

# GRACE AND THE CHILIANS

## MICHAEL P. GRACE'S STATEMENT OF THE FACTS.

THE LATE MINISTER, MR. LOGAN, PIQUED  
AT HIS FAILURE TO BE RENOMINATED,  
INDULGES IN MISREPRESENTATION.

In reference to the story published in a morning newspaper yesterday about the relations of the firm of W. R. Grace & Co. with the Chilian Government, Michael P. Grace said last evening that the late American Minister to Chili, C. A. Logan, upon whose authority the story was printed, had tried to secure the good offices of J. W. Grace and W. R. Grace to have him retained in his position, at least while the matter of claims between American citizens and the Government of Chili was unsettled. Mr. Grace said that as the press generally ascribed the appointment of William R. Roberts as Minister to Chili to Mayor Grace, Mr. Logan had evidently found in that fact a motive for making an absurd misrepresentation of facts. Mr. Logan, through pique at his failure to be retained, had sought to misrepresent the house of Grace & Co. to the Chilian Government. The ex-Minister had, while Minister to Central America, made similar attacks on American houses doing business there.

Mr. Grace then said that, as to the allegations contained in Mr. Logan's communication to the State Department, they were so absurd and malicious as to fall by their own weight. "The Government of Chili owned all their nitrate fields previous to 1879," continued Mr. Grace. "They shipped their nitrate, and consigned it to the house of Anthony Gibbs & Sons, of London, for a few years; and then, not securing sufficient advances from that house, a company was formed in Lima, known as the Compania Salitrera, of which Grace Brothers & Co. were stockholders. This company made large advances to the Government, and received in exchange the consignment of their nitrate of soda, but not by any means sufficient consignments to cover their advances. Consequently the Government is indebted to that company to the extent of over 500,000 pounds. Grace Brothers & Co. became subconsignees of the nitrate, selling it through their bankers, Baring Brothers & Co. The consignment of this article to the United States was made to the Messrs. W. R. Grace & Co. by a special direct contract with the Government. This condition of affairs existed when the war broke out between Peru and Chili. Mr. Charles R. Flint, one of the partners of W. R. Grace & Co., was Chilian Consul in this city. He immediately resigned the Consulate, both by cabling to the Chilian Government and by placing his resignation in the hands of the Chilian legation at Washington. This was done to avoid any complications by acting as a contractor for the Peruvian Government and as a representative of Chili at the same time. The fact is that Grace & Co. were simply a commercial house doing business in that country. During the war we suffered great losses in our business and through the losses in our investments, Chili having taken possession of the nitrate fields of the country. Our claims for losses have been put in and have not been passed upon. We are perfectly willing to have a mixed commission decide the matter. Since the war we have had at all times business with the Chilian Government, and I do not believe that the fact that we consider that we had claims against Chili, which would and could only be presented in the usual diplomatic way and settled by a mixed commission, would affect the minds of the Chilian Government against us. On the contrary, our standing in Chili, as it has always been in Peru, is at the top of the list of American houses, both with the Government and the citizens; and it is a well known fact that our house has done more to increase the commercial relations between these countries and the United States than any other means that have ever been taken."

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