JAMES G. BLAINE AND UNITED STATES MEDIATION IN THE WAR OF THE PACIFIC

Thesis for the Degree of M. A.
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Betty Wilder Smith
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This is to certify that the

thesis entitled

James G. Blaine and United States rediation in the War of the Facific

presented by

Betty Wilder Smith

has been accepted towards fulfillment of the requirements for

M. A. degree in History

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Date March 15, 1955

JAMES G. DEALER AND UNITED STATES HEDRATION IN THE MAR OF THE PACIFIC

Dy Detty Wilder Spith

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Submitted to the School of Graduate Studies of Hickigan State College of Agriculture and Applied Science in partial fulfillment of the requirements for the degree of

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THESIS

From 1879 to 1883 a bitter wer was fought by Peru, Bolivia, and Chile. Chile was the aggressor nation and the victor. A fundamental cause of this war was the indecisive boundary line senerating Chile and Dolivia, which crossed the Atacama desert. After the value of the gueno beds and nitrates located there, was recognized, and silver was discovered, it was a relatively simple matter for Chile to claim the territory. Command to Peru and Dolivia, Chile was relatively advanced, socially, economically, and politically, by 1879. Peru became involved because of a treaty of mutual defense between itself and Bolivia.

European and American businessmen had invested a troughdous capital in various enterprises in the three countries. Consequently, their governments were vitally concerned with the outcome of the war. However, because of the traditional nolicy of the United States which attempted to forestall any European intervention in American affeirs, the European nations took little active part in any peace discussions. For that reason the United States must assume a larger share of the blane for the prolongation of the war which resulted from his-understanding, blundering and Chilean greed.

When the war began, Rutherford D. Heyes was the President of the United States, William H. Everts, the Secretary of State. Of primary concern to them was the

protection of neutral entered and property. They instructed our ministers to Peru, Chile, and Dolivia, that if those countries should request arbitration by the United States, on a practicable basis, the United States would tender its good offices.

In 1981, Gardield, on easy iso the presidency, appointed from G. Elaine as his Secretary of State.

Blaine was more interactly interacted in Latin America then any previous State Department official. He hoped for a vastly enlarged trade between the United States and Latin America and for a loosely organized cooperative union.

One of his grantest handleaps in nursuing a decisive policy was the necessity of relying on the inemperienced ministers appointed by the United States. He replaced those bequeathed to him by Evarts, by men equally, or more inept. Finally he sent William Trescot, an able diplomet, to represent the United States in the peace negotiations. Blaine and Erascot were not able to carry out their policies, however, because of the replacement of Blaine by Frelinghnysen as Secretary of State during the presidency of Chester A. Arthur.

During the spring and summer of 1°32 there was an entensive congressional investigation in the Hunce. Hany controlletory statements were made and much bitternoss was aroused. By the time the investigation began, two of

the United States simisters encoursed were dead, and several mersons involved were no longer in the government. The consistee officially cleared all State Demarkment officials of any personal occurse interest in the area while in office. Movertheless, many meeple were never satisfied with the evidence presented or the decision.

JANUS C. THANKS AND UNITED STATES MEDIATION IN THE MAR OF SHE PACEFIC

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A TITISIS

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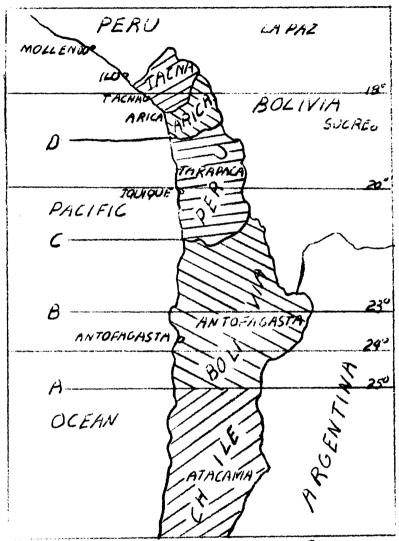
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ACIE!O.MEDGE HETTS

I wish to empress my sincere appreciation for the assistance and inspiration given me by Dr. Marold B. Fields. I am grateful, also, for the encouragement given me by Dr. Marry H. Kimber, Dr. Malter R. Fee, Dr. Shao Chang Lee, and Dr. Carlos M. Ecran.

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CHILEAN EXPANSION

A ORIGINAL CHILEAN BOLIVIAN BOUNDARY

B. CLAIMED BY CHILE IN 1942

C. ORIGINAL PERU-BOLIVIAN BOUNDARY

D BOUNDARY OF CHILE AS A RESULT OF THE WAR

Chanter I

INTRODUCTION

Since the establishment of the Latin American republies, disagreements resulting in armed conflicts have been frequent, both as civil were within particular countries, and as were between two or more nations. A primary cause of these wars has been the unsettled boundaries which were inherited from the colonial period. The young republies agreed to accept in principle, the <u>util moscidatis</u> of 1810, but since no definite boundary lines existed at that time in so many places, the interpretation of this provision has been extremely difficult.

One of the leading controversies caused by the unsettled boundaries, was the War of the Pacific between Chile, Peruland Bolivia from 1879 to 1883. The chief cause of the war, apparently, was the inordinate greed of Chile for the nitrate fields of Peruland Bolivia, and the guano beds of Peruland Country which won the war would acquire a source of revenue that would assure it a steady income and permit a substantial reduction of taxes. The underlying causes were many and complex, as is usually true in a case of this kind. The interest demon-

I The <u>uti rescitetis</u> of 1810 provided that the boundaries of the new nations should be those in effect in 1810 in the major administrative units. This is the last year in which Spain exercised full and undisputed authority in Spanish America.

strated by citizens of various European countries and the United States was acute, because of investments made in the countries directly concerned, as well as a general desire for peace in the area.

In the United States, the Department of State, under Secretaries William Evarts and James G. Blaine, took an active interest in the War of the Pacific. Both Evarts and Blaine were convinced that every practicable means should be exhausted in an effort to secure or maintain peace for the nations of the Western Hemisphere. Blaine continued the Latin American policies of Evarts, enlarging and strengthening them. His interest was more active and more pronounced than that of his predecessor, but he remained in general agreement. Both men were seriously handicapped by the low caliber, at least as diplomats, of the United States representatives in Chile and Peru. Blaine finally removed the ministers bequeathed by Evarts, but he replaced them by men even more incompetent.

Department, the Secretary sent William H. Trescot as special envoy of the United States to the war area, instructing him to try to bring about a just and honorable peace, which would become effective as soon as possible. Trescot was beginning to feel confident of at least partial success, even after Blaine had been replaced by Frederick T. Frelinghuysen, when suddenly he was ordered by the new head of the State Depart-

ment to moderate his efforts in attempting to find a satisfactory end to the war.

As a result of the death of President Garfield on September 19, 1881 and the succession of Chester A. Arthur to the presidency, the failure of Blaine's policies was inevitable. Within the Republican Party there were factions motivated by great bitterness toward each other. Blaine was a member of one of them, Arthur's supporters of another. Those politicians to whom Arthur looked for direction were determined to oust Blaine from office and to wreck anything constructive which he might have planned. They were anxious to prove him a complete failure, even to the extent of making him appear dishonest, in order to ruin any chance he might have for the presidency in future elections. This, they seemed to feel, was more important than the preservation of the influence and respect of the United States in Latin America.

As a preliminary to our treatment of United States involvement in the War of the Pacific we will discuss Blaine's character and personality, as well as his governmental and business attitudes within the United States and overseas.

We hope to paint a clear, unbiased picture of United States intervention or mediation in the War of the Pacific. The period in which Blaine was Secretary of State in 1881 will be considered primarily, though a summary account will be given of United States intercession before Blaine took office and

after he resigned. We will be concerned not only with proving or disproving Blaine's good intentions but with showing to what extent he was responsible for the final failure of United States mediation.

Chanter II

JAMES GILLESPIE DLAINE

James G. Blaine is one of the most controversial figures in United States history. Hailed as "the Flured Height" by Robert G. Ingersoll and thousands of devoted followers, but called a corrupt, self-seeking politician by many other Americans of his day, it is still not possible to determine with complete surety, his true merits.

He was born in West Brownsville, Pennsylvania on January 31, 1830 of Scotch-Irish ancestry. His immediate ancestors seem to have had the characteristics commonly referred to as respectable, hard-working, thrifty and substantial, yet they were courageous people who liked to try their fortune in a new environment. James, too, had an adventurous spirit. He entered enthusiastically into iron and coal mine deals and into risky railroad construction projects, making profitable friendships with important financial magnates as his business interests widehed.

After graduating from college in 1847 Blaine taught for several years. At the end of this period he moved with his wife, Harriet Stanwood Blaine, to her native city, Augusta, Haine, where he became editor-in-chief and part owner of <u>The</u>

² Robert G. Ingersoll, "Blaine - The Plumed Knight," in <u>Political Crotory</u>, ed. Thomas B. Roed (Philadelphia, c1903), pp. 1252-1254.

Kennebec Journal. It was not long before Blaine began to take an active part in politics. In 1858 he was elected to the Maine legislature and in 1862 to the United States House of Representatives where he remained for thirteen years. He then served in the Senate until his appointment to the office of Secretary of State by President Garfield in 1881.

Both Mr. Blaine and his wife were exceptionally hospitable. Their home was a center for intelligent, sparkling conversation and was much frequented by important statesmen and business executives. Possessing a vibrant, persuasive personality, he was accepted with deep affection by a large number of Americans.

It was Blaine's misfortune that he lived at a time when the acquisition of wealth and power by almost any means was thought to be of paramount importance. Laws controlling business and financial interests were lax and little observed. Vast sums of money were invested in questionable schemes for railroad development and in speculative ventures in the fields of banking and industry. Many people found themselves swept along in the frantic rush for financial power and government grants.

Blaine was a close friend of many who were so impelled, consequently he, too, was among the accused. It seems unlikely, however, that Mr. Blaine intentionally engaged in dishonest practices, dishonest, that is, when compared with the general

business morality of the period. It is unfortunate, nevertheless, that he could not see clearly through the financial and industrial morass of the period, achieving the moral judgment so evident in such men as Carl Schurz, George W. Curtis, Charles Francis Adams, Josiah Quincy and Morefield Storey. His political honesty and integrity might have needed less constant championing if he could have allied himself with these reform leaders. It is regrettable that Blaine was a "party man." In his political life, party devotion was paramount, defection in the interest of reform unpardonable.

In 1875, when Blaine stepped down from his position as Speaker of the House, after serving in that capacity for about six years, there was a genuine outburst of admiration for him from both Democrats and Republicans:

In the House there was a most gratifying demonstration in favor of Speaker Blaine. As he spoke the last words of his valedictory and stepped down from the desk the House rose in unison and every man joined with equal heartiness in a round of applause such as never was heard before in the Capitol. It had hardly died away when it swelled again into a perfect storm, accompanied by cheers, and soon for a third time the applause swept through the hall as the Speaker stood at the clerk's desk, bowing his thanks and shaking the hands of members who thronged about him.3

On the other hand, only nine years later this statement was printed in <u>The Spectator</u> of London:

³ Edward Stanwood, <u>James Gillespie Blaine</u> (Boston, 1905), p. 110.

The Republican party in the United States has for twenty-four years enjoyed the strong sympathy of English liberals. ... But it is impossible that this should last, in the face of a programme like that adopted by the Republican Convention of Chicago, followed by a nomination like that of Mr. Blaine. ... That gentleman, a man of a certain superficial brilliancy and eloquence, is believed throughout the Union to be the favourite candidate of the wire-pullers, the soul and brain of the 'machine', the politician who, of all others, holds that corruption is unavoidable in democratic politics. ... the friends of Reform have already revolted; and every newspaper in the Union which has hitherto defended purity in politics (except the New York Tribune) is declaring that the nomination cannot stand.

Despite the strong charges which have been made against him, to Blaine's admirers, and they are many, his virtues far outweigh any faults he might have had. He was a generous man, tolerant and sincere, beloved by his family and the wide circle of friends who adored him.

¹⁴ "The Nomination of Mr. Blaine" (editorial), <u>The Spectator</u>, LVII (June 1¹⁴, 188¹⁴), 779.

Chapter III

THE WAR OF THE PACIFIC - A SYNOPSIS

Until 1841, the exact location of their common boundaries made little difference to Peru, Bolivia, and Chile; but in that year, guano was discovered along the shore line of the Atacama desert and on the nearby islands. In 1866, nitrates were found in the border area, by a Chilean. And by 1871 silver mines had been opened. With each discovery the necessity for fixing the exact boundary lines increased tremendously.

On July 31, 1842 President Montt of Chile, in a message to the Chilean Congress, averred:

Inasmuch as the usefulness of the substance known as "guano" has been recognized in Europe, ... I deemed it advisable to send a commission to explore and examine the seaboard from Port of Coquiumbo to the head of Mejillones, for the purpose of discovering if any guano deposits existed in the territory of the republic, which, properly worked, might furnish a new source of revenue to the Treasury; and ... guano has been discovered from 29°35' to 23°6' of south latitude.

The Chilean Congress accordingly passed a law on October 31, 1842 providing that "all the guano deposits which existed in the province of Coquiumbo in the littoral of Atacama and in the adjacent islands are hereby declared national property."

⁵ Arbitration between Peru and Chile, The Case of Peru (Washington, 1923), p. 28.

^{6 &}lt;u>Ibid.</u>, p. 29.

Since the territory now claimed by Chile was in the area claimed by Bolivia, that country protested immediately. Chile took the protests lightly, and continued to exploit the About 1843 the Chilean Minister to Bolivia is said to have remarked that a desert between two countries was like a river between those countries, half of it belonging to the one country, and half of it belonging to the other. 7 He did not hesitate in applying this extraordinary theory to the Desert of Atacama. Is it any wonder that trouble developed between Bolivia and Chile? When, in 1857, some Chilean laborers, digging guano in territory claimed by Bolivia, were imprisoned by Bolivian authorities of Cobija, Chile sent a warship to Mejillones, soon driving out the Bolivians and claiming the territory. Bolivia's next step was to send a memorandum to Chile asserting her claim to the 25th parallel on the basis of the uti possedetis of 1810. This demand Chile refused to consider seriously. In 1861 negotiations between the two countries were discontinued and in 1864 war appeared probable. Spain, however, by seizing the Chincha Islands off the coast in that year, united the three Andean nations against her as a common enemy, and because of the renewed amity, Chile and Bolivia were able to reach an agreement over the disputed boundary.

⁷ William Jefferson Dennis, <u>Tacna and Arica</u> (New Haven, 1931), p. 32.

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In 1866 Chile and Dolivia negotiated a treaty concerned with the nitrate coast of Atacama, clarifying the question of boundary.

The line of demarcation of the limits between Chile and Bolivia, in the desert of Atacama, shall henceforth be the parallel of 24° south latitude, ... Zand that, I the Republic of Chile and the Republic of Bolivia shall divide equally the produce of the guano demosits discovered in Nejillones, and any other deposits of the same kind which may be discovered in the territory comprehended within the 23rd and 25th degrees of south latitude, as also the emport duties upon minerals emported from the space of territory now designated.

The successful operation of such a provision as this would have required much more friendliness, patience and tolerance than was possible on the part of either of the parties to the treaty of 1866. A primary cause of further difficulty was the uncertainty as to the exact location of the parallels. In 1872 Chile sent a special mission to Bolivia to consider their common problem and a new pact was concluded in December, 1872, known as the Lindsay-Corral Agreement in which the joint-benefit arrangement was retained, minerals were defined, customs inspection was limited to a specific zone for each country and the export tax on minerals could not be changed without the consent of both nations. This con-

⁸ Great Britain. Foreign Office, <u>British and Foreign</u> State Papers (London, 1866), LVI, 713.

⁹ Great Britain. Foreign Office, British and Foreign State Papers (London, 1875), LIV, 275.

vention was agreed to by Chile, but not by Bolivia, for her statesmen were still hoping for better terms.

In 1873 the Chilean foreign minister asked Mr. Logan, the American minister at Santiago, to act as arbitrator in the dispute; but this attempt to settle the controversy met with failure, too.

In the discussion preliminary to the signing of the Treaty of 1866, Chile, by a series of sly maneuvers, attempted to drive a wedge between Peru and Bolivia. It was proposed to President Daza of Bolivia on the eve of the war, that Bolivia receive Arica, in return for aiding Chile. Soon afterward, two young Chileans approached two former Bolivian officials with a proposal to overthrow President Daza and prevent Bolivia from engaging in a war against Chile over Antofagasta. the war Bolivia was to receive Tacna-Arica as a prize settlement. A bit later, Colonel Canseco, a prisoner of the Chileans, was set free with the condition that he carry similar proposals to the enemies of Daza in the Bolivian capital. An attempt was even made to persuade Daza himself to break the alliance Justiano Sotomayor, a Chilean, in a letter to made with Peru. Daza on April 8, 1879, said:

... Peru, ... is the worse enemy of Bolivia, she is the one that holds her under the weight of her customs regulations, the master of the commercial, industrial and to a certain point political liberty of Bolivia.

Chile has taken to Bolivia industry and capital. With that impulse mining has taken on considerable growth, that activity has had to affect the agriculture and wealth of the country.

Chile is the only country that can free Bolivia from the yoke which Peru imposes on her.

Chile is also the only nation which allied with Bolivia can give her what she lacks to be a great nation, namely her own ports and free communication.

Can Bolivia hope to find in Cobija and the other ports of her littoral an outlet for her commerce? Profound error.

The only natural ports for Bolivia are

Arica, Ilo, and Mollendo or Islay.

Allied with Peru and making war on Chile, what will happen to Bolivia if Chile is conquered? She will fall into the hands of Peru and suffer as before under the weight of her duties. And if Chile should triumph, what would the allies gain? Bolivia, conquered or conqueror, will remain without ports and handicapped as a nation.

On the other hand, with Bolivia united to Chile, wouldn't she be sure of conquering Peru? Wouldn't she have it in her power to possess a door to the street which she lacks? ... Against Peru we will fight to the death; Bolivia, we cannot hate her.

Why are we going so out of the way making wars that we do not like and alliances even that we do not want?

Would there still not be time to put things in order? Why not?

Now or never Bolivia ought to think about gaining her place as a nation, her real independence, which certainly is not in Antofagasta but rather in Arica.

After this war it will be too late, Chile as conqueror would not consent to it, at least unless Bolivia does her part. Peru as a conqueror will impose the law on Bolivia her ally and on Chile her enemy, and Chile weakened would not be able to aid Bolivia if she should ask it.

The man who should give to Bolivia her independence from Peru, would be greater than Bolivar and Sucre, because they only gave her an imitation of liberty and he would be giving her real and true independence.

Was not such a colossal enterprise reserved for you? 10

¹⁰ Dennis, <u>Tacna and Arica</u>, pp. 87-89, citing Prescott, <u>El problema continental</u>, pp. 287-290.

More official sources, too, entered into the conspiracy. Three days later, President Pinto of Chile, in a letter to Rafael Sotomayor, a brother of Justiano, recommended a plan which he thought would solve the problem.

The most satisfactory solution of the question in which we find ourselves compromised ... would be an alliance with Bolivia, with her taking the southern departments of Peru and leaving us the area up to the Loa. Bolivia separated from Peru, the war would not last long. This opportunity will not come twice and Bolivia ought to seize it. If you are able to do something about this, don't lose the opportunity.11

President Daza stalled for time, in the negotiations, but it was not long before he made evident his friendliness toward Peru. When the Chilean cabinet officially tendered him proposals similar to those given above, Daza made them public and pledged his loyalty to Peru.

On August 6, 1874 a new treaty between Bolivia and Chile was negotiated at Sucre. Adolfo Ballivian was president of Bolivia at the time. This treaty once more stipulated that the boundary line should be the 24th degree of latitude from the sea to the mountain range of the Andes and it continued the division of guano between the 23rd and 24th parallels. Furthermore, it stated that the export duty rate on all minerals produced within the disputed area should not be

llDaniel Sanchez Bustamante, Bolivia, su estructura y sus derechos en el Pacífico (La Paz, 1919), p. 158.

raised, nor should Chileans, their industry, capital or persons be taxed at a higher rate for twenty-five years. 12

Intimately connected with the controversy was a company operating under various titles, among which were, the Compañía Emplotadora del Salitre, the Compañía de Salitres y Ferrocarril de Antofagasta, and the Compañía Anónima de Salitres y Ferrocarril de Antofagasta. Chile maintained that this company was Chilean and should be treated as such, specifically that it should not be taxed by Bolivia in violation of the Treaty of 1874.13

Evidently Melgarejo, then dictator of Dolivia, had given this company a concession in 1866 to emploit the minerals in the disputed area. But on May 16, 1870 Melgarejo denied the emploied area of the concession. The situation became even more complicated when Melgarejo was overthrown in 1871 and a group of Bolivian citizens convened for the purpose of organizing as stable a government as possible. One of their acts was the invalidation of many agreements entered into by Melgarejo, especially those which had to do with the alienation of property unless the persons concerned proved that they had obeyed the law. The aforementioned company failed to comply with this new

¹² Great Britain. Foreign Office, <u>Dritish and Foreign</u>
<u>State Papers</u> (London 1881), LDM, 897.

¹³ According to Don Tonás Criveno, <u>Historia de la</u> guerra de America entre Chile, Perú y Bolivia (Plorence, 1883), p. 35, the company was founded with English and American capital.

requirement, consequently its title to the concession was annulled in January 1872.

In 1873, the company was granted a new contract, which was approved by the Bolivian Congress in 1878 on condition that there be a minimum tax of ten centavos on each quintal of nitrate which was exported. The Chilean government at once complained that the new ruling violated the treaty of 1874. The Bolivian government answered that the new requirement did not come under the treaty, since the Bolivian Congress had reserved for itself the privilege of approving or disapproving the contract made before the treaty was signed. In addition, the treaty of 1874 had reference only to Chileans, their companies and capital, and it was believed by Bolivia that the Compañia Anónima de Salitres y Ferrocarril de Antofagasta was Bolivian since it had been incorporated in Bolivia under Bolivian laws.

The Chilean government would not debate the question of ownership of the company, simply stating that unless the government of Bolivia suspended any tax authorized after the ratification of the treaty, Chile would declare the treaty invalidated.

As a result, Bolivia ordered the Prefect of Cobija to institute action against the company, with the purpose of collecting the tax. Furthermore it informed the Chilean agent in La Paz of the measures it was taking.

The Treaty of 1874 having provided for arbitration, the Chilean government on January 20, 1879, suggested arbitration of the disagreement provided that the collection of the tax be suspended until the dispute was settled. But since the Bolivian government had already begun action against the company, and since the company still refused to comply with the Bolivian law in the payment of the tax demanded by the Bolivian government, Bolivia invalidated the contract and instituted proceedings to recover the nitrate deposits.

On February 8, 1879, the Chilean agent commanded the Bolivian government to arbitrate the dispute or face the consequences. Since Bolivia had not answered within forty-eight hours the agent asserted that the Treaty of 1874 had been abrogated and requested his passport. On February 14, Chilean troops landed at Antofagasta and took over the company property.

It is difficult to understand how Chile could have had any legal or moral justification for this action, nevertheless, Bolivia, being the weaker power, would have been wise to take any possible measures which might have prevented war. Arbitration would probably have been prudent but, unfortunately, she felt a false security because of her treaty of alliance with Peru and because of the conflict between Argentina and Chile over Patagonia. Furthermore, the Bolivian government may have felt that in the long run Chile would gain everything she wanted, or at least would attempt to do so.

Dolivie, having become very worried about her relationship with Chile, had already negotiated with Perm a defensive allience which the two nations signed on February 6, 1873. It is evident, from the wording of the treaty, that mutual protection was the principal reason for the agreement. Article VIII reads in part: "The high contracting parties likewise agree to the following: First. Preferentially to employ, always provided it be possible to do so, every possible conciliatory measure to avoid a rupture, or such as may put an end to the war, if it has already broken out, considering that the arbitration of a third power shall be the most effective way of attaining this end."

Riva Agüero, Peru's Coreign minister, writing to Henuel García Irigopen, the Peruvian minister in Duenos Aires, on August 24, 1873, empressed his views. "The Government has not now nor has it ever had the intention of entering into an offensive alliance; we do not wish nor is it to our interest, to attack any nation; on the contrary, it is to the interests of us all in America to avoid wars, and the treaty we perfected in February has no other purpose than to make war impossible."15

Herbert Hillington, American Diplomacy and the Mar of the Pacific, Studies in History, Econories and Public Law, ed. by the Faculty of Political Science of Columbia University, No. 525 (New York, 1940), p. 152.

¹⁵ Graham H. Stuart, The Dacha-Arica Dispute (New York, 1927), p. 14, citing Manuel Garcia Irigoyeu, <u>La adhación do</u> la Republica Argentina al tratado de alianza defensiva peruboliviano de 1873 (Lina, 1919), p. 21.

Further evidence of the good intentions of Peru and Bolivia can be seen in Article X of the treaty: "The high contracting parties, either separately or collectively, may invite the adhesion of one of several other American States to the present defensive treaty of alliance, when by a later agreement they may consider it to be convenient to do so."16

On learning that diplomatic relations between Bolivia and Chile had been severed, Peru told Bolivia that she had expected her to suspend the tax on nitrates. Since matters had gone so far, however, Peru recommended to her ally that she do everything possible to reestablish friendship with Chile.

As a more active move, Peru sent a peace mission to Chile, headed by José Antonio de Lavalle, an able Peruvian diplomat. He was instructed to convince Chile of the unfortunate results which war would bring and was to urge arbitration. 17

By this time, public opinion in both Chile and Peru had become so agitated that it is possible that war could not have been avoided. It may be that the Chilean officials could not have retained their positions if they had agreed to the proposals of Peru. Meanwhile, in Peru, the press was demanding that the government aid Bolivia or resign.

Millington, American Diplomacy and the War of the Pacific, p. 152.

¹⁷ Arbitration between Poru and Chile, Ammendix to the Case of Peru (Washington, 1923), pp. 72-75.

Joaquín Godoy, Chilean minister to Lima, was, at the same time, doing everything in his power to encourage the war by prejudicing his government against Peru.

Chile refused to continue negotiations with Peru unless that country would reject the Treaty of 1873 with Bolivia, end all military preparations, and promise neutrality. Peru was not able to follow such a dishonorable course; consequently, Chile declared war on Peru and Bolivia, April 5, 1879.

The contrast between the three participants in the War of the Pacific was noteworthy, economically, socially and politically. Bolivia, the most miserable, economically and socially, was almost continuously engaged in political turmoil. Peru was practically bankrupt because of loans made to her by foreign interests which she was not able to repay, and by the issuance of large amounts of paper money not properly guarantied. Large loans had been made, based on guano receipts which were diminishing. Expenses of frequent revolutions, too, added to Peru's financial plight. The payment of interest on the foreign debt was halted in 1876.

During the presidency of Colonel Balta, (1868-1872), a great deal of money, borrowed from abroad, was spent on public works so that Peru seemed to be very prosperous. President Balta, a man of energy, resource and imagination was aware of the need for railroads which would provide transportation to the coast for Peruvian products, therefore, he had construction

started. He was instrumental in improving the harbor at Callao and continued the project of providing access to the vast forests east of the Andes by widening and deepening the rivers. All of these plans were admirable but Peru did not have the money available to finance them.

When Don Manuel Pardo was inaugurated as president on August 2, 1872 he was faced with a desperate financial crisis which he was unable to resolve. One project which Pardo instigated as a possible solution was the setting up of a nitrate monopoly by Peru in Tarapacá in 1873. This was one of the primary causes of the war. A little later all mineral deposits in the region were mortgaged to European purchasors of Peruvian government bonds, Chileans being given little consideration.

The Chilean historian, Vicuña Mackenna, clearly reveals Peru's justification when he says: "It is necessary to confess that in adopting any course relating to a Peruvian product the Peruvian president was within his right according to the law of nations, because he was free to legislate on domestic affairs as seemed best for the interests of his country." 18

One pretext, given by Chile, for the war, was alleged ignorance of the defensive alliance of 1873 between Peru and Bolivia. The provisions, however, had been known publicly for sometime. The possible participation of Argentina in the

¹⁸ Clements R. Markham, A History of Peru (Chicago, 1892), p. 385.

treaty was discussed in the Argentine legislature in 1877.

The Chilean minister later confessed that "the nitrate territory of Tarapaca was the real and direct cause of the war."19

Vicuña Mackenna admitted the primary causes of the war: "The war with Bolivia was consequently simply a question of time, from the moment when the prospector Cangalla found the first pieces of silver ore on the sides of Caracoles: a war with Peru was bound to be equally inevitable and for the same reasons."20

Chile's economic situation was quite different from that of Peru and Bolivia. In 1851 The North American Review had forecast its future in glowing terms:

In conclusion, we will say that Chile seems destined, at no distant day, to become "the model republic" of the south, and to exert the influence of arts, if not of arms, over the whole southern continent. She will be the first to follow in our steps, for the character of her people, more closely than that of any other of the Spanish races, resembles our own. Her geographical position is the most commanding one south of the equator, and, united with her energy and enterprise, will give her the control of that portion of the Pacific. It becomes "The Great Republic of the North" to cultivate the most intimate relationship with this, her most promising disciple. The friendship will be a mutual good, and a blessing to those vast regions which lie between them, whose destinies must be moulded in a greater or less degree by those of Chile and the United States. 21

^{19 &}lt;u>Ibid.</u>, p. 386.

²⁰ Benjamin Vicuña Mackenna, <u>Historia de la Compaña de Tarapacá</u> (Santiago de Chile, 1880), pp. 33-34.

²¹ Samuel G. Arnold, "The Republic of Chile," The North American Review, LXXIII (October 1851), 277-310.

Thirty years later another periodical included this description of Chile:

Its population has increased to over two millions. Its capital, Santiago, is a fine city of more than one hundred and sixty thousand people. Its port, Valparaiso, is a centre of trade. Chili has excellent schools, a liberal government, a reactionary or clerical party that has no love for schools or colleges, a progressive party that has made the country what it is. The rich soil invites immigration, and some of the fairest wheat lands of the world are to be found on the southern slopes of the Chilian Andes.

The descrt of Atacama bounds Chili on the north. It is treeless, rainless. The water used is distilled in large tanks. Its climate is hot and suffocating. But the desert and the interior mountains abound in deposits of nitrates and silver; the industrious Chilians worked the mines. An unhappy dispute has ripened into war, and once more, as in 1839, the fierce people of Chili have invaded the feeble North, captured Lima, and hold in their hands the fate of Bolivia and Peru. would have been happy for the cause of freedom had the angry nations settled their dispute by arbitration. But the fratricidal war broke out in 1879, the Chilian squadron captured the famous Peruvian ram Huascar, after a long contest between two iron-clads - the first encounter of these fearful offspring of the Monitor and the Merrimac. The Chilian iron-clad, the Cochrane, received little The Huascar was torn to pieces by her damage. shot. Her turret and her brave commander, Graw /sic./ were blown into the air together. The horrible victory gave Chili the command of the seas. Her fleets and army moved up the shore. They seized the disputed desert; they defeated the superior forces of Bolivia and Peru; they have reduced the rival republics to a condition of degradation and distress, from which they should labor to raise them with the magnanimity of freemen. 22

²² Eugene Lawrence, "Chili," <u>Harper's Weekly</u>, XXVI (July 22, 1882), 459.

Chile was victorious, almost continuously, from the beginning to the end of the war. Bolivia, being very weak, was soon eliminated. Peru was not strong enough to fight Chile alone; so, within two months of the start of the war, Chile was at the Peruvian frontier. By August, 1880 all Antofagasta, which had been claimed by both Bolivia and Chile, had been cleared of Bolivians and Peru had been driven from Tarapacá which she formerly owned entirely. Chile could see victory ahead. Her people were jubilant and demanded that the acquired territory be kept, but Peru and Bolivia still had hopes of regaining the lost provinces with the aid of foreign nations and so the war continued.

The Edinburgh Review characterized the naval conflict in these words: "The brilliant actions of which the South Pacific has lately been the scene have reminded us that both Chili and Peru are naval Powers. Indeed, the navy of Chile has a history of respectable length and some distinction. ... The Peruvian fleet now hardly exists. The Chilians have two handy and powerful armour-clads, built in this country, as well as the turret ship 'Huascar', which they captured from their enemy."23

The Edinburgh Review, American edition, CLIII (January, 1881), 24-25, review of J. W. King, The War-ships and Mavies of the World (Bost. and Lond., 1880).

Because of the naval victories, Chile had control of the seas, which meant that Peru, unable to receive any supplies from Europe by ship, ordered war materials from the United States and smuggled them across Panama.

By the end of the war Chile had won far more than she ever dreamed of winning. She had possession of all the territory she desired, her foreign trade was doubled, the government revenue had tripled and the Chilean public debt had been greatly reduced.

In a later section we will discuss more fully the political aspects of the war and the results of the interest of foreign nations in the conflict.

Chapter IV

UNITED STATES MEDIATION DURING THE HAYES ADMINISTRATION

Throughout the war there was much discussion of the possibility of mediation or intervention by either the United States or one of the European nations most concerned. The entire West Coast trade of South America had been seriously disrupted, especially in the mining areas. Since Europe's economy had suffered more than that of the United States, it was logical for one or more of the European countries to offer help, particularly since South America had always been more closely linked commercially and culturally with Europe than with the United States. As a matter of fact, England, France and Germany almost immediately offered assistance and suggested to the United States that she join them. But the Hayes administration, rejecting all invitations of this kind, clearly indicated its displeasure at the thought of European intervention in South American matters.

In a letter to Mr. White, the United States Minister to Germany, Mr. Evarts explained:

While as keenly alive as the governments of Germany or Great Britain can be to the dangers arising to commerce from the existence of so deplorable a war between kindred peoples, as well as to the greater prospective danger that the Argentine Republic and other South American States may yet be involved in the guarrel, and while it has been from the commencement of the struggle and is now ready to assist in the restoration of peace between the belligerents, whenever its good

offices may be usefully proffered, yet this government does not look with favor upon any premature effort, nor any effort in combination with other neutral powers, which would carry the impression of dictation or coercion in disparagement of belligerent rights. Inquiry having been made of this government, through Her Britannic Najesty's minister at this capital, in the same sense as that addressed to you through Mr. Bucher, an identical answer was returned to Sir Edward Thornton. You will, of course, carefully note and report any tendencies you may observe toward further action by Germany in the direction of South American intervention, either with or without the cooperation of other powers. 24

As a result of this policy, the responsibility for mediation must lie at the door of the United States State

Department. Our diplomatic ministers therefore, should have been men of ability and intelligence, thoroughly trained in international law, but this was not the case, for the United States ministers to the Latin American nations were frequently incompetent. It was generally felt that the republics to the south were suitable places for sending small-time politicians descriving of party favors. Then, once settled there, these men, anxious to hold on to their honored positions, were jealous of any favorable notice our other representatives in Latin America might receive. Instead of cooperating with one another they often had outrageous quarrels. It is evident that in this perilous situation, though her prestige was at stake, American mediation had dubious chances of success.

²⁴ John Bassett Moore, A Digest of International Law (New York, 1906), VI, 34, citing MS. Inst. Germany, XVI, 486.

In August of 1°79 Judge S. Newton Pettis, our minister to Bolivia, returning from a visit to the United States, stopped in Live and Santiago in order to try unofficially to secure neace, or sound out the belligerents on the possibility of United States rediction or arbitration. His numpose may have been limited to informing each of the nations privately and unofficially of the views of the other two. Apparently his visits were made without the prior knowledge of his superiors in the State Department.

On October 1, 1879 Acting Secretary of State Hunter sent this message to Pettis regarding his risky project:

Uncuthorized, and even rash, as your experiment right appear, it may at least have led the
contestants to the healthy consideration of the
terms on which the strife might be ended. Should
the impuledge of the views of each other thus gained
conduce to an eventual sattlement, this government could not but rejoice at the result. It is
not, however, disposed to dictate a peace, or to
take any stems looking to arbitration or intervention in disparagement of belligerent rights, or
even to urge the conditions under which it may be
reached. Its good offices have not been officially
tendered, but if cought on a practicable basis of
arbitration submitted by the several parties to
the struggle, the President would not hesitate to
use them in the interest of peace.

Unfortunately this mission was not successful. Even an offer of assistance during the same curver by Colombia was not accepted. By July, 1880, it was clear that Chile

United States 47th Congress, 1st Session, Senate Executive Decements, No. 79 (Mashington, 1882), p. 20.

was the victor and that continuing the war longer would be useless for the other belligerents. Mr. Evarts, accordingly, on the 29th of the month, in his instructions to the United States ministers in Peru and Bolivia, directed them to urge the governments of those two countries to make peace if it could be negotiated on honorable terms. 26

In the course of the same summer Italy, England and France offered to mediate. Chile accepted with the condition that Tarapacá be ceded to her. But the other belligerents indicated their preference for mediation by the United States. Osborn, our minister to Chile, in a report to Secretary Evarts, stated that Chile, confident of complete victory, did not wish mediation by the United States. Finally, however, Chile, too, accepted her North American neighbor as mediator. Accordingly, representatives were sent by the three countries to Arica to meet with the United States representatives to those nations, Osborn in Chile, Christiancy in Peru, and Adams in Bolivia. The conference was held on the U. S. C. Lackawanna in October, 1880, to discuss mediation.

Judge Isaac Christiancy was the principal instigator of this conference. He claimed that he had read an official despatch from Chile that had been intercepted by Peruvians which intimated that Chile desired peace. Hoping to forestall

^{26 &}lt;u>Ibid</u>., p. 116.

European intervention he visited Santiago in August, 1880. There, Thomas Osborn, according to State Department instructions, had been carefully maneuvering Chile toward an end to the war. Now he was reluctantly forced to include Christiancy in his negotiations with the Chilean foreign office, even though he knew that the time was not propitious. On September 2, Osborn complained to Secretary Evarts: "Mr. Christiancy has come and gone. ... What he could have expected to accomplish in coming here passes my comprehension." 27

Christiancy was duly informed by the Chileans that cession of the coveted territory would have to be made the basis for peace yet he did not seem to comprehend that Chile would insist upon this, consequently, he failed to relay to Peru, Chile's demands, and Peru, though reluctant to do so, accepted the United States offer to discuss peace terms. Christiancy caused bitter feelings between various factions in The war party shouted that the government was too Chile. ready to make peace. Thereupon the Chilean Foreign Minister Hunneus felt compelled to announce publicly that mediation had not been accepted. Christiancy further interfered by writing the Commander of the Chilean Army proceeding toward Lima asking him to delay his march, since the Chilean government had consented to discuss peace terms. When this letter was printed in the Chilean press a cabinet crisis developed.

^{27 &}lt;u>Ibid.</u>, pp. 124-125.

In Bolivia, too, the Chilean position was not understood. Charles Adams, our new representative there, was questioned by the Bolivians in regard to what would happen if the Arica Conference failed. Promising that the United States would urge arbitration if the conference failed he informed Osborn of the promise he had made. Receiving no response from Osborn he concluded that his promise was approved and Bolivia was permitted to enter into the negotiations believing that Chile would be persuaded to accept arbitration.

The conference opened in a dense atmosphere of distrust and misunderstanding. Osborn, as chairman, deeply disappointed the other United States representatives by assuming that their country was merely the presiding agent and would take no part in the deliberations, not consenting to arbitrate even if invited to do so.

Chile stated positively that she would refuse to consider peace unless she received a money indemnity of twenty million dollars and the absolute cession of the Bolivian littoral and the Peruvian province of Tarapacá. Peru and Bolivia refused to consider the loss of such valuable land and offered a money indemnity instead, which Chile refused.²⁸

²⁸ Albert G. Browne, Jr., "The Growing Power of the Republic of Chile," Atlantic Monthly, LIV (July 1884), 115.

Peru and Bolivia then suggested arbitration but Chile turned down this proposal, too, and the conference ended in failure. 29

President Hayes in his annual message to Congress of December 6, 1880, expressed his regrets in these words:

The war between the Republic of Chile on the one hand and the allied Republics of Peru and Bolivia on the other still continues. This Government has not felt called upon to interfere in a contest that is within the belligerent rights of the parties as independent states. We have, however, always held ourselves in readiness to aid in accommodating their difference, and have at different times reminded both belligerents of our willingness to render such service.

Our good offices in this direction were recently accepted by all the belligerents, and it was hoped they would prove efficacious; but I regret to announce that the measures which the ministers of the United States at Santiago and Lima were authorized to take with the view to bring about a peace, were not successful. 30

The report and protocols are found in U. S. 47th Congress, 1st Session, Senate Executive Documents, No. 79, pp. 405-418.

James Daniel Richardson, <u>A Compilation of the Messages</u> and Papers of the Presidents, 1789-1897 (Washington, D.C., 1901), VII, p. 611.

Chapter V

UNITED STATES MEDIATION IN THE WAR OF THE PACIFIC DURING THE GARFIELD ADMINISTRATION

On March 4, 1881 James A. Garfield, a Republican, became the President of the United States. For the office of Secretary of State he selected his good friend, James G. Blaine, to succeed William Evarts, a selection which had been anticipated for sometime, since Blaine was the leading Republican and the person to whom Mr. Garfield looked most often for advice.

Secretary Blaine had a great interest in Latin America and a definitely preconceived conception of what the role of the United States should be toward that area. It was his wish that this country exercise a benevolent protectorship over the Latin American nations. One might describe Blaine as an early advocate of "dollar diplomacy" in Latin America. A vigorous promoter of the commercial and financial prestige of the United States, he was accused of being a "jingoist"; but it was of vital interest to this policy that the Latin American nations avoid armed disputes with their enormous waste of men and property.

At the time Blaine became Secretary of State, war seemed imminent in several places in South and Central America with boundary disputes causing trouble between Argentina and Chile, Costa Rica and Colombia, Mexico and Guatemala. President

Barrios of Guatemala was attempting to bring about a new federation of the Central American countries under his domination. European creditors were trying to force Venezuela to repay loans which they had been making to her during many decades and most serious of all was the War of the Pacific which had begun in 1879. Chile, confident of winning, was in no mood for concessions, believing that time would obtain for her all the advantages for which she was fighting.

In Peru an internal revolution further aggravated the national danger. On December 18, 1879 the Peruvian President, Mariano I. Prado fled the country and, four days later, a former revolutionary leader, Nicolas de Piérola, made himself the "Supreme Chief." The United States believed it necessary to recognize Piérola, since he had effective control of the government.31

In January 1881 Chilean troops marched into Lima, and Piérola escaped to the mountains, where, refusing to resign, he set up a very unstable government. Soon afterward, Francisco García Calderón, a noted lawyer of Lima, organized a provisional government, with the consent of Chile. There is some question as to how much approval it had from Peruvians, however.

Sometime later Blaine received from our minister at Lima, Isaac P. Christiancy, the following message dated April 13,

Ju. S. 47th Congress, 1st Session, Senate Executive Documents, No. 79, p. 326. Everts to Tracy, Jan. 31, 1880.

1881 (No. 325): "Upon the whole the evidence, as yet, is quite clear that the overwhelming majority of the people of Peru are opposed to the provisional government and still adhere to Piérola, and at present, if the Chilian army should leave to-morrow, the only safety of the members of the provisional government would be to leave with them."³²

On May 9, 1881 Mr. Blaine replied: "If the Calderón government is supported by the character and intelligence of Peru, and is really endeavoring to restore constitutional government with a view both to order within and negotiation with Chili for peace, you may recognize it as the existing provisional government, and render what aid you can by advice and good offices to that end."33

On June 16 Christiancy informed Blaine that the provisional Government had "not yet succeeded in getting the attendance of a quorum of Congress," that it was not "a government de facto in any part of Peru, except in a little hamlet of Magdalena"; that as to whether it represented the character and intelligence (or "influence", as he appears to have read the dispatch) the matter was doubtful; and that the Chilians,

³² U. S. 47th Congress, 1st Session, Senate Executive Documents, No. 79, p. 478.

³³ United States. Department of State, <u>Foreign Relations</u> of the <u>United States</u> (Washington, D.C., 1881), p. 909.

who were in control of the country, did not want the provisional government recognized "until they had recognized it."34

A few days later Mr. Christiancy informed Washington that the García Calderón government had not been recognized by any of the foreign ministers and that he did not think it wise to recognize a government until it had proved to be firmly established. Having had no reply from Mr. Blaine, and no modification of the May 9, 1881 instructions, although he had kept Washington fully informed, Christiancy felt compelled to recognize the García Calderón government. This he did on June 26.35

The United States press criticized Blaine for recognizing such an unstable government, accusing him of having a financial interest in the affair, but the related correspondence indicates that Blaine's principal reason was his belief that Peru's chances for an earlier peace would be enhanced if the García Calderón government were made more secure.

That same month Mr. Blaine replaced the United States ministers to Chile and Peru, because they had become too controversial. General James Kilpatrick was sent to Chile in place of Osborn and General S. A. Hurlbut to Peru to succeed Christiancy.

³⁴ U. S. 47th Congress, 1st Session, Senate Executive Documents, No. 79, pp. 501-502.

³⁵ U. S. 47th Congress, 1st Session, Senate Executive Documents, No. 79, p. 505. Christiancy to Blaine, June 28, 1881.

Within a relatively short time they too had lost their objectivity, carrying on violent quarrels by correspondence and permitting numerous indiscretions to increase the difficulties of the countries to which they were accredited.

Secretary Blaine's attitude toward the situation in Peru, Chile and Bolivia, is well expressed in his letter of instructions of June 15, 1881 to Kilpatrick. He reminded Mr. Kilpatrick of the failure of the Arica Conference and of the belligerent attitude of Chile and Peru toward each other, both of which brought serious potentialities to the office which Kilpatrick held. Mr. Blaine continued by drawing attention to the recognized right of all people to govern themselves. The forced transfer of territory would stamp the war as one of conquest and the annexation of such territory a sine qua non of peace, thus disclaiming the avowed reasons for the declaration of war. The United States believed that should such a momentous sten be necessary, it should be acted upon by all countries concerned. This would be impossible with Chile victorious, the allied armies defeated, and the Peruvian provisional government under the control of Chile.

Because the Chilean authorities had apparently decided to support the García Calderón provisional government in Peru, Mr. Kilpatrick was urged to "with propriety and without officious intrusion, approve and encourage this disposition on the part of the Chilian Government." The State Department

would be entremely pleased if Mr. Milhatrich were "instrumental in inducing the Government of Chili to give its aid and support to the restoration of regular, constitutional government in Peru, and to nostpone the final settlement of all questions of territorial annemation to the diplomatic negotiations which can then be resumed with the certainty of a just, friendly, and satisfactory conclusion." 36

Early in the fall, the Chilean government, believing that García Calderón was pleading for active United States intervention to save Peru from losing any of its territory, withdrew its support of his government. Its fear of intervention by this country was directly inspired by a removendum from our minister, General Eurlbut, to Admiral Lynch, the Commander of the Chilean forces in Peru, stating that the United States would look unfavorably upon the saising of any Peruvian territory by Chile. Hurlbut further emphasized the possibility of United States interference in his letter to Piérola's secretary, to the effect that the United States had recognized García Calderón's government because it seemed the most likely to refuse to code any land to Chile. Blaine severely criticized him for these messages, reminding him that as a minister accredited to the García Calderón government, he should not

James G. Blaine, <u>Political Disenssions</u>, <u>Logislative</u>, <u>Diplomatic</u>, <u>and Popular</u>, <u>1856-1886</u> (Horwich, Conn., 1887), pp. 358-361.

have corresponded with Lynch or Piérola, and that he had been told that annexation of Peruvian territory might become necessary in the final treaty. Continuing, Blaine instructed Hurlbut to attempt, by pleasant but unofficial relations with the Chilean representatives, to gain their support of a nonannoxation policy. Blaine denied that the United States had recognized García Calderón because he would be the man least likely to agree to the cession of Peruvian territory. Blaine declared that he had desired the recognition of García Calderón's government because he felt that it was supported by the responsible Peruvians, and gave the greatest promise of being able to restore peace to Peru. The Secretary regrimanded Hurlbut for daring to suggest to the government of Argentina that it send a minister to Peru, for Chile would naturally conclude from this, that there was a plot against her, since there was, at the time, an unpleasant relationship between Chile and Argentina. Furthermore, Hurlbut should not have negotiated for the cession to the United States of a naval station in the Bay of Chimbote. Desirable as such a base would be, he had chosen an unfortunate time for such a scheme.

Blaine added that his government did not understand Chile's reason for abolishing the García Calderón government and arresting the provisional president. The United States had recognized that government in supposed agreement with Chilean policy and since it had received no explanation for the

destruction of the Peruvian government, Nurlbut should continue to regard himself as accredited to it if it still had a legit-imate representative. If no responsible agent emisted Hurlbut should have only such intercourse with the Childen government as was necessary for personal convenience and for the maintenance of the United States legation.37

In. Distinct had emplained to Humbut a short time before, that he was "to emtend all proper protection to American citizens, and to seeme for them in any interests they may have, a respectful hearing before the tribunals of the country to which you are accredited, and generally to aid them with information and advice, ... "38

Unfortunately, in Murlbut's corrunications, both oral and written, to Peruvian and Chilcan officials he failed to follow the procedures and the approach he must have known were suitable for a United States minister accredited to a foreign country. But the same criticism has been made of many other ministers whom we have sent to Latin America.

In the same menth in which the Secretary of State so severely condermed Mr. Murlbut for his improper correspondence

³⁷ United States Dept. of State, Foreign Relations of the United States (Machington, D. C., 1881), pp. 949-951. Elaine to Hurlbut, Nov. 22, 1881.

³⁸ U. S. 47th Congress, 1st Session, Sonate Executive Documents, No. 79, n. 564. November 19, 1881.

he sternly reprimended Mr. Kilpatrick in Chile for presuming to discuss the conduct or language of his colleague in Peru with Chilean officials.³⁹

Having been assured by the Chilean government that "no question of territorial annexation would be touched until a constitutional government could be established in Peru, acknowledged and respected by the people, with full powers to enter into diplomatic negotiations for peace" it naturally seemed incomprehensible to Mr. Blaine that Chile had so soon disregarded her pledge. In fact, her overthrow and imprisonment of García Calderón appeared to be an insult to the United States which had seemed to be cooperating with Chile when it recognized the provisional president. The Nation asserted "that the whole proceeding covered the country with shame and humiliation."

After the capture of García Calderón, the Vice President, Senor Montero, fled to the mountains of the interior where he set up his government, first at one place, then another, replacing Piérola as the leader of the guerrila patriots who were agreed that they would not surrender the tiniest portion of Peru to Chile.

³⁹ James G. Blaine, Political Discussions, pp. 362-363.

^{40 &}lt;u>Ibid., p. 363</u>.

The Nation, XXXIX (August 28, 1864), 173.

In the surmer of 1861 President Grevy of France suggested to Levi P. Morton, our minister to that country, a plan for concerted friendly action by France, Great Britain and the United States. After being informed of this move Mr. Blaine responded "that this government, while appreciating the high and disinterested motive that inspired the suggestion, is constrained to gravely doubt the expedience of uniting with European powers to intervene either by material pressure or by moral or political influence, in the affairs of American states."

President Grevy replied at once that France would be satisfied if she acted with the United States or if the United States acted alone.

est suspicion, was England. He even called the war an English war against Peru. 43 In the Chilean-Bolivian agreement of 1866, the "Treaty of Mutual Benefits", Chile and Bolivia agreed to divide Antofagasta so that Bolivia would administer the upper half and Chile the lower. Soon Chilean financiers rushed into the entire area, establishing businesses as far north as Tarapaca by 1874. These Chilean industrialists were often backed

U. S. Dept. of State, Foreign Relations of the United States (Washington, D.C., 1881), p. 426. Blaine to Morton, Sept. 5, 1881.

⁴³ United States. 47th Congress, 1st Session, House Reports, No. 1790, p. 217.

by British capital. Furthermore, the largest commercial houses in Chile were English. And, since many Englishmen who had remained at home, owned Chilean bonds or owned stock in commercial houses located there, it was natural that the English government would be alert to events in Chile.

Mr. Blaine, being greatly interested in the empansion of United States trade in Latin America was, of course, much concerned whenever he thought British trade, in particular, was endangering our import-export business. Since English commerce was so closely tied up with that of Chile, and because Chile was winning the war overwhelmingly, Englishmen would naturally profit - perhaps at the expense of North American businessmen. This result the Secretary would consider deplorable.

After the discovery of the great potential mineral wealth in Peru, that nation was able to sell millions of dollars worth of bonds in Europe using her guano and nitrate resources as security for the bonds. 45 Yet, in spite of the great wealth involved, because of corruption and incompetent financial management in Peru, interest on the foreign debt had to be suspended in 1876 and was never resumed. Many of these bonds were held in France, Belgium, Holland, Germany and Italy

U. S. 47th Congress, 1st. Session, Senate Executive Documents, No. 79, pp. 468-469. Christiancy to Blaine, March 21, 1881.

⁴⁵ Dennis, Tacna and Arica, pp. 67-69.

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as well as in England. The various bond owners hoped from time to time that one or more of the European countries involved. or the United States, would intervene in the controversy, and this hope was shared by Peru. But Chile, who did not want any foreign intervention, convinced some of the European owners that they would profit more if Chile were victorious, and the United States, naively, played right into her hands by forcefully discouraging any European intervention, at the same time failing to act more positively herself. Accordingly, after Chile took over the entire nitrate and guano area, the foreign owners were in danger of losing their investments. is cuite likely that at the beginning of the war Chile had not intended to appropriate this land without regard for the foreign interests which were involved, but she was so easily and so completely the victor that she probably could not see any reason why she should consider herself bound by debts which Peru had incurred.

Early in the war the bond and mortgage holders in continental Europe devised a plan which they hoped would protect these investments. They organized a French corporation called the Société Générale de Crédit Industriel et Correctal or, more corronly, Crédit Industriel, which was to liquidate the various claims against the nitrate and guano beds and pay the indemnity which obviously Chile would demand of Peru. They hoped that a monetary payment, if large enough, would forestall

a demand for a territorial cession. The company was to advance the money needed to pay the indemnity, receiving in return a trusteeship of the guano and nitrate fields, the trusteeship to be used for recompensing members of the corporation first, and Peru second.

During the remainder of the Hayes administration this project did receive some encouragement, but Mr. Blaine, as Secretary of State, decided to refuse the assistance of the United States. On November 19, 1881 Mr. Blaine sent this warning to Mr. Hurlbut:

On the 27th ultimo I sent you the following telegram: "Influence of your position must not be used in aid of Credit Industriel or any other financial or speculating association." On the 2d instant I received your reply in these "It has not been; it will not be." My reason for telegraphing you was the continual circulation of rumors that the aid of your legation was earnestly desired to promote the interest of the "Credit Industricl of France," an association which is making efforts to reorganize the finances of Peru. Agents of the Crédit Industriel had visited the Department of State and ineffectually endeavored to enlist the interest of this government in their behalf. However trustworthy the Crédit Industriel may be, I did not consider it proper for the Department to have anything whatever to do with it. It is a foreign corporation, responsible to French law, and must seek its patronage and protection from France. At the same time it is no part of your duty to interfere with its negotiations with the Peruvian government. If it can be made an effective instrumentality to aid that unhappy country in its prostrate and helpless condition it would be ungenerous and unfust to obstruct its operations. Your duty is negative, and you will have fully complied with your instruction by simply abstrining from all connection with the association. ... I recite these elementary grounds at the present time, because, if

I am correctly advised, all manner of schemes are on foot at Lima for the reorganization of the disordered finances of Peru, and the interested parties are seeking; first of all, the countenance and indersement of the American legation. You will exercise the utmost care in any step you may take, and if any occasion shall arise where the interposition of this government may aid in restoring the credit of Peru you will confer by telegraph with the Department, and you will take no important step without full and explicit instruction. 46

This does not sound like the letter of a person trying to involve the United States in the machinations of the <u>Crédit</u>

<u>Industriel</u>. Yet that is one of the accusations directed against Mr. Blaine during the congressional investigation in 1882.

Some people believed that the Secretary had expected to receive a financial return from activities of the corporation.

No proof of such dishonesty was presented, however. 147

During the same period in which the <u>Crédit Industriel</u> schemes were being pressed on the United States government, old claims, resurrected, were urged insistently upon the State Department. One of these was that of Alexandre Cochet. In 1826 this gentleman, who had emperimented with nitrates in his small laboratory in Paris, came to Peru determined to encourage the commercial use of these chemicals. He spent a great deal of time travelling through Peru studying its many plants, animals and minerals. As a result of his exten-

⁴⁶ U. S. 47th Congress, 1st Session, Senate Executive Documents, No. 79, p. 564.

⁴⁷ U. S. 47th Congress, 1st Session, House Reports, No. 1790, p. vi.

sive travels he made many valuable discoveries, including a practical and commercially profitable method of converting nitrate of soda into nitrate of potash. A Peruvian congressional committee, after a consideration of his claim, voted to award him 6000 pesos (\$3,000), which he refused believing it to be much too small. He died in poverty in France in 1864.

Years later, a Jacob Shipherd organized in New York a Peruvian Corporation which claimed one-third of all the nitrates and guano which had ever been sold in Peru. extravagant demand was based on a claim bought from an illegitimate son of Alexandre Cochet. Another claim which Shipherd was backing was that of Jean and John Landreau. To IIr. Dlaine this project appeared to have greater validity and to be describing of more serious attention by the United States. Jean Theophile Landreau was a guano prospector who had discovered thirty-four new denosits for the Peruvian government at a time when it badly needed an additional source of revenue. As payment, he had been promised ten percent of the profits from the new deposits. Later he requested a settlement of his claim but was refused. Consequently he gave a half interest to his brother John, a resident of Louisiana, who had helped him financially in his activities in Peru. Whereupon John Landreau appealed to the United States government for assistance. On February 20, 1880 this action was taken in the United States Congress:

The Committee on Foreign Affairs, to whom was referred the potition of John C. Landreau, a naturalized citizen of the United States, for the aid of the Government of the United States in the furtherance of his claim against the government of Peru, have directed me to submit a report, accompanied by a joint resolution, which I hope may be but on its passage now. It ... simply grants in behalf of a citizen of the United States the good offices of the President and Secretary of State in the settlement of a claim against a foreign government. ...

The Jt. Res. (H. R. No. 219) ... was read a first and second time. It provides that the netition, ... the report thereon, and the accompanying papers be transmitted to the Emecutive Department with the request that the President take such steps as in his opinion may be proper and in accordance with international law to secure ... a final settlement and adjustment ... and that if in his opinion it is proper to do so, the President invite the government of France to co-sperate with the United States in his behalf.

Later the joint resolution was read a third time and passed. Mr. Blaine was not being at all bold therefore, when he instructed Mr. Murlbut on August 4, 1881 to aid Mr. John Landreau. The Secretary of State emphasized the belief that John Landreau was an American citizen holding a legal contract which guarantied compensation for services rendered to Peru. This contract specified that any ensuing question must be presented only in the Peruvian courts with no diplonatic intervention. Regardless of the stipulation in Mr. Landreau's contract, the Peruvian Supreme Court ruled that it had no jurisdiction in the Landreau case. By this decision

United States, 46th Congress, 2d Session, Congressional Record, p. 1046.

and by the wording of the contract the Landreaus were forbidden to seek further action. This injustice Mr. Hurlbut was to bring to the attention of the Peruvian government. He should inform it that the United States would expect Peru to provide means whereby a judicial decision would be made on the Landreau claim. In the event that the ruling or decision did not render justice to the plaintiff, the United States would expect the government of Peru to take one of these three steps: "Supply an impartial tribunal, extend the jurisdiction of the present courts, or submit the case of Landreau to arbitration."

Furthermore, if the forthcoming treaty transferred to Chile, Peruvian territory which held guano deposits which had been located by Jean Landreau, a clause in the treaty should guarantee him the amount specified in his contract. Any transfer of land to Chile must carry a lien to cover the claim. Both Chilean and Peruvian authorities must fully understand the contract, so that any peace treaty would insure a fair settlement for the Landreaus. 49

With such clear and forthright evidence as this available to us Mr. Blaine must be cleared of dishonesty in his consideration of the cases discussed. However it is easy to understand that such an approach would be very annoying to a foreign nation.

⁴⁹ Blaine, Political Discussions, pp. 346-347.

The death of President Garfield on September 19, 1881 was one of the bitterest blovs that Secretary Elaine had ever had to face. Not only had he lost a close friend and a president who had depended upon him for advice, but he could see his long cherished dreams for a closer relationship with Latin America crumbling into dust. The new president, Chester A. Arthur, was a cautious, indecisive type of man who had the support, not of the progressive, statesmanlike members of the Republican party but of politicians whose principal ambition was the political destruction of James G. Blaine. Although Arthur listened sympathetically for a time to Blaine's suggestions, it was evident that Blaine was soon to be released from his position as Secretary of State. All his friends despaired with him, fearing that the worthwhile plans he had developed were doomed.

Having realized the utter hopelessness of attempting to formulate and implement a decisive but friendly policy toward the disputant nations with such men as Hurlbut and Hilpatrick as his agents, Secretary of State Blaine determined to send a special mission to the area. On November 30 he commissioned Mr. William Henry Trescot, one of our most able and accomplished diplomats, as envoy with the position of minister plenipotentiary to the republics of Chile, Peru and Bolivia. It was to be his responsibility to handle all matters connected with the peace settlement which were in

any way the concern of the United States. The Third Assistant Secretary of State, Walker Blaine, accompanied him as his assistant, and later, as a result of the death of Kilpatrick, was made the acting minister to Chile, to remain until the arrival of the new United States minister to that country.

Before Mr. Trescot left for South America the Secretary of State gave him detailed information concerning the War of the Pacific and instructions which he should follow in determining his policy. After informing him of the events which had preceded the apprehension of President García Calderón by Chile, Mr. Blaine emplained the award position in which this action had placed the United States. The envoy was to ascertain if Chile's recent actions had been a deliberate slap at the United States. If such an attitude was avowed, then it was possible that diplomatic intercourse between the two countries would be suspended. However such an outcome was not anticipated. Any reasonable emplanation was to be accepted by him, provided it did not necessitate the "disavowal of Mr. Hurlbut." Blaine felt that the Chilean government would probably complain that Mr. Hurlbut had followed a course which had complicated the peace negotiations and bolstered the determination of the García Calderón government to resist Chile's just demands -- just, that is, in the eyes of the Chilean government and its people. Mr. Blaine continued: "If you should fortunately reach the point where

frank, mutual explanation can be made without the sacrifice of that respect which every Government owes to itself, you will then be at liberty, conforming your explanation to the recent instruction to Mr. Murlbut, with a copy of which you are furnished, to show to the Government of Chili how much both his words and acts have been misconceived."50

The primary objectives of the President of the United States were, the Secretary went on, the avoidance of further bloodshed, the achievement of a more pleasant relationship between Chile and Peru, and the maintenance of a respectful attitude toward the United States. If Chile would evince a sincere determination to aid Peru, either in restoring the García Calderón government, or in establishing another in its place which would be able to act independently of Chile, he would be satisfied. Any other course should be resisted as far as would be consenent with the consideration due an independent nation.

Mr. Trescot should make it clear that the United States recognized the right of Chile to an adequate indemnity or to the cession of territory if Peru were not able to make a suitable payment. But absolute conquest would be dangerous to all American Republics. "This Government ... holds that between two independent nations, the more emistence of war

⁵⁰ Blaine, Political Discussions, p. 369.

does not confer the right of conquest until the failure to furnish the indemnity and guarantee which can be rightfully demanded."51

The transference of Tarapacá to Chile seemed to Mr. Blaine inconsistent with justice, since that province alone, properly administered, would ennually provide a large indemnity. Further on he continued: "If our good offices are rejected, and this policy of the absorption of an independent State be persisted in, this Government will consider itself discharged from any further obligation to be influenced in its action by the position which Chili has assumed, and will hold itself free to appeal to the other Republics of this continent to join it in an effort to evert consequences which cannot be confined to Chili and Peru, but which threaten with extreme danger the political institutions, the peaceful progress, and the liberal civilization of all America."52

- If, however, a friendly relationship were reached between Chile and the United States Mr. Troscot should:
- (1) Assist Poru in the establishment of an official government and in the commencement of negotiations for peace;
- (2) Attempt to persuade Chile to begin the negotiations without demanding the cossion of territory as a precedent condition; and

⁵¹ Blaine, Political Discussions, p. 371.

⁵² Blaine, Political Discussions, p. 371.

(3) Inform Chile that she should allow Peru a reasonable opportunity of providing a suitable indemnity. An emorbitant demand which would necessitate the transfer of territory from Paru to Chile would not be justified by the cost of the war and might cause renewed unpleasantness between the two nations.

Reclizing that the final negotiations for peace would be delayed, an intermediate conference was suggested which would discuss arrangements for the later meeting.

The instructions ended with the comment that it was the wish of the United States that a just and honorable peace be effected at the earliest possible moment. If any other American government could assist in bringing about this peace, the United States would give its most willing cooperation. 53

When Mr. Trescot and Malker Blaine arrived in Peru and in Chile they were greated with great enthusiasm. As the latter trate home: "It would really not do for me to say how great lions the members of the commission are. Peru was almost at our feet, and every one in Chile is devotion itself. If we come out successfully I expect to have a statue erected both in Lima and in Santiago at public expense." 54

⁵³ U.S. 47th Congress, 1st Secsion, Senate Executive Documents, No. 79, np. 174-179. Elsine to Trescot, Dec. 1, 1881.

⁵⁴ Mary Abigail Dodge, <u>Life of Elsine</u> (Morwich, Conn., 1895), p. 553. Jan. 10, 1882.

But within a very short time -- what a transformation! Less than a month later, Walker Blaine declared:

... our position here is at the present moment most cruelly addword. I expect nothing now but mortification to the country, and to all of us personally as citizens of the country; but, ... the responsibility will not rest upon any one of us. Had they left us free I really think we could have done something here; as it is now, I look forward to nothing. I don't believe that in my time the United States will ever get back influence worth considering with any one of these South American countries, and if the department had stood firm, we could, I honestly believe, have settled the question to the satisfaction of all and to our own (the country's) advancement.55

This is what had transpired during the interlude. On arrival in Santiago Mr. Trescot had begun satisfactory negotiations with the new government in Chile, for there, too, new people were in authority. The new foreign minister was José M. Balmaceda, one of the most able and emperienced statesmen Chile has ever had. Before arriving Mr. Trescot had been rather persimistic about achieving desirable armistice terms; but his optimism was strengthened after the preliminary meetings with the Chilean officials. But then what happened! The President and the State Department of the United States bungled one of the best opportunities they had had for beneficent service in Latin America. Prior to this time this country had attempted to hold to a firm but respectful course in its relationship with Chile, Peru, and Polivia. It had

Dodge, Life of James G. Blaine, p. 554.

possible, consistent with Chile's everwhelming victory, reclining that it was important for future made and mutual understanding in all of Arevies that the victor not take unpresentable revenue upon the locar. But, as we have seen, a new president had taken office in Maskington. By December 19 James G. Blaine was no longer Secretary of State; and within three weeks our South American policy was floundering, the new Secretary, Frederick E. Frelinghnyson, being a less forceful can than his predecessor.

Described his death Mr. Milretrick had written the State
Described that he had been provised by both the outgoing
and incoming administrations in Chile that she would not
insist upon the cession of Taranaca, but when Mr. Present
interviewed parkers of both the new and the old administrations he was talk that Mr. Milpatrick must have been drawing.

However in his preliminary negotiations Mr. Present had obtrined assurances from the Chilean government that no offense
was meant to the United States by Chile's removal of Garafa
Galderón. Furthermore, Chile had accepted the good offices
of the United States in the negotiations and he had offered
to make peace on the basis of the cassion of Taranaca and an
indemnity of twenty million mesos payable in ten years with.

⁵⁶ U. S. Doot. of State, <u>Foreign Relations of the United</u> <u>States</u>, 1882, p. 57.

Arica to be held as security. 57 Only a week later, Mr. Trescot was anazed and mortified on being told by Mr. Balmaceda that on the way to him from his government were new instructions which he would find radically changed and that both sets of instructions had been published. 50 Learning this, Mr. Trescot realized that further discussions were useless at that time. Nevertheless, he was persuaded to sign a protocol on February 11, 1882 as a result of which Chile was to receive Tarapacá, an indemnity of 20,000,000 pesos and was to hold Tacna and Arica until the indemnity was paid. The United States condemned these terms and urged Chile to modify her demands but she refused. 59

By March 4 Mr. Trescot had received complete copies of the altered instructions. In them Mr. Frelinghuysen revealed most clearly the changed policy of the new administration.

The President rishes in no manner to dictate or make any authoritative utterance to either Peru or Chili as to the merits of the controversy existing between those republics, as to what indemnity should be asked or given, as to a change of boundaries, or as to the personnel of the Government of Peru. The President recognizes Peru and Chili to be independent republics, to which he has no right or inclination to dictate.

Were the United States to assume an attitude of dictation towards the South American republics,

^{57 &}lt;u>Ibid.</u>, p. 61.

⁵⁸ Ibid., p. 67.

^{59 &}lt;u>Ibid.</u>, p. 83.

even for the purpose of preventing war, the greatest of evils, or to preserve the autonomy of nations, it must be prepared by army and navy to enforce its mandate, and to this end tax our people for the exclusive benefit of foreign nations.

Such a communication as this reveals only too clearly the changed policy of the State Department. After influencing Peru to believe that the United States would belster her cause, we dropped her, leaving her completely at the mercy of Chile. On the other hand, we did not become any better friends with Chile. In fact, this reversal of attitude caused many Chileans to feel contempt for us.

As Walker Blaine wrote home: "I cannot tell you how sick at heart and how disgusted I am. We have made ourselves absolutely contemptible. Nothing more humiliating than our attitude can be conceived, and I cannot but think that in the end the policy now adopted must be condemned."61

Mr. Trescot in his dispatch to Frelinghuysen of February 3 expressed his bitter feelings most succinctly:

I could not suppose that such an instruction would be made public while I was endeavoring to secure, and not without some hope of success, the amicable solution of this delicate and difficult question. Still less could I believe that if my original instructions had been seriously modified, any communication of such change would have been made public, or even confidentially to the Chilian

⁶⁰ U.S. 47th Congress, 1st Session, Schate Emecutive Documents, No. 79, Jan. 9, 1882, pp. 186-187.

⁶¹ Dodge, Life of Jomes G. Elrine, p. 561.

government, before I could possibly have received it. I could not admit, what the Secretary's conversation electly implied, that I did not represent the wishes or intention of my government, and that he was better instructed than myself as to the purposes of my mission. 92

Within a few weeks, believing that further discussions were useless, Mr. Trescot and Mr. Malker Blaine withdrew the good offices of the United States and returned home.

Defore they left South America, however, feeling in the United States Congress on the cuestion had sharpened to such an extent that the Senate called for the official Chilean-Peruvian correspondence, which was submitted to it on January 26. A month later the House of Representatives adopted the following resolution:

WHIRMS, it is alleged in the Chili-Peruvian correspondence recently and officially published on the call of the two Houses of Congress, that one or more of the ministers plenimotentiary of the United States were either personally interested in or improperly connected with business transactions in which the intervention of this government was requested or expected, and WHIRMAS, it is further alleged that certain

WHRMAS, it is further alleged that certain papers in relation to the same subject have been improverly lost or removed from the files of the State Department, therefore:

RESCLVED, that the Committee on Forcign Affairs be, and they are hereby instructed to inquire into the said allegations, and ascertain the facts relating thereto, and report the same, with such recommendations as they may deem proper, and they shall have power to send for persons and papers. 63

⁶² U. S. Dopt. of State. Foreign Relations of the United States (Mashington, D. C., 1882), p. 69.

⁶³ U. S. 47th Congress, 1st Session, House Reports, No. 1790, p. i.

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On March 16 this sumplementary resolution was accepted by the House: "Resolved, That the Committee on Foreign Affairs be directed to demand from Jacob R. Shipherd of Mew York, copies of all correspondence between himself and any person or persons whatsoever, and all papers and other evidence in his possession tending to show what said Shipherd did or attempted to do to enforce the claim of the Peruvian Company or to induce the United States to enforce this claim against Peru."

The investigation which followed lasted from March until August and resulted in several hundred pages of testimony. The primary reason for the investigation were the charges made by Jacob R. Shipherd of New York, agent of the Peruvian Company, against Stephen A. Hurlbut, one of our ministers to Peru, and against the Honorable Levi P. Morton, one of our ministers to France. Mr. Shipherd accused Mr. Hurlbut of being in the pay of the <u>Crédit Industriel</u> and Mr. Morton of being improperly connected with that organization after his appointment as minister. Unfortunately, Mr. Hurlbut died just before he planned to leave South America for Washington and the congressional hearings.

As agent of the Peruvian Company, Shipherd had called on Secretary Blaine on several occasions in the hope of ob-

⁶⁴ Ib<u>id.</u>, p. i.

taining his backing for that concern. Furthermore, he tried to interest General Hurlbut in his schemes by offering him a \$250,000 interest in the company. But Mr. Shipherd was regarded with disgust by Mr. Blaine, other officials in the State Department, and by our ministers abroad. Mr. Hurlbut reported, after he had arrived in Peru and investigated the claim, that he had no faith in Mr. Shipherd or in his schemes.

The Secretary replied on November 17 that he had informed Mr. Shipherd on three or four occasions that he could see no possible ground on which the United States could aid the claimants in the Cochet case. Any letters received by Mr. Hurlbut relating to private claims should be returned to the senders at once unless otherwise instructed by the State Department. United States legations must not be used as private claim agencies. 65

In testifying, Shipherd not only failed to apologize for the offer he had made Mr. Hurlbut but tried to involve both Blaine and Murlbut as deeply as possible. Mr. Blaine had rebulted Shipherd by letter in December, 1881, for his improper correspondence with Hurlbut, enraging Shipherd to such an extent that he made the infamous accusation that Murlbut had been in the pay of the Crédit Industriel from the time of his arrival in Lima. Mr. Blaine had heard rumors of

⁶⁵ U.S. 4/th Congress, 1st Session, Senate Executive Documents, No. 79, p. 562.

this kind at the time and had cautioned our minister in these words: "The influence of your position must not be used in favor of the <u>Crédit Industriel</u> or any other speculative interest." Hurlbut had answered: "It has not been and will not be."

Mr. Shipherd's testimony could not be believed, it was so infiltrated with lies and contradictions. He used subterfuge with an art that defied a contempt of Congress citation. Even so, he was unable to involve Secretary Elaine in any dishonest enterprises in connection with the Cochet or Peruvian Company demands.

As previously mentioned, Mr. Blaine had followed a much more friendly and definitive policy toward the Landreau claim even though the case was based on the same interpretation of Peruvian law as was that of Cochet. 67

Muzzey avers that "it is difficult to see how he, J. G. Blaine, had the right to invoke the intervention of our government in a case which originated in the poor claim of an alien, and which had been voided by the executive authorities of Peru with the tacit approval of the courts. The

⁶⁶ U. S. 47th Congress, 1st Session, House Reports, No. 1790, p. 106.

⁶⁷ A Peruvian law of 1833 which stated that: Anyone discovering property of a suppressed convent, or any other hidden property belonging to the state, shall merit a third part of such property.

language of the House Report was not entravagent when it spoke of 'the obvious impropriety of our intermeddling with the bad claim of a French adventurer.'

The Chilean government was unfair in blaning Secretary
Blaine for Hurlbut's impetuous acts for, as we have seen,
Dlaine clearly and decisively rebulted the Hinister for his
mischievous activities. Nevertheless, according to Mr. Muzzey,
the root of the trouble "lay in Elaine's defense of the
Landreau claim."

Muzzey was not implying that Mr. Blaine had done anything dishonest. There is no justification for believing that he had a financial interest in any of the claims. In fact the investigating committee of the House found that "there has not been the slightest intimation or even suspicion that any officer in the Department of State has at any time had any personal or pecuniary interest, real or contingent, attained or sought, in any of these transactions."70

Instead, Mr. Muzzey claimed that Blaine's involvement was due "to his conception of the dramatic role which the United States should play in the affairs of the continent. ... Having accepted the validity of John Landreau's claim to

David Saville Muzzey, James G. Blaine (New York, 1934), p. 246, citing U. S. 47th Congress, 1st Sersion, House Reports, No. 1790, p. mii.

⁶⁹ Muzzey, James G. Blaine, p. 247.

⁷⁰ U.S. 47th Congress, 1st Session, House Reports, No. 1790, p. vi.

American citizenshim, he was ready to press his claims to guano royalties even to the maint of obstructing his own mrofessed purpose of bringing about peace between Chili and Peru. His policy encouraged the latter country to believe that the United States would not permit her dismonberment and led the former country to suspect that we were scheming to deprive her of the fruits of victory." 71

Elaine's insistence upon Chile's recognition of the Landreau claim had converted the United States position from one of mediction to one which demanded certain positive actions by Chile. This stand was precariously near an ultimatum. It can readily be understood why Elaine's resignation from the State Department was hailed with so much thankfulness by Chile.

Mr. Elaine studied the testimony which was given before the committee as long as he could endure it, and then, on April 14 wrote the Chairman that he desired to be heard. From the 24th to the 27th the Ex-Secretary stated his opinion of the controversy and presented a large number of letters and documents.

During the congressional investigation some of the most puzzling contradictions were introduced as the result of conversations engaged in by Mr. Blaine, Mr. Robert E. Randall, the American counsel of the <u>Crédit Industrial</u> and brother of the Speaker of the House, and Mr. J. Federico Elmore, Peruvian

⁷¹ Muzzey, Javes G. Bleine, p. 247.

minister to the United States. Because of alleged misreprosentations in Mr. Plaine's testimony Randall sent the committee a sworm statement correcting what were, in his opinion, the earlier misstatements of Blaine. Included in his declaration was this quotation from a letter sent him by Mr. Elmore:

After discussing the subject of the intervention of the United States and the chances of securing pance, the question arose, what would the United States do in case Chili yould refuse to take an indemnity, as she had intimated she was willing to do, and should nabedly insist on retaining the Peruvian province of Tamapaca in deficace of the wishes of the United States? Would the United States submit? While we were discussing this question Mr. Dlaine quietly, without our Impuleage, must have sent a messenger to the Mavy Department. In a little while a newbrendum was brought in and in which, which, after he had read it, he handed to you, and which you, with his permission, read aloud. It stated the number of car vessels which the United States had then in the Pacific. I believe there were five. You at once said to the Secretary: "This is too small a naval force for any demonstration against Chili." The Secretory replied to you, in substance, that the force did not signify; they were quite sufficient to make Chili understand what she might expect. 72

Mr. Blaine replied:

The incident related by Ar. Rendall and Mr. Elmore about my conding to the Navy Department to get an estimate of our naval strength in the South Pacific with the apparent intention of some warlike demonstration, is very amusing. ... When the list was brought to me Mr. Randall and Mr. Elmore were in the department, and some remarks were made in an armsing voin about our great naval strength on the South Pacific coast, contrasting it with

⁷² U. S. 47th Congress, 1st Session, House Reports, No. 1790, p. 374.

the seven English ironcleds then on the same station. The Sertile imagination and defective memory of Mr. Randall and Mr. Elmore have invested the incident with a significance for which there was never the slightest justification. 73

In attempting to justify himself Mr. Randall sent the following message to the investigating committee:

Mr. Blaine, it will be seen, admits that at an interview with myself and Mr. Elmore he emhibited to us a list of the naval force of the United States in the South Pacific, which he sent for to the Navy Department, and that we commented together upon it in connection with the strength of "the seven English iron-clads then on the same station." ... It might be pertinent, ... to inquire ... why the Sccretary of State should have gone into a contrast of our squadron with the "seven English iron-clads," if no question of a possible collision of policy and interests between the English and the American Governments on issues arising in South America had been raised between himself and his interlocutors. 71+

Much of the evidence presented in the investigation was similarly contradictory. Another source of discord was the mutual antagonism of Mr. Blaine and one of the countitee members, Mr. Perry Belmont, a young New Mork Democrat serving his first term in the House. Having volunteered his services Blaine was insensed at being cross-examined by Mr. Belmont. The latter was not happy with Blaine's attitude or his answers and subjected him to such discourtesy that the hearings degenerated into a series of offensive accusations. In July

^{73 &}lt;u>Ibid.</u>, 301-382.

^{74 &}lt;u>Ibid.</u>, pp. 384-385.

^{75 &}lt;u>Ibid.</u>, pp. 188-242.

Delmont delivered a long speech in the House in which he depicted Blaine as the culprit who had by his officious interference brought us precariously close to war with Chile: "I do not state that there was a deliberate purpose to bring things to such a pass in our relations with the belligerent states in the Pacific, but I have stated and have endeavored to sum up the results of this diplomacy; and I leave it to this House and to the country to decide what verdict shall be rendered upon such stewardship of such a trust."76

Mr. Blaine ended his testimony in Congress on April 27 with this firm but courteous assertion: "I have nothing to withhold. I court the most careful and searching investigation into these matters. If there is any chapter in my life ... of which I am proud, and of the complete and absolute vindication of which in history I feel sure, it is that in connection with the policy laid down by the Administration of President Carfield with respect to the South American states."77

On July 23 Walker Blaine wrote his father: "The resolution directing that the investigation should be closed was introduced on Friday last by Mr. Rice and adopted unanimously by the cormittee. Its object was to end the investigation. ...

⁷⁶ U. S. 47th Congress, 1st Session, Congressional Record, p. 5647.

⁷⁷ U. S. 47th Congress, 1st Session, House Reports, No. 1790, p. 242.

I don't think you reclize how dead this whole investigation is and how sick and tired of it everybody is. It has had its day and is really a corpse. ... So far as this investigation concerns your honor, you may be sure that the report will do you full justice. ... Next week you will have a report; the week after, the public will forget the whole matter. Hent year you will get, so far as policy is concerned, most apple justification."78

Statements and counter-statements were made by many people, empressing varied shades of opinion, from the most kindly, understanding appreciation of Blaine, to those voicing bitter denunciation of him.

In Marnor's Woolily this cornent was made:

The SHIPHERD examination by the Committee of Foreign Affairs of the House of Representatives has been followed by the public with a very strong general feeling of incredulity, except so far as his assertions have been corroborated by documents or known facts. In. SHIPHERD apparently has no reason to speak well of Mr. ELAIME, but he expressly exonerates the ex-Secretary from any mercenary complicity with the commercial speculations of which SHIPHERD was the agent. ... and with the full knowledge of Mr. DLAIME and of his public career which the country possesses, it is impossible not to see that his conduct of our foreign relations had a definite political purpose, although it is wholly free from any suspicion of personal pecuniary adventage, which is the stigma sought to be east by many commentators. 79

⁷⁸ Dodge, Biography of James G. Blaine, p. 567.

^{79 &}quot;The Shipherd Investigation," <u>Marner's Moeldy</u>, MAVI (April 29, 1872), 258.

One of the members of the condittee, the Hon. W. W. Rice, wrote Im. Blaine on July 30:

I have not felt like writing you until my I have not felt like writing you with my work in the investigation where you have been so prominent, was ended. I want to say to you now, that, in my judgment, the more they investigate your action as to Chile and Paru, the better you will stand with the meanle of the country. I have bearned were than I ever linew before, of the utter unreliability of newscapers. But truth sometimes may also describe them.

sometimes prevails, despite them.

I do not 'mow thether the report will be modified any by the full cormittee, but as it leaves our hands it is a quiet but absolute vindication of you.

Dodge, <u>Diography of James 3. Plaine</u>, p. 567.

Chapter VI

CONCLUSION

When we review United States intervention and mediation in the War of the Pacific, particularly the part played by Secretary of State Janes G. Elaine, we are appalled by the basic controversies confronting the people of Latin America. Differences of race, uncertainty of boundaries, rivalry for the possession of mineral resources, brought about frequent conflicts. Would we expect that the United States, a young nation, relatively inexperienced in diplomacy, possessing a very different temperament, would be able to bring about the termination of the war?

Decause of the general unrest in Latin America at the time he assumed the office of Secretary of State, Blaine was faced with momentous problems. Any attempts to find solutions for those problems would for many years have great influence on the prestige of this nation. Unsuccessful in achieving the desired objectives, the United States lost tremendously in respect, friendship and appreciation in Latin America.

One of Blaine's dreams had long been a cooper tive union of American nations with the United States acting as a benevolent benefactor and fatherly protector. In his zealous pursuit of this dream he was perhaps too aggressive in his

attempts to aid the under-dog, Peru. 81 He insisted that our ministers try to persuade Chile not to demand any Peruvian territory; at the same time they were to respect Chile's rights as an independent nation.

Though firmly against any intervention by a European power, he was constantly beset by problems which involved European as well as American capitalists. Actually the European nations concerned had always been more closely related to Latin America economically, culturally and historically. But the United States felt that it was against her best interests to allow one of these countries to intervene politically in the Western Hemisphere. Above all, Elaine sincerely wanted to have satisfied the legitimate claims of United States citizens.

The Secretary of State might have been much more successful in accomplishing these objectives if it had not been for the untimely death of President Garfield. The new administration in Washington, so bitterly opposed to Blaine's Latin American policies, brought an end, for a time, to his dream of a closer, more friendly relationship with Latin America.

In the congressional investigation of 1882, as far as was possible, all phases of the controversy were thoroughly

⁸¹ See footnote 36.

probed. Although Mr. Blaine was officially cleared of any dishonesty, the investigation of such a popular public official as Blaine, would always leave a sentence of guilt in the minds of some people, and, it is certainly true that many vital points were never fully explained. Among these were the disappearance of certain letters from the files of the State Department, 82 the naturalization of John Landreau, 83 and the conversation of the Secretary with Elmore and Randall concerning the United States naval force off the west coast of South America in the fall of 1881. 84 Typical of many expressions of faith in Mr. Blaine's integrity is Mr. Rice's letter already quoted. On the other hand, his enemies, and they were many, were more fully convinced of his duplicity. A final verdict which would satisfy everyone can never be reached,

⁸² U. S. 47th Congress, 1st Session, House Reports, No. 1790 (Washington, D. C., 1882), np. i-ii.

⁸³ Ibid., p. zmiv.

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