

28th, saying that a bill had been introduced in Parliament to give the Queen authority to forbid killing seals in Behring Sea by British subjects, and declaring the British government could not take further action in the matter until this bill was passed by parliament.

THE CHILIAN WAR.

WASHINGTON, June 4.—The navy department received official information tonight of the peaceful surrender of the Chilean insurgent "Itata" at Iquique. The information was contained in a dispatch from Admiral McCann. The "Itata" arrived from Tocopilla last night and was placed at the disposition of Admiral McCann this morning. She had on board, the dispatch says, 5,000 rifles; also the ammunition taken from the schooner Robert and Minnie, off the port of San Diego. She had no other munitions of war than those belonging to the ship, and had transferred nothing to the "Esmeralda" with whom she communicated off "Acapulco," Mex. Admiral McCann says the cruiser "Charleston" arrived at Iquique today and the "Pensacola" was expected before night. The "Itata" will now be sent back to San Diego, probably under convoy of a cruiser. She will be delivered to the United States court officials at San Diego and proceedings against her will be resumed.

Secretary Tracy gave an Associated Press reporter the chain of circumstances that led up to

THE PEACEFUL SURRENDER.

to the United States of the "Itata" today. The secretary says that the desire for the surrender came from the leaders of the insurgent party at Iquique shortly after the vessel illegally escaped from the custody of the marshal at San Diego. The government was informed by these leaders that they disapproved of the action of the officers of the vessel and made offers through Admiral McCann to peacefully surrender her to the United States as soon as she arrived in Chilean waters. These offers were communicated to the department at Washington and in due time accepted by this government without, however, implying any recognition on the part of the United States of the insurgents as belligerents. As soon as the offer was accepted a telegram authorizing him to cease the chase was sent to Capt. Remy, of the "Charleston," but the steamer had already sailed when the telegram reached Acapulco. Secretary Tracy said the "Itata" would be sent up to San Diego.

THE CAPTAIN'S STATEMENT.

The commander of the "Itata" states the arms were not embarked at San Diego, but at a point many miles at sea. The Iquique government claims this circumstance modifies the situation considerably and will probably result in a speedy solution of the difficulties between the admirals and the Junta. The authorities at the same time declare that the cargo of the "Itata" is of little importance, taking into consideration the small number of arms.

BALMACEDA'S AUTHORITY.

South American mails received by

the bureau of American republics contain interesting details of the Chilean civil war. The new Chilean congress convened by Balmaceda has placed absolute power in his hands. It has authorized him, "pending the pacification of the country," to arrest and transport persons at will; to augment the land and sea forces; to expend the public revenues without regard to estimates; to procure money by pledging the credit of the State, rendering account to Congress, and to suspend the right of meeting and liberty of the press. In pursuance of these powers decrees are published in the *Diario Oficial* releasing four prominent citizens suspected of sympathy with the congressional revolutionists from imprisonment in Santiago prison, on their depositing \$50,000 each in Valparaiso national banks to the order of the secretary of the interior, conditioned on their not taking part in the revolution. They are further required to reside in Europe and not to return to Chile without the special permission of the government. Ten or twelve other citizens also were released from imprisonment on similar conditions, their bonds ranging from \$3000 up to \$50,000, but with permission to remain within the Chilean territory "provided they do not take part in politics."

The "Almirante Lynch" and the "Condell," the two torpedo boats which surprised and sunk the insurgent ironclad, "Blanco Encalada," but which appear to have been less successful in subsequent operations, while lying in Valparaiso harbor, are guarded by two field pieces and metraileuses stationed on Custom House mole to secure them against treachery from within or without.

In the treasury department. Recently I thought it wise and prudent to propose an extension of the 4½ bonds. The treasury department is abundantly able to pay these bonds when they mature. In view of the fact that \$50,000,000 in gold has been exported within a short period of time I deemed it unwise to do anything just now to decrease the value of currency in national banks. My prediction today is that these bonds may be extended, and at the rate of 2 per cent. interest will bear a premium, a condition of credit that exists nowhere in the world besides.

VALPARAISO, June 4.—Chanaral has been the scene of another battle which resulted in the sinking of one merchant bark and the defeat of the entire government flotilla at the hands of the insurgent cruiser "Magallanes."

On the morning of the 24th, a sail was discovered by the lookout coming into the bay from the northeast. Hardly had this vessel been sighted when another and another was described, a little more towards the south. Glasses were soon brought to bear on them, and they were recognized as the government vessels "Admiral Lynch," "Condell" and "Sargeanto Aldea." As they were at a great distance the captain coolly ordered his men to continue their breakfast.

The men did so, but by the time the flotilla was within range, every man was at his post and all hands were ready for the fray, which from the odds against them, the insurgents expected would result in their enemies' favor.

The captain gave a few warning instructions to the gunners, and told them that every shot must count, and not to fire until they were sure of hitting something.

By this time the flotilla had divided, coming towards the Magallanes at half speed; the "Condell" on the starboard side, the "Sargeanto Aldea" on the port, and the "Lynch," which was the last to enter the bay, nearly bows on.

They formed a triangle, with the opening of the angle towards the "Magallanes."

In this manner the flotilla approached the cruiser, from whose funnel high clouds of smoke gave evidence that she was getting steam up as quickly as possible.

Nothing interrupted the stillness of that beautiful morning. A light breeze helped to temper the heat from the scorching rays of a torrid sun.

Suddenly, a small blue flag was run up the mast of the "Condell," and a puff of smoke was followed by a loud report. The fun had begun.

With scarcely a minute's intermission, the "Lynch" and "Sargeanto Aldea" took up the refrain, and bullets were flying through the rigging of the "Magallanes."

Reports as though a magazine had burst informed those engaged in the fray that the "Magallanes" had begun to work.

As the government gunboat attacked the "Magallanes" she could only work her forward batteries and her light Hotchkiss guns.

Her heavy stern guns could not be brought into play. She was in a very disadvantageous position, as the "Sargeanto Aldea" swept her port side, while the "Condell" did the same on the starboard. Exposed as she was to the raking fire of the "Sargeanto Aldea" and the "Condell" the "Magallanes" made every shot tell.

A shell from the "Magallanes" carried away the remaining smokestack of the "Lynch" and killed over twenty men. All three of the government boats concentrated their fire on the forward batteries of the "Magallanes," and soon the forward port battery was disabled by a shot from the "Sargeanto Aldea."

The "Magallanes" responded by blowing the forward mast of the "Condell" into the sea.

After this the fight raged fiercely and the "Sargeanto Aldea" was nearly blown to pieces.

Both her masts were gone, her smokestack was on a level with the deck, and the pilot house and officers' cabins were smashed into splinters.

"The 'Lynch' fired a torpedo at the 'Magallanes'."

It came straight for the bow, but by a singular coincidence a huge cannon ball dropped into the water, causing a swell which changed the direction of the torpedo.

On, on went the diverted torpedo, until it came up to the bark "Bertha E."

All hands of that vessel were on deck watching the battle, when suddenly an explosion took place right under them, drenching them from head to foot. Before they could collect their senses, the vessel began to slink, and in a few minutes had disappeared from view, only the masts showing.