. Christiancy to Mr. Evarts.

No. 156.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 14, 1880. (Received May 5.)

SIR: * * * * * * *

The Chilians have full command of the sea, and on Saturday last, the 10th instant, a portion of the Chilian fleet, consisting of Blanco Encalada, Huascar, Angamos, Pilcomayo, and Matias Cousino, and two other vessels (whose names are not yet ascertained), with some torpedo launches, appeared at the northern entrance of the port of Callao, just before daylight, and an attempt was made by a torpedo launch to blow up the Peruvian corvette Union, which failed on account of the launches and timber collected around the Union for the purpose of making repairs. On the same day a notice was given by the Chilian admiral to the dean of the consular corps of Callao, of his intention to blockade that port, and giving eight days for the neutral vessels then in port to load, unload, and depart; at the same time intimating his intention to attack the miltary defenses of that port, and that it might become necessary for him, in attacking such military defenses, to fire upon and endanger the town.

The fair inference from his language was that the same period of eight days would be given for the peaceable inhabitants to remove themselves and their movable property out of the range of the guns. The consular corps subsequently requested of him to extend the period of eight to fifteen days, to which he, on the 13th, by letter addressed to the corps, assented to add to the former notification two days, making the period ten instead of eight days, and at the same time signifying that the same length of time would be given for neutrals and non-combatants to remove from the town before he should open fire upon its defenses, unless, in the mean time, he should be provoked to an earlier attack by being fired upon by the Peruvian forces, or an earlier attack should become necessary by some demonstration made by such Peruvian forces.

Considering that Callao is a fortified town, defended by forts, batteries, and military forces, which, by the laws of war, the Chilian fleet have a right to attack, I deem this notice entirely reasonable.

In the mean time it is understood that the regular line of mail steamers from Panama to Callao and back will be allowed to enter and depart with the mail and passengers, but we have no assurance, as yet, that a similar privilege will be accorded after the ten days expire, the 20th of this month.

It is therefore quite probable that it may be several weeks before I shall again be able to communicate with you.

The inhabitants of Callao are fleeing with their property to Lima, and American citizens both of Callao and Lima are appealing to this legation for protection, and though I am out of health, and have no means of protecting them, except such as the United States flag and the position of a minister of the United States may give, I propose to remain at my post and afford them all such protection as may be in my power; though my own private affairs make it imperative that I should leave for the United States at the first moment I can receive leave for that purpose.

* * * * * * *

I have, &c.,

I. P. CHRISTIANCY.

No. 534.

Mr. Christiancy to Mr. Evarts.

No. 157.] LEGATION OF THE UNITED STATES,
Lima, Peru, April 18, 1880. (Received May 17.)

SIR: Though scarcely able to be out of my bed, yet, as events are becoming interesting here, I make this effort to keep you informed.

Referring to my last dispatch in reference to the progress of the war (No. 156) I will say that since that dispatch the diplomatic corps have had two meetings, and at the meeting yesterday all unanimously approved and signed the communication to the Chilian admiral, a copy of which I here inclose with translation.

The third point is understood to apply at present to the city of Lima, six miles from the bay of Callao (but it might be reached by shot from very long-range guns from the bay of Chorillos, say five miles, the intention to do which has been declared), and of course generally to all other towns due notice of the bombardment of which shall not have been given.

I will further say that immediately after my last dispatch, No. 156, at a meeting of the ministers of England, France, and Germany, and the chargé d'affaires of Italy, it was unanimously resolved that the notice of the blockade given by the Chilian admiral applied only to Callao.

Knowledge of this resolution was, I suppose, conveyed to the Chilian admiral, when he declared that the notice was intended to apply also to the towns of Chorillos, Miraflores, and Magdelena; but I am satisfied from information received through the British minister, who, as well as the commander of the English naval vessels here, seems to be on very friendly terms with the Chilian admiral, that the Chilian fleet do not intend to fire upon the three latter towns unless provoked by hostile demonstrations therefrom, though the blockade will apply to them.

The regular line of English mail steamers (upon which we all have to rely for our mails north and south) is no longer permitted to enter Callao. But the port of Ancon (20 miles north) is as yet open, and a steamer from there to Panama is expected to leave on the 22d, by which I expect this to go.

On the 20th, at 12 m., we expect the bombardment upon Callao to commence. The Chilians have eight vessels here, among which are the Blanco Encalada, the Huascar, and the Angamos, and it is believed they will have more before the attack is commenced. Our consul, Mr. Clayton, has, with my advice, removed the archives of the consulate on board the Onward to await the result.

* * * * * * *

I have, &c.,

I. P. CHRISTIANCY.

[Inclosure 1 in No. 157.—Translation.]

LIMA, *April* 17, 1880.

The undersigned, after reading the note of Admiral Riveros to the consular corps of Callao, are convinced that, in conformity to his declarations, the chief of the blockading squadron, on making use of the rights of war, coinciding with his own interest, is aware of the rights due to neutral individuals and their properties. Nevertheless, the correspondence between Admiral Riveros and the consular corps leaving some points uncertain, they deem it their duty, in order to protect the interests of those under their charge, as well as to cover their responsibility towards their respective governments, to make the following declaration:

1st. That they reserve all questions in regard to the damages which may be caused, without military necessity, to the persons and property of neutrals.

2d. That they especially make these reservations in case of the bombardment of open and undefended localities.

3d. They do so likewise in the case of a bombardment of a town not expressly designated in a previous notification.

The undersigned hope that the Chilian admiral will be pleased to acknowledge the receipt of these reservations, and avail themselves of this occasion to offer him the assurance of their high consideration.

The minister of Ecuador: J. DE T. PINTO.

The minister of the Argentine Republic: JOSÉ DE URIBURU.

The minister of France: E. DE VORGES.

The minister of the United States: I. P. CHRISTIANCY.

The minister of Great Britain: SPENCER ST. JOHN.

The minister of Germany: V. GRAMATZKI.

Chargé d'Affaires of Italy: J. B. VIVIANI.

Chargé d'Affaires of Brazil: MELLO EL ALVIM.

[Inclosure 2 in No. 157.—Translation.]

Admiral Riveros to the diplomatic corps.

APRIL 18, 1880.

The undersigned has the honor to acknowledge the receipt of the esteemed collective note, dated yesterday, which the honorable diplomatic corps of Lima has been pleased to address to him.

That valuable communication has for object to establish declarations and reservations on the following points:

1st. In case that the persons and property of neutrals will be damaged without military necessity.

2d. In case of the bombardment of open and undefended localities.

3d. In case of the bombardment of a town not expressly designated in a previous notification.

The undersigned, while sustaining the declarations and communications which, in the proper opportunity, addressed to the honorable consular corps of Callao, and to the commanders of the naval forces of neutrals in this harbor, has the honor to acknowledge the receipt of that respectful note, placing to the knowledge of the honorable gentlemen who signed it that, by the first opportunity, he will make it his duty to transmit the original to the Supreme Government of Chili.

The undersigned commander thinks proper to repeat here his declaration that, as far as the necessities of war and his instructions will permit, he will never forget the duties which the principles of humanity impose upon him, and the respect due to those who have not the character of belligerents.

The undersigned has the honor to offer, &c.,

No. 535.

Mr. Evarts to Mr. Christiancy.

No. 76.] DEPARTMENT OF STATE,
Washington, April 19, 1880.

SIR: I have to acknowledge the receipt of your No. 140, in which you inclose a report of Consul Montjoy, relative to the destruction of neutral property at the Lobos Islands by Chilian vessels.

The Department had received information from our minister at Santiago of the issuance of the order, which appears to have been in part carried out at these islands, on the occasion referred to, and also of a representation made by the minister to the Chilian Government, to the end of procuring a modification of the order in the interest of neutral citizens of the United States. This government will not fail to protest to the minister of Chili in Washington against the conduct of the war, to the injury of citizens of the United States; and should Peru pursue a like course to that of Chili, it will be expected that you will make due representations to the minister of foreign affairs, to prevent damage to the citizens of this country and to restrict the collisions of a military character, the cruelties and devastations of the war.

I am, &c.,

WM. M. EVARTS.

No. 536.

Mr. Christiancy to Mr. Evarts.

No. 164.] LEGATION OF THE UNITED STATES,
Lima, Peru, May 9, 1880. (Received June 5.)

SIR: Premising that on the 12th of April last, the Supreme Chief of this republic had issued a decree prohibiting the sale of articles of the first necessity at prices higher than those at which they were sold on the 8th April, when the blockade of Callao was notified, that this means that they should not be sold at higher prices *in paper soles*, the only currency

in circulation, that these soles were on the 8th April worth in exchange on London about 8¾ pence sterling, and that they are worth, to-day, only about 5¾ pence, the following decree of the prefect of Lima of the 4th instant will be understood:

PRICES OF THE NECESSARIES OF LIFE.

His honor, the prefect of Lima, has issued a decree regulating the prices of daily necessities, of which the following is a translation:

Considering,

1st. That by the supreme decree of the 12th ultimo it is prohibited to sell articles of first necessity at higher prices than those at which they were sold on the 8th of same month;

2d. That such prices, in conformity with the said supreme decree, having been determined on by the municipality of this capital:

I decree—

ARTICLE 1. The articles of first necessity and the highest prices at which they shall be sold are to be as follows:

Rice, first class, of the country, sack of 190 pounds 34 soles, 1 pound 20 cents; East Indian, sack of 190 pounds 33 soles, 1 pound 19 cents.

White sugar, 100 pounds 25 soles, 1 pound 35 cents.

Brown sugar, 100 pounds 21 soles, 1 pound 24 cents.

Fresh beef, first class, 2 pounds 70 cents, 1 pound 50 cents; second class, 2 pounds 54 cents, 1 pound 40 cents; third class, 2 pounds 36 cents, 1 pound 30 cents.

Pork, 60 cents per pound.

Mutton, first class, 2 pounds 78 cents, 1 pound 60 cents; second class, 2 pounds 54 cents, 1 pound 50 cents.

Sweet-potatoes (camotes), per sack 4 soles, per pound 5 cents.

Arrowroot, 100 pounds 17 soles, 1 pound 20 cents.

Beans, white and brown, 182 pounds 15 soles, 1 pound 13 cents.

Biscuit, ordinary, 100 pounds 36 soles, 1 pound 40 cents.

Pease, 182 pounds 18 soles, 1 pound 20 cents.

Flour, 100 pounds 21 soles 50 cents, 1 pound 25 cents.

Corn flour, 100 pounds 8 soles, 1 pound 15 cents.

Lentils (pease), 182 pounds 20 soles, 1 pound 18 cents.

Wood, for kindling fires, 100 pounds 2 soles.

Lard, foreign, 100 pounds 68 soles, 1 pound 70 cents; native, 100 pounds 55 soles, 1 pound 60 cents.

Corn, 156 pounds 9 soles, 1 pound 7 cents.

Potatoes, per load 25 soles, 1 pound 7 cents.

Beans, large, 156 pounds 15 soles, 1 pound 20 cents.

Bread, 140 to 180 grams, 10 cents each.

Soap, 300 in a box, 52 soles 20 cents; each piece 20 cents; native soap, large, 1 piece 10 cents.

Quinine, 24 soles per ounce.

Rum, per block 2 soles, 1 bottle 40 cents.

Salt, per block 3 soles, 1 pound 5 cents.

Candles, per box of 25 packets 23 soles, 1 packet 1 sole.

Yuca, per sack 21 soles, 1 pound 5 cents.

Kerosene, per box, containing 2 tins, 16 soles 75 cents; 1 gallon, 2 soles.

ART. 2. The sub-prefects, commissioners, and governors, in their respective jurisdictions, and the municipalities and the municipal agents in the groceries, markets, and slaughter-houses, exercising the most active vigilance so as to discover all infractions, are encharged with the punctual fulfillment of this decree, applying to all who contravene the same arbitrarily and immediately, the proportioned penalties to the gravity of the offense.

ART. 3. The authorities of the police will lend to the aforesaid municipalities the aid and assistance of the armed force, so that the above resolution be duly carried into effect.

Given at the prefecture in Lima the 4th day of May, 1830.

JUAN MARTIN ECHENIQUE.

The effect of this decree, as might have been anticipated, has been to drive many of the dealers in such articles to shut up their shops and refuse to sell the articles at all. Such has been the fact, especially among the shop-keepers of neutral nations doing business here, though the smaller native dealers profess to comply with the decree, and in many cases do, but many of them continue to supply inferior articles for the same price at which a superior article was sold before.

It must be acknowledged that this decree is an extreme measure. * * * But it was expected to have a temporary effect in keeping up the value of the paper currency, and I think it has had and still has this effect to some extent.

There being no other currency to be had, the people must use this or nothing, and I fear the latter alternative will soon occur. What, then, is to happen I cannot foresee, as Peru does not appear to have any present available resources on which she can contract loans or obtain a coin currency.

I am, &c.,

I. P. CHRISTIANCY.

No. 537.

Mr. Christiancy to Mr. Evarts.

No. 179.] LEGATION OF THE UNITED STATES,
Lima, Peru, June 20, 1880. (Received July 29.)

SIR: Referring to my dispatch No. 177,* upon the progress of the war and the question of peace, I have now to inform you that on the 14th instant (the day after the dean of the diplomatic corps and the French minister had called upon the Supreme Chief in the name of the corps, as stated at the close of my dispatch No. 177), there appeared in the Patria and in El Peruano the address or proclamation of the Supreme Chief to the nation, a copy of which I here inclose, marked, with a translation from the South Pacific Times.

On the 16th instant appeared in the Patria (official paper) the "Protocol of the preliminary bases of the federal union of Peru and Bolivia," a copy of which, with the translation, I here inclose. Also the "Supplementary protocol of the preliminary basis of the union of Peru and Bolivia," of which I inclose copy, with translation.

The proclamation is substantially in accord with the answer given by the Supreme Chief in person to the dean of the diplomatic corps and the French minister the day before.

* * * * * * *

It is the general opinion among the best informed Peruvians and foreigners here that such federal union, if carried into effect, will be highly and permanently beneficial to both Peru and Bolivia, though, in the meantime, revolutions may take place in Peru, and especially in Bolivia, which may prevent the union, but it is believed the general public opinion in Bolivia and Peru is and will remain in favor of the union, and such is my impression from the best information I can obtain.

The effect of the publication of these protocols has been to raise the market value of the paper currency here, which had fallen to 5 pence per sol, in exchange on London, and which is now freely granted by English houses here at the rate of 6¼ pence per sol.

* * * * * * *

I have, &c.,

I. P. CHRISTIANCY.

* Published with the peace conference correspondence, Senate Ex. Doc., No. 26, Forty-sixth Congress, third session.

[Inclosure 1 in No. 179.]

[From The South Pacific Times, June 15, 1880.]

The Supreme Chief to the Nation:

FELLOW CITIZENS: Our patriotism has just received a rude shock. The unexpected check sustained by our first army of the south, brought about by a series of errors, and which can only be explained by the impatience of our army to meet the enemy, has given to the latter, at great cost, the useless occupation of Tacna and Arica, after a most heroic and memorable resistance.

A people bold and firm, who feel that they deserve to triumph, receive with pride, as does Peru, those checks, which only dishearten the weak.

It is well! By the pain with which we count our victims will be forged the sword of justice with which we shall repel our invaders. The blood shed claims vengeance; and shall have it, ample and complete. The example of our martyrs makes soldiers spring up by thousands, and there is not in Peru one who does not feel proud of them. Chili, conqueror, will find its conquests very dear. Peru to-day is to be feared a hundred times more by Chili than at the commencement of the campaign, and recovers in misfortune the strength forgotten in the days of confidence and tranquility.

Chili does not understand, cannot understand, what to a generous and high-spirited people means hearths trampled under foot, the blood of its sons shed, and the majesty of the nation outraged by those who should tremble at its anger; and judging us by themselves, they have dreamt that they could obtain the peace they covet, in order not to succumb to our inevitable and legitimate triumph.

Yesterday Chili dreamt also in our intestine struggles, but Peru and Bolivia have to-day only one voice, one thought. Chili sought to destroy the alliance, and all that she has reaped is the making of two peoples one only. She attempts to hem us in by a blockade, but will only hasten the solution of our internal questions, and by so doing enable us to recover that strength which to-morrow she will look upon affrighted.

Chili is building up day by day with her ephemeral successes her own ruin, and by each of her costly blows wastes the strength which might be able to resist us at a future time. Our resources are untouched, but theirs are coming to an end. They are living on what they borrow, to their own ruin and to the undeceiving of the deluded persons who discount their barren triumphs. They have played in Tacna a stroke of fortune which is utterly useless to them, which prostrates them and makes us, arise more vigorous and determined than before.

Let them burn, let them efface our undefended towns on the coast; let them lay waste our fields, if they can. We are determined to all, save the renouncing the vindication of our right, the ceding one inch of our soil, the asking from us, to save themselves, a peace which they will never be able to force upon us.

Fellow countrymen, you have confided to me the recovery of our national rights trampled under foot without even a pretext. My task, therefore, is to seek the recovery of our rights without rest, and seek it at any cost, seek it until it be obtained. Behind me stand six million men. And when I fall, fortune, which may deny to me the being present at the triumph of my country, will not deny me, I trust, the right to die in its defense, secure of victory.

Justice is with us. Victory has never been denied to those who fighting for their home and country become worthy of them by their determination and self-sacrifice.

Lima, June 13, 1880.

N. DE PIÉROLA.

[Inclosure 2 in No. 179.—Translation.]

Protocol of the preliminary bases of the federal union of Peru and Bolivia.

In Lima, capital of the Republic of Peru, on the 11th day of June, in the year 1880, the undersigned plenipotentiaries of Peru and Bolivia, having met in the hall of public audience of the secretary of foreign relations and worship, and after having exhibited to one another their respective powers and found the same to be sufficient and in due form to proceed to stipulate and agree upon that which may the better tend toward the object of drawing closer the bonds of fraternity which nature and historical events have created between the two republics; of consolidating their domestic peace and providing for their security abroad; of assuring the general welfare of their inhabitants and extending the blessings of independence and liberty to the present and future generations; of promoting, likewise, that prosperity and greatness to which by a common destiny the rich and beautiful regions embraced in their vast territories are called, in conformity to the aspirations generally manifested by public opinion in the two countries, respecting the necessities of adopting a new political organization

which, modifying their present internal constitution and uniting at the same time their power and resources in one sole nationality, may fully and efficiently bring about these ends; agreed in the name of their governments, and in order that they may previously be submitted to the approval of the people of Peru and of Bolivia, upon the following bases of union of the two countries.

I. Peru and Bolivia shall become a single nation called the *Peru-Bolivian United States.* This union is based upon American public law, and is formed to confirm the independence, the inviolability, the internal tranquility, and external security of the States embraced therein, and to promote their development and prosperity.

II. The present departments of each of the two republics, saving such modifications as may be sanctioned by the constitutional assembly, shall be formed into independent states, having their own institutions and laws, not to conflict, however, with the constitution or laws of the union. Nevertheless, the departments of Tacna and of Ororo, of Potosi and Tarapacá shall form the States denominated *Tacna of Ororo* and *Potosi of Tarapacá.* The regions of the "Chaco" and of the "Beni" in Bolivia, and that called the "Montania" in Peru, as well as other territories which may exist in analogous conditions, shall form federal districts, subject to special legislation, and to the direct control of the government of the union.

III. The States shall constitute their sovereignty according to the principles of the republican representative system, to the declarations and guarantees of the national constitution, and to those laws of the union which assume to them the administration of justice, the municipal organization, primary education, and material progress, all to be supported out of their own resources.

IV. The union of the States is indissoluble, consequently no State can separate itself therefrom.

V. The States are equal in rights. That of citizenship is common to them.

VI. No new State can be formed within the territory of another or others, nor can one be formed of two or more, without the vote of the legislatures of each of the States interested, and the sanction of the national Congress, given in two sessions, with entirely renewed personality of voters.

VII. The States cannot make treaties, one with another, save for the furthering of the administration of justice, of economic interests or works of common utility, with the consent of the national Congress. They do not enjoy the right of asylum with respect to one another.

VIII. The States do not exercise the power delegated to the nation. Consequently they cannot represent it before other powers. Nor can they make laws concerning foreign commerce or navigation, nor establish custom-houses; nor coin money; nor charter banks of issue without the permission of the general government; nor alter the codes which Congress may sanction for the union; nor make laws regarding citizenship or naturalization, nor fit out ships of war or raise armies, save in case of invasion or imminent danger from abroad, giving in such case immediate notice to the national government.

IX. No State can declare or make war on another. Their complaints shall be submitted to the judgment and decision of the supreme federal court. Any act of hostility shall be deemed an act of civil war, which it is the duty of the national government to quell and suppress in the exercise of its attributes.

X. The governors of the States are the natural agents of the national government, to exact compliance with the constitution and laws of the union.

XI. It is obligatory upon the States to furnish the quota of troops corresponding to them, to form the national army in time of peace or war.

XII. The national government shall be vested in the legislative, executive, and judicial powers of the union.

XIII. A Congress, composed of two chambers, one of National Deputies, and the other of State senators, shall exercise the national legislative authority.

XIV. The Chamber of Deputies shall be composed of representatives elected directly by the citizens of the States, which shall be considered, for this purpose, as electoral districts, the number of such representatives being determined in proportion to the population. Their term of office shall be four years.

XV. The Senate shall be composed of two senators from each State, elected by their several legislatures. Each senator shall have a vote and their term of office shall be six years. The functions of the Senate shall be permanent.

XVI. The national Congress shall meet, ordinarily, each year. Nevertheless, it may be convoked, extraordinarily, by the executive, and for determined objects.

XVII. The national executive authority shall be vested in a citizen, with the title of President of the Peru-Bolivian United States, assisted by ministers of state, and in case of the absence or impediment of the former, by a Vice-President, who shall be the president of the Senate, and who shall have no vote save in case of a tie. The term of office for the President shall be for five years, and he shall not be eligible for re-election until after the lapse of a like period. The ministry shall be formed of citizens of the

two united republics, at least during two presidential terms, consulting, as far as may be possible, equality of representation.

XVIII. The President of the union shall be elected by direct voting by the citizens of the States, according to their several laws; but each one shall vote for two citizens, one of whom shall be of the State and the other not. Should no citizen obtain an absolute majority of votes, the federal Congress shall choose from among the three who may have obtained the relative majority.

XIX. The judicial authority of the union shall be exercised by a supreme court of justice and by such special tribunals as Congress may establish for the nation.

XX. The duties and their limitations of the high powers of the union shall be fixed by the national constitution, according to the principles of this system of government, consecrated by the practice of those nations which have already adopted it.

XXI. The constitutional assembly shall designate the place within the territory which is to be the capital of the union, and which shall be under the immediate authority of the President of the United States.

XXII. The national government shall provide for the expenses of the union from the funds in the treasury, which shall be formed by the product of import and export duties, of the sale or rental of government lands, of the natural products of the sale, of the post-office department, of general indirect tax, and of such other resources as may be voted by the federal Congress. The tax upon incomes and local contributions belong to the treasuries of the States or municipalities.

XXIII. The national government shall not intervene in the territory of the States, except to cause the constitution and federal laws to be respected, and at the request of their constituted authorities, to sustain or re-establish them, should they be threatened by invasion from another State, or deposed by sedition.

XXIV. Within the republic the circulation of merchandise produced or manufactured in the country, as well as that of the goods or merchandise which may have been dispatched through the custom-houses of the union, shall be free of duty. In this exemption are not included municipal taxes, the creation of which, however, must be submitted to the legislature of the State.

XXV. The vehicles, vessels, or animals carrying the articles mentioned in the preceding section, tools and materials for the construction of roads, river or telegraphic communication between the States, as well as the herds passing from the territory of one state to another, enjoy the exemption.

XXVI. The representation abroad of the union belongs exclusively to the federal executive, who will invite friendly nations to a revision of such treaties as they respectively may have celebrated with Peru and with Bolivia, in order to renew and unify the same.

XXVII. Peru and Bolivia owe nothing whatever to one another for account of the expenses which the war of both countries against Chili may have caused them up to the date of the union.

In witness whereof the undersigned plenipotentiaries, authorized *ad hoc* by their respective governments, signed and sealed the present protocol the day and date above written.

(In duplicate.)

PEDRO JOSÉ CALDERON,
Secretary of Foreign Affairs and Worship.

Authorized *ad hoc.*

[L. S.]

MELCHOR TERRAZAS,
Minister Plenipotentiary of Bolivia.

Authorized *ad hoc.*

A true copy.

CALDERON.

[Inclosure 3 in No. 179.]

Protocol complementary of the preliminary bases of the federal union of Peru and Bolivia.

In Lima, capital of the Republic of Peru, the 11th day of June, in the year 1880, the undersigned plenipotentiaries having met in the hall of public audience of the department of foreign affairs and worship, with the object of completing the bases of the federal union of Peru and Bolivia, which they have stipulated and agreed upon under this same date, with other points of accessory or transient character, in order thus to obviate the obstacles which might arise to the more prompt and effectual realization of an act so important to both republics, agree upon the following:

I. The preliminary bases of union shall be submitted to the acceptance of the people of Peru and of Bolivia, without which they shall be of no effect.

II. This acceptance, expressed in such form as circumstances may permit, shall moreover contain the declaration whether the establishing of the federal system shall be at once proceeded with or not.

III. In the affirmative event, and until the constitution and federal institutions by the constitutional assembly, which shall meet in the city of Arequipa on the 9th of December, 1881 (unless events arising from the war shall compel an anticipation or further delay, which shall be determined by a vote of the provisional Senate), there shall be a provisional federal system established upon the following bases:

First. The federal government shall be formed of the Supreme Chief of the two nations, one being the President and the other the Vice-President of the union.

A popular election of the said magistrates being impossible in the initial condition of the union, and in view of the motives of availability, the first named office is assigned to the Supreme Chief of Peru, and the second to that of Bolivia.

Second. A provisional Senate, composed of ten representatives designated by Peru and an equal number by Bolivia, shall undertake the drawing up of the constitution and organic laws of the union, especially the electoral law for deputies to the constitutional assembly, and shall act, likewise, as a consulting body for the central government.

Third. From this moment the custom-houses between Peru and Bolivia are abolished, and the political and economic union of both republics fully established.

Fourth. The provisional Senate shall prepare drafts of federal laws upon post-offices and telegraphs, upon custom-houses, upon money and banking institution, upon the railroads of the union, upon the appropriations for the same, upon literary and artistic copyright, obligatory military service, and other matters of general interest.

Fifth. The federal constitution shall be in force provisionally during five years from its promulgation, within which time such amendments and reforms as experience may suggest shall be made. The last legislature of this period of five years shall put it definitely in force, and no alterations can thereafter be made in it, save by virtue of the provisions established therein for the purpose.

Sixth. The States shall be governed and administered provisionally until the federal and their own individual constitution be sanctioned by governors appointed by the supreme chiefs of Peru and Bolivia, respectively, for those departments which are to become States in either country, and by common consent for those of Tacna de Oruro and Potosi de Tarapacá.

These governors shall be subject to the laws at present in force in their respective departments, and to the instructions issued by the provisional government of the union.

In the States of Tacna de Oruro and Potosi de Tarapacá, the government of the union, with the vote of the Senate, will decide as may be necessary such conflicting cases as may arise from the different legislations of the two countries to which the departments forming the said States originally belonged.

The removal and substitution of governors once appointed shall be made by the provisional Senate.

Seventh. A mixed commission shall undertake the fixing of the public debt of Peru and Bolivia in its different forms.

Eighth. Another commission, likewise mixed, shall study and suggest the most proper territorial demarcation of the States, that the same may be submitted for the approbation of Congress within the period of provisional constitutionality.

Ninth. The coat-of-arms of the Peru-Bolivian United States shall be of Germanic form; it shall have in the center a sun of the color of gold, surrounded by stars of the same color, upon a purple ground, and in the upper part a condor resting upon and seizing it with his talons.

The war flag of the said States shall be of rectangular form, the contiguous sides of which shall be in the proportion of one to two-thirds, and it shall bear in the center the same sun and the same stars as the shield upon a similar ground.

Tenth. In case of vacancy of the office of the provisional President or Vice-President, it shall be filled by election by the Senate, to be made—each member thereof voting for two citizens—one Peruvian and one Bolivian.

The models of the coat of arms and flags are annexed to this protocol.

In witness whereof the undersigned plenipotentiaries signed and sealed the same on the day and date above set forth.

(In duplicate.)

PEDRO JOSÉ CALDERON.
MELCHOR TERRAZAS.

CORRESPONDENCE WITH THE PERUVIAN LEGATION IN THE UNITED STATES.

No. 538.

Mr. Tracy to Mr. Evarts.

[Translation.]

LEGATION OF PERU,
New York, November 5, 1879. (Received November 7.)

SIR: Under date of the 6th of October last, the minister of foreign affairs of Peru informs me that on the 14th of August last was signed in Paris, between the plenipotentiary of the republic, Señor Goyeneche, and the Marquis of Molins, the Spanish ambassador in France, a treaty of peace and friendship between Peru and Spain, which treaty, after being approved by the national Congress, which was voted unanimously, was ratified on the 2d October by his excellency the first vice-president in charge of the executive power.

For a long time past there had been noticed in both countries a general aspiration for a definite and perfect peace, and that result would have been attained, so far as Peru was concerned, in 1872, in the conference held in Washington on the 24th of January of that year, at the invitation and under the worthy and friendly mediation of the Government of the United States, if the plenipotentiary of Chili had not demanded of Spain "reparations for the offense and injuries inflicted on his country in the bombardment of Valparaiso."

Since that date, and notwithstanding that on different occasions Peru might, with perfect propriety, have signed the peace, and that a collective arrangement was, as she was convinced, almost impossible; she took no action in favor of any arrangement, even sacrificing her aspirations and interest, through an excessive consideration for her former ally, the Republic of Chili. Lately, and severed as Peru now is from that republic, by reason of the perfidious and iniquitous war which she had declared against her, and after reaching an accord with the Governments of Bolivia and Ecuador, she has been able to act, as she has done, for herself alone, and in terms highly honorable for both nations.

The Government of Peru being assured that that of the United States will receive with lively satisfaction the intelligence of so fortunate an event, the minister of foreign affairs charges me to communicate it to the cabinet of Washington, through your excellency's worthy channel, in testimony of the grateful and imperishable remembrance which the Peruvian people hold of the efforts which the government of your excellency was pleased to make in favor of peace between the republics of the Pacific and the Kingdom of Spain. In informing your excellency, therefore, that the unhappy dissensions which, for so many years, have separated Peru and Spain, are in consequence consigned to complete oblivion, as should be the case with two states united by imperishable ties of blood, religion, and customs, I comply with the orders received from the ministry of foreign affairs, and honor myself at the same time in offering anew to your excellency the assurances, &c.

JOSÉ CARLOS TRACY.