CORRESPONDENCE.

ARGENTINE REPUBLIC.

Mr. Blaine to Mr. Pitkin.

[Telegram.]

WASHINGTON, January 5, 1891.

Protest against levy of exceptionally large tax on foreign life-insurance companies doing business in the Argentine.

Blaine.

Mr. Blaine to Mr. Pitkin.

No. 88.] DEPARTMENT OF STATE,

Washington, January 5, 1891.

Sir: I append on the over leaf, for the completion of your files, copy of my telegram of the 5th instant directing you to protest against the proposed law levying an exceptionally large tax on foreign life-insurance companies doing business in the Argentine Republic.

I also inclose copy of the letter from Mr. George B. Williams, representing the Equitable Life Assurance Society of New York, on which my telegram was based.

The tax is stated in the letter to be—

A license fee of $10,000 with a deposit of $100,000, a tax of 7 per cent on premiums, 7 per cent on dividends or profits, and, in the absence of dividends, of 7 per cent on the amount destined for the reserve fund.

The tax seems excessive, and if, as alleged, the local companies are untaxed, would appear intended to drive the foreign companies out of business.

I am, etc.,

James G. Blaine.

[Inclosure in No. 88.]

Mr. Williams to Mr. Blaine.

700 FOURTEENTH STREET,

Washington, D. C., December 22, 1890. (Received January 6, 1891.)

Sir: On behalf of the Equitable Life Assurance Society of New York, I would state that information has been received "that it is proposed by the Congress of Buenos Ayres to impose a license fee of $10,000 upon foreign life-insurance companies, to require a deposit of $100,000, to levy a tax of 7 per cent on premiums, besides 7 per

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cont on dividends or profits, and, in the absence of dividends, 7 per cent on the amount destined for the reserve fund."

I am requested to call your attention to this proposed legislation, and to state that such an act would destroy the business of American life insurance in Buenos Ayres—a business that has reached large proportions.

I submit this matter to you for such action, if any, as you may deem proper.

Very respectfully,

GEO. B. WILLIAMS.

[Telegram.]

NEW YORK, December 31, 1890.

To GEORGE B. WILLIAMS,
700 Fourteenth Street, Washington.

We have just received following cable from Buenos Ayres: "The legislature will probably pass the bill. Am advised by my lawyer that if you resist success is probable, because, according to the constitution, taxes must be equal to taxes of local companies. The latter are untaxed. Please telegraph instructions." We have replied to employ best counsel to defeat the bill. Can our Government be induced to cable instructions to our minister there at our expense? This is the bill about which I telegraphed and wrote you on the 20th.

J. STAHEL.

Mr. Pitkin to Mr. Blaine.

No. 94.]

LEGATION OF THE UNITED STATES,
Buenos Ayres, February 5, 1891. (Received March 27.)

SIR: I have the honor to report, in respect of the cabled instruction of the 5th ultimo to this legation to protest against the levy of an exceptionally large tax on foreign life-insurance companies doing business in this Republic, that Mr. Secretary Fishback, then, and till my arrival from the United States on the 25th ultimo, in charge, advises me that said telegram did not reach his hand till the 10th ultimo, whereupon he punctually obeyed the instruction by addressing the minister of foreign affairs a pertinent communication, and that on the 30th ultimo, five days after my return, I took prompt occasion, when advised that the acts obnoxious in the particular direction had just been promulgated by the Executive, to transmit to said minister a further and more explicit protest, to which no reply has thus far been received, but is confidently expected at an early hour. Meantime the branches here of the Equitable and New York life-insurance companies have been constrained to close their doors.

I have, etc.,

JOHN R. G. PITKIN.

[Inclosure 1 in No. 94.]

Mr. Fishback to Señor Costa.

LEGATION OF THE UNITED STATES,
Buenos Ayres, January 10, 1891.

EXCELLENCY: I have the honor to address and to inform your excellency that I have received from Washington, from Mr. Blaine, Secretary of State, a cablegram instructing me to protest to your excellency's Government against the levy of an exceptionally large tax on foreign life-insurance companies doing business in the Argentine Republic. I herewith do so with the greatest respect, and I have the honor to remain, etc.,

GEO. W. FISHBACK.
I have the honor to remind your excellency that before my return to this legation from the United States, Mr. Secretary Fishback, then in charge, addressed on the 10th instant, and under instructions from my Government, a protest to your excellency against the levy of taxes and a patent charge, each esteemed onerous, upon and in discrimination against branches, resident here, of life-insurance companies established in the United States. These levies and charge are by virtue of enactments just promulgated by His Excellency the President of this Republic. These companies—the Equitable and New York life-insurance companies—through said branches and under the declaration in the Argentine constitution (article 16) that "equality is the basis of taxation and public charges," entered the Republic; acquired by charter a character coequal with native companies in the same sort of enterprise as juridical persons; entered into solemn covenants alike as to the Government and citizens here; and reposèd faith in the further warrants presented in article 20 of said constitution assuring to foreigners in this territory all the civil rights of its citizens, the pursuit of their avocations, and exemption from extraordinary forced contributions, in article 4 of said instrument in guaranty of equitable and proportional levies upon the population, and in article 9 of the treaty concluded between our respective powers on the 27th day of July, 1883, whereby, "in whatever relates to the acquiring and disposing of property of every sort and denomination in any manner whatsoever, as also in the administration of justice, the citizens of the two contracting parties shall reciprocally enjoy the same privileges, liberties, and rights as native citizens, and they shall not be charged in any of those respects with any higher imposts or duties than those which are paid or may be paid by native citizens, submitting, of course, to the local laws and regulations of each country respectively." In so far as the new enactments of the Argentine Congress relate to life-insurance companies of the United States acting under registered right of domicile in this Republic and appear to be in consonance neither with the recited treaty stipulation nor with the constitutional pledges of equality in levy enforced, I deem it proper to renew to your excellency the respectful protest communicated by Mr. Secretary Fishback, of this legation. No charge appears to have been alleged, nor, I venture to assert, could be maintained, that these companies have during their tenure here been guilty of any act in prejudice either of their charters or of the rights of Argentine citizens and thus merited a penalty such as the enacted discrimination might import. Were the burden imposed upon all companies of kindred character, the particular companies mentioned might forbear to participate in a remonstrance against its equal while oppressive weight; but, having earned a foothold here in strict compliance with the Argentine laws, having suffered every requirement common to all similar resident companies in discharge of federal and provincial patents and other annual public obligations, having contracted with Argentine citizens that have numerously chosen to repose especial confidence in them as companies whose probity and solvency are everywhere unchallenged, and having relied upon as exact a good faith in the prescripts of this Government as they inflexibly exhibit in the payment of their policies, they are now menaced with exactions the enforcement whereof they allege will dismiss them from the Argentine field. His excellency the minister of hacienda stated in his communication of the 18th ultimo to the Argentine Congress in relation to the tax bill in question that the tax of 2 per cent on gold and paper deposits in the private banks is explained by the necessity and advisability of driving all this local capital into the National Bank and the Provincial Bank of Buenos Ayres. The same discrimination against the insurance companies of my country represented in branches here will, I am persuaded, result in their being constrained to do forthwith for themselves what your excellency's Government is empowered to do in terminating their business in this country. I find upon due inquiry that the companies in whose behalf I speak would entertain no objection whatever to the penalties prescribed against a dishonest or evasive compliance with the requirements in relation to periodical exhibits of their annual business, because their invariably correct conduct would never subject them to such hazard, nor an urgent objection to a deposit in guaranty, which, under the executive classification, would by reason of the world-wide rank of these companies be doubtless rated at the highest figure recited in the law ($100,000); but the same classification would, it may be presumed, logically fix their annual national patent at $10,000, a tax not only excessive in itself, but the more inequitable, not only because levied solely upon other than native companies, but also because superadded thereto and with like discrimination are a national tax of 7 per cent levied upon their premi-
ums and 4 per cent upon additions from premiums received to surplus and reserve funds, and yet again the patents imposed by the provinces, which also may at any moment assess premiums. The gravity of the new provisions furthermore appears in the fact that the aggregated tax paid by the Equitable and New York life-insurance companies in home taxes on buildings and in taxes on premiums, patents, licenses, fines, and fees in all other parts of the world to which they have extended their agencies averages less than 1 per cent of their income in premiums. Up to the date of the recent enactments they were paying 1 per cent, or more than said average rate, on premiums received at this capital, as also their respective patents of $1,500 and $4,100.

The new legislation not only appears to retain the old tax of 1 per cent under the stamp act, but in the particulars mentioned exacts not less than 11 additional per cent on premiums, and also a patent, which, measured by the premiums of said companies here in 1890, would subtract a further tax of 5 per cent—a total of 17 per cent, which, I submit, will prove in effect prohibitory.

If this presentment be, as it seeks to be, correct, the law enacted will work instant and irreparable injury to said companies now in occupation of numerous offices established at great expense throughout the Republic; disband a considerable force of agents diligent in serving Argentines who seek or hold the policies of said companies; seriously interrupt the proper discharge of existing contracts as to the payment of premiums and sums assured at maturity; forbid an extension of the present advantage secured by these companies under their mutual system to policy holders, in marked contradiction, as I am advised, to the especial profit derived by shareholders under the system maintained by native companies; and arrest an equal participation in honorable and practical service to the general prosperity of a Republic whose hospitality has been not only proverbial but hitherto illustrated in its laws, and with whose people those of the United States desire the heartiest fellowship.

With these views, I tender, etc.,

JOHN R. G. PITKIN.

Mr. Blaine to Mr. Pitkin.

No. 96.]

DEPARTMENT OF STATE,
Washington, February 13, 1891.

SIR: I inclose copy of a letter from the Secretary of the National Board of Marine Underwriters of New York complaining of the heavy charges imposed on vessels putting into the port of Buenos Ayres in distress.

You will investigate the complaint and, if you find it well grounded, endeavor to induce the Argentine Government to remedy it.

I am, etc.,

JAMES G. BLAINE.

[Inclusion in No. 96.]

Mr. Smith to the Bureau of American Republics.

THE NATIONAL BOARD OF MARINE UNDERWRITERS,
25 William Street,
New York, February 8, 1891. (Received February 5.)

BUREAU OF AMERICAN REPUBLICS,
Department of State, Washington, D. C.:--

DEAR SIRS: I am directed to inform you that the question of heavy charges incurred by vessels putting into the ports of Buenos Ayres and Montevideo in distress has of late attracted the serious attention of underwriters and others interested in marine insurance in this country. As any governmental action tending towards the abolishment, or even the modification, of the objectionable charges would encourage commercial relations between the merchants of this and the Argentine and Uruguayan Republics, and, as we are not fully aware of the express objects of your Bureau, we shall feel obliged if you will kindly furnish us with the information as to whether or not matters of this nature come under your jurisdiction.

Yours, truly;

J. RAYMOND SMITH,
Secretary.
ARGENTINE REPUBLIC.

Mr. Pitkin to Mr. Blaine.

No. 100.] LEGATION OF THE UNITED STATES,
Buenos Ayres, February 23, 1891. (Received April 10.)

SIR: I cabled you on the night of the 20th instant in effect that the condition of affairs was critical; that there was expectation of a revolution; that a state of siege was declared by the President's proclamation; and that an attempt had been made to assassinate Prime Minister Roca.

The proclamation and an account of the attempted assassination are inclosed. The state of siege was by later decree suspended during Sunday, the 22d instant, in order that municipal elections might then take place at this capital.

Two journals at this capital, La Defensa del Pueblo and El Argentino, were, on the 21st instant, forbidden further issue, and others, it is expected, will be subjected to the same rigor. I called promptly on General and ex-President Roca, now minister of the interior, to congratulate him upon his escape on the 19th instant. This attention was not only appreciated by him, but seemed especially commended both by the action of the Argentine Congress in adjourning for three days in tribute to the memory of the slain Lincoln and by the fact of a large procession of Argentine citizens passing with bared heads under our legation flag soon after tidings arrived of President Garfield's death. This latter incident was during General Roca's administrative term, who referred feelingly to both victims during my interview. It is impossible to forecast how soon and by what expedients tranquillity may be assured.

I have, etc.,

JOHN R. G. PITKIN.

[Inclosure 1 in No. 100.—From the Buenos Ayres Standard of February 21, 1891.]

Proclamation declaring a state of siege.

As was anticipated, in view of the recent turn of events, the following decree was issued last evening by the Government, proclaiming the city of Buenos Ayres under a state of siege:

"BUENOS AYRES, February 20, 1891.

"Whereas the capital of the Republic is now passing through a period of excitement and of alarm which injuriously affects both social interests and the national credit;

"Whereas various manifestations have already taken place, and the situation may be aggravated unless the measures authorized by the constitution for forestalling and repressing acts likely to cause profound confusion in the community be adopted;

"Whereas it is still more necessary to proceed in this manner because the nation has to surmount financial difficulties which can not be conquered unless public order and the action of the public authorities be put upon a firm basis;

"Whereas this dangerous state of things constitutes precisely the case of internal commotion referred to in Article 23 of the national constitution, in which the exercise of the constitution and of the authority thereby created may be considered in danger;

"Whereas the executive is bound to watch over the public peace and to repress all excesses to which the excitement of evil passions may give rise;

"For all these reasons and in the face of the dastardly attack that took place yesterday evening on the person of the minister of the interior, the President of the Republic considers and decree:
FOREIGN RELATIONS.

"ARTICLE 1. In accordance with the provisions of article 23 of the national constitution, a state of siege is hereby declared in the capital of the Republic.

"ART. 2. Let this decree be duly reported to the national Congress.

"ART. 3. Let this be communicated, etc.

"PELLGRININ.
"V. S. LOPEZ.
"EDUARDO COSTA.
"JUAN CARRALLIDO.
"NICHOLAS LEVALLE.
"JULIO A. Roca."

Article 23 of the constitution decrees:

"In case of internal commotion or of foreign attack which may endanger the exercise of the constitution, or of the authority created by it, the province or territory in which the commotion exists shall be declared in a state of siege, all constitutional guaranties being suspended; but during this suspension the President of the Republic shall not condemn or inflict punishment on his own responsibility. His power in such case shall be limited in regard to persons to arresting them or sending them from one part of the country to another, should such persons not decide to leave Argentine territory."

[Inclosure 2 in No. 100.—From the Buenos Ayres Standard of February 21, 1891.]

Attempt to assassinate Gen. Roca.

As Gen. Roca was returning from a cabinet council in the Government house in his carriage with Mr. Gregorio Soler on Thursday evening a revolver was fired into the carriage from behind, and the ball, piercing the cushions, just grazed his spine. The news spread quickly through the city. The full particulars are as follows:

Three days ago President Pellegrini received an anonymous letter warning him that attempts would be made on his life, on Gen. Roca's, and on Gen. Levalle's, as these three gentlemen were considered to be the cause of the difficulties of the situation. Gen. Roca likewise received similar anonymous warnings. At the same time the presence of suspicious groups of men in front of the Government house and in Adrogué, where the President resides, was observed, and this was one of the reasons of the extraordinary military precautions taken within the last few days.

On Thursday a cabinet council was held in the Government house on the question of the London negotiations. The council lasted till half-past 5, when Gen. Roca imparted some orders in the home office, and, accompanied by his friend, Don Gregorio Soler, took his carriage, which was waiting for him outside the terrace of the Government house. The carriages drove down Calle 25 de Mayo, and on passing Calle Cangallo Mr. Soler turned round to the general and said, "I think I heard the report of a revolver." The general heard nothing, but soon after stopped the driver and said to Mr. Soler, "I feel I am wounded." Then got out of the carriage and found there was a great commotion in the street; policemen whistling, people running about in every direction, calling out "Assassin!" and soldiers from the Government house mingling with the crowd. In a moment the general understood that an attempt had been made on his life, and seeing two men holding a boy a little distance off, he rushed in that direction. He asked the boy who had told him to commit the crime, but the boy could not speak with fright. The criminal was handed to a policeman and conducted to the police station of the first section, where he was identified.

His name is Tomas Sambrice, an Argentine by birth, but of Italian extraction. He is 12 years of age. He declared that he was out of employment, and, being convinced that Gen. Roca was the cause of the ruin of the country, he had decided to kill him. He told his brothers and some comrades of his intention, and had practiced at target shooting in Palermo. On Monday last he followed the general with the intention of killing him, but seeing him accompanied by an officer he desisted from his intention and decided to await a more favorable opportunity. The boy seems to be a very intelligent lad and does not look over 12 years of age. The officer with Gen. Roca remarked that the boy had followed the carriage. On Thursday young Sambrice took up his position in Calle 25 de Mayo, at the corner of Cangallo. He was observed with one hand inside his coat and shivering violently from time to time. Suddenly the carriage appeared. The boy was so completely taken by surprise that he hesitated, and the carriage dashed past. He then rushed after the carriage and fired, the bullet piercing the hood and cushions and grazing the general's
back, leaving the black mark of a bruise. The general felt great pain, but the injury is very slight.

President Pellegrini, happening to hear of the attempt on Gen. Roca's life, did not take the train to Adrogué, but went straight to the police station, where he personally questioned the youthful criminal. In the course of his cross-examination the boy stated that three nights ago he wrote to Dr. Alem, announcing his intention of killing Gen. Roca, but as Dr. Alem is in the habit of receiving such missives every day, he attached no importance to the letter.

The police have arrested the parents of the criminal, his brothers and comrades.

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Mr. Pitkin to Mr. Blaine.

No. 102.] Legation of the United States, Buenos Ayres, February 26, 1891. (Received April 3.)

SIR: I have the honor to report that on the night of the 14th instant I received from the foreign office an answer, herewith transmitted in copy and translation, to the protest made against partial and oppressive levies by recent Argentine enactments upon foreign life-insurance companies, which protest, relating to companies resident in the United States and by branch here, Mr. Secretary Fishback made on the 10th ultimo and I renewed on the 30th ultimo, five days after my return from the United States. Twenty days having then elapsed without an expression upon the question from the foreign office, I conceived it to be proper to discharge the Department's cabled instruction of the 5th ultimo in more extended terms, a copy whereof accompanied dispatch No. 94. It will be seen by the inclosures that the minister of foreign affairs commended recourse by said companies to the federal supreme court of the Republic as the only authority competent to consider the alleged grievance, and declared a discussion of the question to be ineffectual and unnecessary prior to a determination by that tribunal. The term "reglamentar" in the common legislative instruction to the President, "El poder ejecutivo reglamentara esta ley," so often seems to import more, or to be more elastic, than our own term "execute," that I indulged a hope that, by reason of the protest, the laws in question might receive a more favorable interpretation. A copy of an executive decree of the 24th instant, herewith inclosed, will show that the 7 per cent tax on profits and 1 per cent on premiums received at this federal capital, are not to be imposed in the execution of the recent provisions.

Furthermore, I am advised by the manager of the Equitable Life Insurance Company, Mr. T. T. Watson, that it has been invited, by the assent of the minister of finance, to file an application to be admitted to the same footing as native companies when it shall invest $100,000 in the Republic and constitute a local board. This application has been exhibited to me, and is framed under direction of the Equitable management in expectation of an early and favorable administrative decree thereon. Recourse to the federal supreme court will probably be wholly unnecessary in order that the companies may reopen their doors here. The Equitable manager expresses much satisfaction with results, which he ascribes largely to the protest made.

I have, etc.,

John R. G. Pitkin.
FOREIGN RELATIONS.

[Inclosure 1 in No. 102.—Translation.]

Señor Costa to Mr. Pitkin.

ARGENTINE REPUBLIC,
MINISTRY OF FOREIGN AFFAIRS,
Buenos Ayres, February 23, 1891.

Mr. Minister: The note dated January 30 last has been received, wherein the minister renews the protest framed in his absence by the secretary of the legation, Mr. Fishback, by reason of the laws originated in the National Congress imposing certain duties on life-insurance companies established in the United States with branches existing in Argentine territory. The minister states that these insurance companies have established their agencies in the Republic under the declarations of the constitution, wherein its article 16 states that equality is the basis of taxation and of public charges, and article 20 assures strangers all the civil rights of its citizens, freedom in pursuits, and immunity from forced contributions. Moreover, the minister considers that the taxes in question are in contravention of article 9 of the treaty of July 27, 1853, in force between the respective Governments, by which it is arranged that "in whatever relates to the acquiring and disposing of property of every sort and denomination in any manner whatsoever, as also in the administration of justice, the citizens of the two contracting parties should reciprocally enjoy the same privileges, liberties, and rights as native citizens, and they shall not be charged in any of those respects with any higher imposts or duties than those which are paid or may be paid by native citizens, submitting, of course, to the local laws and regulations of each country respectively."

By reason of the foregoing, the minister considers that the taxes in question are not in consonance, either with the cited treaty or with the constitutional pledges of equality, and, as the minister will permit me, it does not enter the discussion whether the laws of Congress were or were not accommodated to the constitutional principles which are lodged in the organic letter, still less whether the taxes which have been thought convenient to enact are just or excessive.

It is an incontrovertible principle that the entire nation is the sole and exclusive interpreter of its internal laws, and to establish taxes upon existing property in its territory Congress has done no other thing than to exercise a right inherent in the sovereignty of the State. And no one more than the North American Congress has given unimpeachable evidence of the amplitude of this right, establishing duties which are calculated to disturb secular pursuits. The protest of the minister could be admitted and examined only under the point of view of existing treaties.

By chance, however, our constitution, after the example of that of the United States, removes this discussion from the restraint of the public powers. The federal supreme court, among ourselves as in the American Union, is the authority charged to determine whether a law is contrary to existing treaties, in the constitution or in the laws of Congress.

Whether, then, the taxes to which the minister refers contravene the declarations and premises of the constitution or the stipulations of treaty, the American insurance companies should repair to the federal supreme court, persuaded that in that tribunal they will meet the justice to which they assert a right. While this high and supreme body has not pronounced its definitive opinion, I permit myself to say to your excellency that all discussion is futile and unnecessary. Having thus answered the communication of the minister, it is pleasing to present to him the expression of my much distinguished consideration.

EDUARDO COSTA.

[Inclosure 2 in No. 102.—From the Buenos Ayres Standard, February 25, 1891.]

Decree of the President.

The President of the Republic issued the following decree to-day:

"ARTICLE 1. The tax of 7 per cent on the policies of insurance companies, established by article 6 of law 2714, shall be understood as a special form of collecting from said companies the tax to the same amount imposed by article 6 of the same law on all joint-stock companies, and, consequently, insurance companies, whether joint stock or not, are not included in the provisions of article 5.

ART. 2. The tax of 7 per cent on the policies of insurance companies imposed by article 6 of the law is virtually the increase of 1 per cent in the tax established by article 27 of the general stamp law voted for 1890, and which remains in force for the present year; consequently the said 1 per cent shall be considered suppressed from the moment that the 7 per cent tax comes into force.

PELLEGRINI.
V. F. LOPEZ.
Mr. Blaine to Mr. Pitkin.

No. 111.]

DEPARTMENT OF STATE,
Washington, March 30, 1891.

SIR: I have received your No. 94, of the 5th ultimo, inclosing copy of your protest to the Argentine Government against the law discriminating against foreign life-insurance companies in the Argentine Republic.

Your very thorough presentation of the case is approved by the Department.

I am, etc.,

JAMES G. BLAINE.

Mr. Pitkin to Mr. Blaine.

[Extract.]

No. 124]

LEGATION OF THE UNITED STATES,
Buenos Ayres, May 13, 1891. (Received June 27.)

SIR: On the 9th instant the President opened the Argentine Congress with an address wherein occur several statements that challenge attention.

The President announces harmonious relations between the national and all the provincial governments, the appearance of no serious revolt since his accession to power last August, the concord of hostile parties, then in arms, the wholesome result of the amnesty by him declared on the 30th day of August, 1890, for all who had engaged in the four-day revolution at the close of the previous month; and that the one exceptional measure thus far adopted during his executive occupation was his declaration on the 20th day of February last of a state of siege, which he deemed necessary by reason of public disquiets due to the financial prostration and to an assault upon the premier of the cabinet, and during which state he had recourse to no severer expedient than the suppression of several incendiary journals.

He states that Mexico and Venezuela have for the first time accredited plenipotentiaries to the Republic; that the question with Chile in respect of boundary awaits the termination of her civil war; and that, in maintenance of neutrality, he answered the request of the Chilean minister that a Chilean corps d'armée be permitted to cross Argentine territory with an assent to such passage by private individuals but not by troops in marching order.

He derives comfortable assurance from Argentine trade returns for the year that show a notable decline in imports, whereof $34,035,342 was for railway material paid for by foreign capital, and a still larger increase in exports, parts of which were 305,904 tons of wheat and 274,691 tons of maize; from an arrest in the tide of immigration by reason of a cessation in assisted passages; from the return hence to Europe of thousands of people who proved comparatively useless in a new country; and from the progress begun in local industries.

He exposes the failure of all attempts to colonize national lands, pronounces against the enormous and wasteful land concessions during recent years to private speculators, and states that many of these grants, where the conditions have not been observed in the establishment of colonies, have already been declared forfeit to the extent of
30,000 square miles, and that he proposes to reclaim as a valuable asset much more of the national domain thus squandered.

He states that the total length of railway in actual traffic in March of the present year was 7,190 miles, representing an outlay of £260,000,000, and of new railway in actual traffic since January, 1890, 2,100 miles, an outlay of £13,000,000; that thirty lines are in process of construction or survey, with an aggregate length of 7,870 miles; that seventeen concessions of a total length of 4,770 miles have been canceled within a year for failure to comply with prescribed conditions; that many of the companies in traffic have caused heavy loss in products, by reason of inadequate rolling stock—a neglect which he claims (and has exercised) a right to correct in view of an annual payment by the Government of $4,500,000 gold in railway guaranties; that Congress should refuse further concessions till a proper railway system be devised for the whole Republic; and that the national railways, sold to meet the foreign debt, yield no profit and draw from the Government in guaranty payments almost as much as it previously paid for service in its loans.

He adverts to numerous retrenchments in the abandonment of important works, among others the Buenos Ayres port works upon which $10,461,419 gold have already been expended; presents a brief but interesting statement of the educational and naval interests, and reviews at considerable length the question of finance; declares the total Argentine debt to be about £61,000,000; estimates the foreign capital employed in the Republic at £100,000,000, to which the recent decline in securities has dealt a loss of £20,000,000; recites the monetary measures thus far adopted and why he was compelled to close the two banks—the National and Provincial—at this capital, by which within twelve months the Government has lost $97,000,000 in currency and £2,600,000 in gold; ascribes the existing demoralization largely to reckless loans and paper emissions by State banks and a speculative fever; animadverts upon the wasteful sale in the market of gold paid by guarantied banks in purchase of bonds and deposits in the National Bank to be applied, two years after such deposit, toward a reduction of the foreign debt; opposes further issues of paper; calls for a parliamentary commission to ascertain the true condition of the State banks which, when shown, will determine the measure of correction to be applied to these institutions, which he conceives should be retained, though under new restraints; and concludes that a silver standard affords a sound metallic basis, the exception in Europe thereto having no weight in this Republic, and will be commended for local adoption by an executive bill to be transmitted to Congress.

I have, etc.,

JOHN R. G. PITKIN.

Mr. Pitkin to Mr. Blaine.

No. 129.] LEGATION OF THE UNITED STATES, Buenos Ayres, May 27, 1891. (Received July 6.)

SIR: Touching an instruction (No. 96), under date of February 13, 1891, to investigate a complaint preferred by the marine underwriters of New York to the effect that heavy charges have been imposed upon vessels putting into this port in distress, and to seek a remedy under warrant of the facts, I have the honor to report that, promptly upon receipt of said instructions and after an oral conference at the foreign
office, I thought proper to initiate an inquiry at the ministry of finance, whence an instruction went the same hour to said prefect and to the custom-house for a report. To-day I have been advised at the ministry that the reports have been made and deny the imposition of the alleged charges; that if they be shown in any case to have been exacted, the sum will be reimbursed; and that an executive decree inhibiting such a levy upon vessels seeking Argentine ports in distress is about to be issued. I hasten to anticipate by outward-bound steamer the promulgation of the decree, by reason of the delay to which the inquiry has been subjected, and will transmit it in copy as early as possible.

I have, etc.,

JOHN R. G. PITKIN.

Mr. Pitkin to Mr. Blaine.

LEGATION OF THE UNITED STATES, Buenos Ayres, June 17, 1891. (Received July 29.)

SIR: In dispatches Nos. 94 and 102, under the respective dates of February 5 and 26, 1891, I had the honor to report my action in respect of the two United States insurance companies, resident here by branches and discriminated against in recent legislation, and in the latter number to state a result accomplished in the dismissal of two of the taxes levied upon such foreign enterprises.

Herewith is submitted a copy, in translation, of a decree in favor of the United States Equitable Insurance Company and a copy of a personal communication which its local director-general has thought proper to send to the legation. It should be added that the local manager of the New York Life Insurance Company attached himself to a native insurance company soon after the adverse enactments reported received executive sanction, and that the former company does not thus far appear to have shared in the Equitable's effort to maintain a foothold here. All other foreign insurance enterprises have retired from the field, and the Equitable is assured not only less competition, but, as related to native companies, a firmer status. In fact, the whole issue inures to the signal advantage of that company, which has recently bought a costly corner on a leading thoroughfare of this capital in forecast of a large business.

I have, etc.,

JOHN R. G. PITKIN.

[Inclosure 1 in No. 137.—Translation.]

Executive decree.

BUENOS AYRES, May 2, 1891.

Upon examination of the preceding opinions of the attorney-general of the nation, and considering that the statements made by the Equitable Life Assurance Society are in conformity with the legal prescriptions, it is

Resolved, The Equitable Life Assurance Society may continue its operations on the conditions of the national companies, upon proofs of its having dedicated in the country at least 50 per cent of its paid-up capital and appointed a directory with residence in the Republic.

Give the legalized copies which may be solicited. Publish and file.

VICENTE F. LOPEZ.
FOREIGN RELATIONS.

[Inclosure 2 in No. 137.]

Mr. Watson to Mr. Pitkin.

Buenos Ayres, June 6, 1891.

MY DEAR JUDGE PITKIN: In sending you a copy of the decree issued in favor of our society, I wish to express my gratitude to you for the very able exposition which you made to the Argentine Government in our behalf, and to say that in my opinion it has had its effect in removing to a great extent the prejudice which appeared to exist against the American life-insurance companies, and thus added in securing the decree in our favor.

With assurances, etc.,

T. T. WATSON.

Mr. Pitkin to Mr. Blaine.

No. 141.]

Legation of the United States, July 7, 1891. (Received August 19.)

SIR: Referring to dispatch No. 129, I have the honor to transmit a translation of a communication from the foreign office, embodying a note thereto from the ministry of the hacienda, in relation to the question of port charges levied upon vessels entering this port in distress, and to invite attention to a suggestion in said dispatch No. 129, and renewed in said note, that specific cases of undue charges be exhibited in order to assist the authorities here to the end of discovery and redress.

I have to add that the Government has reconsidered the policy of issuing an executive decree inhibiting such charges, but that personal interviews at the hacienda department satisfy me of an earnest official purpose to forbid further inequitable exactions in the case of distressed vessels.

I have, etc.,

JOHN R. G. PITKIN.

[Inclosure in No. 141—Translation.]

The minister of foreign affairs to Mr. Pitkin.

Argentine Republic, Ministry of Foreign Affairs.

The minister of foreign affairs has the honor of saluting Mr. R. G. Pitkin, envoy extraordinary and minister plenipotentiary of the United States, and to transmit to him with reference to former communications of his excellency the following documents which the minister of hacienda has just sent to him. They say the following:

"MINISTRY OF HACIENDA,

Buenos Ayres, June 25, 1891.

"MR. MINISTER: I have the honor to address myself to you, inclosing a copy of the information furnished by the collector of customs of the capital concerning the supposed imposition of taxes upon vessels of forced entry which impels the request of the minister of the United States communicated by your excellency to this ministry by note of the 4th of last May.

"The information of the management is conclusive in that no such taxes have been imposed except in the case of ships loading or unloading in the ordinary conditions. In addition to this, the ordinances of the custom-house in force have foreseen the case and prescribed especially that ships of forced entry should be exempt from all port charges, except in case they discharge with this market as their destination, in which case the special nature of the situation ceases and they are left equipped for ordinary navigation. Meanwhile, as the note of the minister of the United States indicates
that it has been alleged that port charges have been imposed upon vessels of forced entry, and this ministry is interested in ventilating every charge of an abuse, I ask your excellency to indicate to the said minister that I should be pleased to have him indicate the precise case or cases in which such charges have been imposed and collected, in order to institute a full inquiry.

"I salute your excellency, etc.,

"VICENTE F. LOPEZ,"

"MR. COLLECTOR: Ships anchoring in the roads can remain three days without being subject to any charge (article 58) and are likewise exempt from the payment of port and dock charges, according to article 4 of the same law, when they enter the Riachuelo by reason of bad weather, and remain in the bay during the course of the tempest. But if the minister did not refer to any of these cases, as it is to be supposed, there is then a decree of the 14th of October, 1890, by which it is established that vessels entering merchandise through the custom-house of the capital, whether they enter the docks, the Riachuelo, or drop anchor because of the deep water in the outside anchorings of the river, shall pay a daily tax of 2 cents in form prescribed by the decree of the 24th of May of the current year. In addition to this stipulation, the collector of customs, under whose control the collection of these taxes is placed, has exacted the payment of the said charge as well from ships that effect an entrance to discharge on the docks as from those remaining outside and using lighters. Upon these last, which are the fewest, because there can only be counted among them those of heavy draft and those placed in quarantine, there has not been imposed in the light of a port charge a greater tax than the 2 cents stipulated in that decree, and only while in active operation; that is, that it shall not be collected except for the days when the ship is discharging or receiving a cargo. This is as much as I think should be explained in this regard.

"June 17, 1891.

"R. IGARZABAL."