

CHAPTER XV

FOREIGN RELATIONS, COLONISATION,
AND COMMERCE

From the European point of view the foremost economic possibilities of the Latin American countries are the capacity for receiving immigrants, and of trade expansion and remunerative investment of capital. As regards immigration, this is specially of interest to the Spaniard, Italian, and Portuguese peoples, who are immediately at home in Latin America. The various governments of those republics are generally fully alive to the desirability of peopling the unoccupied and at present desolate territories under their control, and schemes for securing their share of the overflowing population of Europe fill an important place in their national policies in many cases.

The movement of population from Europe before the war was a marked phenomenon. How the current of emigrating humanity will develop remains to be seen. Certain factors have arisen to prevent the outflow. the growth of the neo-Malthusian doctrine, or curtailment of the large family; the tendency towards a more equitable distribution of land and national resources and a more intensive science of domestic development are matters which, in the near future, may affect the emigration of the British and European people; which, whilst it possesses valuable elements, is not without some stigma of reproach to the homelands; and the economic effects of the war.

In France the shrinkage of the population has become a commonplace, and maternity is now subsidised by the state. In Germany the same element has recently been shewn to be at work, to the chagrin of those who built their strength

and civilisation on the force of numbers. In England official returns generally record the birth-rate at its lowest. As for the United States, it is well known that the growth of the population and its capacity for industrial output depends largely upon immigrant labour, rather than upon the vegetative increase of the American family. These conditions in all countries are traceable to the growth of luxury on the one hand, and to the too severe struggle for life on the other, and must in a measure be regarded as a castigation, suffered by all these nations for their failure to bring about a more equitable distribution of the fruits of the earth by which men live, which are under their control. Thus it is that the growth of population in the emigrating countries, unless some change occur, is likely to be less prolific, and a diminution of emigration would naturally follow. As regards the United States, wholesale prohibition of immigration has recently been entered upon.

The second cause, that of an awakening on the part of European nations to the better treatment of its workers, the breakdown of monopoly in land, and the raising of wages, which shew signs of being brought about, may tend towards keeping at home those classes who formerly emigrated. This national awakening is more apparent in Britain than elsewhere, and a slow but sure revolution is being wrought, on the part of labour and the non-property owning classes, which is likely, if directed, to advance British civilisation more than anything in the past. In Spain, Italy, and other European lands the growth of this new spirit is much slower. If from Britain hundreds of thousands of Englishmen and Scotsmen with their families have emigrated, the outward flow from the Latin countries has been equally marked. Spain and Italy especially have driven their people overseas by their iniquitous land system at home. The great bulk of emigrants, at least from Britain, are from the classes of land-working capacity, classes which the country can least spare; and it is probable that a freer access to the land will, in time, have the effect of retaining this valuable element. Canada and Australia, which are serving as an effective drain to this class, might be advised in their own

interests, even apart from "Imperial" interests, to study whereby they might profit by the surplus urban element of Britain.

If a permanent curtailment of European emigration by reason of these causes were brought about, the growth of the Spanish American countries would naturally be retarded, for the vegetative increase in population in these lands, with the exception of Central America, is generally very small; and it is not likely to increase much until a better spirit of humane organisation is spread abroad. The Latin American race is really a prolific one, and the neo-Malthusian habit does not as yet flourish under the regimen of Roman Catholicism; but the conditions of life of the working population and the Indians, in Latin America, are too miserable to ensure a lowering of the high rate of mortality among infants.

The obtaining of immigrant labour for existing industries and for land settlement, is one of the most important problems in South America at the present time, and keen competition between several of the principal states has resulted in inducements to immigrants. Both Argentina and Brazil maintain immigration services, with active agents in Europe. Emigrants arriving in Argentina are provided with lodging, food, and medical attendance free of charge for five days. Considerable facilities are afforded in the obtaining of employment; free fares are granted by rail or steamer into the interior. Agricultural colonies and town sites are systematically laid out by the government in the more distant provinces, and land and lots offered the immigrant on certain conditions, generally those concerning fencing and development. In the new town areas fifty square yards of land are granted, in the suburbs small farm-sites of thirty-seven acres, and farther out on the pampa holdings of 250 acres may be obtained. The payment of one dollar per acre, paper money, in six annual instalments, the building of a house, and the cultivation of one-fifth of the area within two years are the terms required for occupation of these lands. For the experienced rancher with capital, land suitable for cattle ranches up to 6,000 acres may be

purchased on the instalment plan. The Argentine government has at disposal more than 30,000 square leagues of land, for sale to the highest bidder, in lots of 6,000 acres, for cattle ranching. There are, however, other conditions in connection with land tenure in Argentina which are less favourable. Whilst it would appear that land is easily obtainable in some regions, it is the case also that the enormous estates and holdings along the lines of railway and near the seaports form an obstacle to the rapid peopling of the country. The result of this is shewn to some extent by the fact that nearly half the people who enter the country from Europe yearly, as labourers and harvesters, leave it again after earning their season's wages. They cannot easily obtain suitable small holdings, and until this species of land monopoly is modified, and other improvements made in the matter of land purchase and settlement, this element of population will largely be lost to Argentina.

Brazil of recent years has adopted a policy of colonisation possessing some attraction for the immigrant. Propaganda service abroad has been established, and both the federal and state governments have undertaken the formation of foreign colonies upon public lands. Similar settlements are instituted by railway and other companies who hold large territorial concessions, and thus the methods in force in the British dominions are, though in a much less favourable way, employed in South America. In Brazil the inducements offered shew the growing value set upon immigration. On each lot a house is built ready for immediate occupation by the immigrant, its cost being added to the cost of the land, generally payable by instalments. Colonies are planned on lines broad enough to include the relatives and friends of immigrants who might come out afterwards. On the holdings, tools and seeds may be provided either by the state or the federal government free to the colonist, and financial help to tide him over until he may have disposed of his first harvest. There are other conditions which are of an unusual character, such as that of endowing the marriage of a Brazilian and an immigrant with title to land free of initial payment. Free medical attendance for one year

to the immigrant is generally given. These various allurements to attract a share of the world's emigrating population on the part of the largest state of South America require, of course, individual investigation and safeguard, and it is often the case that much is apparently offered which in practice it is difficult to attain.

The other states of South America possess less favourable conditions for attracting foreign people to their territories, due partly to lack of means of communication and of government funds and initiative; partly to the less accessible condition of their dominions. In Chile a good sum annually is spent on the colonisation policy, and there are large tracts of land suitable for settlement. A free passage is provided for immigrants and their families from European ports, and free transport into the interior, with an allowance for maintenance from the time of arrival in the country until the colonists are settled upon their holdings. A free grant of ninety-four acres of good land is made to each head of a family, with forty-four additional acres for each son over ten years of age. A government loan is obtainable during the first year of cultivation, and a certain amount of material for house-building is given free, as is also medical attendance for two years. The obligations attaching to these conditions are that the land shall be worked for a minimum period of six years and instalment payments made without interest. It cannot be said, however, that a large flow of immigration has been attracted, as shewn in the chapter devoted to the country; and caution must be exercised by the emigrant.

Peru and other countries of a like nature, whilst offering advantageous conditions in free land, have not the same inducements. In 1921 a number of British colonists went to Peru by government invitation, but returned disaffected, Peru repaying their passage money. Peru possesses great areas of valuable land upon the upper regions of the Amazon, both in the form of uncleared forests and in the natural grass plains—regions which could support a large population but they are remote from means of communication, and but little known. Yet once the tide of emigration turns that way those plains and valleys will attain a rapid

rise in value. On the coast the lands are in the possession of private holders, and although often valuable, expensive irrigation systems are essential for agriculture.

Mexico formerly made an active campaign for new settlers, with inducements as regarded land tenure and other matters which possessed attractions in certain respects. Large regions are still uninhabited, and fertile land could be obtained by purchase or by free grant, according to the various provisions connected therewith. Organisation of colonies and the establishment of new town sites were aided by the government, passages being granted in some cases to colonists, with free transport to the interior, maintenance for a certain period, tools, seed, and other matters. But conditions since the late political turmoil differ widely.

It is to Italy and Spain that the Latin American republics have looked for their new colonists principally. Italy has not invested capital to any extent in those countries, but she has sent there a multitude of her "surplus" labour; and Italians outstrip all other European immigrants, including Spain, in this respect. A rough census taken in 1901 placed the total number of Italians in South America at about 1,750,000, which were distributed approximately as to 1,000,000 in Brazil and 618,000 in Argentina; whilst Uruguay, Chile, Peru, Venezuela, and Paraguay accounted for 100,000, 13,000, 12,000, 8,000, and 4,000 respectively. In 1907, 80,000 Italians went to Brazil, 21,000 to Argentine, and about half returned. In 1911 Italian statistics gave a total of 2,500,000 Italians in South America, of whom 1,500,000 were in Brazil. The number of immigrants varies greatly year by year. It tended to decrease in Brazil, and to increase in Argentina, where, of the total population, 15 per cent. are Italians. But due to the Italian government's restrictions they decreased in 1912 in Argentina and increased in Brazil, which received 230,000 immigrants in that year, including a large number of Portuguese. Next to, or equal in importance with British capital, the Italian labour has been the main factor in the development of Argentina. It was the building of the Argentine network of railways that formed the first incentive to their immigration to the

River Plate ; and wheat-growing followed. Artisans and labourers of all kinds went in later, and numbers of small retail traders, such as are found shopkeeping all over Latin America, from the Atlantic to the Pacific. The Italians in Latin America have been termed—not always in a complimentary sense—the “Chinese” of Europe, in that they make their wealth out of the country instead of taking it in, and follow small commercial pursuits under conditions of keen competition. But their labour has been of equivalent value, perhaps, with the capital of other nations. This class has, with its keen trading instinct, contributed considerably to the growth of the smaller towns, especially in Argentina. Even in the remote towns of the Andes small Italian merchants are found.

The Italians in Argentina have settled principally in Buenos Ayres, the province of La Plata, and the province of Santa Fé. One-tenth of the population of Buenos Ayres is Italian : the capital having 1,250,000 people ; and they are mainly engaged in small trades. Among the Italians, in 1907, there were already 35,000 owners of landed property and houses, valued at more than £11,500,000. Most of the labourers are engaged in wheat-growing or in working for wheat-growers, and many return to Italy after the harvest. In the whole of North and South America, according to Italian statistics, there were, in 1911, 4,250,000 Italians, 58 per cent. of which returned home. Market gardening finds employment for many Italians. The province of Santa Fé was the foremost in attracting the Italian colonist, where they number perhaps 250,000 ; and Rosario, the capital, has one-fifth of its population formed of Italians, who are engaged in every kind of trade. In the town and province of Cordova they are almost as numerous proportionally as in Rosario. The Italian colonists are generally marked by their thrift, and their spirit of benevolence towards their own countrymen : an Italian generally helps an Italian. This is also a Chinese trait in America. In the province of La Plata there are more than 120 Italian “Societies for Mutual Benevolence.” The figures concerning Italian colonists do not take into account the children

born in the country, who are regarded as Argentine citizens. The Italians do not lose their nationality in one generation; the land of their birth is generally regarded with reverence from afar, but despite the efforts of the schools and societies which they maintain for the preservation of their own language and methods in their adopted country, the children of the Italians become Argentinos, and their parents insensibly follow. This considerable immigration of its citizens is a serious loss to Italy, but a country whose social system, and conditions with regard to land tenure are such as drive its sons and daughters abroad, has only itself to blame, and the condition is likely to continue until an awakening comes. One item of consolation there is for Italy, in the very considerable trade carried on between Italy and Argentina: the republic being the best market for many special products demanded by the oversea Italians. Furthermore, the emigrants send back considerable sums of money to their relatives, the Italian Emigration Department giving as an estimate the sum of £3,500,000 sterling as annually sent home from America, generally by Italians. The suspension of Italian emigration to Argentina, which had earlier been enacted by the government of Rome, due to the poor condition of the immigrants in that part of South America, was removed in August, 1912.

As shewn elsewhere here, the number of immigrants over emigrants for the year 1920 was only about 40,000, a relatively small number.

Colonising and immigration in Argentina are far from being an unqualified success, whether from the point of view of the immigrant or the nation. There are several causes immediately responsible for this condition, one of which is economically false, and another socially wrong. The first is the difficulty the colonist experiences in obtaining a desirable homestead, or small holdings, and the high cost of living in the towns: suitable land with a proper title is difficult to obtain. The second is the lack of local justice, and the existence of persecution away from the great cities, of which frequent complaints are made, and protection

by the police is even more difficult of attainment. Provincial and municipal authorities are often corrupt and extortionate. Heavy taxation and the mal-administration of justice are conditions against which the poor colonist cannot contend, and both combine to render life difficult in the interior of Argentina. These matters reach the outside world from time to time, as an indication of a reprehensible state of affairs within.* As regards justice, it is not that the laws are bad, for in theory they are almost perfect, but that they are badly interpreted and enforced. The provisions of the great "Code Napoleon" are useless if the spirit of everyday justice is violated; and the well-informed colonist will naturally hesitate in venturing to a country where, in the great open spaces in which his life is to be lived, prompt and cheap justice is not obtainable, especially among a heterogeneous population, drawn in the main from races who hold human life cheaper than human property. In Argentina theft is more severely dealt with than homicide. It is in the growth of public opinion that these abuses must find their remedy, and it is but fair to say that some improvement has been observed of recent years, and that the Argentine government assiduously endeavours to attract immigrants.

The ordinary emigrant from the British Isles has generally been made aware that, under present conditions, Latin America is rarely a suitable field for him. The Spaniard, Portuguese, and Italian work side by side, but in manual labour the British cannot do this, unless it be under their own flag. Moreover, the men of the Latin race, when they make their living in petty trades and occupations of an urban character, as small merchants, shopkeepers and the like, are far more astute than the men of Anglo-Saxon race. Italians, Spaniards, and even Austrians and other people from central Europe succeed in small trades, often by means of high prices, short weights, and other petty extortionate methods which are more or less foreign to the Anglo-Saxon character.

The educated man without capital, cannot be advised to emigrate to South America or Mexico unless he goes to a

* *The Times* South American Supplement, 1912.

salaried position ; and this can scarcely be termed emigration. His position would be an anomalous one. The work in offices, shops, and stores, which at home he might perform, is done in the southern republics by the middle-class native, and generally rates of pay are low. There are no conditions for the middle-class emigrant such as exist in Canada, where even menial work can be performed without loss of caste. The young man of Anglo-Saxon race without capital is cut off from Spanish America under present conditions, and will naturally seek the British colonies. He cannot work among half-breeds. The Englishman of the labouring class not unjustifiably considers himself better than any of his class among the Latin race, and the same holds good with the North American working man.

Despite these considerations, both from the national and international point of view, a vigorous immigration of people of the Anglo-Saxon and Teutonic races into Latin America would be beneficial, if suitable conditions were secured. However large it might be, the domination of the Latin race would scarcely be jeopardised, and the admixture, where it has occurred, produces a vigorous and intelligent strain. It is natural for Great Britain to seek to direct her emigratory people to her own colonies ; but, both as regards international friendships and the maintenance of trade with Latin America, it is useful that British blood should be disseminated outside the empire. In the stagnant communities of the Andean republics, British, German, or North American settlements would act as centres of education and example. The future of the world lies not in the political expansion of nations at the expense of each other, but in the dissemination of new ideas, free intercourse with each other, and mutual assistance and regard. Conditions for successful colonisation by British immigrants might be secured under some method of co-operative settlement where they would form communities apart. Argentina possesses certain advantages for Englishmen. The climate is less rigorous than that of Canada, and it is much nearer Great Britain than Australia. The colonisation of the Falkland isles is at present the only example of a British

settlement in southern South America, with the exception of the Welsh community in Patagonia.

The influx and efflux of immigrants in South America gives rise to an interesting condition. Of the number of immigrants into Argentina the majority become emigrants again. In a sense they perform a double service. A great body of Italians and Spaniards goes over for the Argentine harvest, which occupies them from November to February, and, that concluded, they enter Brazil to assist in gathering the coffee crop, remaining in that country until August. The comparatively high wages obtained and the savings made, in conjunction with the low price of steamer fare, formerly permitted these human birds of passage to return to their native lands of Spain and Italy, and remain at home for three or four months. There is a natural development of travel and work in these conditions which contains certain possibilities such as might be given consideration in the colonisation by Great Britain of her dominions, especially as regards Canada. That the labourer of one hemisphere can afford to cross to another to work there, and return for a season to his own land is a novel condition which might find some useful application. This migratory movement, however, is largely due to the difficulty of the small-holder in obtaining land in Argentina and Brazil, as already described.

The better development of the more backward Latin American countries, it is possible, might be aided by the settlement therein of intelligent classes from Europe and the United States, who, finding the conditions of life too difficult in their native countries, should adopt the southern republics of the Spanish-speaking world as their home, under certain special conditions and privileges afforded by the governments of such countries. Such people would not be mere illiterate immigrants, such as pour into the country at present, furnishing little more than their labours, but educated people, who would be content to make their living in the country and confer benefits upon the people around them in social example, under certain privileges. There are possibilities for such a class. The climate is in many regions

excellent, and the native working classes are plastic and easily influenced for good: and greatly to be moulded by the superior intelligence of the educated European. Land endowed with natural resources is to be obtained at a very small expenditure of capital in certain regions. Such colonists would have to be self-dependent: to understand that riches are not to be gained necessarily by producing for export. They would live their life regarded as distinguished members of the community, taking part in its direction. Whatever small capital they had brought in would yield far greater returns than in Europe. The number of persons in Great Britain of superior education, but without means of expansion for their energies, is considerable and growing, and such an outlet might offer attractions. The government of many of the Latin American republics might do well to avail themselves of the services of this element. Throughout Peru, Bolivia, Argentina, and other countries there are thousands of petty officials, known as "gobernadores," generally mestizos of little education, steeped in the methods of petty oppression of the poorer classes, and more or less venal. These posts generally are unsalaried, but carry certain perquisites. If an educated class of Englishmen or others could be brought in with their families to settle there, acting as magistrates and so forth, after the system in British India, a useful purpose might be served. Europe has much administrative talent going to waste, which Latin America lacks, and the character of the British man of education and his administrative ability would be of incalculable value to Latin American communities, in the civilisation and advancement of the remote interior regions. Possibly, however, that is outside the range of practicability, at present.

The political and commercial relations of the Latin American republics with foreign countries are in an interesting condition of flux and development. The possibilities they offer for trade, for immigration, and even for territorial aggression, are subjects of constant discussion and rivalry.

The two nations generally accredited with ideas of

territorial aggression or acquisition in Latin America were the United States and Germany. Before the war the Latin American republics were subject to growing suspicions of their powerful Anglo-American neighbour, the United States, which the latter has striven diligently to allay. Inroads upon the integrity of their territories have been feared, or profession of fear made, and doubt expressed of the sincerity of the Americans in dealing with the political condition of their weaker neighbours.

That the Americans could ever gain permanent advantage by encroaching upon Mexico, or other Latin American country, or that they have any idea of territorial acquisition at the expense of the Southern republics, is greatly to be doubted. The tendency of the world is not towards hegemony on the part of large nations, but rather to "home rule," or the increasing independence of small states. The futility of attempted domination of one race by another, except under very exceptional circumstances, or temporarily, is evident to the disinterested student of world-politics.* The United States would enjoy little in Mexico were they able to conquer it by force of arms, and were it placed arbitrarily under the Stars and Stripes. A condition of race-hatred such as has rarely been seen in the history of the world would be set up. Economically nothing would be gained. The American labourer will never work side by side with the Mexican; the country as a market is already captured or could be captured by the United States, as far as such is possible in the present world-competition of nations. The raw material and food products of Mexico are required by the people of the country, and could never form any considerable adjunct to the American table or factory: and if they are required they are as easily obtained under existing conditions. No sane American administration could pretend permanent occupation of Mexico; the time for such conquest is past, or never existed in this case. The parallel of England and the South African republic might be cited, but this was a different

* The author brought forward this point in his book, "An Imperial Commonwealth" London, 1909.

case. Many recent struggles and conflicts show how useless and criminal it is to endeavour to extinguish a nationality. In the case of South Africa it was not unnatural to set up the self-government of two races, both of which were so largely represented, and which now owes only sentimental allegiance to Britain. American settlements and financial holdings in Mexico are too inconsiderable to warrant any participation in the government of the country by America. The United States nation as a whole are averse from trespassing upon the rights of other nations : and they have neither the desire nor the talent to undertake the administration of people of different race and language. Their behaviour in Cuba has been exemplary and rational. The doubtful morality attending the acquisition of sovereignty over the Panama Canal zone obeyed commercial and defensive motives, rather than purposes of political aggrandisement. Intervention in the domestic affairs of Central American republics, if it be brought about, will be by reason of following out the self-assumed but natural and useful rôle of policeman in the new world. and the desire to enjoy a preponderance of trade therewith. Despite these considerations, the attitude of the United States towards Latin America has at times given rise to a feeling of resentment and perplexity on the part of their sensitive southern neighbours, but American diplomacy is studying more closely the character of the Latin American peoples, with increasing understanding and mutual regard as the result. But what the future may hold in the sphere of American political action it would be impossible to predict.

The German nation has been credited from time to time with the desire to possess itself of territory in South America, which it might control politically as well as commercially. That the desire has existed and still exists there is little doubt ; but that the intention is to be brought forward is a matter which will depend upon international conditions, whose trend at present is not apparent. The subject may be regarded from more than one point of view. Germany has come too late into the sphere of a leading nation to obtain a share in the unoccupied spaces of the world, in

which she might have founded colonies. At a time when Englishmen of sinew and adventurous spirit were marking out spheres of possession, the petty royalties of Germany were keeping their numerous courts, and that phase of world-development of which Spain and Britain were the masters has passed. After that arose the question, What is a Colony? Spain decided it in one way, Britain in another; but Germany to-day may still strive to ask the same question and endeavour to decide it in her way. A colony is one of two things. Either it is a possession which yields absolute and exclusive advantage to its parent land, or it is an independent unit joined by ties of sentiment and a common flag, but giving no special advantage to its parent source. In the last category are the self-governing dominions of the British Empire. In Canada, Australia, or any other of the five autonomous English-speaking states, the Englishman has practically no privilege over any other nation, whose emigrants or traders are equally open to acquire homesteads or markets. The British ratepayer has ungrudgingly borne the cost of naval armaments, which have protected the colonies in their growth; but his reward is much less a material than an altruistic one, and must always be so. The conquest of commerce and trade is attained now, not only by enterprise, but doubtful methods, and if the nations can oust each other from the markets of the world, they will do so, and future conflict may be expected. But despite these premises, Germany or any other colonising nation might contend that the vast uninhabited region of South America would be an advantageous field for political occupations: and set itself towards a policy of conquest. There is little doubt that the partition of various territories of Latin America by certain European powers would have taken place were it not for the restraining influence of the United States; of its public opinion and naval armaments, whose general concrete expression is that of the Monroe Doctrine. Had it not been for these elements the German flag would possibly have floated over portions of South America. That such should so

occur, however, cannot be held to be possible now, though some sudden change in world-politics might require a more rapid colonization of empty lands. The subject of such occupation of land by oversea powers bears discussion from the point of view of expediency, although the outrage of the sovereignty of Latin America by foreign occupation of any portion of their territory could not morally be condoned. It can scarcely be doubted that if an offshoot of Germany had existed in South America, the development and peopling of the continent would have been greatly augmented. Such a colony or possession would not be likely to have remained permanently under the German flag, supposing it were established, for the German colonist is undoubtedly happier under a foreign flag. On the whole, conditions were better, in view of the war, without a German element. But the enormous tracts of land in the heart of South America, often inhabited at present by little more than savages and monkeys, were they subject to an inrush of civilising European people and capital, would certainly gain thereby. The history of colonies everywhere shews that it is physically impossible to make of them permanent fields of spoliation or oppression, or even to subject them always to political control; and when such European settlements grew up they would inevitably form part of the Latin American people, whose status and sovereignty is too strongly fixed to be more than momentarily interrupted. A large infusion of European blood, especially of Teutonic or Anglo-Saxon, would be of great benefit to the stagnant continent, and from that point of view it seems a matter for regret that the German nation had not been permitted to expend a portion of its strength and fecundity upon South America before its moral character was ruined by the war and before that fecundity were lessened, as the lowering birth-rate shews is likely to occur.

So far the penetration of South America by Germany under the method of industrial colonisation and by trade and commerce has been noteworthy. The earliest German attempts at settlement found little success, due in the main

to want of proper organisation and encouragement from home. This was not the case afterwards. Powerful organisations and national encouragement have been responsible for important German centres in Brazil in this century: and were it not that the national flag is Brazilian, these centres might almost be taken for parts of the German "Empire." In Santa Catherina and adjacent places German settlements, embodying 4,000 square miles of land, have been established, with 20 per cent. of the population of German origin and the German language spoken everywhere. In the province of Rio Grande do Sul it is estimated that there are 250,000 Germans, equal to a quarter of the population. The Germans endeavour to keep alive their national traditions and spirit in these colonies by every means possible, including the establishing of social centres, clubs, schools and other characteristic German institutions: whilst the local administration is controlled by Germans. This Teutonic invasion might have become a source of anxiety to South and North American statesmen, as opening a way to political acquisition of territory by Germany, whenever German interests might feel themselves sufficiently established to proclaim such a policy. But any such fears were exaggerated. The German-speaking people in Brazil are not German subjects. They did not wish to be part of a German Empire, as shewn by the fact that they lost little time in naturalising themselves as Brazilian citizens. The second generation forgets the Fatherland, and begins to speak the language of the country. Whilst these Pan-Germans—if such they be—are a loss to the military forces of Germany, they form on the other hand a favourable centre of consumption for German goods, and at least for that reason are regarded favourably by the Fatherland.

All these considerations have, however, been greatly modified by the war. As an empire Germany does not—at present—exist, and whether or not the formerly aggressive overseas or colonising spirit will grow again only the future can shew. The work of the League of Nations and of the Washington Conference (1921-22) and other matters has also modified world-conditions in these respects.

The United States would undoubtedly go to war in the defence of the doctrine, but war for them in South America would be mainly a naval battle, and the result would depend upon the stronger fleet. The Monroe Doctrine forbids political transfer of territory in the American hemisphere between non-American people, but such an exemption or prohibition of transfer not only has no precedent in law, but is without treaty support from any other nation, and it rests solely upon the will of the United States citizens, and can only be supported in an extreme case by sea power. If the struggle for South American territory should come, whether from Europe, whether from Asia—Japan, for example—its results will depend upon naval armaments.

There is some successful German colonisation in Guatemala and in Chile, and German banking is closely allied with these matters. The advance of German methods and influence in Chile was formerly marked, and gave rise to the term "Germanisation of Chile." The Germans are much more active in bringing forward their trade and colonising influence than the British. In 1909 the German schools in Chile were attended by nearly 3,000 pupils, and the "thorough" methods of the Germans are evident in their mixing with Chilean society. The Germans in South America invariably speak Spanish, and the trade lists and catalogues of German commercial travellers and manufacturers are provided in the same language. In Argentina Germans have settled to a considerable extent, and it is towards this republic that the main stream of German emigration was setting before the war. Large areas of land have been obtained by colonisation societies for the settling upon them of families taken directly from the Fatherland. The Germans were regarded as desirable settlers in Latin America by the republics generally, and doubtless immigration will grow. The importance, politically, of German immigration as a possible menace has been exaggerated. The activity of Germany in South America is mainly due to the possibilities of commercial and financial gain which those growing communities offer. Probably

the conquests of territory have ceased, or have ceased at present in the New World, and the conquest of market and dividend is that which exercises the rivalry of foreign nations in South and Central America and Mexico. It would, however, be rash to forecast the future.

The most active nation in the commercial conquest of Latin America so far, has been Great Britain. The development of the principal Latin American republics was begun with British gold. It built the railways, opened the mines, and financed the plantations and the banks to an extent greater than that of all other investing nations combined. This great investment of capital, although at times it was hazardous and adventurous, brought as a result the preponderance of trade with England, which has been the outstanding feature of Latin American commerce, and which although in diminishing proportion is still maintained. The geographical distribution of capital, which tends to preserve a balance in British commerce and income, has an important seat in Latin America. Scarcely a single industry is unrepresented by British capital. Scores of offices and Boards of Directors in London attest the part played by the British merchant and shareholder in those regions. There is no more striking instance of the power of money, than that the inhabitants of the small island of Britain should have been the means of bringing about the development, in considerable part, of the extensive communities of Latin America. Exact calculations of the amount of British capital invested in these countries it is impossible to make, but the amounts represented by shares quoted on the London Stock Exchange may be taken to represent the minimum. These at the close of the period before the war were as follows: *

| | Government Securities. | Railways. | Miscellous | Total. |
|-----------|---------------------------|-------------|------------|-------------|
| | £ | £ | £ | £ |
| Argentina | 78,967,966 | 201,734,494 | 49,188,340 | 329,890,800 |
| Brazil | 106,025,690 | 51,223,679 | 53,850,426 | 211,099,795 |
| Chili | 33,650,880 | 18,743,320 | 8,730,713 | 61,124,913 |
| Uruguay | 25,714,421 | 15,380,073 | 4,739,892 | 45,834,386 |

* Compiled by the *South American Journal*

| | Government Securities. | Railways | Miscellns. | Total. |
|----------------|------------------------|--------------------|--------------------|--------------------|
| | £ | £ | £ | £ |
| Peru | 1,772,440 | 462,933 | 23,542,810 | 25,778,183 |
| Bolivia | 293,740 | — | — | 293,740 |
| Venezuela | 4,361,420 | 2,745,976 | 975,289 | 8,082,685 |
| Colombia | 2,486,600 | 4,299,200 | — | 6,785,800 |
| Ecuador | 200,808 | 2,644,440 | — | 2,845,248 |
| Paraguay | 773,750 | 2,242,930 | — | 3,016,680 |
| Mexico | 27,413,630 | 101,436,789 | 28,078,140 | 156,928,559 |
| Guatemala | 1,445,220 | — | — | 1,445,220 |
| Salvador | 851,900 | 1,435,300 | — | 2,287,200 |
| Honduras | 3,143,200 | — | — | 3,143,200 |
| Nicaragua | 1,071,240 | — | — | 1,071,240 |
| Costa Rica | 2,010,770 | 3,370,600 | 200,000 | 5,581,370 |
| Panama | — | — | — | — |
| Cuba | 9,892,000 | 25,533,998 | 6,633,920 | 42,059,918 |
| Shipping Banks | — | — | — | 11,658,530 |
| | — | — | — | 18,212,983 |
| | <u>300,075,675</u> | <u>431,253,732</u> | <u>175,939,530</u> | <u>937,140,450</u> |

The most successful British interests in South America are generally considered to be the banks. These have yielded, as a rule, steadily improving dividends, and have added largely to their reserve and other funds. The eight principal banking concerns in this field, whose shares are quoted on the London Stock Exchange,—five being companies registered in England and directed from London—have a total subscribed capital of £21,288,048, of which about £16,000,000 is paid up. The dividends paid by these banks during many years have amounted to sums equal to an average of nearly 15 per cent. on the paid-up capital. One leading bank is the London and River Plate Bank, which at the close of 1912 celebrated its fiftieth anniversary, having been established in 1862, and for many years the company has paid a dividend of 20 per cent. to its shareholders. The authorised capital of this bank has recently been increased to £4,000,000, of which £3,000,000 has been issued, and £1,800,000 will eventually be paid up. The present holders, whose shares are now worth £60, have only been called upon to pay £10 therefor. The National Bank of Mexico, with a capital subscribed and paid up of £3,178,000, also paid 20 per cent. dividend. The London and Brazilian Bank, with a subscribed capital

of £2,000,000 and a paid-up capital of £1,000,000, paid 17 per cent.; the British Bank of South America, with subscribed and paid-up capitals respectively of £1,500,000 and £750,000, paid 15 per cent.; the Bank of Peru and Mexico, £500,000 capital subscribed and paid-up, 14 per cent.; the Banco Español del Rio de La Plata, with an office in London, 12 per cent.; the London Bank of Mexico, 12 per cent.* The important, active Anglo-South American bank has capital and reserves of £12,500,000.

The foregoing particulars shew that whether from the point of view of security, or dividends, the South American banks may be regarded as satisfactory, comparing favourably with British or other banking concerns. The field of investment was for a long time mainly British, but at present it is disputed by state-owned banks, in the various republics, and by various successful and enterprising German banking institutions, especially prominent among which is the Deutsche Bank. North American interests have been practically unrepresented, but there are indications that American groups are to enter the field.

It is not possible to calculate with any exactitude the return upon other capital investments, but as regards the railways, the total mileage at the close of 1912, in the countries named below, was 20,975 miles, engaging £278,889,905 of capital, which produced as net revenue £13,250,302, or an average return of 4·7 per cent. in the last completed year of working. This included practically all the British-owned railways in the republics mentioned, and comprised twenty-nine separate companies, with a certain number of subsidiary lines, such as the Argentine Transandine and Bahia Blanca, whose figures are included in those relating to the Buenos Ayres and Pacific line. The following shows the mileage, capital, and net revenue for the last completed years, of this group:—

| | Mileage. | Capital. | Net Revenue. | % |
|-----------|----------|-------------|--------------|-----|
| | | £ | £ | |
| Argentina | 13,676 | 198,902,829 | 8,339,273 | 4·2 |
| Brazil | 2,788 | 22,915,699 | 1,438,907 | 6·2 |
| Chili | 1,430 | 14,499,057 | 1,331,017 | 9·1 |

* The foregoing figures refer to the pre-war period

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| | Mileage. | Capital. | Net Revenue. | % |
|-----------|----------|-------------|--------------|-----|
| Uruguay | 1,224 | £12,875,453 | £708,431 | 5.5 |
| Cuba | 1,690 | 26,950,867 | 1,323,827 | 4.9 |
| Venezuela | 167 | 2,746,000 | 108,847 | 3.9 |
| Total | 20,975 | 278,889,905 | 13,250,302 | 4.7 |

With the numerous mines, plantations, factories and industries, with their considerable returns in many cases, it is seen that a great, steady stream of gold flows from Latin America to Great Britain, even if a good deal of the capital quoted on the London Stock Exchange is held by continental investors. A strong American element is at work at the present time in acquiring railway interests in the River Plate republics, and if successful the conservative and passive British control may be exchanged for the American "trust methods," in which condition some South American and British journalists see an undesirable element.

In matters of trade, Latin America is one of the most important customers of Great Britain. The republics purchased manufactured articles from Great Britain to the annual value (pre-war period) of £56,000,000, equal to somewhat less than 20 per cent. of the total export trade of Britain: and exported to Britain commodities to the value of more than £55,000,000, which must be regarded as excellent exchange. About two-thirds of this considerable commerce was performed with Argentina, Brazil and Chile. Figures are not exact, and are difficult to obtain and often shew discrepancies, but between various sources for the pre-war years the estimated total foreign trade of the Latin American countries was £472,000,000, of which, as stated, Great Britain accounted for £111,000,000. The following table shews these figures in detail.

| | IMPORTS. | | EXPORTS. | |
|-----------|-------------|--------------------|-------------|------------------|
| | Total | From Great Britain | Total | To Great Britain |
| Argentina | £70,354,131 | £21,875,478 | £74,525,215 | £16,158,697 |
| Brazil | 47,114,967 | 14,412,213 | 62,001,287 | 11,688,114 |
| Chile | 22,311,427 | 7,056,282 | 23,791,009 | 9,531,546 |
| Uruguay | 8,230,000 | 2,425,136 | 8,305,261 | 709,349 |
| Puru | 4,631,280 | 1,567,897 | 6,408,282 | 2,672,540 |

| | IMPORTS. | | EXPORTS. | |
|------------|--------------|--------------------|--------------|------------------|
| | Total | From Great Britain | Total | To Great Britain |
| | £ | £ | £ | £ |
| Bolivia | 3,675,371 | 1,500,000 | 5,997,031 | 3,611,081 |
| Venezuela | 2,243,215 | 603,660 | 3,422,557 | 383,425 |
| Colombia | 3,405,127 | 1,000,000 | 3,525,030 | 610,172 |
| Ecuador | 1,604,821 | 496,789 | 2,733,274 | 228,174 |
| Paraguay | 1,074,967 | 248,906 | 883,899 | 410 |
| Mexico | 21,012,402 | 2,447,957 | 29,987,198 | 3,662,989 |
| Guatemala | 1,050,263 | 227,084 | 2,015,843 | 201,252 |
| Salvador | 749,049 | 233,198 | 1,459,567 | 96,761 |
| Honduras | 603,883 | 84,815 | 642,979 | 12,520 |
| Nicaragua | 516,651 | 125,133 | 797,885 | 168,690 |
| Costa Rica | 1,630,500 | 263,694 | 1,728,900 | 610,613 |
| Panama | 2,011,398 | 433,396 | 353,866 | 33,054 |
| Cuba | 20,735,116 | 2,458,443 | 30,181,804 | 2,139,257 |
| Total | £212,954,568 | £56,460,081 | £258,760,887 | £55,518,644 |

The important lead acquired in commerce with Latin America by Britain has long been held, but is not being maintained. The amount, in relation to that of the United States and Germany, is decreasing; and French and Italian trade is also increasing with the Latin American republics, largely at the expense of England. The decline of British trade proportionally in Latin America, has been so continually brought forward that it has become a commonplace. Various reasons are adduced. The custom of sending out goods by manufacturers, which conform to their own standard, instead of adapting the standard to the requirements of purchasers and consumers in the countries for which they are intended, is among the foremost. The obstinate use of British instead of metric measures is another cause of complaint. The Latin American countries have generally adopted and use metric measures, in great part. A similar contention is advanced with regard to British currency, in which price lists are generally given, instead of in the decimal coinage of dollars and cents which, in one form or another, has been adopted throughout the three Americas. Catalogues, it is complained, are generally written in English, where the language of the countries to which they are sent is Spanish or Portuguese, and consequently they are often thrown aside as incomprehensible.

The linguistic failing is perhaps that most frequently adduced. British commercial travellers, it is averred, do not frequently speak Spanish or Portuguese, and the representations of German houses, who are often linguists, are enabled to secured business with greater facility. The commercial travellers who tour South America in the employ of British firms were often Germans, simultaneously holding commission from firms of their own nationality. In financial matters it is maintained that British banking facilities in Latin America are too conservative and inelastic. Their methods are honest, but not sufficiently enterprising. The growth of German banks in some Latin American countries, and the success they apparently attained, might seem to bear out in part this contention. A further defect is that of insufficient representation on the spot. British traders are said to be too timid or economical in the establishing of agencies and warehouses, where goods and prices may be seen by intending purchasers. The Englishman is also accused of being too exclusive in his business methods, too much addicted to sport and the enjoyment of the weekend, and fails to mix socially with the people of the country. The German, French or Italian trade representatives are, on the other hand, described as devoting themselves constantly to the work, of living frugally and associating themselves with local society; marrying among the native families, speaking their language, and generally creating an affinity of social and commercial value. But whatever may be the real conditions, the fact is understood that British trade and finance do not increase in their former proportion. Doubtless the decrease is in part inevitable. Business methods are increasingly strenuous, and results are naturally shared more generally among the competitors than formerly. Trade rivalry must continue to grow, until that point is reached when nations become to a greater extent self-providing. Economic conditions after the war greatly affected British production, especially in 1920-22; conditions which, however, affect all nations.

The trade of the United States with the Latin American republics is now greater than that of any other nation.

The preponderance is, however, with the ten northern republics, of Mexico, Central America, Cuba, etc., as contrasted with the group of the ten South American republics. A great part, moreover, of this export trade of the United States is in raw or partly manufactured articles, which is less remunerative than that of the finished articles of the European exporting nations. The approximate values for 1911 were: Exports from the ten northern republics to the United States £48,000,000; United Kingdom £6,750,000; Germany £5,000,000; France £3,500,000. Imports from the United States £27,750,000; United Kingdom £6,700,000; Germany £5,300,000; France £3,250,000. The exports from the ten South American republics were: To the United States £39,000,000, United Kingdom £45,300,000; Germany £28,000,000; France £19,500,000. Imports from the United States £26,000,000; United Kingdom £54,500,000; Germany £33,000,000; France £15,000,000.

The interest of the United States cotton manufacturers in Latin America is likely to increase in the future, as a market for the disposal of their wares, for the home markets are no longer sufficient for their output. The annual value of cotton goods imported into the Latin American markets, was more than £20,000,000 sterling, and of this the United Kingdom supplied more than 50 per cent., and the United States only 8 per cent. The American exporter may expect to reap some advantage from the Panama canal in this connection, in the matter of carriage; but this will affect only the Western Coast, Colombia, Ecuador, Peru and Chile, and not the great countries of the eastern side of South America, such as Brazil and Argentina. The Americans have already long enjoyed an advantage in freight rates to Latin American ports, the cost per cubic foot for cotton goods from New York to Buenos Ayres being more than twice the cost from Liverpool. The main factor is in the cheaper cost of production in England; but the future determining factor, as shewn elsewhere, will doubtless be the growth of home manufacture in Latin American countries themselves.

The United States are becoming fully cognisant of the

markets offered by their southern neighbours, and their diplomacy in the future may partially be bound up with the commercial aspect. The Americans find, in bidding for the southern trade, that their rivals of Britain, France, and Germany are firmly established, with relations begun in times when the United States was engaged in supplying their home markets and building up their domestic trade. The enormous amount of British money invested in the field provides a considerable safeguard for British trade, and the powerful banking and shipping interests of Britain, engaged in connection therewith, are vastly superior to any forces of a like nature possessed by the North Americans. But it cannot be doubted that there is ample room for superior organisation, and the trade will fall largely to that nation which employs such. The Americans are clever specialists, and to commercial enterprise may be added the "dollar diplomacy," as the foreign policy of the United States in connection with Latin America has rightfully or wrongfully been dubbed. The implied corollary of the Monroe Doctrine, from which it seems difficult for the United States to escape, is that of responsibility attaching to the conduct of international affairs, and even of domestic matters, of the small Central American republics, and possibly of Mexico—territories lying north of the Panama canal and the massive mainland of South America. But with a sensitive people such as the Latin Americans, any assertion of authority or hegemony by the United States is immediately resented, and if exercised would be inimical to trade relations. The problem for the United States is not an easy one, involving as it does on the one hand the necessity for some moral intervention or mentorship, and on the other the desire for predominance in trade. The larger republics of South America are not likely at any time to be subject to any dictation on the part of the United States, whom they are enabled to meet on terms of practical equality in certain essential respects. The influence of the United States politically, upon the turbulent element of Central America, can scarcely be regarded as other than a useful factor.

A useful and active institution, as regards the intercourse

of the North and South American republics, is the Pan-American Union, an organisation of American internationalism, which perhaps has no counterpart elsewhere. The headquarters of the Union are situated at Washington, and it is maintained by all the Latin American republics, from the United States and Cuba in the north to Chile and Argentina in the south, upon a basis of contribution in ratio of population. It maintains an important staff of international experts in commerce, law, economics, trade, and statistics, with compilers, editors, special writers, and investigators, who are engaged in spreading information over both hemispheres, as concern the potentialities and resources of Latin America. The building in Washington is situated near the various American state departments, and represents an investment of £200,000. Publications are made by pamphlets and leaflets describing in detail each one of the Latin American countries, in English, Spanish, Portuguese, and French, and the "Monthly Bulletin" issued by the Union is a publication of considerable economic and geographical value, replete with interesting matter and illustrations. For 1912 more than 1,000,000 pamphlets were issued, and 10,000 letters per month written to all parts of the world, and the contributions for maintenance had increased in five years from £10,000 per annum to £25,000. Due partly to the work of the Union it is, that the trade of the United States with Latin America is increasing in a rapid ratio. In Great Britain there is no institution, remarkable as it may seem, of the nature of the Pan-American Union.

A feature of British investment in Latin America is its persistence even in the face of risk of losses. Notwithstanding that merchants and bondholders have been cheated on numerous occasions, that debts and loans have been frequently repudiated and obligations unfulfilled, British gold is always ready to subscribe for stock and shares in those remote lands. Losses are soon forgotten, especially when salved and offset by rich successes. In some instances, also, British and other foreign bankers and investors are ready to lend money to Latin American states, as to other remote lands, regardless of the morality of the matter. Public

debts have been built up in some Latin American countries under this system, in some cases, which ought not to have been incurred.

The educated Englishman who arrives in Latin America must generally assume the prestige as well as the burden of his empire, for he is among a race of idealists: "La Gran Bretaña" and "Inglaterra" are names of lasting power. That a man is an "Ingles" is to stamp him a being worthy of distinction and favour. The British word has been always the British bond in Latin America: the "palabra de Ingles" has passed into a byword. The Frenchman may command the deserved admiration for art and culture which his country has earned, the German may be the recipient of attention from his faculty of entering into local social life and for his pushing commercial qualities, the Americano from the United States may begin to reflect some prestige from the power and wealth of his great country, but it is for the Englishman the peculiar regard is entertained: the history of his country and the character of whose nation have pervaded the world. The Englishman in Latin America is still to a certain extent a "milord." He comes for great enterprises; his pockets are always overflowing with silver, which he is supposed to dispense liberally. The traits of impartiality and general commercial rectitude of Great Britain have been the cause. Furthermore, Englishmen who travel or reside in Latin American countries are generally men not falling below a certain standard of education, and if not always of independent means, they have come as representatives of wealthy firms, companies, or syndicates. They are managers of branch houses, engineers, travellers, sportsmen, financiers. The lower-class Briton is rarely encountered, as is the case with immigrants from other European and North American countries. There has been no influx of poor class immigrants from Britain. England is the country which in great part has financed railways, and railways in the Latin American countries are things which come far closer to the heart of the dweller than is conceivable in England, France, or Germany. An individual who builds a railway in South America is regarded

as a benefactor. No honour is too great for him. His praises are sung in the Press, he is toasted at public banquets, he is a Napoleon, a world conqueror. He has "united our beloved patria with those bands of steel which carry civilisation in their path," as the sentiment is generally expressed. The German and the Frenchman, on the other hand, are generally engaged in much smaller enterprises, and display a less liberal method of conducting business, and, with the Italians, they make money out of the country rather than bring it in. German hardware stores and other shops, and French haberdashers and tailors are freely encountered in the towns of Mexico and South America, along with Spanish and Italian grocers, restaurant keepers, hotel proprietors—all valuable agents in the growing communities, but of less standing than those foreigners who conduct banks, great wholesale establishments, build railways, open mines, and plant great sugar, cattle, and cotton estates.

The American, or *Nortamericano*, as he is termed in South America—whose people regard themselves as equally entitled to the name American, and so add the qualifying "norte" or "north" to their neighbours of the United States—is enjoying a growing prestige somewhat after the British kind, but which is not likely to reach the same intensity. Indeed, the Americano enjoys often a "reflected glory" from the Ingles, with whom at times he is confounded, due to some similarity of appearance, and of course a common language. The American qualities of energy and the fame of their wondrous achievements in the mechanical world are fully acknowledged, but it is recognised that the Englishman belongs to an older society, that he comes of a race of greater refinement, whilst the character of the American is less fully developed along those lines. There is no vainglory in recording the circumstance: only an historical condition. Such are or have been the conditions attending foreigners and their relations with the Latin American people, although growing changes may tend to banish older traditions and distinctions.

There are some indications of a growth of commercial relations between Japan and Latin America. A Japanese

company obtained a concession for, and has established a business in the fisheries off the Mexican Pacific coast, and it is possible that operations may be extended to Peru and Chile. A syndicate from Tokio is engaged in sending Japanese emigrants to Brazil, where colonies are in process of formation. It is probable that emigration is likely to increase, and the obtaining of an industrial foothold by Japanese in Central and South America is an element to be reckoned with. Such a development would doubtless be regarded by the United States as antagonistic to their general view, which is to conserve America free from an Asiatic element. Statements in 1912 that Japanese had acquired coaling-stations and other possessions on the Mexican coast, were met with acute enquiries in the United States. The growth of nitrate exports from Chile to Japan is an evidence of the desire of that country to benefit by the resources of the New World.

The economic immaturity of Latin America was for many years reflected in the system and conditions of currency; conditions which remain to a large extent among the more backward republics. Argentina has in the past suffered greatly from depreciated currency. In the period of so-called prosperity between 1881 and 1890, bank-notes were issued in great quantities, especially under the Free Banking Law which obtained during that period, which allowed provincial banks to issue notes, borrowing specie abroad for deposit with the national government as security. The country was at that time flooded with hypothecary bonds or cédulas. The government sold the specie and the proceeds were largely squandered. The financial crash which came upon the republic as a result of such operations, was followed by the assumption of responsibility for these foreign loans by the national government, and the establishment of a gold guarantee, which fixed and ensured the value of the paper money at 44 cents, equal to twenty-one pence, for every paper peso or dollar, which it now enjoys. The conversion fund set aside for the redemption amounted in 1908 to £40,000,000. Thus the paper currency forms a large part of the internal debt. The credit of the country has

been established, and the republic regularly effects a large annual amortisation of its public debt. In Brazil fluctuations in the paper currency have caused heavy loss and inconvenience in commercial operations ; and as in the case of Argentine funds have been created for purposes of guarantee and redemption. In Colombia the depreciation of paper currency at times reaches ludicrous proportions, a gold dollar occasionally having been the equivalent of 225 paper dollars. In Peru, Ecuador, and Venezuela the gold standard has been adopted and the British pound sterling is legal tender, giving stability to the currency. In Mexico the value of the dollar is also fixed.

Among the future elements which may affect the foreign relations of Latin America, is that of the development of naval armaments. The growth of South American navies has generally been watched from Europe and the United States with unconcern ; more recently tinged with a realisation of latent possibilities. In some cases, as with the navies of Argentina, Brazil, and Chile, large sums of money have been spent upon warships ; in others the efforts towards naval armament have been merely in the nature of nominal completing of national institutions, and have been represented by more or less nondescript craft. As a race the Latin American people do not possess the particular ability of a sea-faring people. They are neither natural sailors nor expert mechanics—a combination of which callings underlies modern sea-power. They lack the talent of organisation and rigid upkeep of detail which is the life of a navy. When the stimulus of novelty is gone, dilapidation tends to set in. It would almost seem that nature had intended that the Latin American people should be relieved of the burden of naval armaments, which originated among island people, and can never reach the same standard with continental nations, to whom they are not a vital necessity. Sea-power was a growth of Britain, and in its purest form is British, and imitated even by European continental powers, or the United States, is probably but a development which precedes disuse or decay. That so exotic a growth should be expected to flourish in South America cannot be regarded

as natural. The growth of sea-power in Latin America, is the result of inter-republican relations to a greater extent than the necessity for protection against outside menace. In the case of the war of the Pacific, of last century, the possession of a single ironclad turned the whole tide of battle. Yet, once questions of boundary are settled, it is difficult to see what matters of contention need arise between the Latin American republics. The growth of Pan-American ideas tends towards the adjustment of differences pacifically. If the time should come for over-populated European nations to cast envious eyes upon unoccupied territory, then Latin Americans would be called upon to protect their integrity ; and what the future holds in store in this respect it is impossible to forecast. But it is doubtful if, in the event of an organised attack, their naval armaments would be of much benefit to the republics. Pirate nations from Europe would be well armed before attempting such conquest ; and the strength of the Latin American people would be rather in land warfare by guerilla methods, to which those regions lend themselves.

The essentials for a naval efficiency are a sea-faring population and good natural harbours, and the Latin American republics do not generally possess these conditions. Argentina is a land favoured by nature in many respects, but there is no natural harbour or vital centre capable of sheltering the navy, and the republic has no sea-faring population. Buenos Ayres possesses no harbour that could be regarded as a naval centre, except Bahia Blanca, which lies 500 miles away from the capital. The country possesses a very extensive coastline, but nature has provided it with few indentations, such as true maritime nations require for their sea traffic. Brazil is better situated in this respect, with one of the finest harbours in the world, that of Rio de Janeiro, whose bay could maintain a fleet as large as that of Britain. But Brazil has an enormous coastline and no maritime population likely to rank as a defensive element. The gravest difficulty to successful sea-power in Brazil is the lack of discipline and the menace of insubordination. A navy which may murder its officers and turn its guns upon

its own capital is of doubtful calibre ; and this occurred a few years ago in Brazil, where the Latin American revolutionary spirit was carried to shipboard. On the Pacific side of the South American continent conditions vary. Chile is the most efficient naval power in Latin America. The republic possesses a maritime element in her population sufficient for naval purposes, and has naval traditions of some value, such as are not possessed by her neighbours. The Chilean sailor is a good sea-fighter, and the navy owes much of its spirit to association with Britain. It cannot be said that Chilean seaports are such as to warrant the extensive development of naval power ; for throughout the long coastline safe and commodious harbours are few. Peru in the past has been the rival of Chile on the Pacific coast, and in naval matters, and has to her credit some fine episodes and traditions, which redeem her from entire nullity in matters of the sea. It was upon the Pacific coast that the first clash of ironclads occurred ; and the fame of their Peruvian and Chilean commanders has gone down to history. But the Peruvians cannot be described as a sea-faring people, or as possessing the stamina or knowledge necessary to maintain a powerful navy. Nor does the country possess harbours which could lead to the development and maintenance of warships. Similar conditions hold good with Ecuador and Colombia to the north. As regards the northern coast of South America, upon the "Mediterranean" of America, neither Colombian or Venezuela have conditions or capabilities requisite for the growth or maintenance of sea power, whether as regards their people or their seaports. Mexico on the Pacific, with the exception of Acapulco, has few good harbours, and on the Caribbean sea Vera Cruz is artificially protected from gales ; she is not, moreover, a sea-faring people, and has not developed nor is likely to develop a navy. As regards the five republics of Central America, they are so far a negligible quantity in respect of naval armaments.

eager, and the man with any Spanish blood in his veins, even in the most remote regions, welcomes the traveller and the newspaper, and looks to the future. They have established the most excellent administrative principles and institutions which in time should be carried into practice.

The study of the great region of Latin America, which has been undertaken in these pages, reminds the student of world affairs once more, how great are the resources of the undeveloped lands of the globe, how much remains to be done in their adaptation to the human element, and how considerable will be the scope of society under the more noble and scientific development which it is legitimate to expect of the future. The Latin American republics are still young, and, despite the adverse elements which have to be overcome, are full of promise ; and it cannot be doubted that the extensive portion of the New World covered thereby will approach the period of development which, sooner or later, is the fortune of every land. What form this development will take and what benefits will accrue from it will depend upon the present reading of political and economic world-history by those who control the destinies of these interesting and fruitful lands, and the way in which they discern the signs of the times.

THE END

