

friendly to this republic, is to ascertain which sentences contain the slightest offense to the imperial government in order to explain the same with the utmost courtesy.

With regard to the publication of the note of March 8, 1901, marked "confidential:" This note lost its confidential character through the publication of a memorandum by the German ambassador to the United States, in which was incorporated the note in question. The Venezuelan government is also surprised at the assertion that its memorandum of August 12 was conceived in offensive terms. The government thinks it can be seen that said document contains only a summary of the opinions expressed by the German ambassador to the United States, with a consequent defense made in a strictly judicial manner and in the moderate tone which is our legitimate right.

I now have to express the opinion and attitude of the Venezuelan government with regard to your final deductions and concerning the motives which led you to present them in the name of the government of the German emperor. It has been decided that since the proper junta is already installed, procedure cannot be dilatory nor differ from the form prescribed by international law. Regarding the other points, each of which comes within a certain law, it is only necessary to call your attention to the abnormal circumstances which have paralyzed any course of action relating to these matters. The Venezuelan government is now considering the appointment of a fiscal agent.

The imperial government desires that the government of Venezuela immediately satisfy the claims of German subjects arising from the civil war, and that the other matters in which the interests of German subjects are involved be arbitrated. In order that this be done it becomes necessary that a declaration be made: If the claims under consideration are just, the Federal executive as the representative of an honorable and cultured government hastens to give assurance that as such these claims will be examined. Treatment with the interested parties will facilitate, hasten or end in the satisfaction of said obligations. The Venezuelan government only awaits such time when the work of pacification, in which it is earnestly engaged, shall permit it to issue an order reestablishing public credit. The claims arising out of the present war, which still devastates the republic, will be treated with all justice under the laws to be passed to cover the requirements.

Upon the special command of my government I refrain from replying to that part of your note which relates to joint action on the part of Germany and the United Kingdom. A power like

Venezuela, which is in need of no stimulus to prompt it to fulfill its legal obligations to its utmost ability, can never expect, in its intercourse with other cultured nations any course of action which shall not conform to the principles of mutual respect and the rules of reciprocal cordiality.

Further complications for President Castro were reported on the 20th. The revolution under the leadership of Gen. Matos (p. 455), which was supposed to have been put down (pp. 551-52), appears to have revived; or, rather, to have been fostered by the Anglo-German alliance. This was intimated by reports of the 18th from Caracas, which were to the effect that the allies had been openly trying to overthrow President Castro and to place Gen. Matos in control of the government of Venezuela. Documents and letters were said to have been seized by the Venezuelan authorities which have proved a connection between the allies and the revolutionists. It was also said that since the destruction of the Venezuelan fleet by the allies (p. 583) munitions of war had been shipped openly from Willemstad, Curacao, to points on the Venezuelan coast, and steamers had sailed from Port of Spain, Trinidad, with the knowledge of the British authorities there, bearing arms and ammunition to the Venezuelan revolutionists near Ciudad Bolivar, better known as Angostura, on the Orinoco river. Close upon the heels of this report came those of the 20th, which told of the capture of Ciudad Bolivar by Gen. Matos, aided by a British vessel, and intimated that from this base Gen. Matos was about to move up to Caracas. One of the reports, a special to the Chicago News, which came from Port of Spain, Trinidad, a British island, and emanated evidently from a pen hostile to Castro, observes that "the seizure of Castro's gunboats by the allies proved an irreparable loss to the government army." For, continues this report, "just before they were seized these vessels had conveyed large bodies of troops to garrison various seaports;" but "these detachments are now isolated at long distances from Caracas and have no means of returning, as the revolutionists hold the intervening country." Farther on, the same report reads:

Although the British and Germans are blockading indiscriminately ports held by the revolutionists and those held by Castro's men, it is believed

here that the allies have had an understanding with Gen. Matos from the outset. The psychological moment in the struggle was when Castro's gunboats were seized.

It further appears that in fact the ports of both parties are not blockaded indiscriminately. Reports of the 23d say that the port of Coro, which is surrounded on the land side by revolutionists, is not blockaded, and that it is believed "that the British and German fleets are working in harmony with the revolutionists and not blockading Coro in order to allow the free entrance of Dutch schooners from Curacao bringing arms and ammunition to the rebels."

Farther down the South American continent, in the republic of Bolivia, another revolution has been for some time in progress, in which the revolutionists were reported on the 22d to have suffered defeat at a battle on the Acre river. This revolution grows out of the operations of a syndicate of British and American rubber producers which has secured a grant of the Acre country, comprising 80,000 square miles on the borders of Brazil and Peru, and rich in rubber products. The grant gives vast powers of government in addition to the land. Sir Martin Conway, the English mountain climber, is credited with having secured this grant in 1901, after thoroughly exploring the country. The boundaries are subject to a triangular dispute between Brazil, Peru and Bolivia; and last Summer Brazil demanded a cancellation of the grant. It was then reported that in consequence a conflict between Brazil and Bolivia was imminent. But the only news regarding the matter since is that of the battle noted above. How the threatening war between Brazil and Bolivia turned into a Bolivian revolution, is not explained by the dispatches.

The Haytian commotions (p. 455) have subsided and a new government has been inaugurated by the assembling of congress and the election of Gen. Alexis Nord as president. Gen. Nord was war minister under the provisional government. He occupied Port au Prince on the 15th with an army which proclaimed him president, and when congress convened there on the 18th it gave him 100 votes for president to 15 opposed, in the face of protests against the usurpation involved in the army procla-