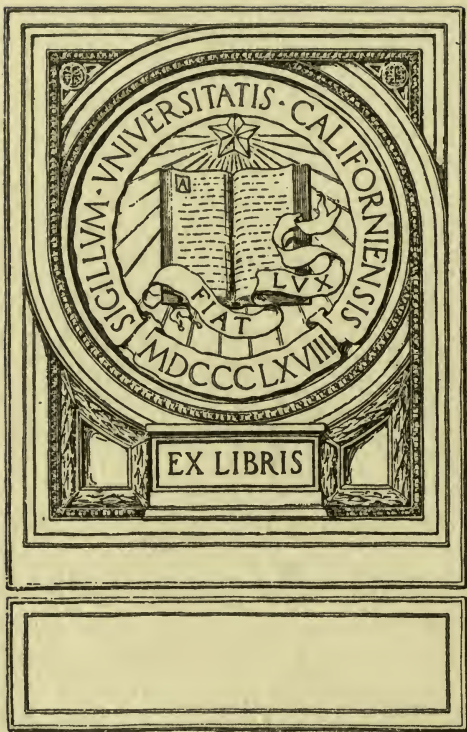


❖ PORTER'S ❖
PROGRESS OF NATIONS

THE
TEN REPUBLICS

ROBERT P. PORTER





Digitized by the Internet Archive
in 2008 with funding from
Microsoft Corporation

THE TEN REPUBLICS

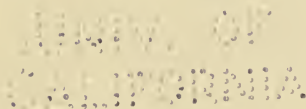


THE TEN REPUBLICS

AN INTRODUCTION TO THE
SOUTH AMERICAN SERIES
IN PORTER'S PROGRESS OF
NATIONS

BY
ROBERT P. PORTER

WITH TWELVE MAPS



RAND, McNALLY & CO.
CHICAGO & NEW YORK

F2208
F7

WILLIAM BRENDON AND SON, LTD.
PRINTERS, PLYMOUTH

“To point out the progress of the nation—not of this or that section of its inhabitants, but the progress of the whole social system in all its various departments, and as affecting all its various interests—is the object proposed, while the means employed for its accomplishment will, as far as possible, be sought for in well-authenticated facts, and the conclusions which these suggest will be supported by principles the truth of which has in general been recognised by common consent.”

(From The Progress of the Nation, by George Richardson Porter [1836-1843]).

PREFACE

THE series of volumes on the Ten Republics of South America, to which the present little book is designed to serve as an introduction, has for its object the promotion of closer relations between Great Britain and the ten nations, and the development of commerce.

The popular price at which the volumes are to be published, and the convenient and attractive form in which they will uniformly appear, should assist the author's desire to enlighten the British public concerning South American affairs; and the present introductory volume is thus intended to prepare the way for the ten succeeding volumes in the series, which will deal with the industrial and economic progress of each Republic respectively. Having personally visited more than half the twenty Latin Republics for the express purpose of enquiring into their economic condition and resources, the author believes that a straightforward account of the progress they have made, with some reflections on their relative importance as future fields of operation for British capital and enterprise, will be of interest.

In the course of these journeys, and within the last two years, the writer has been granted an audience by no less than ten South American Presidents. He found these gentlemen to be men of exceptional ability and imbued with the spirit of national progress. They discussed with frankness the relations of their respective countries with the other South American Republics and with European countries, expressing the highest respect for Great Britain and appreciation of the aid its capitalists have given to the development of the resources of these Republics, and evinced a strong desire for closer trade and industrial relations.

The courtesy displayed by all government officials, from the President and ministers to the chiefs of departments and bureaux, in according facilities for enquiry and in furnishing data relating to their countries is but inadequately recognised by this expression of appreciation and gratitude. No amount of trouble seemed too great for these gentlemen to meet the repeated demands for information which was supplied with a surprising promptness and a thoroughness which was altogether admirable. The Director-General of the Pan-American Union, the Honourable John Barrett, and Mr. Francisco J. Yánes, the Assistant Director, have also been extremely helpful, supplying their bulletins and reports, which are by far the most trustworthy official publications obtainable on the progress of the American Republics. This organisation is devoted to the

development and advancement of commerce, friendly intercourse and good understanding among these nations. Each country contributes its quota to the work and has a representation in the management. The Union is handsomely housed in a building at Washington, D.C., dedicated to the uses and purposes of the Pan-American Union, which cost £200,000, the sum having been contributed by Mr. Carnegie and the several governments interested. The author has found the Pan-American Union international in the broadest sense of the word and its Director, Mr. Barrett, is keenly alive to the important part Great Britain has taken in the progress of the Latin American countries. The facts thus ascertained will, it is hoped, be of value to the British public generally and may perhaps give the encouragement of appreciative friendship to the countries under discussion.

Except in the chapter entitled "Early History," which treats of Latin America as a whole, the present volume deals exclusively with South America, while the Central American Republics have been reserved for a future series. The Republic of Panamá, on account of its close relations with the United States, will form one of the volumes in the Central American series, but a chapter on the Panamá Canal has been inserted in the present issue, partly because of its vast importance to the west coast of South America, and partly because the author has recently returned from an inspection of this, "the greatest Engineer-

ing feat ever undertaken," and one which is now well on its way to satisfactory completion.

In undertaking the preparation of these books, and in securing the co-operation of the publishers in issuing them at a popular price and in a convenient form, the author has kept before him the urgent consideration of the interests of British trade. Is it commonly realized that every year British capitalists receive thirty million golden sovereigns from their investments in the ten South American Republics which form the subject of this introductory volume? There must be hundreds of thousands of people within the United Kingdom whose incomes are more or less derived from dividends on the stocks, shares and bonds of these nations or of their provinces, cities, railways, banks, or other enterprises. Besides this, the United Kingdom can claim nearly one third of the £323,000,000 of the trade of the ten Republics, whilst Germany and the United States combined hold another third, and the other countries of the world compete for the remainder.

British interests are paramount in South America, while the interests of the United States predominate in Central America, though both nations participate more or less in the trade of all the Latin-American countries. True, the British investor was the pioneer in this part of the world, and his courage and confidence, together with his business ability, have prepared the way for others to follow, and, in recent years, to reap where he has sown. The field which was once undisputed

has been challenged ; Germany, the United States, France, and Italy are successfully competing in all these markets for a share of the business. At the time being, Great Britain may still be said to lead, but, relatively, her competitors are rapidly gaining on her.

With such a stake as has been indicated, it is believed that the British public will welcome a few facts about Latin America, with its population of seventy millions, its tremendous capacities for producing food-stuffs and raw material, and its increasing importance as a purchaser of highly manufactured products. How many even of those who derive their incomes from these countries realize the fact that in ten years the trade of Latin America has increased nearly £250,000,000, and that its annual commerce is now valued at £425,000,000?

The best guarantee for the continuance of friendly relations and of peaceful intercourse between nations is the security of investments and the development of commerce. These conditions have brought about the cordial relationship between the United States and Great Britain, which has received such striking demonstration in the speeches of President Taft and Sir Edward Grey, and more recently by those of Mr. Asquith and Mr. Balfour, whose support of the extension of the principle of International Arbitration has brought the prospect of peace so much nearer realization.

R. P. P.

CONTENTS

	PAGE
PREFACE	V
CHAP.	
I. EARLY HISTORY	I
II. THE REPUBLICS	24
III. ECONOMIC AND INDUSTRIAL PROGRESS	55
IV. PANAMÁ	92
V. THE ARGENTINE REPUBLIC	111
VI. BOLIVIA	138
VII. BRAZIL	156
VIII. CHILE	183
IX. COLOMBIA	205
X. ECUADOR	219
XI. PARAGUAY	231
XII. PERÚ	245
XIII. URUGUAY	262
XIV. VENEZUELA	276
INDEX	289

THE TEN REPUBLICS

CHAPTER I

EARLY HISTORY

THE American Continent and the Islands geographically dependent upon it are divisible into what, for the want of more precise terms, may be distinguished as Anglo-Saxon and Latin America. It is the latter which forms the subject of this chapter.

For practical purposes the history of America begins in 1492, when Christopher Columbus sighted Watling Island in the Bahamas. It is true that the world he then discovered was inhabited, but the origins of the native races are too obscure to be dwelt on here. One thing is certain; to have succumbed to the handful of invaders who won America for the King of Spain, the aborigines must have been lacking in the qualities which make a people long-lived and influential. For the most part they were savages, of so low a type that the vast American continent could support

but few of them. Two nations, however, must be excepted from this condemnation—the Incas of Peru and the Aztecs of Mexico. The latter, who were the race conquered by Cortes, may have owed their arts to some tribe which they had dispossessed of its territory, for the ferocity of their customs was strangely at variance with much of their civilization. They could weave and work metals, they were masters of a system of pictorial writing, and, above all, they were great builders. The Incas, too, were highly skilled as masons and as metal workers; they were an agricultural people who understood the value of irrigation and of good roads, and they were the inventors of a highly centralized form of government.

In the middle of the fifteenth century the merchants of Europe were disturbed by the capture of Constantinople by the Turks, who soon asserted their authority over the Eastern end of the Mediterranean. It became advisable to find another route to Asia. The Portuguese made their way thither by rounding the Cape of Good Hope, but Christopher Columbus was convinced that he could achieve the same object by crossing the Atlantic. His precise grounds for this belief are uncertain. Ptolemy the Geographer was still an authority; in his works the Eastern trend of Asia was overestimated, and when the countries described by Marco Polo had to be placed still further to the East, it became credible that—if the earth was round—the shortest way to their Eastern

shore lay to the West. To confirm this belief there were legends of Norsemen who had reached Vinland, that is Rhode Island, by way of Iceland and Greenland; and what was more convincing, from time to time, strange timbers, uncouthly fashioned, were cast up by the sea after westerly gales. Columbus spent many years in obtaining the patronage he needed for his design, and, finally, in 1492, he set out under the auspices of Ferdinand and Isabella upon the voyage which made him famous.

It was not until 1498 that Columbus discovered the mainland. On his third voyage his ship ran into the discoloured waters of the Orinoco, and he inferred that no island-bred river could thus have held its own with the Atlantic Ocean. From the natives of Central America were gleaned rumours of rich and mighty peoples to the North and South. Coasting voyages resulted in the capture of sufficient booty to whet the appetite of the adventurers. Then came the finding of Yucatan and clearer accounts of an unknown civilization. Thereupon in 1518, Velasquez, the Governor of Cuba, commissioned Fernando Cortes to undertake a further expedition of discovery, and put him in charge of about four hundred Europeans, some guns, and a few horses. Cortes founded Vera Cruz a little to the north of the peninsula of Yucatan, defeated the Indians of Tlaxcala, made them his allies, and then, with their assistance, overthrew the powerful Aztec Empire, which, from its stronghold in

Mexico, had established a pitiless mastery over the surrounding peoples.

The triumph of Cortes is thus summed up by Prescott :—

“ Whatever may be the thought of the Conquest in a moral view, regarded as a military achievement it must fill us with astonishment. That a handful of adventurers, indifferently armed and equipped, should have landed on the shores of a powerful empire inhabited by a fierce and warlike race, and, in defiance of the reiterated prohibitions of its sovereign, have forced their way into the interior: that they should have done this without knowledge of the language or of the land, without chart or compass to guide them, without any idea of the difficulties they were to encounter, totally uncertain whether the next step might bring them on a hostile nation or on a desert, feeling their way along in the dark, as it were: that, though nearly overwhelmed in their first encounter with the inhabitants, they should have still pressed on to the capital of the empire and, having reached it, thrown themselves unhesitatingly into the midst of their enemies; that, so far from being daunted by the extraordinary spectacle there exhibited of power and civilization, they should have been but the more confirmed in their original design; that they should have seized the monarch, have executed his ministers before the eyes of his subjects, and, when driven forth with ruin from the gates, have gathered their scattered wreck together, and, after a system of operations pursued with consummate policy and daring, have succeeded in overturning the capital and establishing their sway over the country: that all this

should have been so effected by a mere handful of indigent adventurers, is a fact little short of miraculous—too startling for the probabilities demanded by fiction, and without a parallel in the pages of history.”

It has been stated that rumour placed a mighty empire to the South as well as to the North of Panamá. Three adventurers, Francisco Pizarro, Almagro and Luque, met together on the Isthmus and formed a project to seek for it. The first attempt failed, but Pizarro, the leader of the expedition, pushed on down the West Coast and returned with sufficient evidence of the riches hidden in the mountains to obtain official support from Spain.

But for the Conquest of Mexico, Pizarro's exploit would be unique. He captured the South American continent with two hundred men! It is true that he found Perú in the throes of a civil war, that he was thus enabled to establish himself in the country undisturbed, and that his first great success was brought about by treachery, but when all allowances are made, he, like Cortes, achieved the incredible. He commenced by ingratiating himself with Atahualpa, whom the civil war had placed at the head of the Empire of the Incas. This done, he enticed him into his power and compelled him to issue orders for the collection of a ransom. The Peruvians, who regarded Atahualpa as a God, provided the huge sum that was demanded, and thus enabled Pizarro to attract reinforcements to his standard.

Atahualpa was then judicially murdered, and after one or two checks the Spaniards made his kingdom their own.

The invaders of Perú met with no such resistance as that encountered by Cortes in Mexico. What fighting there was—and it was ferocious enough—was the outcome of their own disputes. One by one the leaders went down to some tragic doom.

But while they were not quarrelling among themselves, they were exploring the huge continent of which they had taken possession. Almagro, the comrade and enemy of Pizarro, pushed his way south into Chile; Orellana, who accompanied Gonzalo Pizarro on his famous journey to the east, brought a boat's crew safely to the mouth of the Amazon, and in the north the new kingdom of Granada was established by Gonzalo Jiménez de Quesada. These expeditions all issued from Perú, the mother colony, a fact which should be borne in mind in connection with South American boundary disputes; what Perú has not specifically given away is presumably still hers. But it was not only from Perú that explorations were conducted: colonizing parties were sent out from Spain direct to the eastern seaboard, and settlements were established in what is now Venezuela and Argentina. In the meantime, as the result of a partition which is referred to later, the Portuguese had taken possession of Brazil. That country was formed into hereditary captaincies and obediently followed the fortunes of Portugal until the feudal

institutions of Europe were overthrown by Napoleon. The rest of America, up to and even beyond the tropic of Cancer, belonged to the King of Spain for some three hundred years after the sailing of Columbus.

The Peruvian invasion, like the French Revolution, consumed its own children ; but by 1550 the able administration of Pedro de la Gasca introduced order into the conquered territories. At the outset Spain divided her possessions into the Viceroyalty of Mexico and the Viceroyalty of Perú. Subsequently a less highly centralized administration was thought desirable, and thus New Granada and Argentina each became a Viceroyalty, the former in 1740 and the latter in 1766. Moreover, at one time or another large territories were placed under "captains general"—officers practically independent of any control other than that of Spain.

The mother-country seems to have been genuinely anxious to make Christians of her native subjects and to preserve them from harsh treatment. In the latter object she may not have been successful, for many of the tribes died off when reduced to serfdom. However, those who survived coalesced with the Spanish colonists, and in some cases with the negroes imported as slaves from Africa, and have formed a race which bids fair to preserve Spanish traditions for many generations. But whatever her solicitude for the persons of her colonists, Spain had little for their pockets; the commercial regulations which she saw fit to

enforce were ill conceived from all points of view. She treated South America as a milch cow, but restricted her yield by denying her proper nourishment. Trade was to be confined to Spanish bottoms—a challenge taken up by Drake and Hawkins and the buccaneers of all countries. Moreover, the Spanish officials who were sent out to govern the colonies were greedy, lethargic and corrupt—at any rate until the end of the eighteenth century, when many reforms were introduced.

But the Indian is a stoic and the Spaniard a fatalist; the colonists preserved their loyalty, a loyalty tempered by smuggling. Thus two British expeditions which were sent to the Plate during the Napoleonic wars ended in disaster. But when Ferdinand VII was compelled to renounce the throne of Spain in favour of Joseph Buonaparte a new situation arose. There was no longer any authority behind the decrees of Ferdinand's officials, many of whom were unpopular, and the colonies would have none of Joseph.

Imbued with the doctrines of the French Revolution, excited by the breaking away of England's North American possessions, and conscious of their own grievances, they rose in revolt, and the restoration of Ferdinand did not tempt them back to their allegiance. Their independence had to be bought with blood, and fighting went on in all the Spanish dominions. It was not until 1824 that the victory of the insurgents at Ayacucho

put an end to the power of Spain in South America.

For their liberty the colonists had to thank their generals, San Martín and Bolívar, and in a lesser degree Great Britain and the United States. The former nation recognized their independence, fearing that the re-establishment of Spanish supremacy would mean the end of her trade; the latter promulgated the Monroe doctrine, and thus Europe found herself "warned off" South America.

It is impossible in a short introduction to give any but the most summary account of the large group of Islands known as the West Indies, a name which recalls the belief of their discoverer Columbus that he had reached India by sailing westward. The Spaniards at once occupied their new territories and turned their attention to mining operations for which they exacted forced labour from the aborigines. The natives perished under the demands made upon them, and were replaced by negro slaves. The Spaniards were not left in such undisturbed possession of the islands as of the mainland. Much of the latter, being poor in mineral riches, was abandoned by their first conquerors to be seized later by the English, the French and the Dutch.

When Spain was at war, it was first of all in European waters that her merchantmen were attacked by her enemies. With the accession of Charles V, such tactics became too dangerous,

for Spain could count on the ships of Italy, Holland, and Germany. The privateers, at first mostly French, were thus driven further and further away until they sought out sheltered careening stations in the deserted Antilles whence they made their raids. When the Dutch quarrelled with Philip II they profited by the knowledge gained in his service to do likewise.

From attacking ships it was but a short transition to raiding the coast towns, and this course especially recommended itself to men like Hawkins and Drake, while Raleigh went a step further by making settlements on the coast of Guiana.

All this time the Spaniards had kept the trade with South America as far as possible to themselves, and there was money to be made in contraband. The English and French used to send out convicts to their settlements in the Antilles, and thus provided recruits for the bands of smugglers who had established themselves in secret places in the Archipelago. In this way were formed the organized communities of buccaneers who preyed upon the trade of the Spanish Main. Their passionate hatred of Spain raised them above the level of the pirate, and one of their exploits, the march of Morgan to Panamá, will always be remembered as a feat of arms.

England was occupied with war at home; the Spanish colonies, chafing at the commercial restrictions imposed by the mother-country, welcomed smuggled goods, and the enemies of

Spain were not above making use of the buccaneers, who, in their turn, showed discretion in their depredations and thus survived for many years. It was not until the middle of the seventeenth century, when Cromwell captured Jamaica, that Spain recognized the possessions of other nations in the West Indies.

Cortes' work had been done thoroughly. Macaulay's line, "the richest spoils of Mexico," was not a mere phrase: for nearly three centuries Mexico was the most remunerative possession of the King of Spain, and it was not until 1810 that the smouldering discontent with Spanish rule broke into flame. After some ten years of fighting independence was achieved.

For the next half century the history of Mexico is a chronicle of battle, murder, and sudden death, for her people showed no capacity for self-government. In addition to internal dissensions she twice involved herself with foreign Powers. First of all, she quarrelled with the United States over the western boundary of Texas—originally a province of hers, subsequently independent and finally annexed to her northern neighbour.

The war that ensued cost Mexico New Mexico and California. Peace was signed in 1849, but disorders did not cease. The rival factions continued to fight; foreigners were ill-used, and finally a law was passed suspending the payment of the interest on debts incurred abroad. France, Spain, and England thereupon landed troops;

the two last-named Powers allowed themselves to be pacified after this demonstration, but France took advantage of the struggle between the North and the South in the United States to declare war against the government of President Juarez with a view to asserting French influence in Mexico. Under her auspices Maximilian of Austria became Emperor, and he was maintained in power by their bayonets. In 1867 the United States compelled France to withdraw her troops, and the Mexicans promptly executed Maximilian. Then came more disturbances, but in 1876 Porfirio Diaz was elected to the Presidency, an office he still holds, and his able administration has secured for Mexico the confidence of foreign Powers and, until this year, the internal tranquillity of which she was in great need.

South of Mexico lie the five Central American Republics—Guatemala, Honduras, San Salvador, Nicaragua, and Costa Rica. Their history is very similar to that of their northern neighbour; like her they had to submit to three hundred years of Spanish domination, and like her they found that freedom did not mean tranquillity. In the course of the last century they have carried on war with one another in addition to being rent by civil upheaval. Many attempts have been made to combine the five States into a Central American Federation, but hitherto no success has been achieved.

At one period the five States were so far in

agreement that they combined to abolish slavery and to summon the Panamá Congress, which aimed at the federation of all the Republics of America. This promising union was dissolved in 1838, because the pretensions of Guatemala were offensive to the other States. She did not renounce them, however, and in 1876 her President, Barrios, perished in battle in trying to establish a federation by force of arms. Another attempt in 1898 met with little better success.

In 1907, the Presidents of San Salvador, Nicaragua, and Honduras held a conference and settled their differences, and a little later in the same year the representatives of the five Central American States met in Washington and agreed to submit their disputes to a Court of Arbitration, the judges of which were to be appointed by the Congress of each country. The decisions of the Court were to be binding on all parties, and it was given the right "to fix the *status quo* to be maintained from the moment the case was submitted."

At the same time the representatives signed treaties, dealing among other subjects with tariffs, communications, and extradition. The conference should result in the introduction of some uniformity into the constitutions of the five States, for the problems that confront them are often identical; if expectations are realized, federation should follow.

Between Guatemala and the Caribbean Sea lies

British Honduras, one of several irregularly acquired possessions of the British Empire. One would imagine that this non-Latin territory must be a convenient refuge for its bellicose neighbours in time of trouble.

The Isthmus of Panamá is situated at the extreme South of Central America. Its peculiar character was soon discovered by the Spaniards, and in 1513 Nuñez de Balboa crossed it to the Pacific Ocean. Panamá was incorporated into the Viceroyalty of New Granada at its creation in 1718, and a century later it gained its freedom as part of the Republic of Colombia.

After vicissitudes too numerous to be recounted here, the district of Panamá separated itself from Colombia and used its independence to cede "the Canal Zone" to the United States. That Power at once set about constructing a canal across the Isthmus. Some such project was proposed as far back as the time of Philip II, but he was opposed to it, and the great attempt of de Lesseps failed under circumstances not yet forgotten. The opening of the canal, as will be shown in a subsequent chapter, may now soon be expected.

Colombia, the State from which Panamá seceded, has had a chequered career. The name was given in 1819 to a republic made up of New Granada, Venezuela, and Ecuador, and in 1861 it was revived in favour of the first of these, for the coalition only lasted a few years. A region so cut up by mountains did not lend itself to a centralized

form of government, and the spirit of union among the inhabitants was not sufficiently developed to triumph over natural difficulties. Left to herself, Colombia has been torn by every form of dissension during the last eighty years, with disastrous consequences to her credit. X

In 1903 she was allowed an opportunity of putting her finances on a sound footing, but lost it by not accepting at once the pecuniary compensation offered by the United States for the cession of the Canal Zone at Panamá. Her haggling cost her dear, for the district concerned revolted, proclaimed its independence and secured for itself the advantages of the sale. Colombia would have asserted her authority over the rebels, but was prevented by the United States on the ground that a civil war would have closed the Isthmus which the United States had undertaken to keep open.

Ecuador separated from Colombia in 1830 as related above. From that time to the present she has been chiefly occupied with internal troubles, and such occurrences as have drawn upon her the attention of the outside world have not redounded to her credit. Indeed, hitherto, Ecuador has not shown herself greatly concerned for her reputation: in 1905 Japan wished to acquire from Chile the warship "Esmeralda." Chile could not sell the vessel direct, for it was obvious that it was to be used against China; it was accordingly made over to Ecuador, who in the rôle of man-of-straw trans- X

ferred it to Japan. Latterly, as will be remembered, Ecuador, having submitted to the King of Spain a boundary dispute with Perú, made difficulties about accepting the award, with the result that the question still remains undecided.

The history of Venezuela, the third member of Bolívar's Colombia, is as tempestuous as that of her former associates. Indeed in Cipriano Castro she produced a President of the type that figures on the musical-comedy stage, to the indignation of the more settled republics. He showed no sense of responsibility with regard to financial concessions or to international obligations, and even disregarded the cardinal rule of playing off the Great Powers against one another.

Thus, his term of office, which terminated in 1908, when he was recommended to go to Europe for "a surgical operation," was one of anxiety for diplomatists, who could only resent affronts at the risk of becoming involved over the Monroe doctrine.

By invoking the assistance of the United States in this fashion, Venezuela created serious difficulties in 1905 between that country and Great Britain over the boundary line with British Guiana. The controversy was eventually settled by arbitration.

Mention has been made above of the manner in which foreign nations encroached upon the Spanish colonial possessions. In the first half of the seventeenth century trading settlements were founded

in Guiana by the English, the French, and the Dutch, all of whom have retained their footing on the continent to the present day.

Bolivia proclaimed her independence in 1825. Since that date she has had to suffer from much internal disturbance, but her most serious misfortune was the war of 1879-83, in which she and her ally Perú were defeated by Chile. It resulted in the loss of her valuable coast territory, and it is now the object of her diplomatists once more to obtain access to the sea. The war came about when Bolivia realized that her seemingly worthless province of Atacama was rich in soda and saltpetre, for her attempt to impose heavy taxes on the industries established there by Chile soon led to hostilities in which Perú, similarly situated as regards Tarapacá, also became involved.

The history of Perú is similar to that of Bolivia. The war with Chile proved disastrous; it deprived her of Tarapacá and left a legacy of trouble in connection with Arica and Tacna. When peace was concluded these provinces were occupied by Chile, on the understanding that after ten years they would be restored to Perú in return for a million pounds, if the inhabitants so desired. Unfortunately, the treaty did not specify the exact method by which the desire was to be expressed, and the relations between Perú and Chile are complicated at the present time by the controversy which has resulted. In common with her sister States Chile has had her commotions, but

her people have infused into the petulant and unscrupulous methods of their continent an energy and a concentration of purpose which is their own. Thus she had made her preparations for the war referred to above, and she can face the present complications without misgiving.

The most serious calamities that have befallen Chile in recent years have been the revolutions of 1891, which terminated in the suicide of President Balmaceda, and the earthquake of 1906, which destroyed Valparaíso. On the other side of the account may be set the peaceful settlement of disputes with Argentina and Bolivia, and the tunnelling of the Andes.

The history of Argentina is peculiarly interesting to the British reader, partly because of the large amount of British capital invested in the country and partly because of the military expeditions sent against Buenos Aires by the British Government at the beginning of the nineteenth century. At that time Spain, as the ally of France, was the enemy of Great Britain, who reckoned that an invading force could count on the support of the discontented colonists. This supposition proved groundless: however dissatisfied the Argentines might have been with the suzerainty of Spain, they were disinclined to exchange it for that of any other country, and the attempts of General William Beresford and General Whitelock both ended in complete failure. The next few years were taken up

with the struggle for independence, and when that had been achieved Argentina was torn by internal dissensions, one party desiring central, and the other local, government. In the meantime a war against Brazil, which had seized the "Banda Oriental," was brought to a so far successful issue that the two combatants agreed to recognize the disputed territory as independent under the name of Uruguay. The most remarkable man produced by Argentina in the second quarter of the nineteenth century was Rosas, the Gaucho President; for twenty years those who opposed his despotic rule fell victims to his ruthless energy, and it was not until 1852 that he was defeated in battle and fled to England. His name is connected with the long siege of Montevideo, which eventually resulted in the intervention of England and France.

The disappearance of Rosas did not produce peace; the civil disturbances continued, and, in 1865, Lopez, the Dictator of Paraguay, forced Argentina into a long war, which only terminated with his death.

Great as is the natural wealth of Argentina, this war, followed, after an interval of good government, by the reckless and corrupt Celman Administration, sufficed to produce financial troubles which caused heavy losses in England.

During the last few years greater tranquillity has prevailed; an active railway policy has been pursued, the resources of the country have been

developed, and boundary questions with Brazil and Chile have been referred to arbitration. The improved condition of affairs is largely due to the firmness and capacity of General Roca, the ex-President. The independence of Uruguay, as has been stated, was recognized in 1828 by Brazil and Argentina, but for some years there continued to be a party favouring incorporation with the latter country. This party received assistance from President Rosas, whose enemies escaped from him by crossing into Uruguay. In the resulting struggle Montevideo sustained a siege for nine years, finally avoiding capture. In 1865 Uruguay allied herself with Brazil and Argentina against Paraguay; but her attention has been chiefly absorbed in domestic troubles.

No account of Paraguay would be complete without some reference to the Jesuit missions, which were singularly successful in their relations with the Indians. In the seventeenth century much authority was placed in the hands of the Jesuits; but in 1768 they were expelled and the people soon relapsed into barbarism when subjected to the ordinary Spanish officials. In 1814 Paraguay became independent under Dr. Francia, a beneficent despot, who ruled the country firmly and encouraged agriculture and industry. But her prosperity ceased under the presidency of Francisco Lopez. His arrogance involved him in war with the allied Powers of Argentina, Brazil, and Uruguay; he prosecuted the struggle with

an obstinacy that amounted to heroism, and before he was killed in 1870 four-fifths of the population had disappeared.

Since that period the career of Paraguay has resembled that of the neighbouring states.

Thus it would appear that the history of the Spanish-American republics since they declared their independence is a series of disturbances. The quarrels were partly racial, arising from the mutual antagonism of the whites and the men of colour, and partly political, one faction favouring a centralized, the other a decentralized, form of government. The animosity thus engendered was exploited by unscrupulous demagogues to win power and wealth for their friends and themselves. Shameless though their tyranny and corruption appear to the old civilization of Europe, South America accepted them without surprise. For centuries she had been at the mercy of Spanish governors, and she did not expect her masters to change their ways for being elected instead of appointed. Moreover, her people were not educated enough to adjust themselves to the complicated democratic institutions which they had imported from the Anglo-Saxon communities in the North. The newly established republics usually imitated the constitution of the United States with its allocation of authority partly to a central government and partly to the Federated States, and the division produced discord instead of union.

Brazil, by remaining a monarchy, long escaped

the troubles of its neighbours. Supreme authority, being reserved for those entitled to it by heredity, was a prize to which no politicians could pretend, and thus, during the early days of the independence of Brazil, the political upheavals, serious though they were, had less violent consequences than elsewhere in South America. In 1808 the French expelled Dom João VI from his kingdom of Portugal; he retired to Brazil, and the liberal policy which he initiated with regard to commerce, education and administration contributed greatly to the progress of the country. When the Napoleonic wars came to an end Dom João VI returned to Portugal, leaving his son Dom Pedro as Viceroy. But the Brazilians, surrounded by republicans, resented all attempts of Portugal to reassert her old authority, and the unpopularity of the mother country became so great, that in 1822 Dom Pedro found it expedient to proclaim the independence of Brazil, of which he was soon afterwards crowned Emperor. Nevertheless, being still regarded by the liberals as subject to Portuguese influence, he had much internal opposition to contend against, and an unsuccessful war with Argentina did not add to his popularity. In 1831 he resigned in favour of his eldest son, Dom Pedro V, a child of five, and withdrew to Portugal. The new Emperor maintained his position until 1889 and was then deposed by the republican party and deported. This fate overtook him not because he was personally unpopular, but because the conspirators

anticipated less difficulty with a ruler so unsuspecting than with the Princess Isabella, who was to have succeeded him—a lady whose clerical leanings had been energetically manifested at a period when she acted as Regent. During this reign Brazil had to assert herself by force of arms against Argentina and also against Paraguay. She emerged from both struggles with credit, but the latter cost her sums of money which she could ill afford. The financial troubles were accentuated by the abdication of the Emperor, for many officials of experience and reputation followed him into retirement. The Republican Government which was now formed showed itself corrupt and incapable, and a naval revolt in 1893 added to the confusion. There followed a period of financial chaos, fortunately of short duration. At the present time the administration is in capable hands and the share-lists show that Brazilians' securities are popular with the investor. But in her short independent history Brazil has done more than recover from monetary difficulties. Without bloodshed she has made herself into a republic; without bloodshed she has abolished slavery; and yet another triumph of peaceful character has been gained by her men of science, for yellow fever, which used to ravage Rio de Janeiro, has now practically been banished from it.

CHAPTER II

THE REPUBLICS

THE political history of South America is difficult to understand without a map, but a glance at a terrestrial globe makes many things clear—for instance, the occupation of Brazil by the Portuguese. The statement that they discovered it while endeavouring to round the Cape of Good Hope ceases to be incredible when it is seen how close the Brazilian coast is to Africa, and its eastward trend has a further significance when it is remembered that, at the period of the discoveries, Spain and Portugal—wishing to avoid disputes—each agreed to leave to the other the new countries on one side of a north and south line of demarcation. This line was decided upon before the position of Brazil was appreciated, and Portugal, to whom the East was allotted, profited by the error to the extent of half a continent—a result little foreseen by the Spaniards when the terms were drawn up.

The black line of the Andes next attracts attention. They extend northward from Cape Horn up the whole of the West Coast, and they have moulded history both by forming a barrier



between one side of the continent and the other, and by giving rise to great rivers which affected the character of the aborigines. The river men ate fish and were content to remain savage, but the mountain men had to till the soil or die. The latter found it necessary to bring water to their crops and to transport them—hence irrigation works and roads and pack animals.

And so it came about that it was in the mountains that the civilization of the continent had its home. Their influence did not diminish with the conquest. In them were found the precious metals which excited the cupidity of the Spaniards, and in the desert on their seaward side—shut off by their bulk from the wet east winds—were formed the nitrate beds for which Chile and Perú fought for three years. Such was the strategic value of the mountain in the War of Independence that San Martín had first to capture Chile before attacking the Spaniards in their stronghold in Perú. To his brother-in-arms, Bolívar, they personified success and failure. Success, when he urged his tattered rebels across their trackless glaciers; failure, when, in his contempt for the difficulties of communication, he thought to form into one State all that now belongs to Venezuela, Colombia and Ecuador. And just as the Andes broke up the great republic dreamed of by Bolívar, so they cut off Brazil and Argentina from the Pacific.

The map shows that Bolivia and Paraguay are

even more unfortunate ; they are hemmed in on all sides, and their products can only reach the ocean after paying toll to their neighbours ; their geographical position prepares one for finding that their commercial development has been stunted.

The eye follows the commanding coast-line of Brazil until it is arrested by the small State of Uruguay, finely situated at the mouth of the Plate and dominating the natural outlet of Brazil's great rival Argentina. The student versed in the ways of great Powers asks himself how the two giants came to leave this pigmy in occupation of so much that is desirable, and he learns without surprise that the independence of Uruguay resulted from the disinclination of Brazil and Argentina to see the other in possession of the "Banda Oriental."

On the Western side is Chile with a coast-line three thousand miles long, and but little inland territory. Thus placed she should breed sailors, and, sure enough, her success against Perú was largely due to her command of the sea. But in the American continent the principal geographical factor is the thick neck of land at Panamá. The map explains the zest and conviction with which the discoverers sought for a passage to the Pacific ; with their own eyes from the tree-tops of Darien they had seen its waves breaking on the further shore of the narrow isthmus, which has been the barrier that has separated two oceans and is to become the link between them. The commercial

development of the Western States has long been hindered by the difficulty of communicating with the Eastern coast or with Europe ; but with the making of the Panamá Canal their progress should be rapid.

Such are the chief geographical features of the South American Continent. Just as they have influenced the relations of the different peoples to one another, so they have modified the institution of each particular republic. In the first place—as is obvious—the form of government appropriate to a small State is inapplicable to one of great area. In an independent city of ancient Greece the inhabitants might well assemble in the market-place and there elect their magistrates ; but such procedure would be unsuitable in the United States owing to the distances to be traversed—and in a country where the communications were less well organized the objections would be still more forcible.

The difficulties arising from the centralization of power were recognized even by the conservative Spaniards, who in the eighteenth century saw themselves obliged to break up the huge vice-royalty of Perú. Even then, nothing in the nature of “home rule” was attempted. Thus, when the time came for the independent nations to choose their own constitutions, almost their whole political heritage was the habitude of central government and the knowledge of its defects. These centrifugal and centripetal influences must have

cancelled one another, for the new constitutions show no overwhelming bias to one direction or the other. Those who framed them seem to have approached their task without prejudice.

Colombia, Paraguay, Uruguay, Chile, Perú, Bolivia, and Ecuador have each a centralized government; Argentina, Brazil and Venezuela are each a "union of sovereign states, according an autonomy to the various provinces while reserving limited powers to the central authority."

In examining the institutions of the ten republics into which South America is divided, there remains to be noticed one other potent factor which may perhaps be classed as geographical—the influence and example of the United States of North America, whose organization has supplied to her Southern neighbour the pattern for her great industry of constitution-making. Thus, there is a family likeness in the systems adopted, all of which—in theory, at any rate—are purely democratic. Privileges founded on birth or blood are not recognized; sovereign power emanates from the people, and is exercised by the delegates of its choice.

The three functions of government, the legislative, the executive and the judicial, are entrusted to separate and independent bodies. In each case the legislative power is vested in two chambers; the executive in a president, the judicial in a supreme court authorized to suppress unconstitutional action. There are few restrictions on the

right to vote ; education is compulsory and gratuitous, and religious toleration is general. The power of the President is greater than that of the President of the United States, but in many of the republics the Ministers whom he has appointed have to submit a report of their administration to Congress, while his own orders are invalid unless countersigned by the Minister of the department concerned. The States have different customs : in Brazil, Ministers communicate with Congress in writing only ; in Colombia, they may introduce bills in person into either House. For administrative purposes the republics are divided into provinces, districts, and municipalities, the heads of departments being appointed by the President : in some cases an elected council advises a nominated chairman. The constitutions of the decentralized republics differ from the rest in reserving larger powers to the provinces composing the State ; with the former it is only under certain conditions that the national government is entitled to interfere in local matters.

Protection is the rule in South America, but an analysis of the different tariffs does not reveal any general law regulating the customs duties. In most cases imports are divided into classes in what seems an arbitrary manner, and the duty takes the form of a percentage *ad valorem* which varies with the class. There are many classes : necessities are lightly taxed, and there may even be

a free list for such things as railway material ; on the other hand, at the higher end of the scale the duties are prohibitive. Argentina, for instance, imposes a heavy tax on leather goods—no doubt because she possesses the raw material for building up a leather industry.

But this is not the place for giving a complete account of the ten republics of South America ; those who desire details must consult works dealing with the part of the continent in which they are interested. All that can be attempted here is to furnish a summary of the characteristics which are common to the different countries and of the peculiarities—if any—which distinguish them from their neighbours.

Reference has already been made to the question of centralization about which so much blood has been spilt in South America, and it has been shown that some of the States have taken one view of the subject and some another. In other respects their progress since their independence has been as uniform as was to have been expected from the similarity of their origin. Let us picture an imaginary State—Andeana—and confer upon it the typical institutions and history of a South American republic. Its territory is immense, many times larger than that of England ; on one side it is bounded by mountains rich in gold, silver and other precious metals ; among the snows of the heights rise huge rivers that make their way to the ocean through forests of valuable trees and across

plains furnishing pasture to thousands of sheep and cattle ; the waterways are navigable for many miles and convey to the sea the produce of a vast agricultural area which they can be made to irrigate. Here then is a most desirable country ; with good government its prosperity must be exuberant. We find that Andeana used to be inhabited by a sprinkling of Indian tribes ; that they were conquered by Europeans from the Iberian peninsula at the beginning of the sixteenth century ; that victors and vanquished combined to produce a new race into which entered an admixture of negro blood derived from the slaves imported from Africa ; that the nation thus formed was exploited by its masters beyond the sea who restricted its intellectual and industrial development in order that their regulations might be accepted without demur and their manufactures without competition ; and that about a hundred years ago it revolted against its masters and proclaimed its independence.

The freedom of Andeana had to be purchased by hard fighting which left in positions of authority not only generals who were skilled in war rather than in statesmanship, but also those self-seeking politicians who are thrown to the top like scum whenever a community is disturbed by a revolution. When the time comes to replace the institutions that have been overthrown, there is no further scope for the destructive faculty which brought the last class to the front, and if they possess no other

qualifications for leadership their country is little the better for the change of government. Such was the case with Andeana. For forty years unprincipled place-hunters fought for the spoils of office ; civil war went on almost without cessation, and yet, in spite of this practical training in the use of arms, the country emerged with little credit from the foreign complications in which she was involved by the arrogance and inexperience of her rulers. Moreover, she was continually engaged in boundary disputes with her neighbours. Boundaries had been of small importance in the colonial days ; they divided into administration-units the possessions of the same master, and they were liable to be altered at a stroke of the pen when it pleased him to create a new vice-royalty. The lines of demarcation often passed through unexplored districts, and were not always to be reconciled with the physical conformation of the land. Here was a fruitful source of trouble, for Andeana considered her honour bound up in claiming the most favourable interpretation of every document bearing upon the subject, and her sister nations adopted precisely the same view.

In order that her coast towns might not be bombarded, Andeana had therefore to spend her scanty income in purchasing warships abroad. But this was not the only way in which the national resources were depleted. To enrich indispensable politicians revenue had often to be raised in a manner detrimental to the ultimate

prosperity of the people. The currency depreciated; foreign bondholders were left unpaid; and heavy interest was charged for the financial assistance, without which progress could not be made with the railways essential to the development of a young country. And yet the constitution which Andeana had conferred upon herself, when she proclaimed her independence, was the most elaborate that experience could devise. Imbued after three centuries of absolutism with a hatred of monarchic rule, she had come to regard "democratic" as synonymous with "admirable"; she expected the men who had bayoneted the armed defenders of the old constitution to respect the paper safeguards of its successor. Call the leopard a president, and he would change the spots of his breed!

The new constitution was a miracle of checks and balances; the legislative, executive and judicial departments were made independent of one another. The legislature consisted of a Chamber of Senators and a Chamber of Deputies, both elected by direct popular vote. Every man who could read or write and enjoyed a fixed independent income acquired the suffrage on attaining the age of twenty-five, and by a provision, of which Mr. Roosevelt would have approved, the age was reduced to twenty-one in the case of married men.

The Senators—two for each department—were elected for six years, the Deputies—one for every

fifty thousand inhabitants—for four; one-third of the former and one-half of the latter retired every two years. The laws passed by this popularly chosen body were enforced by a President, himself elected by the direct vote of the people. He held office for four years, at the end of which period eight years were to pass before he was again eligible. The judges of the Supreme Court were chosen by Congress from lists submitted by the President, and were empowered to decide on the constitutional validity of the laws of the former and the actions of the latter. And in order that the elector might select his delegates wisely, education was made compulsory, gratuitous and secular. The rights of man were set forth in an eloquent preamble and then, no doubt, the constitution-makers of Andeana rested from their labours in confident anticipation of the millennium. Unfortunately, these anticipations have not been realized; in amending human nature the Republicans imbued with the doctrines of the French Revolution were neither more nor less successful than pious Queen Isabella, whose institutions they displaced.

In the first place, an ambitious social programme cannot be carried out without money, and money owing to civil disturbances was hard to obtain. Thus, though education was to be “compulsory, gratuitous and secular,” so few schools were built by the State that most of the teaching remained in the hands of the priests; seventy-five

per cent of the population were illiterate, and were unable to exercise the suffrage.

So much for the democratic basis of the constitution. But, at any rate, it will be urged, the various departments of the Government were independent of one another, their heads were elected by direct popular vote, and the will of the majority of the educated citizens was bound to prevail? In practice this was not the case. The arrangements governing the registration of electors and the holding of polls were in the hands either of officials appointed by the President or of governors who went in fear of the national army which he controlled. The members of Congress were apt to be of the President's party, and it followed that the head of a judiciary appointed by Congress was little likely to play Judge Gascoigne to his Prince Henry.

Thus, in spite of constitutional provisions, the President was as absolute in taxation, in administration and in control of the police as any Spanish viceroy. More so indeed, for the viceroy had the King of Spain above him. The political supporters of the President required large doles, and, as these could be given with little open scandal in the form of concessions, that most wasteful form of expenditure was adopted. His enemies had no legal redress, and therefore they stirred up the revolutions which have retarded the development of Andeana.

To sum up, the typical South American re-

public occupies a large, rich and scantily populated territory ; its revenue is small, and its annual balance-sheet shows a deficit ; on the other hand, its potentialities are immense, for new sources of food supply must be sought by Europe, as soon as the population of North America becomes dense enough to consume all it produces.

Of recent years the history of South America has been more cheerful reading ; with improved communication comes increased trade, wealth can thus be acquired in careers other than political : credit stands fairly high ; quarrels are often settled by arbitration ; there is ground for hoping that the period of civil troubles is at an end.

If so, the States of South America will have suffered less severely than those of Europe from maladies of infancy. All the former are republics, but certain dissimilarities call for notice.

Brazil, for instance, is marked out from the Spanish countries around her by being Portuguese in origin. She was colonized upon a somewhat different principle. The country was divided up by John III into hereditary captaincies which were to a great extent self-governing. Instinctively, therefore, Brazil adopted a federal constitution ; indeed, no other would be suitable to a country sixty-four times the size of England. "Each of the old provinces forms a State administered at its own expense without interference from the Federal Government save for defence, for the maintenance of order and for the execution

of Federal Laws." These States are very loosely connected together ; they have public debts of their own and regulate and appropriate their own export duties. Import duties, on the other hand, belong to the Union, which reserves to itself also the control of the currency. The central government is authorized to intervene to maintain the republican form of government in the States, but the latter are subject to few other restrictions. On the other hand, the Central Government is expressly forbidden by the Constitution to enter upon a war of conquest, a wise provision when it is remembered that the frontiers of Brazil touch those of every South American country except Ecuador and Chile, and that she has had considerable trouble with boundary disputes.

"The legislative authority is exercised by the National Congress with the sanction of the President of the Republic." Congress consists of two Houses, both elected by direct vote of the people, elaborate precautions being taken to prevent members from accepting paid offices directly or indirectly in the gift of the government.

The executive authority is vested in the President, who is elected by direct vote for four years. At the end of that term he is not immediately eligible for re-election, certain of his blood relations sharing the disqualification. While in office he exercises very wide powers, Ministers being responsible to him and not to Congress.

The Federal Judges are appointed for life.

Until 1889 the Roman Catholic religion was supported by the State. The connection was then abolished, but the exercise of religious worship has not been made subject to any artificial restriction, the attitude of the Government towards it being that of benevolent neutrality. On the other hand, civil marriage is recognized and costs nothing. Education is not compulsory, and the higher branches alone are in the province of the Federal Government.

Brazil has a large debt and finds it difficult to make her revenue balance her expenditure; but she has a ready market for her coffee and rubber, and her resources are otherwise so great that reasonable government must ensure prosperity.

Of the remaining nine States, all of which are of Spanish origin, two—Argentina and Venezuela—are federations.

Argentina is twenty-two times as large as England, and no doubt its great area made decentralization advisable. Moreover, it had been divided up into provinces in the colonial period, and the framers of the Constitution found the machinery of local government already in existence. Apart from its size, there were few difficulties in the way of unification, for the country was not divided into industrial and agricultural sections, nor was it cut up into different zones by mountain barriers. On the contrary, the river-system of the Plate gave it many common interests.

Thus, although the provinces retain all the

powers not delegated to the Federal Government, the bond between them is closer than that between the provinces of Brazil. "All the public acts and judicial decisions of one province have full legal effect and authority in all the others."

The executive power is in the hands of the President, who holds office for six years, at the end of which he is not eligible during the next term. He is chosen by specially selected delegates, as in the United States. He must be a Roman Catholic, for Argentina has officially adopted the Roman Catholic religion, and he must possess an income of at least \$2,000—provisions suggesting a conservative element in the national policy.

Justice is administered by federal courts, while each province has, in addition, a judicial system of its own. The legislative power is vested in Congress, subject to a limited veto possessed by the President. Congress consists of two Houses. The Senators are elected by the provincial legislatures; the deputies by the direct vote of the people in the ratio of one to every thirty-three thousand inhabitants. Members of Congress are paid about £1,000 a year.

As may be inferred, the cost of living is high, a circumstance largely due to the protective system and the long distance from the manufacturing centres of Europe. High duties have been enforced to help Argentine manufacturers, but in the future they may, perhaps, be confined to those products for which the country possesses the raw

materials. At any rate, the fiscal policy has had the effect of restricting the immigration so much desired by the authorities, and has excited opposition from those who hold, as a certain class once did in respect of the United States, that Argentina should concentrate her attention on the huge pastoral and agricultural industries for which Nature has adapted her.

The prosperity of the industries referred to may be said to date from 1881, when President Roca put up to auction much of the outlying public lands. Thereupon money flowed in from outside, for foreign capitalists were encouraged to assist the development of the country. Unfortunately, the investors acted precipitately, and the Argentine Government showed neither the will nor the capacity to handle the crisis which followed. The currency was prejudicially affected at the time, but the country is once again prosperous.

But if Argentina welcomes foreigners, the opposite course is adopted by Venezuela, the only "federal" state remaining to be noticed. Her exploits under Castro have been referred to already, and the same spirit is indicated in her constitution which restricts many public offices—that of members of Congress, for instance—to Venezuelans born in the republic. Countries awaiting development seldom put obstacles to the inflow of the capital of which they stand in need, and the policy of Venezuela has not brought her financial prosperity. Her soil is rich, she has

a fine position on the Caribbean Sea, and her proximity to the Panamá Canal should be of value in the future ; but at present her industries are backward, and she possesses about 540 miles of railway, though her area is eight times that of England.

The legislative authority is vested in a Congress consisting of a Chamber of Senators and a Chamber of Deputies, the former elected by the State legislatures, each of which sends two members, the latter by direct vote of the people in the proportion of one deputy to every thirty-five thousand inhabitants. The President is elected by Congress for a term of four years ; he possesses wide administrative powers which are shared to some extent by his ministers ; he may not hold his office in two consecutive terms. Judicial power is vested primarily in the Supreme Court, but the provinces have special courts of their own. The revenue is chiefly derived from the Customs House. Additional charges are levied on imports from the Antilles in the hope that the wholesale trade may be transferred to Venezuela from the bonded warehouses of islands like Trinidad (which is only seven miles from the coast). By this means a larger class of ships has been compelled to serve the coast ports. The currency of Venezuela is on a gold basis. The chief exports are coffee and cocoa.

The records of Paraguay are in some ways unlike those of the other South American republics :

owing to the absence of minerals, she attracted little attention from the Spaniards, who were glad to hand over the management of such unproductive territory to the Jesuits. She thus came to have a character of her own, and when Spain lost her hold upon her colonies she made herself independent not only of the mother country, but also of her powerful neighbours.

In area Paraguay is about twice the size of England, and her population is rather more than half a million. Under these circumstances one would expect to find a preference for a centralized form of government—the more so as there is no great diversity in the habits and pursuits of the people—and such is the case.

The administration of the country is vested in a President in accordance with the constitution of 1870, which in many particulars follows that of Argentina, especially in the legal provisions which have been adopted. The President has the assistance of five ministers, who are responsible to Congress. Mindful of the lessons of their early history, the Paraguayans have inserted in their constitution provisions against a dictatorship. The President cannot be reappointed until eight years have elapsed from the conclusion of his term of office, and both he and his ministers are specially forbidden to interfere in elections.

In practice the executive has large prerogatives. The legislature consists of two Houses, both

elected directly by universal manhood suffrage, a senator representing about twelve thousand and a deputy six thousand voters. The members of the legislature receive £200 a year each. The legislature, with the consent of the President, appoints the judges of the Supreme Court, and they in their turn decide on the constitutionality of the laws that have been passed.

The influence of Argentina is apparent in many ways. The Roman Catholic Church is officially recognized, and definite steps are taken by the Government to promote the development of the country and to encourage immigration. Moreover, as in Argentina, the tariff is very high. But there are indications that the existing duties may be lowered in the future. Paraguay at present does not enjoy the same industrial advantages as her neighbour, and one may expect her, therefore, to decide on a policy of her own.

Uruguay, with an area half as large again as that of England, is the smallest of the South American States; she was once a Brazilian province, and she continues to form a natural unit, yet throughout the country there is much similarity in the products and in the conditions of life. Under these circumstances it was natural that it should be organized on the centralized system. The Legislature consists of two Houses; the Senators are appointed by an electoral college chosen for the purpose by the people, but the latter elect the Deputies, on the other hand, by

direct vote. The Judicature, as at present established, derives its authority from the assembly thus constituted, which elects the five judges composing the High Court of Justice. During the recess the functions of the Legislature are delegated to a committee consisting of two Senators and five Deputies. Executive power is in the hands of a President assisted by a Council of Ministers, his term of office lasting for four years. The President appoints this Council, but its resignation may be demanded by the Legislature, which is thus in a position to enforce its views on the other branches of government.

In the north there is a large Brazilian element among the population, but the institutions of Uruguay owe their character mainly to Argentina. For instance, the tariff is highly protective—although there are few manufactures to foster—and official recognition is accorded to the Roman Catholic Church.

Uruguay possesses certain advantages: a geographical situation on the estuary of the Plate which both gives the command of that great waterway and assures the country an equable climate, and an even stronger moral situation—for neither Brazil nor Argentina could look on with equanimity if she were attacked by the other or by a third power. Moreover, in addition to her rivers, Uruguay is well supplied with railways, and she has maintained a gold standard which should be beneficial to her foreign trade and therefore to her

revenue—half of which is produced by the Customs House.

Before passing to the Pacific States, attention may be directed to Colombia, whose coastal possessions on both oceans atone in some measure for the loss of the Canal Zone. Colombia has not only altered her constitution, she has entirely changed its character. After the revolution she was converted into a confederation, but in 1886 the States were deprived of the sovereignty and became simple departments with governors appointed by the President. Some of their old rights have, however, been left to them. It is hoped that with the old divisions many causes of disturbance will disappear and that Colombia will thus gain the tranquillity necessary to her finances.

Colombia is made up of one federal district, fifteen departments and four territories. The Legislature consists of a Senate and a Chamber of Deputies; the Upper Chamber being in effect, nominated by the President, the Lower elected by the direct votes of the people. The office of President is held subject to certain restrictions, but these have not always been observed. After the troubles following on the loss of the Canal Zone, some form of dictatorship was necessary in the interests of order, and was acquiesced in by the majority of the population. In this way the Executive has come to hold large powers. The Judicature has its chief seat in Bogotá; the judges

of the Supreme Court are nominated for five years and are eligible for reappointment.

The Constitution permits the practice of any form of "worship which is not contrary to Christian morals or the law," but the religion of the country is expressly recognized as Roman Catholic. The priests have great power, and education is entirely in their hands. For education, however, and for similar purposes, little money can be set aside by the government, owing to the disturbances which have impoverished the nation. These have ended by depreciating the currency to such an extent that financial assistance cannot easily be obtained abroad, and many necessary undertakings have still to be begun.

The communications leave much to be desired, more railways being needed to develop the resources of the country, for many of the most productive centres are situated in the mountains. Much of Colombia is unexplored and its area is uncertain; it may be taken as about equal to that of Perú.

It is rich in minerals, and, were it not for the distances to be traversed, most of the tropical crops could be grown with profit. The products include gold, coal, petroleum, emeralds and coffee. Many of the industries have been nationalized.

South of Colombia is Ecuador, the area of which cannot be given with accuracy, partly on account of the insufficiency of the surveys and partly on account of boundary disputes, one of

which relates to vast territory which is also claimed by Perú. Under any estimate Ecuador must be larger than England, but the population amounts to barely two millions. Of these a very high percentage, being illiterate, are debarred by the constitution from voting, and thus the whites form the governing class. Differences in rank, it is true, are not recognized, but the Indians occupy a definitely inferior station. The executive power is vested in a President elected for four years, and the Legislature in a Congress of two Houses. Of these the Upper House consists of Senators—two coming from each province—and the Lower House of Deputies, elected on the basis of one to every fifteen thousand of the population.

The judicial branch of the government consists of a supreme court appointed by the Executive, six superior courts in various districts and several inferior courts.

The revenue is small, and is not expended to the best advantage ; it is received chiefly from the customs duties and also from the salt monopoly and from taxes on liquor. Ecuador has little mineral wealth, as far as is known, but she is extremely rich in vegetation, for the winds that have crossed the Atlantic are chilled by the mountains, on the Eastern slopes of which they deposit their moisture. Her chief export is cocoa. "According to the constitution of 1884 the religion of the republic is Roman Catholic Apostolic, and all others are excluded."

In relation to religion the attitude of Bolivia resembles that of Ecuador : " the State recognises and supports the Roman Apostolic Catholic religion, the public exercise of any other worship being prohibited except in the colonies, where it is tolerated,"—in practice toleration exists. The Church, moreover, controls education, although the municipalities are nominally responsible ; thus she exercises considerable influence, for the right to vote is not granted to the large proportion of the population, which is illiterate. The voters, reduced in number in this way, elect directly both the Senators and the Deputies, who form the Legislature, and the President, in whom the executive power is vested. The President is elected for four years, and then ceases to be eligible for a term ; his decrees must be countersigned by the Minister of the department concerned, the latter being liable to prosecution before the Supreme Court for any misconduct. The judges of this court are selected by the Chamber of Deputies.

Bolivia, though maimed as the result of the Chilean nitrate war, is the third in point of size of the South American States, her area being eight times that of England. Although much of it is mountain and swamp, the constant supply of water in Lake Titicaca, the tropical situation, and the great diversity of climate made possible by the mountains suggest a great agricultural future for the country. Unfortunately she labours under one great disadvantage ; the war referred to above

not only took from her a rich province, but deprived her of her outlet to the sea. Thus the profits of her export trade have to be shared with foreign nations who could extinguish it by joint action. On the other hand, these nations are five in number, and they are more likely to compete for the trade than to stifle it. Even the mountain railways are expensive to build and to administer, and the river routes to the Amazon and the Plate are not yet developed: at present, obstacles like the Falls of the Madeira River increase the cost of transit. But, as will be seen in the chapter on Bolivia, these obstacles are rapidly being overcome. The exact value of Bolivian exports is difficult to ascertain, for they are liable to be classified among those of her neighbours; they consist largely of metals, the most important of which is tin. The famous silver mines of Potosí are in Bolivia.

Perú is almost the same size as Bolivia: it is difficult to give an exact estimate of her area, for the official figures are affected by political considerations. There is naturally a temptation to include all territory in dispute, and Perú, as the mother colony of the Spaniards, has claims on the unexplored regions to the centre of the continent. Owing to these she has been involved in a number of boundary disputes, which keep the population excited and affect her credit prejudicially. Some of these controversies have been referred to arbitration with results satisfactory to both parties,

for the States of South America are far less in need of additional provinces than of the tranquillity afforded by an honourable peace. Unfortunately for Perú, the injuries she sustained in the nitrate war with Chile caused her such heavy financial losses that it is difficult for her to keep herself in the advanced state of preparedness for war which inclines an opponent to accept arbitration. Earthquakes and tidal waves have to be enumerated also among the anxieties of Perú.

The executive power is exercised through a President, whose decrees have to be countersigned by a Minister. The President holds office for four years, and is not immediately re-eligible. Both he and his Senators and Deputies who comprise the National Congress are elected by direct voting. Senators must have an income of £100 a year, or belong to a scientific profession; in the case of Deputies the money qualifications are reduced to £50 with the same exception. The pursuit of science apparently is not necessarily lucrative. One of the duties of Congress is to select the judges of the Supreme Court from lists submitted by the executive.

The State protects the Roman Catholic Religion, and does not permit the public exercise of any other, but in Perú as in Bolivia the authorities are tolerant towards other beliefs.

The land itself is extremely rich, cotton and sugar being grown in large quantities; guano still figures among the exports, and in the mountains is found

almost every kind of mineral. This list by no means exhausts the products of the country, which include coffee, cocoa, rubber and the wool of the sheep and llama. And it must not be forgotten that Perú is the reputed home of the potato.

The losses of Perú and Bolivia have been the gain of Chile; the nitrate beds which were the prize of the war of 1879-82 have made a great difference to a treasury that was none too full. At present they provide a third of the national revenue, a subsidy which allows the authorities to depend less on import duties, which restrict trade. Chile possesses a centralized government with a basis theoretically democratic. Senators and Deputies, who together form the legislative body, are elected by direct vote, and they elect the President indirectly. In the President, who holds office for five years, with the usual proviso as to re-election, is vested the executive power and also a modified veto over legislation. It also rests with him to nominate the governors of the provinces and to appoint high judicial and ecclesiastical personages. In the exercise of his functions he has the advice of a cabinet of six ministers, and there is also a Council of State which has to be consulted on certain occasions.

The State preserves intimate relations with the Roman Catholic Church, which receives a subsidy from the National treasury; at the same time full religious toleration exists.

Chile is less rich in the precious metals than her

sister states, but she produces a considerable amount of copper. Her chief source of wealth, the nitrate fields, has been already referred to and mention must also be made of the coal mines that are now being developed in Arauco and Concepción. The increase in their output is of importance to Chilian industries and also to the steamers which ply on the western coast.

The Chilian currency leaves a great deal to be desired and all classes admit that it should be placed upon a sounder basis. At present the paper "peso" fluctuates in value.

It is thought that the fighting services would render a good account of themselves in war, but although the Tacna and Arica question still keeps Chile estranged from Perú, there is no reason to apprehend any resumption of hostilities. Other disputes, especially those with Argentina, have been submitted to arbitration, and the cordial relations between these two South American Republics was afforded ample opportunity to display itself during the centennial festivities of last year. Visits were exchanged by the Presidents and the meetings were made the occasion for cementing a friendship which, it is hoped, will prove a lasting one.

CHAPTER III

ECONOMIC AND INDUSTRIAL PROGRESS

AT the root of all the problems which confront the statesmen and philanthropists of the present day lies the question of the provision of food and the necessities of life for the world's ever-increasing population and of new markets for its expanding industries. In the Old World of Europe and Asia all the many inventions and devices of science for prolonging and protecting the life of the individual, for multiplying points of contact between races, and for supplying the new wants created by their intercommunication and material progress, tend only to accentuate the fierceness of the struggle for life. All our wars and rumours of war may be traced back to this elementary and insistent problem of food-supply, to the steady, inarticulate pressure of millions actually or potentially confronted with urgent want. The complexity of modern life frequently obscures the basic economic causes of political events. We talk of Imperialism, socialism, patriotism, and other forms of collective intellectual or social activity as if they were something other than manifestations and portents of economic pressure.

Stranger still, statesmen and philanthropists, while at pains to increase their country's birthrate and to diminish its deathrate, continue solemnly to discuss Utopian schemes of universal Brotherhood and everlasting peace. But this grim spectre of hunger cannot by any means be exorcised. For centuries it has taken heavy toll of the toiling millions of Asia, and now, despite a steady flow of emigration, its black shadow lies across central and western Europe. There is no setting aside that inexorable law which, in time of need, prescribes the survival of the fittest. Our modern inventions and passing phases of humanitarianism may for a time delay or mitigate its application; the exigencies of international finance may complicate its results; but the lesson of all history stands clear that the ultimate ends of economic pressure—war, pestilence and famine—can only be averted by reducing that pressure, that is to say, by providing new outlets and new sources of food supply for those who would otherwise perish.

Looking in this light upon the modern world and its complicated affairs, the recent progress and vast possibilities of South America assume a degree of importance which can hardly be exaggerated, and the immediate destinies of the human race are thereby brightened with very justifiable hopes. It is only within the last few years that the man in the street has come to realize how great a measure of relief the necessities of Europe have already derived from the

development of this amazingly fertile continent. It has been left for the twentieth century to discover, by bloodless paths of commerce and railway engineering, that Eldorado of which Raleigh and the Spanish explorers dreamed; to bring, from the New World to the Old, well-won treasures more precious than all the plundered gold of the Incas, —the unbounded wealth of field and forest in those virgin lands. A recent writer in the South American supplement of *The Times*, discussing the future of the Latin Republics, has emphasized the importance of this point of view in a passage which may appropriately be quoted:—

“Already, it would seem, the world is within measurable distance of the day when the United States, Europe’s chief outlet and granary of the past, will need its food supply for the support of its ‘own population’; already, in the utterance of American statesmen, in the latest manifestations of their world politics and finance, there are indications of the coming of this great economic change. And coincident therewith, the barriers by land and sea which have hitherto isolated large tracts of the South American continent are being broken down; as if, indeed, these vast regions had been kept in reserve against humanity’s day of need. It is but yesterday that the Andes were conquered by the railway; it is only now that the Central States are being brought into communication with the Atlantic and Pacific seaboard: to-morrow, the piercing of the Panama Canal will throw open, along eight thousand miles of coastline, new gateways to

commerce and human activity. There can be no doubt that the completion of this notable enterprise will prove the beginning of a new epoch in the world's commercial evolution, and that, for many parts of the southern continent, it will mean the dawn of an era of expansion and prosperity. The prophecies of Humboldt and Agassiz bid fair to be fulfilled in the near future."

For the purposes of the present work we are concerned only with the Republics of South America proper, those ten nations in the making whose commercial, financial and intellectual progress asserts itself each day more impressively upon the attention of the civilized world. To give the general reader a clear and comprehensive idea of that progress and of all its foreshadows, we propose to outline briefly the general economic conditions which obtain in these ten Republics to-day, comparing their position and prospects roughly with those which existed twenty-five years ago. During this quarter of a century, while the world has marvelled at the extraordinary material expansion of the Northern Continent of America and wondered at the meteoric rise of the modern Empire of Japan, these younger branches of the Latin race have been steadily emerging from their state of geographical isolation on the one hand and political unrest on the other. Almost unnoticed until a comparatively recent date, their great cities have grown to stately beauty and wise administration, challeng-

ing comparison with the world's best examples of municipal government; their railways have been pushed out over high mountain ranges and across teeming fastnesses of forest, linking up the wide inland waterways with the Atlantic and Pacific sea-boards. And, greatest of all their achievements, science and sanitation have triumphed over the yellow fever peril, that dire scourge which for long years held back the tide of immigration, laying its dark shadow of pestilence across some of the fairest and richest regions on earth. The routing of the plague mosquito, combined with the leading Republics' growing stability of administration and recognition of national responsibility, have made life and property as safe in most places in South America as they are in Central Europe, so that communities which, twenty-five years ago, attracted only the flotsam and jetsam of the world's adventurous spirits, now draw from the Old World a steadily flowing stream of industrious settlers. By the efforts of these immigrants, and the influx of unlimited capital, vast regions are rapidly being brought under development, new channels being found for enterprise and new rewards being offered for human industry. It is certain that the next generation will witness a material and intellectual expansion of Latin America as remarkable as that which for many years focused the attention of the civilized world on the United States and Canada. Already it is clear that the Argentine Republic,

Uruguay and Southern Brazil are destined before long to take the place of the United States as chief suppliers of meat and grain to Europe. Brazil's great exports of coffee and rubber represent merely the output of a fringe of that enormous undeveloped land. Chile, with her nitrates and great mineral wealth, Bolivia and Perú, with their rich mines and rubber forests, are already able, like the leading Republics, to show large balances of trade in their favour, and these resources are being, for the most part, intelligently employed in the construction of railways, harbour works, irrigation, and other reproductive enterprises. The economic stability gradually resulting from this industrial and agricultural activity of Latin America has for some time past been unmistakably reflected in the money markets of the world, so that not only the labour but the capital of Europe now seeks these fresh fields with ever-increasing confidence.

Regarded in the order of their economic importance and commercial development, the ten Republics may be roughly divided into three classes. Argentina, Brazil, Chile and Uruguay are in the first rank, their position and future greatness fully assured ; Perú (for many years crippled by the disastrous results of the Chilian War) and Bolivia, in the second rank, may be said to be now entering upon a period of national and well-organized development. In the third rank, Colombia, Venezuela, Ecuador and Paraguay

show unmistakable signs of industrial awakening and generally improving conditions. The resources of the last-named countries are undeniably great, but their effective development depends chiefly upon their obtaining and maintaining an efficient and honest administration of public affairs; and in this direction the outlook is generally regarded as very hopeful. Elements of unrest undoubtedly exist, but the average citizen appears to have been led by the hard lessons of adversity to realize that productive energies are in the long run more satisfying, both to the nation and to the individual, than the fearful joys of political strife and civil wars. The Governments of these countries, even in the midst of strife, have clearly recognized their need for financial reform and for securing to the foreign capitalist, whose assistance they require, a generous measure of protection and assurance of security.

To Great Britain, more than to any other country, the prosperity and progress of the South American Republics are matters of immediate concern, for the simple reason that British manufacturers have hitherto supplied the greater part of their needs, and that British capitalists have led the way in financing the industrial and agricultural development of the continent. Despite the strenuous activities of her rivals, British trade, thanks to the good name of the Englishman and his early arrival in the field, still holds first place in Buenos Aires, Rio, Montevideo, Santiago,

Valparaíso and other centres of commerce. The figures shown in the latest available statistics furnish in themselves a conclusive argument and full justification for those who, in continuing to direct the activities of British traders to the unlimited opportunities offered by the expansion of South America, claim that the language, customs and requirements of this enormous market of the future deserve closer and more scientific study than they are actually receiving. British enterprise led the way in these regions, and has already reaped a rich reward for its confidence; but the rapid growth of manufacturers for export in the United States and the closely organized foreign trade of Germany have been steadily increasing the pressure of competition for some time past, and it will require keener attention and better methods in future to retain the leading place.

According to the latest returns, the amount of British capital invested in South American Government bonds, railways' and tramways' stock, and other securities quoted on the London Stock Exchange, aggregated at the end of 1910 more than six hundred millions sterling, and the average yield of these investments was about $4\frac{3}{4}$ per cent per annum; that is to say, British investors draw annually from South America interest to the amount of nearly £30,000,000. To emphasize the significance of these automatically regular remittances, we may observe that their amount is about four times as large as the total which, with infinite

travail and groaning, the huge Chinese Empire disburses annually to meet its obligations abroad for foreign loans and indemnities. And this flow of gold from South America to England is the result of enterprises as beneficial to the borrowers as to the lenders, the direct outcome of a progressive and liberal financial policy on the part of the Governments of the Republics concerned, which affords an instructive object lesson to many a country of the Old World.

Of these Republics, Argentina stands easily first, for the British investments in the quoted securities of that country alone amount to over £300,000,000, and this figure does not take into account the very large but unascertainable amount of capital sunk in land, cattle estancias, and other private enterprises. How good are the uses to which the Argentine has turned this stream of capital may be inferred from two salient facts: one, that the Republic now stands fourth among the nations of the whole world in the matter of railway development in proportion to population; the other, that its foreign trade averages over £20 per capita yearly and is rapidly growing. These, amongst others, are facts sufficient to account for the strenuous efforts which the United States and Germany are making to establish themselves and their trades in the good graces of the Argentines. The United States, in particular, believes that commerce, like kissing, goes often by favour, and is doing its best, by the medium of the Inter-

national Union of the American Republics, by the development of the Pan-American ideal and the gentle uses of the Monroe doctrine, by the Panamá Canal and the Pan-American railway schemes, to divert northwards the activities of the Republics whose trade has hitherto been chiefly to and from England.

After Argentina, Brazil ranks next in order of importance for the British investor, having already absorbed over £150,000,000 of capital for undertakings which yield an average return of about 5 per cent. Chile and Uruguay come next, with borrowings of £51,000,000 and £46,000,000 respectively, the return on which is approximately $4\frac{1}{2}$ per cent. These four States between them account for nine-tenths of the present financial and industrial activities of South America as reflected in the money-markets of the world. It were, however, unwise to ignore or to minimize on this account the opportunities which present themselves in the increasing activities of the other Republics. What the leaders have done in the past, favoured greatly by their geographical position, will assuredly be accomplished also in the near future by the other States, now that the interior of the continent is being linked up with both sea-boards by networks of railways, and cities which have slept since the days of Pizarro hear the voices of the engineer and the commercial traveller in their midst. In the case of inland States like Bolivia, Paraguay and Colombia, cut

off in the past from all access to the main channels of communication and commerce, due allowance must be made for the insuperable difficulties hitherto prevalent. Looking to the future, however, we may surely assume that if the four leading Republics have offered so rich a field for British capital and enterprise in the past, the possibilities of the future will be practically unlimited in these other States, as their untapped resources are gradually brought within the region of practical exploitation.

Turning next to the returns of trade, as significant in their way as those of finance, we find that the total value of imports and exports for the ten Republics amounted in 1910 to nearly 350 millions sterling. The following, in round numbers, are the totals of each country for the years 1908 and 1910.

	1908	1910
Argentine Republic	128,000,000	145,000,000
Brazil . . .	79,500,000	111,000,000
Chile . . .	42,800,000	42,000,000
Uruguay . . .	14,400,000	16,000,000
Perú (estimated) .	10,500,000	11,200,000
Bolivia . . .	6,800,000	7,400,000
Colombia . . .	5,700,000	5,600,000
Venezuela . . .	4,800,000	5,000,000
Ecuador . . .	3,000,000	3,000,000
Paraguay . . .	1,500,000	1,400,000
	<u>298,000,000</u>	<u>347,600,000</u>

It will be observed that the first three countries account between them for the greater part of the

trade of the continent, and that the commercial importance of Argentina and Brazil have been increasing at a very remarkable rate. Roughly speaking, Great Britain's share in the trade of the three leading Republics has averaged for the past twenty-five years about one-third of the whole, Germany and the United States between them accounting for about another third. Competition is increasing, it is true, not only from these countries, but from Belgium, Italy, and France; but so also are opportunities and the number of accessible regions, and British traders are in a position of advantage in all the principal markets of South America, because of the all-pervading influences of that mass of British capital to which we have referred. In forming an estimate of the rate of material progress maintained by the several Republics during the past twenty-five years, an examination of the increase in their respective populations, trades, and revenues will afford the best standard of comparison. For this purpose the following statistics are instructive:—

	(a) Population.	Revenue. £	Imports. £	Exports. £
ARGENTINA.				
1882	3,026,000	1883) 5,962,301	12,249,332	12,077,810
1910	6,985,107	(a) 23,177,206	70,354,000	74,525,200
BRAZIL.				
1882	12,260,000	11,548,859	19,115,000	19,418,000
1910	20,515,000	31,315,325	47,871,974	63,091,543
		(a) Estimated.		

ECONOMIC AND INDUSTRIAL PROGRESS 67

	(a) Population.	Revenue. £	Imports. £	Exports. £
CHILE.				
1882	2,219,180	8,244,515	10,700,000	14,280,000
1910	4,100,000	(a) 11,815,050	22,311,427	24,662,038
URUGUAY.				
1882	(b) 438,245	1,578,000	3,634,960	4,392,586
1909	1,112,000	(a) 4,971,660	7,905,694	9,524,258
PERÚ.				
(c) 1876	3,050,000	1,332,030	2,417,909	3,163,427
1909	4,200,000	2,518,062	4,356,132	6,134,374
BOLIVIA.				
1884	1,172,156	693,158	1,200,000	1,800,000
1910	2,180,170	(d) 1,274,030	2,954,900	7,456,653
COLOMBIA.				
(e) 1882	4,000,000	930,012	2,471,111	3,702,823
1909	4,320,000	2,887,420	2,112,209	3,102,669
VENEZUELA.				
1881	2,075,245	1,160,200	2,960,000	2,260,000
1909-10	2,664,000	(d) 1,996,000	2,243,200	3,422,550
ECUADOR.				
1882	950,000	(a) 630,500	—	1,093,958
1909	1,600,000	1,637,069	1,870,424	3,000,621
PARAGUAY.				
1882	346,048	100,000	264,425	330,135
1909	633,000	(f) 443,916	757,590	1,027,328

The excess of Exports over Imports, common to all the Republics, is a significant feature of these

(a) Estimated. (b) Partial census, 1880. (c) Including nitrate territory, now in possession of Chile. (d) 1909. (e) Including Panamá, since seceded. (f) 1908.

statistics, and indicative of a generally healthy condition of expansion.

Turning now from the prosaic business of trade returns, let us consider the progress made by the leading Republics in other directions, notably in railway construction, in the provision of harbours and docks, in sanitation and education. The difference between the present-day condition of Buenos Aires, Rio de Janeiro, Valparaíso and other capitals with that which existed twenty-five years ago is such that travellers revisiting these countries find it difficult to reconstruct their memories of those bygone days. The condition of a country's capital may generally be taken as the outward and visible sign of the nation's inward and spiritual graces, or disgraces. In its streets and public places the traveller may read the lessons of its past and gauge its hopes for the future; in its harbours and railway termini he may hear the throbbing murmur of expanding life or the drowsy note that presages decay.

Let us glance first at Buenos Aires. Twenty-five years ago, on days when the fierce *pampero* blew, it was a common sight to see cargo being landed from the stranded lighters in the river by means of high-wheeled carts, and passengers were either brought ashore in the same way or on the backs of Italian porters. In spite of the disadvantages of its position in this respect, however, the city had already firmly established its claims as leader of commerce and culture among the

Latin Republics, already calling itself with just pride the Paris of South America. In 1882 Argentina was still drawing supplies of wheat and flour from Chile and the United States, but there were already twenty-four lines of steamers connecting Buenos Aires with Europe and laying the foundations of a trade which now bids fair to rival that of Chicago. The city then boasted twenty-two daily papers and twenty-five theatres, and was known throughout the world as a place remarkable for a bustling and business-like activity not usually associated with the works and ways of the Latin races. To-day, trunk lines of railway unite the capital of the Republic with all the provincial centres of trade and with the neighbouring States, while no less than thirty-nine steamship lines compete for its rich cargoes and keep up its communications with all parts of the world. Its vast docks can accommodate the largest ocean-going freighters; along its wharves and quays the ships of all nations lie close-packed, stem to stern, a busy hive of industry. And all this teeming wealth and purposeful energy owes its origin and its sustenance to the fruitful soil of the wide-stretching pampas where the emigrant finds as fair and free a field for his labours as in Canada, to the flocks and herds of the estancias which furnish Europe, and particularly England, with inexhaustible supplies of meat and hides and wool. Into the great central warehouse of the city run twelve lines of railway; within its walls

are piled, roof-high, the abundant produce of all parts of the republic. The development of many parts of the country, especially towards the south, being still in what may be termed the rudimentary stage, the city of Buenos Aires may confidently look forward to a fuller tide of prosperity and expansion in the near future. But its actual achievements and progressive energies are sufficiently remarkable. Side by side with the growth of its trade and industries, the city has steadily advanced, and with good cause, its claims to rival Paris as the premier city of the Latin world. Its population of over a million and a quarter constitute a community as intelligent, cultivated and socially progressive as any on earth. In the matter of well-organized and efficient public services and education, indeed, the Argentine Republic has little to learn from Europe. Mr. John Barrett, Director of the International Bureau of American Republics, observed last year that "if the standards required for the practice of the learned professions of the Latin-American Republics were put alongside the standards required by the United States, the comparison would be unfortunate for the latter." In the decoration, sanitation and municipal administration of their city, the inhabitants of Buenos Aires have good cause for pride. The mortality of the city is 14.61 per 1000.

A few miles down the River Plate from Buenos Aires, on the opposite bank, lies Montevideo, in

a situation so favourable that, had it not been for long years of political unrest, the city might well have out-rivalled the Argentine capital in commercial activity and prosperity. Its population in 1875 was 127,000; it is reckoned to-day at 320,000, of which roughly one-third are foreigners, chiefly of Spanish or Italian birth. Thanks to the efficient administration inaugurated by President Williman, and to the country's wonderful climate and other geographical advantages, there is every reason to anticipate that, despite the persistence of certain turbulent elements in the body politic, and the "mañana" propensities which are still a characteristic of the "Banda Oriental," Uruguay is destined to achieve a very important commercial position in the near future. The Republic is the smallest of all the South American States (in area less than the United Kingdom), but in 1909 it recorded a balance of trade in its favour amounting to no less than £1,700,000, and the wealth of its agricultural and pastoral resources is proportionately greater than that of any other part of the continent. With the development of railways, now actively proceeding, Montevideo must naturally become the outlet not only for its own *hinterland*, but also for large areas of Brazil and Argentina. Twenty-five years ago, the Republic was already considered as a redoubtable trade competitor of the United States, and it was recognized by political economists in that country that, given only permanent peace within its borders, its natural

advantages were very great. In 1888, with a population of less than half a million, and no more than 540,000 acres of land under cultivation, the Republic produced 5,000,000 bushels of grain. To-day, with about 85 per cent. of its lands still undeveloped, it exports pastoral produce alone to the average value of £7,000,000.

The city itself is a very pleasant and beautiful place, revelling in a delightful and healthy climate. With its pure air and steady sunshine and the clear look from its terraced limestone ridge that looks out across the bay; with the lowest recorded death rate of any city of modern times, and a plentiful and cheap supply of the necessities of life; with its women far-famed for their beauty and its easy-going, light-hearted people,—Montevideo, apart from all inducements of profit, must attract in increasing measure the holiday-makers and travellers of both worlds.

British financiers perceived long since the possibilities of this flourishing State, and British investments therein are accordingly on an important scale. All the railways which connect the capital with the interior have been built with British capital.

Of all the cities of South America, none can show such wonderful changes of recent years as Rio de Janeiro—Rio, loveliest of harbours and most beautifully situated of capitals, which until a few years ago lay under the enduring terror of the Yellow Fever scourge. Space does not per-

mit us to tell here the wonderful and dramatic tale of the triumph of modern science over the mosquito which for centuries had made Rio a byword among seafaring men, or to describe the successful war of sanitation waged by Dr. Cruz and his fellow-workers, a war which converted the Brazilian capital from being a home of pestilence to a healthy and desirable place of residence. An early writer speaks of Rio as "a gloriously whitened sepulchre," and thus describes the state of the city in 1889:—

"A few years ago there was not even a sewer in Rio, and all the garbage and offal of the city was carried through the streets on the heads of men, and dumped into the sea. Now, there are drains under the principal streets, but they seem to be of little use, as the main thoroughfares are abominable, and one wonders what the less pretentious ones may be. The pavements are of the roughest cobble-stone, the streets are so narrow that scarcely a breath of air can enter them, and the sunshine cannot reach the pools of filth which steam and fester in the gutters, breeding plagues. . . .

"Rio is a succession of disappointments. The only really pretty place is the Botanical Garden, which serves to illustrate what the whole city might be with the exercise of a little taste and the expenditure of a trifling sum of money."

Well, the "trifling sum of money" has been spent; the apathy and squalor of those days, chiefly due to the constant fear of Yellow Fever,

have passed for ever, and the Rio of to-day is as clean and healthy a capital as the traveller can desire. Most of its notable improvements are of comparatively recent date; a few years ago, travellers were impressed by the unsurpassed beauty of the harbour and the picturesque location of the city, nestling between the hills and the sea; but the general aspect of the capital was disappointing, partly because of a certain haphazard quality in its construction, a lack of dignity and continuity in the work of man which was emphasized by its magnificent background of tropical scenery and vegetation. Here, again, it needed the expenditure of money, no trifling sum this time, and much organized energy, to raise Rio from her former lamentable condition. The city improvement scheme of 1903, long considered, devoted twelve millions sterling to this work. It provided for the construction of a quay and broad avenue along the shore line, over two miles long; for the prolongation to the sea of the Canal which is known as the Mangue, with a well-lighted avenue on either side, nearly two miles in length; for the construction of an avenue up to the Quinta da Boa Vista, once the residence of Dom Pedro; for the levelling of hills and the widening of streets, for harbour works, drainage, tramways, and the installation of a hydraulic plant for the supply of light and power.

Whatever may have been the condition of Rio in former days, there is no doubt that a wonderful

transformation has taken place within the last decade. Many of the squalid old colonial quarters have been cleared away, their narrow streets replaced by splendid avenues planted with fine trees ; boulevards, gay with flower-beds, cross the city in all directions and stretch out into the distant suburbs. One of these fine thoroughfares crosses the city at its narrowest part ; at the point where it meets the coast it is joined by another and still longer avenue named the Beiramar, which, sweeping around the shores of the harbour, includes the most picturesque and pleasant quarter of the town. This Beiramar recalls to mind the Avenida of Lisbon ; over four miles in length, it is one of the finest promenades in the world. To open up communication with the coast beyond, two tunnels have been pierced through the rock, and here, at a distance of some forty minutes by rail from the capital, a new seaside town is springing up, much frequented as a health resort and bathing-place in the summer months.

Brazil is remarkable, amongst all the South American Republics, for the comparatively large proportion of its urban population. It is not possible in this chapter to describe the marvellous growth and activities of its chief towns : São Paulo and Santos, the flourishing centres of the world's chief coffee supply ; Pará and Manáos, that live and thrive on rubber ; Pernambuco and Bahia, marts for sugar and cotton ; Belém,

whither, through the Amazon valley, flows trade from Bolivia, Perú, Ecuador and Venezuela; Porto Alegre and Pelotas, outlets for the cattle-breeding produce of Rio Grande do Sul. All of these names are already becoming familiar throughout the world as inexhaustible sources of trade staples. And the Republic is making timely preparation for the commercial expansion of a near future; docks and harbours, deep-water wharves, have been or are being constructed to meet the requirements of the largest vessels and quick transhipment, the Brazilian Government being fully alive to the keenness of competition and the dangers of delay. Over two millions sterling has been expended of late on dock accommodation at the port of Rio, and the harbour improvement works now being carried out by a British Company will cost four millions. At Santos a first-rate harbour has been provided; at Recife, the dredging and breakwater scheme, to be completed in 1914, is estimated to cost £3,360,000. At Pará, four millions sterling are being spent on harbour improvements; at Manáos, floating piers and other works are being provided to obviate the difficulties created for traffic by the great differences between normal and flood levels on the Rio Negro. At the same time, railway construction is being vigorously pushed on into the interior, every line adding to the busy traffic of these ports. And in all these important enterprises, British capital and British materials con-

tinue to find increasing opportunities and steady profits.

To refer in detail to all the capitals and provincial cities of the South American Republics would require a volume, but Valparaíso's and Santiago de Chile's claims as centres of human activity and expansion cannot be overlooked. Valparaíso, the premier seaport of the western coast, stands out as a monument to the courage and energy of the Chilean people. Its growth and prosperity, despite many natural obstacles and its geographical disadvantages, have been made possible by the vigorous optimism and enterprise of a race which combines all the intelligence of the Latin with the persistent audacity of the Anglo-Saxon. The energies of the Chilenos have, indeed, been characterized in the past by a somewhat militant quality, of which we may find proof in the fact that the Republic's territories to-day include a coast-line that was formerly Bolivia's and valuable nitrate regions that belonged originally to Perú, and that, by the partition of Patagonia, her frontiers now stretch southwards to the Straits of Magellan. With the completion of the Transandine Railway and the prospect of the opening of the Panamá Canal, Valparaíso and Santiago have assumed a new importance and suggest new visions of greatness amongst the leading cities of the New World. It is indeed difficult to exaggerate the impetus which the completion of these great undertakings

must give to all the activities of the Chilian Republic.

Almost completely destroyed by the terrible earthquake of the 27th August, 1906, Valparaíso's white buildings rise imposingly to-day, climbing the foothills from the narrow marge of the sea. Whether approached by land or by water, the first impressions of this land of nitrates and cattle, timber and wine, delight the eye. From Valparaíso the line to Santiago runs, it is true, through a barren rock-strewn land ; but suddenly emerging from its desolation, the traveller finds himself in the heart of a luxuriant and beautiful city, and beholds one of the most stately of those broad avenues which the Latin races love, the far-famed Alameda—a broad highway lined by magnificent poplars, flanked by imposing buildings and beautified by statuary, fountains and flowers. Around the strangely picturesque pile of rocks known as Santa Lucía (cast up by some titanic freak in the midst of the plain on which the city stands), stretching out along both banks of the Mapocho river, this furthest home of the Latin race has attained a character and a dignity of its own which found suitable expression last year in the inauguration of that palace of Arts built to commemorate at the capital the centenary of the nation's independence. To the East and North-east of the city rise the stern, snow-capped barriers of the Andes, clear against the blue ; to the West, hidden by the low coast range, lies the

Pacific, highway to future glories, while far into the South stretches the fertile Valley of Chile, a storehouse of wealth in forest and field, that shall endure and increase when the last shipload of nitrate has been gathered.

Of Lima, the ancient capital of Perú, city of imperishable memories instinct with the pathos of a vanished civilization and a gentle race departed, home of beautiful women and Court of the viceroys of proud Spain ; of Bogotá of the Holy Faith, the mountain capital of Colombia ; of Caracas, nestling in its valley by the shores of the Caribbean ; of Quito, La Paz and Asunción, the capitals of Ecuador, Bolivia and Paraguay, there is not space here to tell. Generally speaking, it may be said that, in comparison with the bustling commercial centres of Argentina and Chile and Brazil, these Republics are still—some more, some less—in that blissful but unremunerative state which prefers the certainty of a long *siesta* to the chances of any form of arduous activity. But what they lose in profitable opportunities, they gain, for the traveller at least, in picturesque qualities of old-world charm and philosophic repose, and for the sake of the wanderers of the future, it may be hoped that some of these restful oases may yet be spared by the rising tide of South America's prosperous commercialism.

Those who have visited Asunción, for instance, bring away from that altogether delightful capital lasting memories of its wealth of scent and colour

and of the *dolce far niente* charm of existence in a land where memories of departed glories mingle with the fragrance of roses and jasmine. Paraguay, devastated by the long wars and tyranny of the fiendish Lopez, miserable years of strife which killed off nine-tenths of the adult male population (1868-73), may to-day be described as in a period of leisurely convalescence. But the Paraguay and Pilcomayo rivers are destined to be the main arteries of a great traffic from Bolivia and Brazil, and Asunción will assuredly hear those urgent voices of the modern world which shall rouse her from her slumbers.

With the completion of the Panamá Canal, a great change must come over the spirit of the old-world dreams of the Republics whose coasts lie upon the Pacific, on the north and west of the continent. The purchasing power and foreign trade of Ecuador, Colombia and Perú evidently depend in the first instance upon the development of their great natural resources by increased means of communication and the aid of foreign capital; by their geographical situation these countries will be the first to reap the benefits of the opening of the world's new commercial highway, their long years of isolation ended and their territories thrown open to many a lucrative enterprise. To Ecuador, in particular, cut off from her neighbours on land by impenetrable forests and high mountain ranges, the Panamá Canal bids fair to be the key which shall open the golden door of the future.

Colombia has been well described as the "wonderland of opportunity," a wonderland hitherto almost unexplored in many parts. "Measured by the standard of other countries," says Mr. John Barrett, "it can be stated without exaggeration that the Republic, in proportion to area and population, is the richest of all in the variety and extent of its undeveloped resources, fullest in promise for future growth and reward to mankind." Its entire coast-line on the Pacific is rich in gold-bearing alluvial; many deposits are already being profitably worked, but the cordillera region has scarcely been touched by explorers. In addition to vast mineral wealth, Colombia possesses great pastoral and agricultural resources.

The wealth of the mines of Bolivia, like that of Perú, became proverbial in Europe as far back as the sixteenth century. It has been estimated that the mines gave to the world, between the years 1540 and 1750, gold and silver to the value of £420,000,000, most of which went either to Spain or to the gallant British freebooters and buccaneers who lived upon the plunder of her galleons. But Bolivia of to-day is not only a mineral treasure-house; its fertile lands and plateaux on the eastern slopes of the Andes present all the conditions most favourable for European settlers and for agriculture, while the forests of its lowlands are rich in rubber and cinchona, cacao and many kinds of valuable timber. A fact of special interest lies in the unusual strength of Germany's commercial

position in this Republic. Our Teutonic friends realized at an early period the country's potential opportunities and wealth, so that, at a time when England remained practically unrepresented in Bolivia, there were German agents in all her principal towns. In 1908 Germany headed the list of importing countries; since then her position has been successfully challenged by the United States and Great Britain.

The finances and commerce of Perú were seriously disturbed for years by the losses which she suffered at the hands of Chile, but the last message to Congress of President Leguía points to steady improvement. Railway construction is being actively advanced, and it is expected that before the completion of the Panamá Canal the northern and southern systems will have been linked up as part of the Pan-American scheme, that a line will cross the Andes and another connect the plateaux of the cordillera with the tributaries of the Upper Amazon and the important inland port of Iquitos. Perú alone, of all the South American Republics, enjoys the advantage of outlets to both oceans, the Amazon being navigable from Iquitos across 2,100 miles of the continent for sea-going vessels, which carry her produce without transshipment to New York and Europe. Copper, silver, rubber, and sugar are her present chief sources of wealth, but the development of her petroleum fields is full of promise.

Venezuela has suffered in the eyes of Europe by

reason of President Castro's quarrels with foreign concessionaries and consequent complications with foreign Governments, but the new and enlightened policy of President Gomez has successfully put an end to this unfortunate state of affairs, and there now appears every reason to hope that the country's former prosperity will gradually be restored. The foreign trade of the Republic in 1909 showed a very material increase over that of 1908, and, if the Venezuelan Government continues to display due regard for the security of vested interests, it may safely be assumed that the capital required for the construction of railways and other public works will flow as freely into Venezuela as to any other part of the continent.

The question of the improvement and extension of internal communications, that is to say, of railway construction, is clearly the crucial question in South America to-day. The marvellous prosperity of Argentina affords conclusive evidence of the rewards that follow swiftly upon the adoption of an energetic and liberal railway policy, an object-lesson as instructive in its way as the results of the opposite policy which we see in China and Persia at the present moment. Throughout the South American Republics the progress of each State may fairly be expressed in terms of railways and docks; given these, the tide of national prosperity flows steadily in ever-increasing volume through fast-multiplying channels of human industry. Small wonder, then,

that the map of the southern continent is being rapidly intersected in every direction with lines that stand for railways under construction or projected. A calculation from the most recent figures and information obtainable shows that the mileage of railways built, building or under construction was approximately as follows:—

	Built.	Building.	Projected.
Argentina (1909) .	16,150	3,720	8,400
Brazil (1910) .	13,270	2,900	5,000
Chile (, ,) .	3,384	1,552	800
Uruguay (, ,) .	1,500	310	250
Bolivia (, ,) .	530	320	400
Colombia (1909) .	500	—	1,570
Ecuador (, ,) .	316	—	—
Paraguay (, ,) .	155	70	—
Perú (1910) .	1,520	300	900
Venezuela (1909) .	640	—	—
Totals.	<u>37,965</u>	<u>9,172</u>	<u>17,320</u>

The Argentine railways make a veritable network of lines stretching out on all sides from Buenos Aires as a centre. The rapidity with which their development has proceeded may be gauged by the fact that in 1883 the Republic had no more than 567 miles open to traffic. The most important of the existing systems parallel each other in a manner which, under a less enlightened policy, might have been regarded as dangerously competitive, but which is fully justified by results. They extend northwards to the

frontier at La Quiaca ; thence to join the Antofagasta system at Tupiza ; thence to the line which opens up the region of Lake Titicaca, with La Paz for its objective point. Southwards they extend to the rapidly growing port of Bahia Blanca, whence a line is projected to cross the Andes via Neuquen, to the Pacific, connecting in turn with Valparaíso and Santiago. And Buenos Aires is fully alive to the need of timely provision for handling the sea-borne commerce, which must grow far beyond its present limits with every year's development of the country ; an indication of the magnitude of her scheme of expansion is given in the contract just signed with a British Company for port improvements costing no less than £5,500,000.

When the sections of longitudinal railway now under construction by British contractors in Chile are completed, that Republic will own a system, connecting by means of the Transandine with Argentina, which will extend from the Peruvian frontier on the north to the extreme south of Patagonia. Bolivia also is constructing a system which will give La Paz three separate outlets to the Pacific. Brazil, which in 1883 had 3,023 miles of line in operation, has now through-connection with Buenos Aires to the south and expects before long to connect with Pernambuco to the north. Present development in this country, however, is chiefly centred in the provision of lines running east and west. The important line from Santos to Corumbá on the Bolivian frontier

will ultimately be linked up with the Antofagasta system, thus making another trans-continental route. And, simultaneously with the building of railways, a great deal of excellent work is being done by the Brazilian Government in the improvement of the waterways which serve as feeders to the trade of the Amazon, Paraguay and other great rivers. Thus the head-waters of the Araguaya will be connected with the Minas Geraes and the Rio de Janeiro railway systems, and the Paraguay river will be connected with the São Paulo system at Corumbá, thus providing an all-Brazilian route to Matto Grosso and Bolivia. The head-waters of the São Francisco are already in communication with the sea, while the rapids of Paulo Affonso (probably the largest in the world) are bridged by a railway. Similarly, the Uruguay river is linked up with the coast by a railway in Brazilian territory. The rapids of the Tocantins are about to be bridged, so as to allow of navigation from the sea, at Pará, to the very heart of Brazil. More important still, the short distance between the sources of the great Guaporé and Paraguay rivers is to be covered by another line, which will unite Pará and Buenos Aires through the interior of the continent. The achievement of this undertaking awaits only the construction of a railway, the insignificant length of which may be inferred from the fact that canoes are regularly carried from one river to the other, and of another short line skirting the rapids of the Madeira and

Mamoré rivers, which is already under construction.

The course of the marvellous journey which will be made possible by these undertakings may readily be followed on the map. Starting at Belém (Pará), the traveller will ascend the Amazon and Madeira rivers to the village of Santo Antonio, just within the State of Matto Grosso. Here he will take the railway to the Guajará-mirim Rapids, whence another steamer, ascending the Mamoré and Guaporé rivers, will land him at the village of Matto Grosso, a place already in existence before the foundation of the present State capital. This once flourishing place, now in decay, will no doubt recover its importance with the coming of the railways. From the southern terminus of this line the traveller will proceed, probably in a small stern-wheeler, to Corumbá, whence good steamers ply down the Paraguay and Paraná rivers.

Looking at the continent as a whole, the ten Republics should before long possess 50,000 miles of railway in working. Already nearly 40,000 miles have been built, and the remainder are under construction. There are, besides, definitely projected lines covering a distance of 20,000 miles more, but some of these have been projected for a long time. The facts as stated are, however, sufficient to show that the Republics as a whole are alive to the necessity of developing their resources and bringing the produce of the interior by rapid transit to the sea-board.

Although in the past the financing and construction of South American railways has been, to a great extent, a British preserve, and although there is every reason to anticipate that the continued development of the Continent will in the future depend largely on British capital and engineering science, absorbing at the same time large quantities of British material, it is impossible to overlook the importance of the changes which the completion of the Panamá Canal will inevitably effect in the future commerce and economics of the northern and western regions of the continent. It would be foolish to ignore the fact that the political ascendancy of the United States in Central America must entail certain results in the nature of economic gravitation. Amongst many indications of the United States Government's recognition of the vital importance of increasing by all possible means its commercial and political relations with the Latin Republics, none is more significant than the official support given to the Pan-American railway scheme, a scheme which, while purely commercial in theory, expresses by its very name political ambitions and ideals of a very definite kind. Space does not permit us to refer at any length to this stupendous conception; suffice it to say that, for the present, the immediate objective lies in the completion, before 1915, of through-traffic between Mexico City and the Isthmus. Of the total length of 10,116 miles

required to connect New York with Buenos Aires, about two-thirds have already been constructed, and the Pan-American Railway Committee confidently expects the completion of the whole within the next few years. The only important gap lies in the section between Panamá and Lake Titicaca, and once the Isthmus has been pierced it may safely be predicted that all political and financial difficulties will rapidly be solved.

In conclusion, a word may be said as to what this making of the Panamá Canal will mean to South America on the one hand and to Great Britain on the other. It will mean, in the first place, vital changes in the world's great trade-routes and the readjustment of many economic conditions and values. It will halve the voyage from Liverpool to San Francisco and greatly reduce the distance from British ports to the chief centres of trade on the Pacific coast of North and South America, from Vancouver to Valparaíso. There will be, for instance, a saving of some five thousand miles by the new route thus opened to Guayaquil, and what this must mean to the development of trade with Chile and Perú will be self-evident to those who are familiar with the relation of distance to freights, and the immediate effect of any appreciable difference in freight-rates in determining the movement of staples. It is clear that New York's geographical propinquity to the Canal must seriously reduce the advantages hitherto enjoyed by British shippers, and that, on

many lines of international traffic, American freight rates will be in a position of undeniable superiority. By the construction of the Canal America will gain access to the markets of the Pacific sea-board of the southern continent, and to Australia and Japan, under conditions which must eventually result in formidable competition to our overseas carrying trade. Nevertheless, many competent observers anticipate that, at the outset, non-American shipping will profit from the impetus which the canal will bring to the trade of the world. Mr. McLellan, in the *North American Review*, for example, says:—

“Roughly speaking, the distance by water from Europe to the principal ports of California and Oregon is about 14,000 miles, and to the principal ports of Chile and Perú about 10,000 miles. Freights, at their present figure, make it impossible for small steamers of the tramp class to engage in trades which, owing to the long distances required to be travelled, offer no inducement. But when the present 14,000-mile stretch is reduced to about 7,000 miles and the 10,000 miles to 4,000 through gaining admittance into the Pacific via Panamá instead of via Cape Horn, European ship-owners see at a glance that this tremendous reduction in mileage represents the difference between profit and loss, and they will not hesitate to send their small, low-powered vessels into the Pacific to seek their fortunes.”

The writer goes on to predict that either a large number of new and cheaply built ships will be

sent by British and other European owners to the regions round about Panamá, or that the vessels now employed in the congested trade of the Far East will be diverted to the Pacific. All this, of course, is largely surmise, and much will depend on the manner in which the Canal is held and administered as a highway for all-comers, but come what may, this much is certain, namely, that the completion of this titanic feat of engineering cannot fail to have a notable and immediate effect upon the fortunes of the nations in the making on the Pacific coast of South America. This is as certain as the melancholy isolation which awaits the storm-tossed seas that beat upon Cape Horn. If the wonderful record of the Argentine Republic's prosperous growth is not equalled and even surpassed by the north-west of the continent, it will not be for lack of opportunities, but by reason of failure to rise to them.

CHAPTER IV

PANAMÁ

It seems one of the most pathetic facts of history that Columbus should have spent the last months of his adventurous life in fruitless endeavour to find a natural passage across the Isthmus, and that he died a disappointed but not disillusioned man. Following the lead thus set by one of the greatest of discoverers, others pursued the same aim, all of them believing in the existence of a waterway connecting the Atlantic with the Pacific Ocean. For many years thereafter scheme after scheme was floated, and lives and money were expended in the effort to discover the supposed secret of the Isthmus. Successive Kings of Spain and Portugal, explorers and buccaneers, charlatans and *savants*, scientists and treasure-hunters, all vied with one another in the determination to succeed in the quest, and all failed. A hundred years ago, however, the investigations and researches of Humboldt resulted in turning popular interest in the subject to a fresh and sounder direction. It was the beginning of a new era for Panamá.

Christopher Columbus first set foot on the soil of what is now the Republic of Panamá on November 2nd, 1502; and 401 years afterwards, almost to a day—on November 3rd, 1903—the Republic of Panamá, after much bloodshed, formally declared its independence from Spain.

Samples of gold ore which Columbus obtained from the Indians having been transmitted to the Court of Castile, the fanciful name of “Castle of Gold” was conferred on the newly discovered region. Diego de Nicuesa was the first traveller to follow Columbus, and he took possession of the Isthmus “in the name of God,” only, however, to perish miserably with most of his men from the effects of the climate and slow starvation.

After him came Balboa, the discoverer of the Pacific, whose fabulous feats are generally dismissed by the history books in a few words, although he should rank second to Columbus. He was put to death by the Governor of Darien in 1517, that personage being jealous of his achievements. It is noteworthy that the brilliant but infamous Pizarro served as Balboa’s lieutenant. Next, the original settlement of “Old Panamá” was founded (1518) by the Spanish explorers, only to be sacked and burned by Captain Henry Morgan, whose crowning piratical achievement it was. To this day some crumbling ruins of Old Panamá are the joy and wonderment of the traveller, and in his *Panamá Patchwork* the late James Stanley Gilbert says :—

“Cloud-crested San Lorenzo guards
The Chagres' entrance still,
Tho' o'er each stone dense moss has grown
And earth his moat doth fill;
His bastions, feeble with decay,
Steadfastly view the sea,
And sternly wait the certain fate
The ages shall decree.”

For the hundred years 1719–1821, the Isthmus was composed of the Spanish-ruled provinces of Panamá and Veraguas (“New Granada”); but in the last-named year the Isthmians followed the example of other South American peoples, and obtained their freedom from Spanish rule without bloodshed. The actual date of this “declaration” was November 28th, 1821.

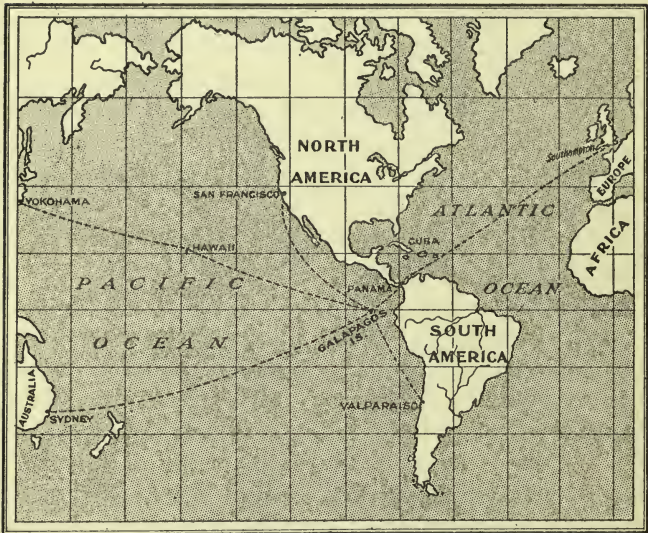
In the days of the gold discovery in California in 1849, a great number of bad characters were attracted to the Isthmus, and many robberies of gold in transit took place. During this time there were various suggestions and schemes put forward for constructing a railway across the Isthmus.

The first train ran into Panamá on January 28th, 1855. Since that date railway enterprise has made some progress and a new line has been constructed, which will take the place of the old railway when the Canal is open. Most of the freight is now hauled across the Isthmus by night. The freight traffic is generally heaviest during January and February, when the coffee crops of Ecuador and Central America are “moving.”

The original cost of the Panamá Railroad was eight million dollars. It is now the property of the United States Government.

For some years a general condition of public insecurity prevailed in Panamá, civil war and outlawry being the rule rather than the exception. One party in the state wanted annexation to Great Britain, but this was over-ruled. Since the separation from Spain Panamá had belonged to the "Granadine Confederation," but in 1857 New Granada conferred on the Isthmus the style of "State of Panamá," and she then joined the Colombian Federation. This, however, was not permanent. The most sanguinary war in the annals of the Isthmus was waged in 1900-1902. The expulsion of the Jesuits and the confiscation of clerical property by the Liberals had naturally aroused the enmity of the other political party in Panamá, the Conservatives or Clericals. The President, Sanclemente, was deposed in 1899, and, in the civil war that ensued, the city of Panamá was bombarded for seventy-two hours, and the gunboat *Lautaro* sunk in the bay with General Carlos Alban and many seamen. Thanks largely to the good offices of the Archbishop of Bogotá peace was concluded between the Government and the malcontent Liberals in November, 1902. Internecine strife continued for another twelve months; matters became so serious that several United States warships were sent, and on November 4th, 1903, the Republic of Panamá declared

its separation from Colombia in a manifesto which concluded thus: "In separating from our brothers of Colombia we do so without hatred and without joy. Just as a son withdraws from his paternal roof, the Isthmian people, in adopting the lot



THE WORLD'S CROSS-ROADS

they have chosen, have done so with grief but in compliance with the supreme and inevitable duty they owe to themselves, and that of their welfare. We, therefore, begin to form a party among the free nations of the world, considering Colombia as a sister nation. . . ."

We turn now to a consideration of the greatest engineering feat of this age, a work that atones for much of the misery that this little country has suffered and has inflicted on itself in the past—the Panamá Canal. It is confidently anticipated that the Isthmian Canal will be in working order by New Year's day of 1915.

In all great enterprises it is the pioneers who suffer—that is the price paid for civilizing influences. The titanic task of linking the Atlantic and Pacific Oceans has been no exception to this rule. It was the brain of Ferdinand de Lesseps, the great Frenchman whose genius gave us the Suez Canal, that finally (1878–81) evolved the idea of a sea-level canal through the Isthmus. A French Company was formed, and for several years it worked on this scheme, only to meet with financial failure after the expenditure of *fifty-two millions sterling*. What was to be done then? As it happened, this shortage of money supplies when the carrying-out of the colossal scheme had proceeded for some years ultimately produced a determination, which was carried out, to sell the scheme outright to the Government of the United States, and the subsequent swift-moving course of events may best be shown by setting out the following dates:—

November 6th, 1903. New Republic of Panamá recognized by United States of America.

November 18th, 1903. Canal Treaty signed at Washington.

December 2nd, 1903. Ratified by Panamá.

February 26th, 1904. Treaty proclaimed.

This agreement—which incidentally ordained that the Government of the United States pledged itself to maintain the autonomy of Panamá—placed the United States Government in possession of the 286,720 acres of land constituting the “Canal Zone,” the consideration being an indemnity of £2,000,000, with an additional £8,000,000 for all the concessions and property of the French Company. Various preliminaries, conferences, plans, and the thousand details inseparable from so vast an undertaking, occupied the next two years. But on June 29th, 1906, Congress formally authorized the beginning of the Canal.

It was decided that a lock-canal was preferable to M. de Lesseps' plans for a sea-level canal, and these locks are of necessity the largest in the world. It should be realized that the Isthmus runs in an easterly direction, and the Canal is about fifty miles in length from sea to sea. Its entrance on the Atlantic side is near Colón, and, on the Pacific side, in the vicinity of Panamá. The world's largest vessels will be able to pass through the Canal in fifteen hours. The whole belt of land covered by the Canal Zone comprises 448 square miles.

Beginning in deep water, the north (Atlantic)

end of the Canal runs about seven miles at sea-level southwards to the Great Gatun Dam and its three locks—the greatest the world has ever seen, and a triumph of marine engineering. These three locks raise the water-level to a height of 85 feet, and, four miles farther on, the Canal turns south-easterly in its course to the Pacific side. Owing to the soft character of the subsoil the construction of this giant Dam proved one of much difficulty and some danger. In shape it is as remarkable as in size, which is due to the conditions of the level. Thus, while it has the moderate height of 115 feet at the crest, the difficulty of its treacherous foundations has been met by spreading the base of the Dam to the stupendous width of 2000 feet. In length the Gatun Dam is *nine thousand feet*. Its construction has resulted in the formation of a huge lake, through which the great water-way is carried in a line along the course of the Chagres River, which disappears into the lake. The work of the Dam floods the Chagres Valley to the sea-level height of 85 feet, transforming a rapid and turbulent river into a lake 164 square miles in area, for which an annual rainfall of 100 inches maintains an ample water supply.

The Gatun locks are in duplicate and are 1000 feet in length. A 300-foot wide “spill-way” at the farther end of the Dam gets rid of the surplus water of the Lake at the rate of 140,000 cubic feet per second. It is important to

remember, despite contradictory statements, that the tide-levels of the Atlantic and Pacific Oceans are substantially the same.

Some thirty miles from Gatun, at the south end of the Lake, at Pedro Miguel, is a twin-lock, and two miles farther, at the south end of Lake Miraflores, are a pair of locks, after which the Canal drops to sea-level again. To those who have passed through the Suez Canal with its great lakes, it will come as a surprise—considering the natural difficulties—that, for thirty-two out of the fifty miles of the Panamá waterway, little cutting or dredging was required. This is due to the formation of the Gatun Lake, where the splendid width of 1000 feet will enable the biggest steamships to proceed at “full speed ahead.”

From the thirty-first to the fortieth mile of the Canal line, it was found necessary to cross the Cordilleras range. This excavation of the mountain soil for nine miles begins at Gamboa and ends at Pedro Miguel, where is the great “Culebra Cut,” the world’s biggest cutting. The material is not really difficult to excavate, being largely argillaceous sandstone with layers of soft conglomerate, and the serious trouble has been, not the mere removal of many million cubic yards of soil, but the danger of earth “slides,” due to the glacier-like movement of soft substances on the slippery clay. The striking example of this is the great “Cucharaca Slide,” south of Gold Hill, half a mile long, and covering twenty-

seven acres, with its 700,000 cubic yards of soil in motion at the rate of 14 feet in twenty-four hours.

The Panamá Canal will have a minimum depth of 41 feet, and a width ranging from 300 to 1000 feet, except in the locks. It has involved for ten years the labour of 20,000 to 40,000 men, aided by the newest and heaviest modern appliances and plant. By January 1st, 1915, it will have cost at least £60,000,000 over and above the ten millions paid for the French and Colombian rights in the original scheme. The whole of the 40,000 workers on the Canal, together with their wives and families, are housed and fed at the cost and under the direct supervision of the Government of the United States, whose medical officers attend free of charge all cases of illness, accidents, etc. The United States Government owns and manages the hotels, looks after the amusements, and practically regulates the lives of all its employees.

This brings us to the consideration of health conditions on the Isthmus, once the most pestiferous and miasmatic of the world's centres. The terrible toll taken by "Yellow Jack" during the working of M. de Lesseps' French Company could not possibly be exaggerated. The Canal Zone was then an absolute plague centre, but under the wise and prudent *régime* inaugurated by Colonel Gorgas, Chief Sanitary Officer, appointed by the United States Government, all

that has changed. Colonel Gorgas and his coadjutors set themselves to the task of stamping out the two varieties of mosquito that convey the germs of yellow fever and malaria. Furthermore, the streets of Colón and Panamá have been paved with impervious materials, and the towns provided with waterworks and sanitary systems. The good effects of the American "occupation" were immediate. The last case of yellow fever reported in Panamá occurred in November, 1905, and before the close of 1906 the dread disease had vanished from Colón.

In 1909 the death-rate for 12,300 white workers on the Isthmus was only 11·9 per thousand as compared with 15·3 in the previous year; whilst in a negro population of 32,000 the rate of 19·4 per thousand in 1908 had fallen to 11·9 in 1909. As the outcome of these efforts Panamá has become in a few years a healthy locality, where white people from Europe and North America may live in absolute safety and security, where vigorous children may be reared and brought up, and where life may be enjoyed unmindful of "climatic" fears.

A word must be said of the excellent organization of the present work on the Canal. America's leading engineering experts, who were visiting the Canal Zone when the writer was there last November, assert that it is being handled with skill and judgment fully equal to that displayed in the greatest industrial enterprises of the United

States. The devotion of every officer of the staff to his chief, and the healthy rivalry exhibited in pushing forward the work in all possible ways, are the happiest auguries. We have it on the authority of that indefatigable worker and organizer, Colonel G. W. Goethals (Chief Engineer of the Panamá) that the Canal will be ready a twelve-month before the allotted time. Thus will ample opportunity be afforded of testing fully the various machinery and the methods of operating the vast locks.

The revolution effected in sea-going trade by the Suez Canal is destined to be repeated, but in this case the benefit will be to the United States and not to Great Britain. Not merely will New York be several thousand miles nearer to the Panamá Canal than England (whereby the commerce of the South American Republics will be turned to the advantage of New York by something like 2,500 miles), but the trade of Japan will be largely diverted. England has at present an advantage of over 2000 miles to Yokohama, an advantage which entirely disappears as soon as the Canal is open. And Melbourne will be upward of 500 miles nearer to New York than is the case to-day, while Hongkong will be 350 miles closer.

These are the commercial advantages to America. What are the strategic? As long ago as the days of President Grant, "an American canal American-controlled" was his dictum. Then came President Roosevelt, with his pronouncement that the

Panamá water-way "will for defensive purposes double the power of the United States Navy. (For offensive purposes also? What would not the Panamá Canal have been to America in her war with Spain in 1897-8?) And again, speaking at Omaha in September, 1908: "We are in honour bound to fortify the Canal ourselves, for only by so doing can we effectively guarantee its neutrality and, moreover, effectively guarantee that it shall not be used against us." Mr. Taft is not less emphatic, and, in drawing the attention of Congress to this necessity, he pointed out that by the Hay-Paunceforte Treaty, America was under an obligation to Great Britain to fortify the Canal. Congress has now voted the necessary appropriation for the fortification of the Canal. It may be well to print side by side the opinions on this question of an American and of a British naval authority:

ADMIRAL MAHAN.

When pierced by a Canal the Isthmus will present a maritime centre analogous to the mouth of the Mississippi. They will differ in this, that in the latter case the converging water-routes on one side are interior to a great state whose resources they bear, where-

ADMIRAL SIR CYPRIAN BRIDGE.

The real position of the United States will be but little altered when the Canal is ready for use. . . . It is difficult to see what military justification there could be for providing the Canal with great and heavily armed defence works. Such works could be of use only against a

as the roads on which either side converge on the Isthmus lie wholly upon the ocean, the common possession of all nations. The control of the latter, therefore, rests either upon local control of its approaches or upon a distinctly preponderating navy. In naval questions the latter is always the dominant factor, exactly as on land the mobile army — the army in the field—must dominate the question of fortresses unless war is to be impotent . . . , the mouth of the Mississippi and the Panamá Canal are the two supreme centres of commercial and therefore of political and military interest. (*Sea Power.*)

strong fleet. . . . As long as the United States navy has command of the neighbouring sea, invasion may be left out of consideration. The raid is a much more probable danger ; and as, against the Panamá Canal, raids need not come by sea, the best, indeed the only effective defence against them is that which can be furnished by a body of well-equipped defenders. These may have the support of simple defence works having a moderate gun armament, but what will be immensely more important to the security of the Canal than any forts or batteries will be the garrison ; and the numerical strength of that garrison —which may have to ward off attacks on both sides —is not likely to be small.

Directly the Canal is opened we may count on an impetus to the carrying trade between America and the Australian Colonies and New Zealand. Australia now gets about $11\frac{1}{2}$ per cent. of her imports (representing £6,000,000) from the States direct, and perhaps £1,000,000 by indirect routes,

chiefly through Great Britain. This latter trade we may expect to see disappear with Australia brought much nearer to America. A somewhat similar remark applies to the ports of New Zealand, where some £1,500,000 of imports come from America annually. Again, with regard to the commercial activities of Japan, that country's imports of raw cotton can, as soon as the Canal is ready, be shipped from the Mexican Gulf ports instead of from New York, the reduction in time and in freights being of course considerable. Japan is, in fact, going to be the country of all countries to benefit, or so it would appear. The Island Empire is making satisfactory strides as one of the important manufacturing countries, and her ability to develop her commercial facilities is unquestioned. For a long while to come the British trade with Japan in woollen goods will be well maintained, but British exports of iron to this quarter have suffered of late years.

To Canada, too, the opening up of the Pacific coast will be of importance. Between the Grand Trunk Pacific Railway, with its terminus on the Pacific coast, and the Panamá Canal the fortunes of the Dominion will be brighter than ever before. The Pacific coast of the United States will similarly be brought nearer to Europe. The produce and products of California will be placed upon the European markets more quickly and economically than at present, but, on the other hand, the British export trade to western Canada and the

Pacific States of the American Union will also be invigorated. The sea route between New York and the Pacific ports south of the Panamá will be lessened by the Canal by from 10000 to 8400 miles, and the saving from Liverpool will be from 2600 to 6000 miles.

In 1904 the Canal Zone was divided into five "municipal districts," which existed until 1907, when the four "administrative districts" of Ancón, Empire, Gorgona and Cristóbal took their place. The governing Commission of the Zone grants all liquor licences, and the establishment of saloons is only permitted at certain points. The cost of a licence is twelve hundred dollars United States currency, and there are less than forty saloons within the Zone's limits. The Zone police number 200 officers and men.

Panamá as a whole covers an area of 32,000 square miles, being about half the size of Uruguay. It is almost entirely surrounded by sea, possessing a land frontier of only 350 miles as compared with a coast-line of 1245 miles, i.e. 767 miles on the Pacific and 478 miles on the Caribbean Sea. Thanks largely, of course, to the influx of immigrants due to work on the Canal, the population of Panamá (including the "Zone," but excluding an Indian population of 80,000) has risen from 311,000 in 1904 to nearly half a million to-day. Of this population Panamá City has 40,000, Colón 15,000, David 12,000, and Bocas del Toro (an Atlantic port) some 10,000.

Señor Don Pablo Arosemena was elected President in 1910. When in Panamá, the writer was granted an audience by President Arosemena, and found him a man of exceptional ability and extremely anxious to give the youngest Republic of Latin America an efficient government. He was particularly proud of the fact that his country was free from debt and that there were several millions of dollars in the State Treasury. He is determined to rule the country economically, and impresses one as a man of character who will not easily be swayed from the path of duty. He thus described the condition of the country to the writer :—

“We do not owe a cent. We pay on sight. We have \$6,000,000 (£1,200,000) deposited in New York Banks, drawing $4\frac{1}{2}$ per cent; and \$1,000,000 in cash deposited in banks at Panamá, of which the sum of \$300,000 is to secure the silver currency. We have no paper money. The Government is honestly and economically conducted, and does not spend a dollar without careful consideration.”

The President is elected for four years, and is not eligible for a second term. He appoints all the higher officials in the State, and, in the event of his death or disability, executive powers devolve on three persons styled “Designadores.” The Government is a single-chamber one. The National Assembly is elected in the proportion of one Deputy to every 10,000 inhabitants. The President’s salary is \$18,000, and he is empowered to veto any measure without reference to the Assembly.

Panamá, as we have seen, has no national debt. In this she is not only at a great advantage as compared with some other South American countries, but with the opening of the Canal, it is hoped, she will find herself in a sound financial position. Conditions of life and progress on the Isthmus are upon the whole favourable. If the moral standard is generally not too high, we have to remember that Panamá is only now slowly and painfully emerging from long periods of civil war and defective moral conditions. Religious toleration is granted, and under the wise control of Señor Melchior Lasso de la Vega the Department of Public Instruction has accomplished efficient work. In the capital there are Normal Schools for girls and for young men, a National College of Language and Commerce, a School of Arts and Crafts, a National School of Music and Declamation, and an institution for the education of San Blas Indian boys. The number of illiterate Panamanians is small; nearly all the population being able to read and write. There is no standing army.

Such is the Panamá of 1911—a virile nation inhabiting a country rich in resources, full of hope for the future, resolute in the knowledge that their great Canal enchains the attention of the whole commercial and scientific world, and determined to win the race for intellectual and industrial advancement.

CHAPTER V

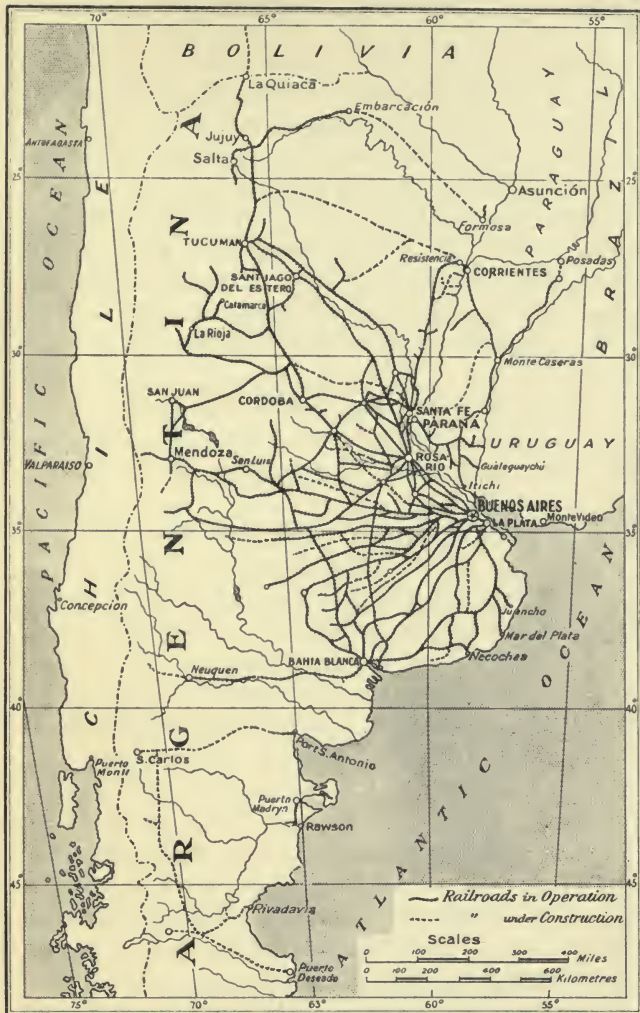
THE ARGENTINE REPUBLIC

“No country known to me,” wrote the late Major Martin Hume, “impresses upon a visitor from Europe so forcibly as the Argentine the unlimited possibilities of its soil. Travelling hour after hour by a railway straight as a line over gently undulating or perfectly flat plains, stretching on all sides as far as the eye can reach, the observer is struck by the regular ripple of the rich grass, like the waves of the sea, as the wind blows over it. Here and there little clumps of eucalyptus slightly break the monotony of the landscape, and a gleam of a bright green alfalfa field occasionally relieves the eye. Far away at rare intervals gleaming white walls and turrets surrounded by eucalyptus groves mark the position of an ‘estancia,’ and innumerable herds of cattle, sheep, and almost wild troops of horses everywhere testify to the richness of the pasture.”

Major Hume's attractive picture of the third largest of the South American Republics is not exaggerated. Argentine is one of the rising countries of the New World. In 1883 the three

principal articles exported from Argentina to the United Kingdom were officially described as "skins, bones, and untanned hides," valued at £400,000. Last year the total value of her sales to Great Britain was roughly £16,000,000, and of her purchases £20,000,000, while the value of her total trade with all the world was £145,000,000. In 1909 nearly 3,000,000 tons of wheat were exported from Argentina, and last year seventy-two per cent of the frozen and chilled meat imported into England came from the rich fields of this young giant among nations. That Great Britain has poured forth a steady stream of gold into this country for the development of these food-producing areas of the New World is only a natural result of the struggle for new sources of food supplies alluded to in a previous chapter.

Argentina's boundaries consist of the Atlantic Ocean and the Republics of Chile, Brazil, Bolivia, Uruguay and Paraguay. It has an extent of 1,135,840 square miles, equal to about two-fifths of the whole area of the United States. The population of Argentina (1911) may be estimated at seven million souls, or about six persons per square mile, as compared with nearly thirty persons per square mile in the United States. The Argentine Census is lacking in the most fundamental of social statistics, the returns of the population. Official reports provide with extreme accuracy an enumeration of the cattle, horses, sheep, asses, mules, swine, goats, ostriches, ducks, geese,



cocks, hens, chickens and pigeons, yet though sex and age are fully detailed for the poultry enthusiast, no such classification nor that of nationality or condition is available with regard to the enumeration of the Argentine people. It is to be hoped that the next Census of the Republic will remedy this, and that we shall have an enumeration of the people with age, sex, nationality and occupation, and other information necessary for a thorough study of the movement of the population.

The climate may not unfairly be classed as one of infinite variety, going from tropical in the north to arctic in the south, but lying mainly in the temperate zone.

The main intention in this chapter being to present a picture of commercial, agricultural, social, economic and political Argentina of to-day and of its future development, the briefest of historical sketches must suffice.

Subsequent to the discovery of the river La Plata in 1508 and the foundation of Buenos Aires in 1536 by Mendoza, the struggle was for a long period between the Spanish adventurers and the Indians—not the Aztec and Inca races as in Mexico and Perú, but a hardy and nomadic people who for years offered a tenacious resistance to the invader. The first settlement of Buenos Aires was burned and sacked by them, but they were gradually pushed farther into the interior, and in 1576 Juan de Garay, as Viceroy, renewed a determined

effort to "colonize." In 1776, the year of North American Independence, the country was considered powerful enough by its Spanish overlords to become a separate Viceroyalty, but in 1810 the war for South American independence began, and the Spaniards were defeated and expelled in 1814. On July 9th, 1816, a Constitutional Assembly at Tucumán proclaimed the autonomy of the United Provinces of the Plata River ("Provincias Unidas del Rio de la Plata"), and in 1824 the more democratic régime of a President of the Republic took the place of the first instituted Supreme Dictatorship. About Christmas 1825 a war broke out with Brazil in consequence of her attitude towards Uruguay, who had recently seceded from the Argentine Confederation. This trouble was settled by a treaty of peace signed in February, 1827, which provided for the independence of Uruguay.

From 1829 Argentina was ruled for more than twenty years by the reactionary Rosas.

Among its modern rulers, Celman had to be deposed after bringing his country to financial ruin. Don Manuel Quintana, who became President in 1904, died in 1906 before his term of power had expired. The Vice-President, Dr. Jose Figueroa Alcorta, filled the gap until October, 1910 (the term of office being, not as in other South American Republics, for six instead of four years), when the present President, Dr. Roque Saenz Peña, was elected.

The Constitution of the Argentine Nation, the title by which the country is now known, was promulgated on May Day, 1853, and took the Federal Union of States as its pattern. This form is identical with that of the Constitutions of four other Western nations, viz. the United States of America, Mexico, Brazil and Venezuela.

It vests the legislative power in a two-chamber National Congress and the executive power in the hands of a President assisted by a Cabinet.

The "Supreme Court" of Argentina is a tribunal of five judges, after which there are four Courts of Appeal (each of three judges) and Courts of "First Instance." Each province has its own judiciary.

The Republic is politically divided into fourteen provinces, and one Federal District (Buenos Aires, the capital). The fourteen provinces are practically self-governing as regards their internal administration. The ten territories are ruled by a Governor, who is appointed by the President. The Federal District is under the superintendence of a Mayor (*intendente*) and a Municipal Council.

The populations of the half-dozen leading cities may be thus roughly summarized: Buenos Aires, 1,320,000; La Plata (the capital of Buenos Aires province), 80,000; Córdoba, 60,000; Tucumán, 55,000; Rosario, 180,000; Santa Fé, 33,000; Paraná, 30,000; Mendoza, 51,000; Bahia Blanca,

37,000; and Corrientes, 20,000. The three biggest centres of the sea-going trade are Buenos Aires, Bahia Blanca and Rosario.

As usual with these new countries, the demand of Argentina is for more people. It has been said, indeed, that but for immigration the population would be in danger of not increasing. The figures on the point are certainly instructive. The birth-rate among the Italian residents is very considerably higher than that among the other colonists, as the following birth-rates per thousand for 1904 show: Italians, 175; Spaniards, 123; Germans, 96; Uruguayans, 93; English, 92; Argentines, 85; and French 74.

Argentina is Italy's finest colony; of the 1,750,000 foreigners (more than one-third of the total population) in the Republic in 1909, 843,540 were Italians, while 424,085 were Spaniards, 104,990 French, and the rest English, Swiss, Germans, Austrians and other nationalities.

It will be seen that the preponderance of the Italian and Spanish colonists is quite startling, and it is being well maintained. The French are declining in numbers. The rate of European immigration has risen from some 4000 in 1857 to a quarter of a million in 1908, while the following recent figures show that the number of immigrants has doubled itself within five years: 1904, 125,567; 1905, 177,117; 1906, 252,536; 1907, 209,103; 1908, 255,710.

Argentina spends more money on educating

her children than any country save Australia. Primary education is secular, and is free and compulsory for children from six to fourteen years old. The children of the wealthy are frequently sent to be educated in Europe. In 1910 there were 6371 primary schools (public and private) with 659,460 pupils. Between 1885 and 1904 the children of school-going age attending schools increased from 25 to 45 per cent, of whom only a fraction could read or write. As for secondary education (not compulsory) there are twenty-six national colleges maintained by the Government with some five thousand pupils, and nearly double that number of normal schools. There are Universities at Buenos Aires, Córdoba, La Plata, Santa Fé and Paraná.

The capital has its "National School of Commerce," which is doing admirable work in the education of accountants, translators, etc. Other state-aided colleges of commerce are at Córdoba and Bahia Blanca. There is a "School of Mines" at San Juan, an Agrarian and Veterinary School at Santa Catalina, a National School for Pilots, and the Viticultural School at Mendoza. Every year a number of scholars from each of the provinces are sent abroad at Government expense to complete their studies.

An institution which does the State great credit is the finely-equipped Industrial School in Buenos Aires. Here are taught trades and crafts of every description, special attention being given to those

occupations upon which the industrial future of the country would seem to depend. There are also National Museums of Fine Arts, of History, and of Natural History, as well as the National Conservatoire of Music and School of Drawing. Agricultural Stations are maintained at San Juan, Bella Vista, Tucumán, and Terna.

Argentina is a country of conscription. Every Argentine subject from the age of twenty-one is liable for naval or military service—ostensibly for two years and one year respectively, but in practice these periods are materially lessened, owing to exceptions in favour of those who have attended shooting ranges and obtained classifications as good shots, which number, thanks to the systematic military training provided and encouraged by educational and municipal authorities, is very considerable. The *gauchos* of the plains especially, and indeed most Argentines, are good horsemen, so that their period of training for the cavalry branch is much shorter than would be the case in Europe.

This system of conscription affords about 15,000 men annually for regular service, and the regulations governing the transference of these, first to the ordinary reserve force until the age of thirty, and afterwards to the "National Guards," from whom service in time of war only is required, provides a force of about 150,000 trained men for the army and 25,000 for the navy, who can be called upon for active service. The permanent

army consists roughly of 20,000 men, officers, and staff attendants. It is noteworthy that the German principles of military training have been very largely adopted, both in the conscript system and in the more specialized training provided in military colleges and schools for staff and petty officers. The uniform also is of German pattern. The infantry weapon is the Mauser rifle and the artillery arm is the Krupp gun.

With a thousand miles of splendid sea-line on the Atlantic to protect and no outlet save the Pacific on the coast of that name, an efficient navy is even more vital to Argentina than a good army. But although *on* the sea, her people cannot be said to be *of* it, and in the British sense of the word they are not a sea-faring race—in fact, despite her vast overseas trade, Argentina's mercantile marine does not much exceed a tonnage of 100,000. It follows that her navy does not reach large dimensions, though recently two battleships of the Dreadnought type, each of 23,000 tons, and fifteen destroyers of 850 tons each have been added to the fleet. At Belgrano—Bahia Blanca—a naval port has arisen, capable of accommodating ships of 12,000 tons.

Railway expansion has played a very important part in the development of the Republic. The following figures illustrate the distribution of British capital in Argentina a couple of years ago, but an estimate made in 1911 by Mr. Thomas Brewer, editor of the *South American*

Journal, puts the British capital invested at £294,514,644.

	£
Railways . . .	137,845,000
Banks . . .	8,580,000
Tramways . . .	8,010,986
Other Enterprises . . .	20,910,580
	175,346,566

France came next with railway and harbour investments totalling up to about £22,000,000, followed by Germany with £12,000,000, mostly in banks and trams, and by Belgium with a modest four millions. Could any figures be more eloquent of the preponderance of British interests in this country?

It was in 1854 that Buenos Aires granted the first railway concession in Argentina. It was for merely thirteen miles of line running westward from the capital, and it began working in 1857. Between that date and 1909 the railway mileage increased to 16,600 miles, this representing an average construction of new line at the rate of 319 miles per annum. La Pampa is the territory with the greatest mileage in railways, and it is estimated that this mileage is likely to be *doubled* at no distant date. The total railroad mileage of the country is, in round figures, 20,000, including railroads under construction, with an additional 5000 miles projected.

The pioneer of all these lines was the Buenos

Aires Western, and the largest to-day is the Buenos Aires Southern, formed in 1862. Other principal great railway companies, most of them British, are the Central Argentine, Buenos Aires and Pacific, Argentine Great Western, Córdoba Central and its Buenos Aires extension, Argentine North Eastern, Entre Rios and Córdoba and Rosario. The receipts of all the different railways in 1909 came to over twenty millions sterling, with a total of fifty million passengers, and a movement of nearly thirty-two million tons of goods.

The financial position of the Republic is sound, though it is generally believed that Congress ought to be able to produce a more satisfactory Budget. Its National Debt (external and internal) amounts to £88,600,000, which is a slight decrease since 1900, but when the present resources of the country are compared with those of ten years ago the proportionate burden is not more than half what it was then. The revenue of the Government last year exceeded £24,000,000. Like the Public Debts of most of the other Republics it originated in the necessity, at the close of the long and exhausting struggle with Spain, for credit to be obtained for the development of the country's resources and the maintenance of its political and financial stability.

The chief feature, as regards finance, of the Presidential Message of May 11th of this year is the announcement that an external loan of £12,000,000 will be necessary. The Budget

exceeds last year's by £6,300,313. Extraordinary expenses have been in connection with the centenary celebrations and the partial loss of the harvests, which necessitates State help to farmers for the purchase of seeds next year. The imports for the year now ended were £70,354,000 and the exports £74,525,200. The Caja de Conversión holds £39,200,000 gold and the Banco de la Nación £32,600,000. There were redeemed during 1910 external loans to the extent of £1,100,000. The internal duties produced £2,215,634.

A change in the form of the currency was foreshadowed by the Conversion Law of 1899, whereby the paper money is convertible at the rate of 44 *centavos* gold to the paper *peso*, and for this purpose the Conversion Office possessed in March, 1910, a gold reserve of over £40,000,000. The nominal monetary unit is the gold *peso* of 100 *centavos*, worth 47·61 pence, but the actual unit is the paper *peso* of 20·952 pence. There is also a silver *peso* worth about 17 pence, and 50, 20, 10 and 5 *centavos* pieces. Nickel coins are of 20, 10 and 5 *centavos*. The Government deserves great credit for the sensible way it has dealt with the currency, and the next step should take the Argentine to a gold standard.

There are four big Argentine banks having London offices, viz. the London and River Plate Bank, the Anglo-South American, the British Bank of South America, and the London and

Brazilian Bank. The United States does not yet possess a single banking establishment in South America, though there has been considerable talk of establishing one. The bank deposits last year were over 1000 million *pesos* and nearly £10,000,000 gold. The banking business is conducted on sound principles and is largely influenced by British methods.

In 1883 the Republic adopted protection, and in 1884 the tariff imposed a duty of 50 per cent on firearms, powder, alcohol, playing-cards, perfumes, tobacco, snuff, and wax matches, and of 40 per cent on hats, clothes, shoes, furniture, carriages and harness, rockets and wooden matches. As, on the other hand, many articles essential to the agricultural and commercial development of the land were admitted for a nominal tariff, it has been held to work well. But Señor Pillado, in his thoughtful study *Politico-Commercial Argentina*, remarks: "For a number of years Protection has been a heavy obstacle to the progress and expansion of our country. Most sincerely do I declare that we all ought to use our utmost efforts to reform a financial system grounded on such fundamental errors as protective tariffs."

Buenos Aires, the capital city of Argentina, was a city of some importance even in 1762, though contemporary accounts and journals emphasized its unsanitary and sordid condition. All that has been changed now. The town is situated on the right bank of the estuary of the river La Plata.

Its magnificent docks, finished in 1900, have accommodation for twenty million tons of shipping. Works are now in course of construction for the enlargement of the existing, and the provision of new, accommodation for an additional two million tons of shipping. The work includes four new docks with quays extending for a length of over 3 miles, and the erection of warehouses covering 100 acres of floor space at a cost of £5,500,000. The well-known British firm of Messrs. C. H. Walker and Co. have the contract, and Messrs. Levesey, Son & Henderson are the engineers.

The public and other buildings of the city at once strike the eye. The Exchange is an impressive building, and the Jockey Club has few rivals anywhere. (Its entrance fee is £300.) Horse-racing is the great national pastime, but the bookmaker is unknown, though it must not be concluded from this that betting does not exist. On the contrary, it is practised to excess, the Jockey Club itself taking the place of the private bookmaker and issuing betting tickets to the public on lines similar to those of the French *pari-mutuel* system. In fact, betting is so much a part of national life in Argentina that the sums wagered on horses and spent in lottery tickets are recorded in municipal statistics. In 1908 about £8,000,000 represented the open and public gambling in Buenos Aires, the amount of private wagers and sums exchanged at cards being impos-

sible to estimate. Many wealthy men go in for breeding racehorses, and it was here that King Edward the Seventh's celebrated Diamond Jubilee changed hands for £30,000.

Buenos Aires naturally received a great impetus from the Centennial Exhibition held in 1910—a group of exhibitions the chief of which were the Railway and the Agricultural Exhibitions. The British section of the Railway Exhibition was one of the finest of the kind ever arranged; it eclipsed all the others and did great credit to British railway builders.

The Press of this city deserves special mention. There are 412 publications in the native language (Spanish), 22 in Italian, 8 British, 8 French, 8 German, and 1 Arabic, in addition to those of several other foreign communities. Palermo Park and the Zoological Gardens are beautiful resorts. The theatres and concert halls are of the most modern description, and the fact that Madame Melba netted £40,000 from a comparatively brief concert tour in South America gives some idea of the money that South Americans are willing to spend in this way.

The extent of the development of Argentine trade may be gathered from a comparison of its present figures with those of twenty-five years ago. In 1883 the value of its exports and imports together amounted to under 25 million sterling, a sum, it is true, nearly twenty-five times as large as that of a hundred years previously, but only a

seventh of its amount at the present day, which is roughly 144½ millions. Such statistics require no comment and certainly no panegyric. In 1909, again, the export of agricultural products represented upwards of 48 millions sterling, of pastoral products 27 millions, forest products 1½ millions, and fish and game £100,000. The largest shipment of these details included wheat, maize, linseed, oats, wool, frozen beef and mutton, hides, and quebracho wood. Argentina is already *the* wheat exporting country of the world, and is by far the world's greatest exporter of linseed. Yet in 1854 not more than 375,000 acres of this wonderful land was under tillage. Twenty years later, 271,000 acres were being cultivated for wheat alone, and to-day the wheat area is represented by 14 million acres. In 1902 Argentina produced 2,824,000 tons of wheat, of which it exported 543,000 tons. In the cereal year 1908-9 it grew 4,250,000 tons (5.3 per cent of the entire crop of the world), of which it exported 2,980,000 tons. Buenos Aires and Rosario are the great wheat ports, and the former is now feeling the competition of Bahia Blanca in the south. The following are the wheat exports of the principal wheat-raising countries of the world in the year 1908-9 :

	Tons.		Tons.
Argentina	. 2,980,000	Canada	. 1,640,000
United States	2,952,000	Balkan States	1,058,000
Russia	. 2,625,000	Australasia	. 1,032,000
		India,	754,000 tons.

The republic has come to the fore of late years as a producer of linseed, the average annual production during the years 1905-9 having increased over 156 per cent. relatively to the average annual production of the preceding five years and over 300 per cent. relatively to that of the years 1895-9. Its product of linseed during 1909 was 1,049,000 tons, equal to the amount produced by either Russia or North America and India together.

Though the production of sugar is large, it was not sufficient in 1909 to meet the home demand, and a considerable quantity was imported. Tucumán is the sugar and tobacco region, whilst Mendoza is responsible to-day for nine-tenths of the great and growing grape-harvest. The familiar expression "wine of the country" is here a very literal one, and the old-world vineyards and "bodégas" of Mendoza are a sight worth seeing. In 1884 only some 63,000 acres were under grape cultivation, and they produced less than six million gallons of wine; in 1911 the production should certainly amount to 42,000,000 gallons. While all sorts of wine are manufactured, the widest popularity is for red and white clarets. The tariff renders foreign wines far too expensive.

Cattle and sheep rearing, and the production of frozen and chilled meat, have made great headway, and the fact that a recent contract has been made with the Nelson Line for ten new steamers, of 8000 tons each, to be used exclusively for the shipping of chilled meat, is a sufficient indication

of the extent of this trade. The trade of Argentina in cattle and sheep, hides and wool is still capable of great expansion. The business in chilled or frozen beef and mutton is of more recent growth than that in wool and hides, which even in the seventeenth century was quite considerable. To-day it constitutes one of Argentina's greatest commercial assets, and in 1910 Great Britain derived 72 per cent. of her chilled and frozen meat, not from her own overseas dominions, but from the fruitful Argentina.

Times have indeed changed since the days when animals were killed for their hides only and the carcasses left to rot on the ground. Great allowance must be made, of course, for the slow but sure advance in the method of freezing, chilling, and preserving the carcasses. By 1895 the number of cattle on the pampas had increased to 21,701,506 head, an increase of $11\frac{1}{2}$ millions in thirty years. The census of 1909 shows a further increase to nearly 30,000,000 head. As illustrating, coincidentally, the corresponding welcome advance of Argentina in kindred spheres of usefulness (wheat, railways, etc.), the proportion of cattle to the total wealth of the country fell from 25 per cent. in 1857 to 18 per cent. in 1884. Considerable impetus was given to the business by the extensive importation of the best blood-stock, and in 1899-1903 some 3000 bulls were imported, mainly from England. A great number of the "estancias" or ranches are British owned and

conducted.¹ In 1909, 275,930 tons of beef and mutton were exported. Last year's returns of the total number of animals in Argentina represented a gross value of £60,468,750. The "Campo," as the vast pampa is locally called, has contributed more than any other factor to the making of the Argentine nation of to-day.

In 1909 the export of wool from the Argentine ports had attained the satisfactory figure of 176,682 tons. The fine quality of this wool is maintained by judicious but constant experiments in breeding, as well as by the magnificent quality of the pampas pasturage.

Some estancias have dairies attached to them, and the export of butter, of an excellent quality, has grown from a few hundred pounds in 1891 to 8000 tons last year. Of this export, the United Kingdom takes 90 per cent.

Several huge meat-extract companies have their head-quarters in Argentina. The Bovril Company purchased 438,000 acres and two factories at Santa Elena and San Javier, and in these factories some 100,000 cattle are slaughtered annually. The Lemco and Oxo Company was the first to be established, about 1865. "Liebig's Extract" was eventually absorbed by the Lemco and Oxo Company, starting in Uruguay, but now owning ten estancias in Argentina, nine in Paraguay and seven in Uruguay. The whole area of this

¹ "Of every twenty estancias in the South, fifteen belong to Englishmen."—BERNANDEZ, *The Argentine Estancia*.

immense property exceeds that of Kent and Surrey together, and one estancia alone is bigger than the Isle of Wight. From January to June is the killing season, and in this six months some 250,000 beasts are slaughtered by the Lemco-Oxo combine. The table below gives the history of the Company's expansion in periods of ten years :—

	Acres.			Stock.
1868	28,494	.	.	12,000 cattle.
1878	37,961	.	.	19,036 ,,
1888	126,984	.	.	36,685 ,,
1898	254,133	.	.	66,435 ,,
1908	1,302,386	.	.	224,406 ,,
1910	1,727,720	.	.	274,500 ,,

Turning to home products other than the pastoral-agricultural, we find that although manufacturers in Argentina are so heavily protected progress is, on the whole, slow. The country has 130 distilleries and 32 breweries (1910), while rum is freely manufactured at Tucumán. About eighty factories produce £2,500,000 worth of tobacco annually. Three years ago, 303 flour mills yielded 700,000 tons annually, but the high tariff and lack of coal are handicaps to full expansion. Considerable production of textiles also takes place (at two cotton mills and sixty weaving factories), as well as of glass-ware, matches, paper, clothing, leather, and boots and shoes of the cheaper kind, etc.

The total number of factories in the Argentine Republic in 1909 was 31,996, with a capital of £19,269,335, and an annual output valued at £108,282,326. The value of the raw material employed in these factories during the year was estimated at £63,013,238. The employees numbered 327,893, and the motive power employed aggregated 229,692 horse-power. Buenos Aires has 10,349 factories and 118,315 employees.

In 1908 Argentina had the satisfaction of superseding the United States as the premier maize exporter of the world. The value of this export last year was over £12,000,000.

In the matter of imports, England claims the proportion of 34·2 per cent of the entire trade, followed by Germany (whose growing enterprise in South American affairs is noteworthy) with 13·9, and the United States with 13·2. The import trade figures of the principal competing countries in 1910 were : Great Britain, £18,371,396 ; Germany, £7,569,415 ; United States, £7,119,400 ; France, £5,295,383 ; Italy, £4,982,649 ; Belgium, £2,550,674.

Agricultural Argentina has in some sense been developed and exploited at the expense of mineral Argentina, though in any case its mineral product is far inferior to that of other South American countries. Still, gold, silver, and copper ore are worked in considerable quantities, and many believe the workings to be capable of considerable development. The mining region is

situated mainly under the Andes, and the Mejicana Mine at Famatina is 16,500 feet above sea-level.

So well wooded are certain areas that the forests of the "Gran Chaco" are said to contain sixty thousand square miles of timber. The forest-woods include the quebracho, the nandubay (acacia), lapacho (bignonia), red and white cedar, amarillo (mimosa), the palm-tree (introduced by the Jesuits), poplar, willow, walnut, and the celebrated *yerba mate*, whose leaves make a stimulating tea. The valuable quebracho (breakaxe) takes a hundred years to arrive at maturity. It is largely used in the making of railway sleepers, etc., and also provides an export trade of about a quarter of a million tons annually, mainly for tanning purposes. This wood bears so strong a resemblance to red marble that it is a difficult matter to distinguish between the two.

Argentina's own modest mercantile marine is represented by about three hundred steam and sailing ships, having a tonnage of some 100,000 gross. But her score of magnificent harbours, ranging from the stately docks of Buenos Aires and Rosario to the more moderate but not less ambitious ports of Rio Gallégos and Puerto Madryn, demand separate mention. In 1908, 7,555,574 tons of shipping entered and 7,562,055 cleared from the port of Buenos Aires, while 1,924,808 tons entered and 2,029,596 cleared from Rosario. But Santa Fé, La Plata, Paraná, Corrientes, Goya, Diamante, Bella Vista, and the

splendid growing southern port of Bahia Blanca, where now enter and clear nearly a million tons of shipping annually, are also important ports.

Rosario, the second city of the Republic, and now a place of nearly 200,000 people, is less than two hundred miles from the capital, which may be reached under five hours on the Central Argentine Railway. It is the principal wheat, linseed, and maize port of Argentina. Its situation on the Paraná River is superb, and when Rosario is linked up—as it will be—by through railway inter-communication with Brazil, Paraguay, and Bolivia, and Brazilian coal can be brought into the country in great quantities, a chief obstacle to Argentina's complete industrial supremacy will be swept away.

The city of Santa Fé, capital of the province of that name, does the greatest export trade in quebracho wood, approximating to 200,000 tons annually. It, too, is on the Paraná, whose wonderful "Falls of Iguazú," the Niagara of South America, are not far away.

The "Gran Chaco," the northern division of the country, is singularly interesting. It is the home of the native Indian tribes, and, in sharp contrast to the Mendozan area, its climate is tropical. Its fauna includes the jaguar, the puma, wild cat, fox, tapir, many varieties of deer, and the alligator. The north is marshy, the south covered with dense forests. The capital of the Chaco is Resistencia.

The most interesting spot in the country is Córdoba, founded in 1573. It has the oldest University in South America except Lima—established by the Jesuits in 1613. Then there is Tucumán, on the River Salí. It already has 50,000 inhabitants, and as its growing sugar and tobacco industries develop it is certain to become a most important centre.

Bahía Blanca, the future great competing wheat port of the south, did not obtain railway facilities at all until 1885, but nowadays the healthy competition of two big lines—the Great Southern and the Bahía Blanca and North-Western worked by the Buenos Aires and Pacific Railway—is most beneficial to the town. It has also become a big naval port, docks to receive the biggest battleships having been constructed under the direction of the famous Italian engineer, the Chevalier Luigi.

It is believed that Patagonia will develop extensively. Its lakes and harbours are good, and its pastures admirable. Sheep farming is developing, and there is an extensive trade in salt and fruit.

British trade with Argentina, in spite of its progress of recent years (the total amounting in 1909 to fifty-one millions sterling, and showing an increase of nearly 300 per cent relative to its amount ten years previously), is still a subject for criticism with regard to its practical conduct and the consequent effect upon its volume. It is urged by an Argentine correspondent to *The Times* in

January of this year—and his complaints recall strictures that Consular reports have made familiar to us for many years past—that apathy and lack of business aptitude on the part of British merchants are more noticeable in their business relations with Argentina than with any other country. The demand for British goods by the Argentines, wrote this correspondent, is so eager that even the inconvenience and vexation that ensue from the English manufacturers' indifference to their own interests and disregard of opportunities have not, as yet, diverted the demand to other countries, though naturally the facilities and trade courtesies which are not forthcoming from English firms, and which do characterize the dealing of German and American manufacturers with Argentine business houses, have secured for the latter a considerable share of the trade which might otherwise have been held by Englishmen.

There is, no doubt, truth in the statement that some branches of South American trade are not conducted with that sense of commercial rectitude that invites the confidence of British merchants, but to place all responsibility for the conditions deplored by the Argentine correspondent to *The Times* upon this fact would but be to argue ignorance of many details of the situation and associate ourselves with cant phrases. As *The Times* justly said in a leading article commenting upon the letter referred to, "It is not in this case a question of fools and angels—merchants of other nations

are not all fools nor are British merchants all angels. We do well to eschew corrupt practices, but, even so, there is plenty of room for improvement in our methods of doing business."

Meanwhile Argentina progresses by leaps and bounds, a land of plenty for all but the naturally inept and incapable. Its people are frankly and entirely occupied in the pursuit or the enjoyment of wealth, caring but little how they are governed and regarding politics with indifference, so long as it rains. Drought they fear with reason, for it strews their vast pasture-lands with the carcasses of starved cattle, and of the visitations of locusts they have had bitter experience. But the rain comes at last, and soon the wonderful soil puts forth rich provender for the survivors of the herds, and restores the herbage stripped by the flying blight. Losses are quickly covered by new gains, for what nature takes away is but little compared to what she gives back; and before long the reservoirs and the extensive scheme of irrigation which the Argentine Government, in combination with the railways, has wisely inaugurated, will greatly reduce the unavoidable damage to crops. The national prosperity rests on the surest of foundations, since an inexhaustible source supplies its constituents, and for these, the prime necessity of mankind, the demand can never even waver, so that in summing up Argentina's prospects of future material welfare the slightest tinge of pessimism would appear to be inadmissible.

CHAPTER VI

BOLIVIA


IN the days of Spanish dominion that part of South America now known as Bolivia was "the pride of Spain" and the "envy of the rest of Europe." From the rich silver mountains of Potosí untold wealth was carried on the backs of Indians or of llamas over the Andes to Arica and thence in the "silver ships" to Panamá. Potosí, which could then boast of 150,000 inhabitants, sixty churches, many costly public buildings and a great mint, has now a rather melancholy and dilapidated air. The mint, constructed of timber dragged from Oran in Argentina, stands to this day, sprawling over two city blocks. Many of the churches still survive in a less perfect state of preservation, and the twenty-two artificial lakes, constructed in 1621 on the heights which dominate the city, give evidence of the number and importance of the workings to which it was their purpose to supply water; but of the almost fabulous wealth and the fame which was Potosí's, little remains but the memory. Yet though the ancient glories of their city have departed, the citizens of Potosí seem keenly alive to its future possibilities, and

are looking forward to the completion of the new railway which will connect the town with the main Bolivian railways and open their mineral



resources to the world. Bolivia, like her most famous city, perhaps, finds more satisfaction in the contemplation of what the future has in store for her than in brooding over the past. For nearly a generation Bolivia has encountered

hard luck. Strife with her neighbour Republics over questions of boundaries, frequent internal dissensions interspersed with periods of corrupt and incapable administration, these are but a portion of the chronicle of her perplexities. In the ill-advised war with Chile, Bolivia lost her only maritime province, and is now a land-locked nation with the single consolation that she is unconcerned in the naval rivalry that has suddenly overtaken at least three of her neighbours. Chile has granted her the use in perpetuity of two sea-ports. Great Britain has resumed diplomatic relations with La Paz. The several boundary questions have apparently been settled or are on the way towards settlement, and Bolivia has emerged with a loss of territory which she could easily spare and a gain of two million sovereigns which she greatly needed. Commerce has received an impetus, her markets are extending, and foreign capital is beginning to venture into the country. An honest, capable Government has helped to bring about these more satisfactory conditions. The indemnity received from Brazil has been scrupulously put to the useful purpose of building a system of railways which, when completed, will link together the important cities. The undertaking is in the hands of a reputable British company, and the writer, having inspected all the completed lines, can vouch for the integrity of the work. With the opening of the railways now in course of construction in Bolivia and the



completion of the joint Chile-Bolivia railway from Arica to La Paz, the principal city of Bolivia will be supplied on all sides with railways. La Paz will not only have three direct railway outlets to the Pacific coast—those via Antofagasta, Arica and Mollendo respectively—but a line extending to a point on the river Beni from which free navigation is possible into the Amazon and its innumerable navigable tributaries.

Yet another important line is that which will leave the main track of the Antofagasta-Bolivia Railway at Uyuni, go thence to Tupiza and connect with one of the greatest and most remarkable railway systems in the world, that of Argentina. The Arica-La Paz Railway is to be inaugurated this year, on the 6th of August, Bolivia's Independence Day, in the presence of the Presidents of the two countries. The event should strengthen the friendly relations of Chile and Bolivia and, as did the interchange of visits last year between the Presidents of Chile and Argentina, help to establish permanent mutual goodwill between the two Republics.

There are indications that the luck of Bolivia has changed, and her prospects seem full of promise.

In point of area Bolivia comes third to Brazil and Argentina, with 700,000 square miles of the most varied territory in South America. In the north-west are hot lowlands, hydrographic basins whose rivers, navigable for long distances, fertilize vast meadows into abundant vegetation; in the

east are rolling grass plains and almost impenetrable forest-lands intersected by broad rivers which overflow their low banks and spread into swamps. In the west a massive double range of the great Andes encloses a high plateau 520 miles in length, with an average breadth of nearly eighty miles—a bleak and windy plain, 12,000 feet above sea-level—where the scanty vegetation grows with difficulty and the few streams that descend from the surrounding summits either feed a vast morass or flow into two great lakes. In the southern portion of this plateau are flat, arid deserts covered with deposits of salt. The territory in the south-west of Bolivia consists of volcanic ranges to the east and sandy plains to the west, where a few feeble streams form at long intervals welcome oases.

Bolivia is bounded on the north and north-east by Brazil, west by Perú and Chile, south by Argentina, and south-east by Paraguay. The territory is divided into the *departamentos* of La Paz and El Beni in the north; Oruro in the west, Cochabamba in the centre and Santa Cruz in the east; Potosí, south of Oruro, Chuquisaca, south of Santa Cruz, and Tarija in the south-east corner. In the north-west is a Territorio de Colonias, largely unexplored and reserved by the Government for colonizing purposes, while part of the department of Tarija is also unsurveyed, and is the haunt of many wild tribes.

The natural resources of this territory are, in

the first place, minerals, and the wealth of Bolivia in this direction is undeniable. Of all countries of the world she exports most bismuth, is the second largest producer of tin, and holds third place as a silver producer. She possesses in greater or less abundance almost all the known metals of the world. The soil has yielded immense quantities of gold, first for the Incas, then for their Spanish conquerors, and later for Portuguese and Brazilian exploiters, and there is no doubt that much still remains. Statistics do not give a correct idea of the amount of gold mined annually, for most of it is exported clandestinely, but although for lack of labour, capital, and transport facilities none of the mines can be fully worked, and many of the gold-bearing districts are entirely neglected, there are many rich placers in the departments of La Paz, Cochabamba, and Santa Cruz from which a far greater amount of the precious metal is extracted than is shown by official figures. Gold is also found in districts of the departments of Potosí, Tarija, and Chuquisaca, and to a limited extent is worked there, but the richest region of all, around the sources of the Purús, Madre de Dios, and Acre rivers, is completely abandoned.

Tin is found in extraordinary abundance in the north (La Paz), in the centre (Oruro), in the south (Chorolque), and in the east of the Andean zone of Bolivia (Potosí). Of these districts Potosí produces about a half of the total, which amounted

in 1910 to 38,548 tons, representing a value of £2,960,520. Silver is found principally in the west of the Republic, in the auriferous zone of the plateau which a geologist has described as "a table of silver with legs of gold." From the famous hill of Potosí, which is reputed to have yielded during the 320 years that followed its discovery metal to the value of £270,000,000, some silver is still mined and ancient tailings are worked, but the present low price of the metal has hit the industry hard, and even Pula-cayo, the richest of all the Bolivian mines, second only to Broken Hill, with the costliest of machinery can barely be worked at a profit. Thousands of mines are abandoned, owing either to the invasion of water in the shafts or, more frequently, to lack of capital, labour, and transport facilities. Nevertheless, after tin and rubber, silver is the most important product, and was exported in 1910 to the value of £421,163.

Copper is found in the eastern chain of the Bolivian Andes and its ramifications, and even far beyond these, for there are rich veins in the Chuquisaca and Tarija *departamentos* in the south-west. The industry has suffered from high freights and relatively low prices, but, as with silver-mining and every other enterprise in Bolivia, there is little doubt that it will improve upon the completion of railways now in construction or projected. In 1910 the total export of the metal was 3190 tons, worth £142,956, a

distinct improvement upon the 1909 figures. Of bismuth, a comparatively little-used metal, there were exported in 1910 some 214 tons, value £153,873. It exists in conjunction with tin and more rarely with silver, and a far greater quantity could be exported if the European market, which is said to be a monopoly of the King of Saxony, could accommodate it. In 1910 exports of zinc, which comes principally from Carangas, in the department of Oruro, showed a remarkable increase, 11,797 tons of ore, worth £34,800, being produced as against a matter of 183 tons in 1909.

Wolfram, antimony, magnetic iron and lead ore are also exported on a small scale, and amongst the infinity of minerals which the country undoubtedly contains are cobalt, platinum, arsenic, manganese and others. Amethysts, turquoises, emeralds, topazes and opals have been found, mostly in LÍpez, in the south-west, and diamonds are rumoured to exist in the same district. Non-metallic minerals include borax, petroleum, coal and nitrate, though Bolivia lost the best part of her nitrate lands to Chile.

Bolivia's rubber industry is next in importance to the tin-mining, and in 1909 the exports of this product amounted to 3052 tons. Rubber forests cover large tracts of territory in the Beni and Santa Cruz *departamentos* and the Territorio de Colonias, and to a lesser extent in the northern portion of the department of Cochabamba and

La Paz. The inaccessibility of some of the regions has left a great source of wealth untouched, but here again the coming of the railways will gradually open even the remotest districts and facilitate export.

Agriculture in Bolivia is in a backward condition, and is mainly in the hands of small Indian farmers who raise little more out of a soil unmatched in South America for fertility than suffices for their own needs. Wheat was at one time largely grown, especially in Cochabamba, which was the "Granary of Alto Perú," but very little is cultivated now. Coca is grown to a great extent, and though consumed enormously in Bolivia the surplus exported last year represented a value of £33,600. A little quinine and less coffee are the only other vegetable exports worthy of mention. Horned cattle roam wild in great herds over the plains of the Mojos and other regions, but no attempt has been made to improve the breed. A small quantity of hides and horns are exported, and the meat obtained is sufficient to supply most of the republic, but otherwise cattle-rearing is a neglected industry. It should be remembered that half of Bolivia's population is pure Indian, and from time immemorial has domesticated or endeavoured to domesticate the alpaca, the vicuña, and, above all, the llama, which is regarded by the natives with a kind of veneration. The llama is a smaller member of the camel family, and as a beast of

burden will carry a hundredweight for ten or twelve miles daily over the roughest routes, feeding on almost anything and, when necessary, going without water for several days. The flesh of the llama is eaten by the Indians, its wool is made into divers fabrics, its hide into leathern trunks, boots, and saddles, and its bones into various implements used in the native looms. Some Indians possess herds of thousands of these useful beasts. Sheep abound in great flocks in the cold and temperate regions, and a small amount of wool is exported.

Such industries as exist are of a primitive kind, but the poverty of the majority of the population, which restricts the import trade, makes these sufficient to a certain extent for the home market. Spinning and weaving are carried on as household occupations. Tanning and saddlery are native industries.

The main railway of Bolivia is, of course, the Antofagasta and Bolivia Railway. In its run of 730 miles from the Chilian port to La Paz, the seat of Government and chief commercial centre of Bolivia, this line travels through some of the grandest Andean scenery in South America and in Bolivia taps a very rich mineral district. Branches of this line are under construction, or in contemplation, at Uyuni, Rio Mulato and Oruro, the most important of those already started being perhaps the Rio Mulato-Potosí line, which before the end of 1911 will open to modern

travel the most famous mining city in South America.

The line from the other great Chilian port of Arica to La Paz is being very rapidly pushed forward. From La Paz it will continue almost due south to Corocoro, the centre of a great copper district. The importance of this line lies in the fact that it will bring La Paz within twelve hours, on the downward journey, of the coast, and fifteen hours on the upward journey.

Other important railway projects in Bolivia are the proposed continuation of the Mollendo-La Paz Railway along the shores of Lake Titicaca, which will link up Guaqui at the south-east end of the lake with Puno, in Perú, on the north-west, and the construction of a line which, though not completed, is already carrying passengers and freight for some distance, between the Bolivian town of Villa Bella on the north-east frontier and the Brazilian town of Santo Antonio. Between these two towns is a long stretch of rapids, the navigation of which has caused much loss of life and cargo, and the avoidance of water-transit when the railway is completed will greatly assist the development of the rich rubber districts of the Beni.

A feature of Bolivia's railway programme is the important part taken by United States capitalists in the financial arrangements, South American railway construction having hitherto been one of the close preserves of Great Britain.

It was perhaps inevitable that with the abolition of slavery the labour problem should have confronted the Republic. The Spaniards had solved it by the system of *encomiendas*, which meant the apportionment, with lands, of Indians who were forced to work them; but the free and independent native of to-day generally prefers to till his own plot of ground, or to grow coca, or, in small communities, to work his own little mine. Labour is very unevenly distributed; the Indians who inhabit La Paz and its environs are far too numerous for the demand in that district, and their unskilled labour (they are chiefly carriers and porters) does not command a better wage than sixpence a day, while other districts languish for lack of their assistance. Though sporadic in their efforts they are good workers, having been employed in most of the railway undertakings, and make the best miners in South America; but there are not enough of them, and for the solution of the labour problem it would seem that Bolivia must look to the spread of education, the advance of her railroads, and the influx of foreign immigration.

The population (over 2,000,000), is very sparse; about 30 per cent are "whites," the remainder consisting mostly of half-breeds and Indians. La Paz, the largest centre, contains 80,000 inhabitants; there are only five other towns whose population is above 10,000.

Elementary education in Bolivia is free and,

nominally at least, compulsory. It is in charge of the municipalities, who are, however, responsible to a Minister of Public Instruction, and it is provided in Fiscal schools at a total cost of about £50,000 a year. Secondary education is represented by a course of seven years' instruction in excellent State schools, after which the pupil who has obtained the degree of *bachiller* passes into the institutions for higher or professional education. There are seven universities. The teaching staffs are usually very competent; the material upon which they have to work is encouraging, and often extremely intelligent, and the Government is devoting more and more money and attention to the subject; in short, the educational facilities throughout the country tend yearly to the improvement of the people in general and of the Indian population in particular. There is a national School of Commerce in La Paz, and several Schools of Agriculture, and a fine School of Mines in Oruro.

Of the cities of Bolivia the most interesting is La Paz, which through centuries of isolation has survived to see itself connected by railways to all the important cities of the republic and to the outside world. It is a healthy city, and lies, surrounded by the green gardens of its suburbs, in a deep valley dominated by the majestic snow-clad Illimani and a high plateau named El Alto; and the panorama of red roofs, white houses of old Spanish architecture, hilly streets, and shady

avenues which is unfolded as the descent is made into the city is one not soon forgotten.

In La Paz there is an excellent National Museum under the able direction of Señor M. V. Ballivián, who is the Chief of the National Bureau of Immigration, Statistical and Geographical Propaganda.

The commerce of La Paz consists of the importation from beyond-seas of general merchandise, and of the exportation of tin, copper, a little gold, coca, rubber, tobacco, and other products. It would appear from statistics that trade in La Paz is booming, and though for various sufficient reasons Bolivian statistics are not too trustworthy, there is no doubt that in 1910 the city's imports reached a very considerable figure.

Sucre, the nominal capital, is a city of wide, straight streets, cut through by four ravines spanned by many bridges. Oruro stands at the foot of a low mountain range, a bleak and windy city rescued from decay by the railway from Antofagasta, and now an ugly hive of industry. Cochabamba is built on level marshy ground within sight of snow-covered mountains, which temper the heat to its fertile fields, an unprogressive city as yet, content to be a literary and social centre. Trinidad's neglected streets fade more rapidly every year into the surrounding pasturelands, and the town is being abandoned by its inhabitants in favour of the Beni district and its rubber.

The great Lake Titicaca, the highest considerable body of water in the world and the greatest lake in South America, attracts many tourists to the north-west of Bolivia. It is the traditional birthplace of the first Inca, and on two of its many islands are the prehistoric Temples of the Sun and Moon, the Palace of the Priestesses of the Sun and other ancient structures. The lake is navigated by craft of all descriptions, from large steamers to the native *balsas*, canoes built entirely of rushes, with sails of the same material. The scenery of the lake is magnificent, and on a moonlight night its strange beauty, with Illimani dominating the background, beggars description.

Turning again to commercial matters, statistics show that in respect of exports to Bolivia, America was first in 1909 with a total value of £869,930, Great Britain second with £631,548, and Germany third with £425,170. Comparing these figures with those for 1908, it would appear that Germany's trade with the country decreased in 1909 by nearly 50 per cent, America's increased by £216,758, and Great Britain's by £208,942. While it is difficult to account for Germany's extraordinary loss of trade, the outstanding fact is that Great Britain is not doing as well as America, and this is the more to be regretted in that she is the principal consumer of Bolivia's exports and that in Bolivia English people and English goods are distinctly popular. President Villazón, too, is

very friendly to English interests, and has on more than one occasion expressed his desire for broader commercial relations with Great Britain. On the other hand, if statistics may be relied upon, America's predominance is explained by the fact that although American imports in 1909 were more than double in value those of Germany and greatly exceeded the value of the English imports, they paid less than half of the duty collected upon either of the latter, which were about equal in this respect.

The following table shows the principal exports of Bolivia for the two last years :—

Exports.	1909.		1910.	
	Tons.	Value. £	Tons.	Value. £
Tin (barrilla) .	35,566	2,532,328	38,548	2,960,520
Copper . .	3,097	131,290	3,191	142,956
Bismuth . .	236	116,086	213	153,873
Silver . .	155	457,750	143	421,155
Rubber . .	3,052	1,755,771	3,007	2,146,020
Coca . .	129	18,626	196	33,608

Of the total exports in 1910 England was principal consumer, receiving products to the value of £3,703,679. Germany was next with £123,393, while America's custom amounted to only £12,807 worth.

Bolivia's actual monetary unit is the silver boliviano, no gold having been coined since 1842. Its value is approximately $19\frac{1}{5}$ pence, or $12\frac{1}{2}$ bolivianos to the pound sterling, which,

together with the Australian pound, is legal tender at this rate. Other coins are the half *boliviano* or 50 *centavos*, the *peseta* or 20 *centavos*, the *real* or 5 *centavos*, of proportional value. Banks of emission issue notes of 1, 5, 10, 20, 50, and 100 *bolivianos* (written Bs.)

There is no recognized external debt; the internal debt, represented by debts contracted during the War of Independence, indemnities and loans arising from subsequent civil and other wars, and accumulated dues on account of contracts and loans made by the Republic during a former President's administration, amounts with Treasury bonds to about £1,200,000, and her revenue, which is derived mainly from customs duties, liquor and other taxes, consular invoice fees, mining patents, etc., shows a fair increase yearly, amounting in 1908 to £1,274,030.

The President of Bolivia, Dr. Eliodoro Villazón, is a man who combines clearness of view with strength of purpose, and whose statecraft follows the lines of simple, straightforward and sincere patriotism. He has no overwhelming difficulties to contend with, for Bolivia's relations with her neighbours and with Europe have been sealed by treaties ratified after the conclusion of the war with Chile in 1883, which accorded her better terms than the circumstances of that war would have led her to hope for, and again in 1903-4 as regards the boundary disputes with Brazil, Chile and Perú. Commerce is developing rapidly,

and the dormant possibilities of the country are becoming more widely known. The influx of foreign capital and labour is not yet nearly sufficient for her needs, but arrangements are being made to show security for the one and to attract the other by generous provisions for colonists.

CHAPTER VII

BRAZIL

THE steady progress of the United States of Brazil has been in the arts of peace, if not invariably along the lines of least resistance. The Brazilian people may be proud of three great conquests—the abolition of slavery, the overthrow of a venal and effete monarchy, and the extermination, from most of their cities, of the deadly mosquito.

Brazil was twice “discovered” in the same year, for Pinzon, early in 1499, explored the mouth of the Amazon. The Spaniard, however, left the claiming of the country to the Portuguese navigator Cabral, who on April 25th cast anchor in Porto Seguro, in the south of what is now the State of Bahia. Taking possession in the name of the Crown of Portugal he named it the “Land of the True Cross,” but when its first-fruits reached Europe and were found to consist largely of the dye-wood known as “brazil” the country was by common consent re-named.

The first attempt to colonize the new land was made in 1531, when three hundred colonists were landed at Pernambuco, and were followed, later on,



by negro slaves imported from Africa. Brazil was divided into fifteen captaincies, each with a fifty-league stretch of coast, and each ruled by a noble friend of the Portuguese King. For a long time the record of the captaincies was one of struggle with the Indians and with the Dutch, Spanish, British, and French invaders. Between 1624 and 1644 the Dutch gained a firm foothold in the country, occupying Pernambuco, Ceará and Maranhão, in the north, but by 1654 they were expelled. Meanwhile the southern interior was being explored and developed as far as Rio Grande do Sul and the river Paraguay, and subsequently the districts now occupied by the States of São Paulo and Bahia were ransacked for gold and diamonds. Difficulties with the French, however, continued up to 1713, when, by a treaty with Portugal, the course of the river Oyapock, the present boundary of French Guiana, was established as the dividing line between the two nations' possessions; and it was not until 1777, after much fighting with varying success, that the Portuguese and Spaniards could agree as to the division of the continent.

Then disaffection with the mother-country began, caused, it would seem, by the machinations of the Church and the burning, in Lisbon, of certain liberal-minded Brazilians. In 1762 General Gomes d'Andrade was appointed Viceroy, and it was under his administration that the cultivation of coffee was begun. In 1789 occurred the unsuccessful revolution headed by Tiradentes,

who was barbarously executed at Rio, by then the capital of the country. But through all the civil and external strife Brazil was being developed, and in 1800 her population was over 3,000,000, and her exports amounted to £2,500,000. In 1807 King John of Portugal, fleeing from the armies of Napoleon, was escorted by a British fleet to his South American possessions, and received there with acclamation. Upon his return to Portugal in 1821 (leaving his son Dom Pedro as Regent) the mother-country's treatment of Brazil became so harsh and oppressive that in 1822 Dom Pedro proclaimed her independence, which, after three years of resistance, was recognized by Portugal.

The first Brazilian Parliament was held in 1826. From the beginning Dom Pedro had to contend with Republican plots and conspiracies, and in 1831 he left the empire to his five-year-old son, Pedro, and a Regent. Disorders continued, and were suppressed, but in 1865 began the serious war with Paraguay, which lasted seven years and cost Brazil £50,000,000, an expenditure which indicates the material progress she had made, since it did not quite ruin her. In 1871 the Imperial Congress, modelled on English lines, declared slave-born children to be free, though slavery was actually abolished only in 1888. It was a moral victory, which meant ruin to slave owners, who, when compensation was refused them, turned against the Royal Family, and by

strengthening the Republican party effected the downfall of the monarchy and the establishment of the Republic on November 15th, 1889.

The history of the Republic begins with civil contention and a great financial and economical crisis. Order was gradually restored and the credit of the country re-established, largely by the wise administration of President Prudente de Moraes, who assumed office in 1898. His successors have been men of patriotism and ability, and the present holder of the Presidency, Marshal Hermes da Fonseca, combines these qualities in a fashion which, if he can maintain harmony amongst the members of his own party, augurs well for Brazil's immediate future.

Brazil lies in two zones, the Equator passing through its two Northern States and the Tropic of Capricorn crossing its Southern territory. It is the largest of the Latin-American republics, having an area, exclusive of its small islands in the Pacific, of 3,290,564 square miles. It borders on all the countries of South America with the exception of Chile and Ecuador, extending northwards to the Guianas and Venezuela, on the north-west, west and south-west to Colombia, Perú, Bolivia, Paraguay, and Argentina, and southwards to Uruguay. On the north-east, east and south-east the Pacific Ocean washes its comparatively little-indented coasts for a distance of 4036 miles.

Physiographically it may be described as one

vast upland, with valleys and plains covered thickly with forest and other vegetation and watered by numerous great rivers. The principal mountains, which nowhere attain a great elevation, lie to the east, near the coast, and in the centre, where they form two long chains. The most important of the rivers is, of course, the Amazon, which flows for 2160 miles through north Brazil, and with its many great navigable tributaries (of which the Tapajoz, Tocantins and Maranhão have their rise in the central region far south) forms the largest hydrographic basin in the world. Many streams of lesser volume flow into the Pacific, and in the central and south regions the chief rivers are the S. Francisco, Plate, Uruguay, Iguassú, and Paraná. The principal lakes are the channel-connected Lagôa-mirim and Laguna dos Patos in the extreme south, but it may be mentioned that the Island of Marajó, in the mouth of the Amazon, has two large lakes of its own.

Brazilian territory is divided into twenty-one States and the Acre Territory, and in approximate geographical order (west to east and north to south) these are as follows: Amazonas, Pará, Maranhão, Ceará, Rio Grande do Norte, Parahyba, Pernambuco, and Alagôas; Acre Territory, Matto Grosso, Goyaz, Piahy, Sergipe and Bahia; south of Bahia are Minas Geraes, Espirito Santo, São Paulo, Rio de Janeiro, Paraná, Santa Catharina and Rio Grande do Sul.

Brazil is a Federated Republic, and the States

are autonomous as to their interior administration, raising their own loans and fixing their own export duties. Excepting the Federal district (Rio de Janeiro State), which is governed by a Prefect, they are administered by Governors appointed by the President. The Federal Government is vested in the legislative, executive and judicial branches. There are two Houses—the Senate and the Chamber of Deputies—the former composed of sixty-three members, three for each State, and the latter of 212 members, one for every 70,000 inhabitants. Senators are elected by popular vote for a term of nine years, and Deputies for a term of three years. At the head of the Executive is the President, who is assisted by a Cabinet composed of Secretaries, for, respectively—Finance, War, Marine, Foreign Affairs, Justice, Interior and Public Instruction, Agriculture, and Communications and Public Works. The President receives a salary of £8000, and is elected by direct vote for a term of four years, upon the conclusion of which he is ineligible for a similar period. The franchise extends to all male citizens over twenty-one years of age.

The judiciary is composed of a Supreme Court of fifteen Justices, appointed for life by the President with the approval of the Senate. There are also twenty-one Federal Judges, one for each State.

The population of Brazil is estimated at 20,515,000, and though no census details are published, it may be calculated that at least half

is composed of Indians and negroes. The tendency is for the "whites" to increase and to predominate over their humbler brothers the apathetic Indian and the careless negro, who, it must be said, provide but poor material for education.

Every able-bodied male between the ages of twenty-one and forty-four is liable for military service. In view of the severe wars in which Brazil has participated in the past, it is not surprising to learn that the war strength of the army is anything up to 300,000; the peace footing does not perhaps go beyond 30,000 (of whom 2626 are commissioned officers), but this figure varies according to the Budget vote, which, as will be seen, is increased for 1911. A reorganization of the army received the approval of the President in January, 1908, and under this scheme conscription practically came into operation. Every citizen is liable to serve: (*a*) two years in the active army and seven in the reserve (forces of the first line); (*b*) three years in the army of the second line and four in its reserve; and (*c*) three years in the National Guard and four in its reserve (forces of the third line). The central garrison headquarters are Rio de Janeiro, Paraná, Santa Catharina, Rio Grande do Sul, and Matto Grosso. It is estimated that under the new scheme 100,000 troops could be mobilized immediately. It is now proposed to introduce foreign military officers as instructors in the practical schools, which include the Staff College in the capital, the Military

College at Porto Alegre (Rio Grande do Sul), and the Artillery and Engineering School at Realengo, near Rio. The President of the Republic is Commander-in-Chief in time of war, and the Minister of War has control over the War Office.

An accelerated naval programme provided for a substantial increase in the fleet and armament, which took effect in August, 1910. This would give a total effective of six battleships (three of them of the *Dreadnought* type), seven protected cruisers, five torpedo gunboats, fifteen torpedo-boat destroyers, three submarines, two auxiliary vessels, and a score of other craft. This relatively powerful fleet is manned by 7730 officers and seamen, and having regard to the number and value of the Brazilian ports the increase in her naval *personnel* and *matériel* foreshadowed for 1911 would appear to be justified.

The intellectual status of the people has been greatly elevated by the enhanced educational facilities established soon after the Declaration of Independence, in 1822. The year after, a decree empowered any citizen, morally and intellectually fit, to conduct a private school. The education provided by the State is secular, but the Constitution empowers Congress to provide for development in literature, arts, and the sciences. In certain States primary education is compulsory, and along these lines it is being satisfactorily extended. Public and private primary schools in 1910 numbered 11,147 institutions,

providing for some 566,000 scholars, and of secondary schools there were 327, with 30,000 scholars. A Decree of September, 1909, authorized the creation of free industrial schools in the capitals of States, and there are also Trade Schools, State-assisted, in about a dozen leading centres. Brazil possesses no University properly so-called, but the higher branches of education are provided for at such seminaries as the excellent Polytechnic at Rio de Janeiro, the law colleges of São Paulo and Pernambuco, the medical colleges at Rio and Bahia, the School of Fine Arts at Rio, and the mining school at Ouro Preto.

The potential riches of the respective States of Brazil are difficult to gauge, and the present and actual wealth of the country is somewhat unevenly distributed. The three biggest States (Matto Grosso, Amazonas and Pará), much of whose territory remains unexplored, are to a large extent vast tracts of thick forest, rich in rubber, magnificent cabinet-woods, valuable medicinal and food plants, *piassava* (bass fibre) and other plants of industrial application; but practically all that is exploited is rubber, cocoa and brazil-nuts, and in comparison with rubber the rest are of little importance. The rivers teem with fish, and a little fish-glué and isinglass are exported, but less every year recently. Some cattle-raising is done and the export of hides is developing. In 1908 the exports of these three States amounted to over £12,000,000 (Matto Grosso, £512,000).

Maranhão; Piauí, Ceará, Paraíba and Rio Grande do Norte may be described as poor States. Their principal productions are hides and skins (especially goats' skins), rum, brazil-nuts, the wax of the *carnaúba* palm, cotton-seed and raw cotton, and rubber. Between them they exported in 1908 just over £1,000,000 worth of these commodities. Pernambuco produced, in the same year, sugar, skins, cotton and *carnaúba* wax to the value of £560,500. Bahia's staples are more numerous and tap the mineral kingdom—cocoa, rubber, coffee, whale oil, skins and hides, monazite sand, diamonds and other precious stones, *piassava*, sugar and tobacco being exported in 1908 to the value of over £3,600,000. Goyaz and Minas Geraes rely principally upon their mineral deposits, and are mentioned later in connection with these, but the latter also sends her sister States dairy produce and other pastoral products to the value of some £2,500,000 yearly.

Paraná grows huge quantities of *maté*, or Paraguayan tea, and with wax and bananas her exports amounted to £1,221,000. Santa Catharina, another poor State, produced for export, hides, tobacco, *maté*, sugar, *mandioca* flour, bananas and a little timber, worth in all about £270,000. The two great staples of Rio Grande do Sul, a cattle raising State, are hides and *maté*, and of these and horns, a little tobacco, wool and copper ore, she exported in 1908 just short of £1,000,000 worth.

We have said that the coast of Brazil is but little indented ; but while there are few large bays there are many good and safe ports. The bay of Rio de Janeiro is in appearance second to none but Sydney Harbour, and when the port works, on which £2,000,000 are being expended, are complete, Rio will have the best accommodation in South America, though not more than her growing trade requires.

The trade movement in Santos amounted in 1910 to 1,222,906 tons, and the harbour facilities are now quite modern and of the first order, with excellent anchorage for deep-draught vessels. Recife, the port of Pernambuco, is being dredged to a depth varying from 24 to 28 feet, and the shallows in the channel are being removed. Retaining walls and a breakwater are also being constructed, and the whole scheme, when completed in 1914, will have cost about £3,400,000. In the port of Rio Grande the entrance channels are being dredged to a depth of 32 feet, and 5000 feet of quay area is being added to the existing accommodation. The busy river ports of Pará, one hundred miles up the Amazon, and Manáos, nearly one thousand miles above Pará, near the confluence of the River Negro, have both been immensely improved at a corresponding cost, and are now accessible to deep-draught vessels all the year round.

Enough has been written about the beautiful capital city of Brazil to render it almost familiar.

Peculiar *morros*, or steep hills, covered with clusters of fine villas surrounded by deep woods, dominate the city proper, which slopes gently down to the symmetrical bay. The magnificence of its long avenues and its parks and buildings impresses every visitor, and the fact is easily credible that the sum of £12,000,000 was expended before the city assumed its present splendour. But a fact of more moment is that since 1902 Rio has been transformed from a pest-house, a chosen haunt of yellow fever, wherein to stay during the summer was to court death, into one of the healthiest cities in the world. It is but just to record that this transformation was effected by Dr. Oswaldo Gonçalves Cruz, under the beneficent administration of President Rodrigues Alves; and the story of the extermination of the fever-carrying mosquito and of the lowering of the mortality (from yellow fever) from 984 in 1902 to *nil* in 1909 is a sufficient monument to the services of these two citizens and their coadjutors. Rio de Janeiro has some 900,000 inhabitants.

São Paulo is the third most important city in South America, and has grown with extraordinary rapidity. Thirty years ago it was a town of about 60,000 inhabitants, a bishopric and a centre of education. To-day it can boast a population of 300,000 souls, and some of the finest buildings and avenues in Brazil. It is a healthy city, and its height above sea-level (2300 feet) gives it the

pleasantest of climates. São Paulo is within two hours by rail of Santos.

Santos is the second port of Brazil, the outlet for practically the whole of Brazil's chief product. It has developed with its neighbour São Paulo, and to-day has a population of 73,000, including its municipal district. Its gas and electric lighting, electric trams and water supply are the work of a British concern; the drainage of the city, however, was designed and organized by the State. The São Paulo Railway, of which Santos is the terminus, puts the city into communication with most of the other railways of Brazil.

Pará and Manáos are two really fine cities, and there are many others of second rank. A feature of the populous centres of modern Brazil is the increased attention paid by the authorities to their sanitation.

Railways in Brazil come into three categories—those controlled by the State, those under Federal administration, and those under Federal concession and control. Of the first class are the Dourado Railway, São Paulo—Goyaz Railway and Araraquara Railway, all of São Paulo, and the Brazil Federal Railway, of Minas Geraes. The new mileage opened for traffic during 1910 on these lines amounted to 96 miles. To those of the second category a total of 180 miles was added, of which 119 were opened on the Central Brazil Railway and 42 on the West of Minas Railway. In the third category, the Madeira-

Mamoré Railway was extended to the 152nd kilometres in the State of Matto Grosso, a distance of 95 miles, and there were important additions to the mileage of the Baturité Railway, the Leopoldina Railway, the North-Western of Brazil, and others. The extensions of most moment were those of the São Paulo-Rio Grande Railway, which joined Affonso Penna to the river Uruguay in Rio Grande do Sul, and São Francisco to Hansa in Santa Catharina, and incidentally linked Montevideo and Rio de Janeiro. The ocean passage from Rio to Montevideo, *via* Santos, now takes on an average four days, and the journey by rail at present occupies over eight days, but when the line is in regular running order the railway route will be covered in about seventy-five hours.

In all, Brazilian railways were lengthened by 1161 miles, about half of which were actually constructed in 1910. This gives Brazil a total of over 13,270 miles, nearly 5000 of which have been built since 1889. In addition there are some 2900 miles under construction and at least 5000 miles projected, mainly with the object of opening up the interior of the country and of linking up existing lines.

Brazil's two principal products are agricultural—coffee and rubber together representing some 80 per cent of her exports. The Northern States of Pará and Amazonas produce more rubber than all the other countries of the world combined,

while nearly four-fifths of the coffee consumed comes from the south of Brazil, and principally from the State of São Paulo. Coffee, indeed, has "made" São Paulo, and São Paulo is so inseparably bound up with coffee that State and product must be discussed together.

The State of São Paulo has an area of 112,278 square miles and a seaboard on the Atlantic of some 300 miles in length. Its population, estimated at 3,400,000, is about one-sixth of the entire population of Brazil, and has largely been formed by foreign immigration, which, since 1887, has averaged numerically 58,885 a year and nearly 90 per cent of the entire influx. It is calculated that in the State of São Paulo there are 600,000 Italians, 140,000 Spaniards, 100,000 Portuguese, 70,000 Germans and 30,000 Syrians, which must represent a serious drain on the labour element of the nations mentioned.

The growth of São Paulo has been remarkable in every way. Previous to 1867 it had not a mile of railway; now it has over 700 miles of line open to traffic, and the São Paulo (city) railway station is the finest, architecturally, in the world. In 1868 there was no factory of importance in the State; to-day there are twenty-three cotton mills, with a total capital of £2,600,000; jute mills which manufacture imported fibre into millions of coffee sacks; a mill which spins fibre out of a local plant named "aramina," much used as a substitute for jute; over a hundred breweries, practically supply-

ing the whole of the country with a beverage that has become very popular amongst Brazilians; many factories for the manufacture of vermicelli and other foods; and bottle, shoe and hat factories. In all there are 334 industrial establishments in São Paulo, with a total annual production of £8,050,000.

The figures which follow are eloquent of the development of the export trade of Santos, the principal and practically the only port of São Paulo, and of the self-supporting capabilities of the State as shown by the balance of trade:—

	Exports.	Imports.
	£	£
1906 . . .	20,284,872	6,827,211
1907 . . .	21,551,187	8,553,459
1908 . . .	17,329,530	7,126,843
1909 ¹ . . .	27,074,622	7,145,045
1910 . . .	19,747,942	9,487,995

São Paulo also has a considerable cattle-raising industry, comprising about a million head of beef-cattle. Some 130,000 beeves and 132,000 hogs are slaughtered annually besides sheep and goats. It is estimated that the number of horses amounts to 230,000 and that of mules to 120,000. The strain of the live stock in general is superior, and for some time has been improved by imports from England, France, Argentina, Uruguay and other countries.

This purely agricultural state also grows sugarcane, cotton, bananas, rice, wheat, beans, tobacco,

¹ 1909 was an exceptional year owing to the coffee valorization scheme, which caused a rush of exports in the latter half of 1909 whereby the first half of 1910 was abnormally affected.

maize and grapes, but these products are unimportant when compared with the coffee output. The value of the coffee exported during 1909 reached the extraordinary figure of £32,384,536, of which £26,042,752 was shipped through the port of Santos and the greater part of the remainder through Rio de Janeiro. The principal consuming countries were:—

	Tons.	Value.
United States . . .	423,239	£13,553,340
Germany . . .	199,192	6,301,316
France . . .	100,424	3,205,200
Holland . . .	86,636	2,789,485
Great Britain . . .	32,410	1,051,768

There is no space to describe the scheme of “valorization” of coffee exportation, which up to the present has worked exceedingly well for the producers by, broadly, restricting plantation and export and maintaining the price of the commodity.

The next most important product of Brazil is rubber, and the wealth of the North Brazilian forests in the *hevea braziliensis* is by now famous. The zone of production follows pretty closely the basin of the Amazon and its tributaries, and the two great rubber centres are Belêm do Pará, the capital of the State of Pará, and Manáos, capital of the State of Amazonas. Rubber of different and inferior grades is found in Ceará, Pernambuco, Bahia, Rio and São Paulo States, but in insignificant quantities. It is calculated that in Brazilian territory the extent of rubber-holding forests at present untapped is at least equal to the

acreage in exploitation, but this must be regarded less as a calculation than as guess-work. Practically no planting is done, but "estates" are generally productive, if the trees are scientifically tapped and periodically rested, for twenty years. The tree which yields "caucho," a different species of gum peculiar to the Amazon district, will not, however, survive tapping, and is therefore cut down and "bled" into a leaf-lined pit; so that in course of time this tree must disappear, and with it a considerable source of profit.

Rubber exports have increased from 13,390 tons in 1887 and 22,740 tons in 1897 to 36,490 tons in 1907 and 39,027 tons, worth £18,315,678, in 1909, and upon the whole prices have at the same time improved. The principal consumers of the 1909 exportation, to the total of which Pará contributed 17,244 tons and Amazonas 17,181 tons, were as follows:—

	Tons.	Value. £
United States . . .	20,239	9,698,414
Great Britain . . .	14,460	6,644,220
France	2,482	1,088,806
Germany	994	406,487

In 1909 exports of hides and skins amounted to 39,681 tons, value £2,704,430. Hides (wet salted) came principally from the huge pastoral State of Rio Grande do Sul and from Rio de Janeiro and Bahia, and dried skins from Ceará in the north. Brazilian hides and skins generally have an excellent reputation for size and con-

dition, and obtain corresponding prices. Of the 1909 production Germany took hides and a few tons of skins to the value of £729,712; the United States mostly skins, £720,588; France, £447,916; and Great Britain, £134,234.

“Maté” or Paraguayan tea, scarcely known in Europe and the United States, is produced in such abundance by the Southern States that in 1909 it constituted the fourth most important article of export, a total of 58,017 metric tons being shipped, value £1,605,066. Argentina and Uruguay were the greatest consumers, taking 43,161 and 11,877 tons respectively. Germany took some 14 tons.

Cocoa, which until 1907 ranked third in importance as a Brazilian product, is now fifth, although since 1903 the cocoa exports have increased by over 60 per cent. In 1907 Brazil became the chief cocoa-producing country of the world with a total of 24,397 tons, and the 1909 figures show a further great improvement in the production. Of the total of 33,818 tons, worth £1,547,974, the State of Bahia produced as usual about 85 per cent., or 28,264 tons, Pará 3783 tons, and Manáos under 200. The principal consumers were: France, 8650 tons, £395,473; Germany, 8346 tons, £260,340; United States, 7682 tons, £350,973; Great Britain, 5666 tons, £260,517; and Holland, 1546 tons, £71,444.

Next in importance after these five great staples come tobacco, 29,782 tons (27,138 tons to Ger-

many), £1,288,736; sugar, 68,483 tons, £649,501; cotton, 9969 tons, £572,332; bar gold, 4½ tons, £450,580; manganese, 241,000 tons, £346,062; "castanha" (brazil nuts) to the value of £298,742 (United States, £172,049; Great Britain, £96,361; Germany the remainder); Carnahuba wax (chiefly from Pernambuco and Ceará), 3042 tons, over half to Germany, £246,127; bran, 38,158 tons, £242,114; cotton-seed, 33,615 tons, £142,280; monazite sand (found in great quantities on the shores of Rio and Bahia States), 6462 tons, £141,619, and precious stones, chiefly from Bahia, £57,642, making, with miscellaneous exports to the value of £672,944, a total export trade of £61,666,366, for 1909, which, compared with the 1908 total of £44,175,980, shows an increase of £17,490,386, or over 28 per cent.

If this record of the development of her export trade be considered in conjunction with the fact that the imports for the same year (£35,938,025) were, in proportion to the exports, as 58·3 to 100, Brazil's commercial and economical position in 1909 can be gauged with some accuracy. The following table compares the position during recent years of the five countries which are the principal consumers of Brazilian exports:—

	1904. £	1908. £	1909. £
United States . . .	13,872,077	17,706,932	24,763,460
Germany . . .	4,492,375	6,964,846	9,626,090
Great Britain . . .	6,374,696	6,521,890	9,966,436
France . . .	1,958,831	3,376,069	5,302,824
Holland . . .	764,314	2,030,716	2,878,034

In the matter of *imports*, which below are compared for the same years, it is interesting to note the fluctuations in Great Britain's once pre-eminent trade:—

	1904.	1908.	1909.
	£	£	£
Great Britain .	7,190,367	10,224,565	9,809,061
Germany .	8,285,429	5,271,682	5,694,575
United States	2,884,775	4,298,439	4,527,325
Argentina .	2,666,503	3,596,206	3,644,259
France .	2,316,773	3,199,077	3,784,114

Amongst those of Brazil's natural resources whose existence or extent is not indicated by the export figures are its various mineral deposits. It will be remembered that for nearly a century and a half (1728–1871) Brazil was the world's first diamond-producing country, and there are those who believe that before long she will regain her position. Alluvial and surface diamondiferous deposits are worked, for the most part in primitive fashion, in the States of Bahia (which exports the "carbonado," the black diamond used for diamond cutting) Goyaz, Minas Geraes, Matto Grosso and Paraná, and the gravels often contain gold and platinum. Diamantina, five hundred miles north of Rio, is the most productive district, and is now being worked by more scientific methods, but the industry as a whole suffers from lack of labour and transport facilities. Production figures are unreliable, for contraband is rife, but all Brazil is estimated to produce from £1,000,000 to £2,000,000 annually.

The manganese ores occur chiefly in Minas Geraes, and also in Bahia, Matto Grosso, and other States. In 1907, a record year, 236,778 tons were exported, worth £503,137, but although the lodes are remarkably rich the production has since materially declined.

It is claimed that Brazil is one of the richest countries of the world in iron, and, indeed, in Minas Geraes the ores form mountains rather than seams. They occur in every State, and abound in São Paulo, Santa Catharina, Rio Grande do Sul, and the States wherein manganese is found. At present this source of wealth is practically untouched, and throughout Brazil there are but two or three concerns of importance working.

Gold is being extracted in Minas Geraes, Goyaz, Matto Grosso, Bahia, São Paulo, Rio Grande do Sul, and Maranhão. Minas Geraes is the principal region, and amongst the mines in that State are the well-known Morro Velho, Sao João d'El-Rey and Passagem, the first named of which was established in 1834. The industry is somewhat heavily taxed, but the total annual output of bar gold from 1904 to 1908 maintained a fairly even average of £438,385.

Brazil is not a manufacturing country, and her industrial establishments number only some 3000, employing 150,000 hands, and having a total capital of £42,000,000.

Brazil's total trade in 1910 amounted to,

approximately, £111,000,000, an increase of some £10,000,000 over that of 1909. The balance of trade in her favour, however, decreased very appreciably, her imports rising from £35,938,025 in 1909 to £47,871,974 in 1910, while her exports fell from £63,724,440 to £63,091,543. The balance of trade in 1910 was therefore only about £15,219,564, as compared with £26,585,086 in 1909. The decrease in exportation was represented principally by a restricted coffee output, and amongst the reasons for the increased importation was the raising of the conversion rate from 15d. to 16d., thereby increasing both the purchasing power of the *milreis* and the specific value of the imports.

Details of the 1910 exportation are available only as far as October, but they show to some extent the movement of the principal staples. They are as follows :—

1909 (first ten months).

Quantity—Tons.	Value. £
Coffee . . . 736,249	23,947,324
Rubber . . . 31,312	14,228,593
Tobacco . . . 28,185	1,274,488
Sugar . . . 46,709	432,205
Maté . . . 46,349	1,312,562
Cocoa . . . 26,824	1,273,580
Cotton . . . 7,164	292,341
Hides . . . 30,528	1,527,594
Skins . . . 3,415	833,543

1910 (first ten months).

	Quantity—Tons.	Value. £
Coffee . . .	435,896	18,479,005
Rubber . . .	31,494	21,080,189
Tobacco . . .	33,563	1,581,344
Sugar . . .	58,141	673,445
Maté . . .	47,818	1,545,066
Cocoa . . .	21,838	1,049,825
Cotton . . .	7,746	635,237
Hides . . .	30,283	1,509,810
Skins . . .	2,459	635,003

Exports and imports to and from Great Britain cannot be stated, but the imports in 1910 from the United States showed a slight increase over those of the previous year.

The revenues of the Federal Budget of Brazil are composed of 62 per cent. of the custom-house duties, 11 per cent. of the *consumo* (consumption tax), 20 per cent. of the interior imposts, and 7 per cent. of various other taxes.

In 1910 the revenue from these sources was £31,315,325, and the expenditure £30,894,040. The following table shows the Budget for the present year:—

Estimated ordinary receipts	£ 29,565,852	Estimated ordinary expenditure	£ 33,586,840
Estimated special receipts	3,112,666	Estimated special expenditure	3,116,666
	<u>32,678,518</u>		<u>36,703,506</u>

The estimated deficit is therefore £4,024,988.

The expenditure exceeds that of 1910 by £4,256,666, the increase being mainly on the Departments of War, Marine, Agriculture, and Public Works. The service of the exterior debt demands £3,586,250,¹ and Marine and War require the heavy sums of £4,216,433 and £5,254,966 respectively, an outcome of the growing naval rivalry of the South American Powers.

In his message this year President da Fonseca laid stress on the deficit in order to recommend to Congress a reduction of expenditure, and he has outlined a programme of economics which he is determined to fulfil. He asked Congress to take prompt measures to equalize receipts and expenditure, but, on the other hand, he was able to report that the revenue of the first three months of 1911 showed an increase of £1,033,333 over that of the corresponding period of 1910, and that, generally speaking, the country's production and its value had improved simultaneously.

The gold *milreis* (value 27 pence) is the nominal monetary unit of Brazil, but the old 20, 10, and 5 *milreis* gold pieces have disappeared from circulation, and the actual unit is the paper *milreis*, worth 16 pence.

Properly to comprehend the Brazilian currency it must be remembered that in 1906 a "Conversion Chest" was established, which receives gold coin of legal currency and against this delivers notes, payable to bearer, equivalent in value to the gold

¹ In 1910 the total indebtedness of Brazil, including that of all the States and municipalities, stood at £232,828,000.

received, calculated (since towards the end of 1910) at the rate of 16 pence per *milreis*, or thousand reis (written Rs. 1 \$000).

The notes issued are legal tender, and are redeemed at the "Conversion Chest" at sight in gold coin, one sovereign (£1) being the equivalent of Rs. 15 \$000. All redeemed notes are destroyed, and in this way it is hoped eventually to establish a gold standard.

Notes are of the denomination of Rs. 500 \$000, Rs. 200 \$000, Rs. 100 \$000, Rs. 50 \$000, Rs. 20 \$000, Rs. 10 \$000, Rs. 5 \$000, Rs. 2 \$000, and Rs. 1 \$000. Coins are: Silver, Rs. 2 \$000, Rs. 1 \$000, and 500 *reis* or half a *milreis*; nickel, 400, 200 and 100 *reis*; copper, 40 and 20 *reis*.

Brazil has no external difficulties for the moment, all her boundary questions having been peacefully settled some years ago. The last of these disputes was with Bolivia as to the possession of the Acre Territory, and this ended in the payment by Brazil of £2,000,000 and the cession of certain lands on the Matto Grosso frontier in exchange for a large segment of the richest rubber territory in South America.

Internal politics are also calm, and it is to be hoped that the President will be able to overcome a tendency among his own party to split into two sections on certain questions.

It is also essential that he should be enabled to carry out the intentions to establish an honest Government that must be justly accredited to him.

CHAPTER VIII

CHILE

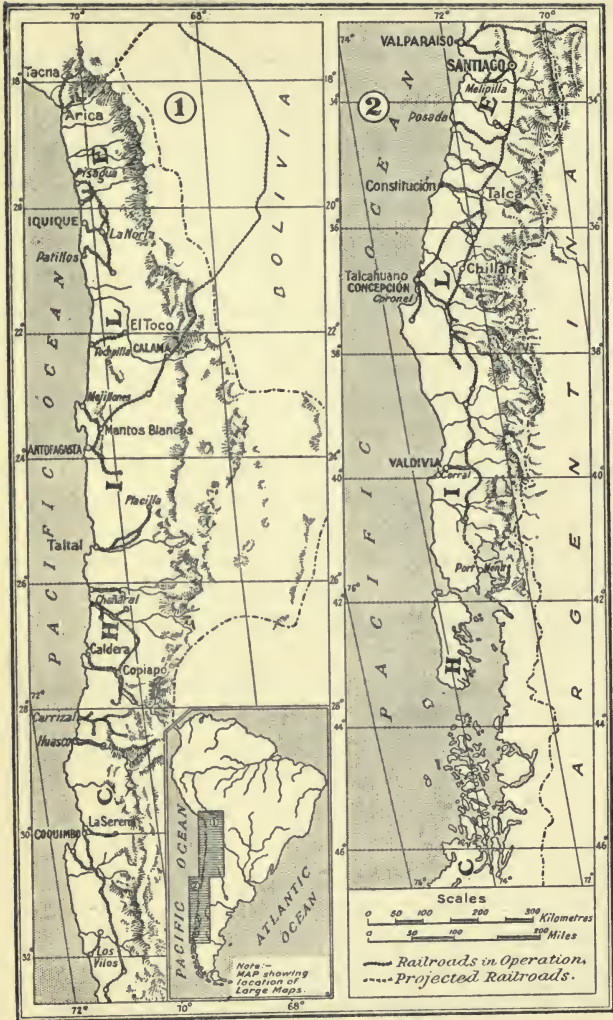
THAT its characteristics may be appreciated, Chile should be approached from that part of Argentina known as the Gobernación del Neuquen. Arid, with little vegetation and no game, the country grows colder and bleaker until the icy ridges of the Andes have been surmounted ; but once the snow-line has been left behind the character of the landscape changes. The green trees, the flowers, and the waterfalls invite the traveller to dismount, and the gay scenery below suggests to him a pleasant mental picture of the land he has entered upon—its bracing mountains, its fertile valleys, and its three thousand miles of territorial seas.

Chile is a long narrow strip of hilly coast-line, stretching the whole length of the South American Continent from Cape Horn to the eighteenth parallel of south latitude. It is bounded by the Pacific Ocean on the west side, and by the summits of the Andes on the east. The area is a little under three hundred thousand square miles, its population four million ; that is to say, that the proportionate share of every Chilian in his native land is fifty times

that of every Englishman. Owing to its mountainous character and its shape, Chile comprises regions differing widely in climate and productions. In the rainless north are found mines and nitrate fields ; the central provinces are given over mainly to agriculture ; the cold south is densely wooded.

The Spanish Conquest of South America has been already referred to. Pizarro sent Almagro to explore the country to the south of Perú, and shortly afterwards a more systematic settlement was undertaken by Pedro de Valdivia. But the invaders took little but hard blows from the Indians of the South-West ; indeed, it is only of recent years that the Araucanians have recognized the authority of Chile. The fierce struggles with the natives, and the need—in the absence of the precious metals—to wrest a living from the soil, have given the Chilian the masculine qualities which mark him out from his neighbours, but for many years his progress was slow. The Spanish system hampered trade ; there was little gold in the country, and what there was, was monopolised by the Church and the Spanish officials.

But at the beginning of the nineteenth century a thousand rhetoricians were inveighing against the doctrines of feudalism, and were setting up in their place those of the French Revolution ; the “ Divine Right of Kings ” was to give way to the “ Rights of Man.” It was no time for a *roi*



fainéant, and when Ferdinand VII of Spain was restored by others to the dominions he had declined to defend, it was beyond him to reassert his authority. Spanish America had refused to recognize the makeshift Government which ruled Spain in the absence of her lawful King, and upon his restoration she fought against him for the liberty she had lately enjoyed. A fierce struggle took place, but in 1817 Bernardo O'Higgins, assisted by the Argentine general, San Martín, defeated the Royalists at Chacabuco, and the independence of Chile was proclaimed. But the newly established Republic had not yet secured peace, for the Spanish forces were firmly established in Perú. To attack them a navy was requisite. "The King of Spain won South America with five little ships. We shall drive him from it with just the same number," said O'Higgins, and Lord Cochrane—an English sailor too intractable for his own country's service—acted on these instructions. "In two and a half years Cochrane had captured or destroyed every ship in the Spanish navy on the coast. He had suppressed piracy, taken the strongest fortress of Spain, and incidentally made Perú and Chile free and independent States." (*Chile*, G. F. Scott Elliot.)

But freedom did not mean tranquillity ; the victorious democrats, confronted with constructive problems, suffered in popularity through their ecclesiastical and financial policy. A period of confusion followed, and thus there was formed in

Chile that distrust of the revolutionary elements in society to which she owes much of her subsequent prosperity.

For the next thirty years Chile thrived under a Government that its enemies called "reactionary"—that is, a Government which denied political power to classes incapable of exercising it. The period referred to was one of order and progress in spite of three liberal administrations and a war against Perú and Bolivia, in which Chile was victorious. Immigration was encouraged; communications were improved; and much was done to make the financial position more stable. Later on, a more liberal policy was introduced as the people became educated in self-government. In 1865 a dispute with Spain, which ended in the bombardment of Valparaíso, brought home to Chile the importance of sea power; the lesson was taken to heart, and when Chile went to war with Perú and Bolivia in 1879 her victory was largely due to her fleet.

Nitrate fields had been discovered in the coast province of Antofagasta; Chilian capital was invested in them, and the dissatisfaction arising out of the taxation imposed by Bolivia resulted in war. Perú was compelled by a secret treaty to join Bolivia, and it was on her that fell the brunt of a conflict which lasted for three years. When peace was made Chile acquired not only Antofagasta, but the no less rich Peruvian province of Tarapacá. It was agreed that Chile should ex-

ercise full sovereignty over Tacna and Arica during ten years, at the end of which time the inhabitants should be convoked to a plebiscite in order to decide the definite nationality of the territory, the country which should gain it paying the other as an indemnity one million sterling. Perú and Chile are at present at variance as to the basis of the plebiscite.

Hitherto Chile had been distinguished from her sister states by the capacity she had shown for self-government; political differences had rarely led to bloodshed; but in 1891 there broke out a civil war, conducted the more earnestly for the habitual self-control of the nation. It was caused by the endeavour of President Balmaceda, a Liberal, to force upon Chile unconstitutional methods of government. When at last the Constitutionalists were successful the war had cost ten thousand lives and much treasure. Balmaceda committed suicide. The new Government wisely conceded an amnesty, and of late years the peaceful progress of the country has been uninterrupted. The most important events have been the settlement of a difficult boundary question with Argentina, and an earthquake which caused terrible destruction in Valparaíso and elsewhere in 1906.

From the above sketch the reader will be prepared to find that the Republic of Chile has been organized upon a solid foundation. The constitution drawn up in 1833, and slightly modified later,

established three powers in the State : the executive, the judicial, and the legislative.

The executive power is entrusted to the President of the Republic, who is elected by delegates specifically chosen for that purpose by the people. He holds office for five years and is ineligible for reappointment during the next presidential term. The President is assisted by a cabinet of six ministers and also by a Council of State, whose approval must be obtained for decrees of a certain character.

The judicial power is exercised by a Supreme Court of Justice, which supervises all the inferior courts of the country, and suggests the list of names for the Council of State which considers the nominations before they are submitted to the President. The more important judges are appointed by the President with the Council of State. The mayors of cities and other local officials are elected by the citizens, the President of the Republic only nominating the "intendentes" of the provinces.

The legislative power is vested in the National Congress, which consists of two Houses—a Senate composed of thirty-two members and a Chamber of Deputies composed of ninety-five members. Both bodies are chosen by the same electors, the former being returned by the provinces for six years, and the latter by the departments for three years.

Deputies and Senators must have reached the age of twenty-one and thirty-six respectively and

must possess a specified income; they are not paid for their services. A considerable section of the population is thus excluded from the legislature, a circumstance which may account for the conservative attitude of that body in religious questions. "The Roman Catholic religion is declared by the constitution to be the religion of the State, and the President is required to protect it."

The State even goes so far as to subsidize the Church out of the national budget, and, in return, certain civil authorities have to be consulted, as is common in South American countries, about high ecclesiastical appointments. The Church possesses considerable property of its own, and numbers among its clergy men of higher social rank than is customary in South America. On the other hand complete religious toleration exists and civil marriage is obligatory.

The seat of Government is Santiago, a fine town of nearly 400,000 inhabitants situated nearly 2000 feet above the sea in the province of the same name. Before inquiring into the policy adopted by the Government some account must be given of the people it represents.

The Chilians are bred from two hardy fighting stocks, the Spanish and the Araucanian; they claim two advantages over the South American peoples: in the first place there is no negro blood in their veins, in the second the percentage of Spanish is high—the ruling classes being Euro-

pean by descent. The expression "ruling classes" may seem inappropriate until the restrictions on the right to vote are examined. It will then be found that political power resides in a fraction of the people, for the suffrage is not granted to those who are illiterate. The Government is alive to the advantages of education—which is provided without charge; but the difficulty of reaching the rural population is too great for it to be made compulsory at present. Perhaps it is because the Chilians are satisfied of the purity of their own race that they exhibit none of the jealousy of foreigners, which has retarded the progress of some of the neighbouring States.

Foreigners, indeed, their capacity once proved, have never been grudged high positions, and history shows that Cochrane and O'Higgins and others hailing from the United Kingdom repaid Chile good measure for her hospitality.

She, on her side, has done everything possible to encourage immigration; repeated efforts have been made to obtain colonists from Europe, and lands have been set apart for them in the forest provinces. As a result of this policy there are several prosperous German settlements in the south.

Another instance of this intelligent cosmopolitanism is found in the constitution of the fighting services, whose record reflects credit on the system. The navy has followed the methods of Great Britain, whose yards have furnished the Chilian

warships, while the army is German in organization. It is German, too, in that it is a national militia in which all able-bodied citizens are obliged to serve.

We have now seen that the Chilians have accepted democratic principles with the security to the citizen that they imply, and that they have adapted them so as wisely to prevent the illiterate classes from controlling the national administration. They have thus established a Government distinguished for the stability of its position and the continuity of its policy. A study of the history of the last century leaves the reader wondering that the South American Republics should have been so ready to declare war when so unprepared to carry it on, but from any such criticism Chile is exempt. The struggle with Perú in 1879-82 was the turning-point of her existence; she foresaw the coming storm, girded herself to meet it, and took full advantage of its effect on her adversaries.

The nitrate fields have strengthened her financial position and have thus enabled her to find money for the needs of the people while reducing taxes that were prejudicial to commerce. At the same time she has not presumed on her prowess in war to bully her neighbours; in fact, her readiness to enter into arbitration treaties earned for her at the celebration of the centenary of her Independence an encomium from Sir Edward Grey, which sums up what has been said above. He remarked

that the prosperity of Chile had been one of growing trade. In the last twenty-five years her imports had more than doubled, and her exports had increased over 60 per cent. The development by Chile of her railways and ports showed how strong was her desire and intention to be in the main stream of world communication and progress, and he felt sure that she would hold an honourable place in it.

As to the general policy of Chile, its peaceful tendency had been most striking. In the year 1902 Great Britain had the honour, by the award of King Edward, of taking part in a peaceful settlement between Chile and Argentina of the dispute which had been referred to arbitration. Since then Chile and Argentina together had set an example by a general Arbitration Treaty, and various frontier disputes between Chile and her neighbours had been settled by agreement. Nobody for a moment thought that that peaceful policy on the part of Chile—the settlement of these disputes by agreement—had been due to any weakness of hers. On the contrary, she had not only a mercantile marine, but a navy to protect it, and an army which was recognized as capable of protecting Chilian interests. All the more because she had this strength did Great Britain recognize and congratulate her on the peaceful settlement by arbitration of diplomatic disputes.

It is only possible to add a few details to the

general statements made by Sir Edward Grey. In the matter of communications a glance at the map suggests that a narrow country with so long a sea-board will regard the water rather than the railway as her carrying agent. Only one trunk line is practicable in this ribbon-shaped land, and under these circumstances the construction of more than 3380 miles of railway without incurring any debt is a creditable achievement. Of this amount a little over one-third belongs to private companies and the rest to the State; among the former are included the lines in the nitrate region. At the beginning of this year there were, moreover, 1552 miles under construction.

The "longitudinal railway" from Tacna in the north to Port Montt in the south of Chile is rapidly being pushed forward. Its total length will be 2198 miles. It will be in close communication with twenty-eight transversal railways, and, having regard to the Government's programme in connection with the laying of double tracks on some sections of its lines and proposals for electrification of other lines, it may be anticipated that the Chilean Railway system will be one of the most serviceable, best planned and constructed systems of South America. With the opening of the Transandine Tunnel there began a new era for Chile. The long sea journey is no longer necessary, and she may now expect the immigrants whom the Andes have hitherto barred out from her fertile valley. Their advent will be an

even greater boon to the country than the new outlet to the Atlantic provided for its products.

Still for many years to come a large section of the population must look to the sea to supply their needs. There are some fifty ports upon the coast, of which about a dozen are used for foreign trade—Valparaíso, Iquique, Antofagasta, Taltal, Mejillones, Caleta Buena, Talcahuano and Tocopilla being the most important. Unfortunately some of these are exposed to the wind, and in others difficulties are created by shifting sand bars. The determination of the Government to give facilities to shippers may be inferred from a recent law which authorizes the President to contract a loan of more than four millions sterling for the improvement of the ports of Valparaíso and San Antonio. The former is the chief port on the West Coast of South America as terminus of the Trans-Andean line; it is an important railway centre, and it possesses numerous industries to give employment to its inhabitants, who number over two hundred thousand.

Of the exports of the country more than sixty per cent. consists of nitrate of soda, copper and wheat being next on the list; the chief imports are, on the one hand, machinery, railway material and coal, which may be classed together as being in a sense raw material, and cotton and woollen goods on the other.

A comparison of Chile's exterior commerce for the last two years shows a considerable increase

for 1910 in both branches. The official figures are :—

	1909. £	1910. £	Increase. £
Export .	22,982,243	24,662,038	1,679,795
Import .	19,656,207	22,311,427	2,655,220
	<u>42,638,450</u>	<u>46,973,465</u>	<u>4,335,015</u>

It also shows that the balance of trade in Chile's favour was reduced from £3,326,036 in 1909 to £2,350,611 in 1910, and from the following table of the principal items of importation it may be seen in what directions the imports have been so appreciably augmented :—

	1909. £	1910. £	Difference. £
Coal, petroleum, and other combustibles	3,404,945	3,858,553	+ 453,607
Textiles, i.e. straw, hemp, and jute .	688,963	1,042,246	+ 353,283
Cotton . . .	2,503,076	2,967,335	+ 464,259
Woollen . . .	1,086,812	1,442,815	+ 356,003
Iron and steel goods	2,260,872	2,515,631	+ 254,759
Machinery and tools .	2,110,340	1,954,700	- 155,640
Live animals (chiefly bulls)	1,351,336	1,130,926	- 220,410
Food-stuffs (sugar, rice, coffee, tea, oil, maté, etc.) . . .	1,564,647	1,752,267	+ 187,620

Imports were increased from the United States by £767,131, from Germany by £749,878, from Great Britain by £505,749, from India by £301,385,

from France by £277,280, and from Perú, Italy, and Spain to a lesser extent. Argentina sent less by £234,193, and Australia less by £97,280 than in 1909.

Turning now to the exportation, we find from the excellently compiled official statistics the following differences in the value of the principal exports for the two years :—

	1909. £	1910. £	Difference. £
Salitre (nitrate of soda) . . .	15,815,263	17,675,006 +	1,859,743
Bar copper . . .	957,179	898,692 -	58,487
Iodine . . .	417,889	512,387 +	94,498
Copper ore . . .	520,720	480,747 -	39,973
Wheat . . .	1,065,247	504,401 -	560,846
Oats . . .	275,783	252,040 -	23,743
Barley . . .	330,521	161,661 -	168,860
Hides . . .	127,958	246,954 +	118,996
Chinchilla skins (71,963 skins)	53,972 (52,363 skins)	} 86,399 +	32,427

Chile exported in 1910 to the United States more by £1,036,076 than in 1909, and amongst other nations whose imports of Chilian products increased were Spain by £301,219, Bolivia by £203,137, and Cape Colony by £141,830. Great Britain took £70,504 less, Germany £131,816 and Holland £186,416 less than in 1909.

In 1909, of the £18,869,959 of Chilian imports Great Britain supplied by far the greater part (£6,368,549), and the percentages of the

trade enjoyed by the five leading countries were : England, 33·4 ; Germany, 23·9 ; United States, 10·0 ; Argentina, 6·9 ; and France, 5·9. Of the principal imports : in textiles nearly one-half came from Great Britain ; in mineral products Germany had a slight lead over Great Britain ; in coal, oil, etc., Great Britain stood first with a lead of about £300,000 worth over the United States. With the exception of small quantities from Belgium and France practically all the machinery imported came from three countries : Germany, £824,547 ; Great Britain, £795,564 ; United States, £279,295. Nearly two - thirds of the animal products, £1,277,360, came from the Argentine Republic.

The exports for 1909, amounting to £22,062,953, were divided in the percentage of 42·1, 22·3, 18·4, and 4·9 between Great Britain, Germany, United States and France in the order given. Of the exports of the mineral products (which amounted altogether to £17,389,992, or nearly three-quarters of the entire export trade) £6,468,361 went to Great Britain, £4,230,805 to Germany, and £3,888,348 to the United States.

The national revenue is derived mainly from export duties on nitrate, amounting annually to about five millions sterling, receipts from railways, customs duties, and the alcohol tax. Import duties are imposed, specific and *ad valorem*, the percentage chargeable varying with the class of goods. It is impossible to formulate any general law for the classification that is adopted, but, roughly

speaking, Chilian industries are protected by an average rate of 25 per cent., while, in accordance with what is a very prevalent custom in South America, no charge is made upon things such as railway material and machinery, which are deemed essential to the development of the country.

The credit of Chile stands high. The last loan offered in London this year was subscribed for fifteen times over. In only one point does Chile compare unfavourably with her neighbours, and that is in her currency, which is mostly paper.¹ Several attempts have been made to place it upon a gold basis, but they have ended in failure, partly owing to financial stringency, and partly to the disinclination of the agricultural and land-owning classes to sacrifice a monetary system which permits of their satisfying those whom they employ with a cheap dollar, and partly through the bad banking laws. While the Government of Chile has done everything possible to convert this paper money, it has not yet succeeded. The Government has £9,000,000 of gold in British and German banks, and \$50,000,000 worth of mortgage bonds as a fund to redeem the paper money of the country, and in time it is hoped that the redemption will be accomplished.

From what has been said about the revenue

¹ *Chile's monetary unit, nominally the gold peso of 18 pence, is in reality the paper peso of about 11½d. in value, but there is a gold coinage of 5, 10 and 20 pesos in existence, though practically withdrawn from circulation. The silver peso and 5, 10, and 20 centavos pieces are also seldom used.*

derived from the nitrate industry its importance will be appreciated. The nitrate fields, which are found in the rainless desert in the north of Chile, extend for more than four hundred miles parallel to the sea.

“The region presents the strange contradiction of furnishing the world’s fertilizer, that gives life to arid lands wherever applied, yet yielding no kindly fruits itself. The elixir of other lands which lies within its strata vouchsafes no sustenance for its own soil; no living thing can find nourishment there. The nitrate zone is one of the barren places of the earth. But the climate is perfect.”

Chile now extracts from the nitrate district about six times as large an annual output as it yielded when in other hands, but she has little fear that the deposits will be soon exhausted, as estimates show that at the present rate of production they will last 136 years. By 1925 nitrate will have yielded the State eighty millions sterling.

The Chilians have taken all possible steps to develop the nitrate industry; new beds have been discovered in the provinces of Antofagasta and Atacama, and the supply should now be equal to the demand for many years to come—the more so as the Government is fully aware of the issues at stake, and may be trusted to prevent the dissipation of its most valuable resources. Indeed, special laws have been passed for the protection of this seemingly valueless desert, and those who wish to establish themselves upon it must be pro-

perly accredited. The nitrate industry has been developed mainly by British capital, although the Germans and the Chilians have co-operated. The nitrate producers have formed a protective Association. This Association at one time limited the output of each of its members to a fixed proportion, and so maintained prices; possibly it may do so again, but at present it is mainly concerned with advertising the valuable qualities of its products. The salt is used not only in agriculture, but also in the manufacture of explosives, and among the by-products of the industry is iodine.

As the nitrate fields lie at a considerable elevation, and between fifty and a hundred miles inland, it has been necessary to build short railways to put them in communication with the sea. These railways, and the ports which have been built on the coast to transact their business, may be regarded as part of the plant of the nitrate industry.

Chile, it is true, produces coal, but as her output is taken by the railways, ports, and southern industries in the neighbourhood of the mines, the nitrate companies usually import what they require from England and Australia—the more so as freight charges are low, since the ships which fetch the nitrate are glad of a cargo. A special type of business is thus developed in the northern ports, of which the best known are Iquique and Antofagasta. The former does a large export trade, for, though the harbour is little more than an open

roadstead the hills on the coast and the island of Serrano render it safe.

Antofagasta does not owe its prosperity to any one business. It serves a nitrate district; it contains smelting works for the neighbouring silver mines, and as the seaport of the Oruro railway it handles the trade of south-west Bolivia.

From the point of view of those occupied in mining, the product next in importance to nitrate of soda is copper, which was exported to the value of nearly two millions sterling in 1908. At one time, indeed, some two-thirds of the world's output was derived from Chile, and the discovery of a mummy almost turned into copper in an old mine in the province of Antofagasta points to the antiquity of the industry. Various causes have contributed to its stationary condition of recent years; other countries have largely increased their output; the metal has fallen in price; some of the richest mines have been worked out; and the labourers have been attracted elsewhere as the nitrate business has developed. Chile's output of copper has actually remained about the same, though relatively to the output of other countries it has decreased. Copper is found in the provinces of Santiago and Valparaíso, but most of the mines are situated in the north, which also supplies a considerable quantity of borate of lime.

Coal, on the other hand, is a product of Concepción and other southern districts. Over a million tons were mined last year. The mineral yielded

is a lignite somewhat deficient in caloric qualities and thus competing at some disadvantage with imported coal. The country's consumption of coal in 1910 was two and a half million tons, of which one and a half million tons were imported.

But the main occupation of the population of Chile is agriculture and kindred pursuits. The sub-tropical regions have a light rainfall, a genial summer, and facilities for irrigation, which make them suitable for fruit farms, and, further south, wheat is grown with conspicuous success. Wheat, indeed, still ranks among the exports, and in process of time, when North America comes to need all the cereals it produces, Chile may find a large market in Europe for such as she can spare. At one time she sent wheat to Argentina and as far north as California, but her methods were too primitive for her to hold her own with those countries when they began to compete with her.

A large and growing trade is also done in wine, much of which is exported to Perú and Bolivia. The vine—according to experts—requires “a winter sufficiently cold to give the vegetation a rest, a spring sufficiently early and mild to help along the budding and effervescence of the plant, and a summer sufficiently long and warm properly to ripen the fruit.” All these advantages are found in Chile, which looks forward in the future to good results from viticulture. The progress of the mining interest has indirectly benefited the agriculturalists. Dairy farms have increased with

the growing demand for butter and cheese, and the fruit-growers are assured of a larger and more constant market. Cattle and sheep are raised for home consumption, but it is unlikely even with increased transportation facilities that a large export trade will be built up in these commodities in the teeth of Argentine competition.

The manufactures of Chile are practically confined to those for which she herself produces the raw materials. With the assistance of a high tariff they do well. In the cattle-raising and forest districts of the south it has paid to establish tanning industries, and they in their turn have fostered the production of boots and saddlery; moreover, considerable capital is employed in the making of furniture, barrels, etc. In the fruit-growing districts are found factories for the tinning and preserving of their produce, while in the mining region of the north some attention is given to the manufacture of chemicals.

In the main the characteristics of the Chilian of to-day are hard-headedness, determination and energy, qualities not usually regarded as inherent in a Latin race; and having in mind the progress and reforms already accomplished by virtue of these traits and the elements of wealth which yet, lying dormant in the soil, await their application, it is hazarding nothing to prognosticate for Chile a glorious future, and that not too remote.

CHAPTER IX

COLOMBIA

STRICTLY speaking, "Colombia" should be the title applied to the whole vast continent discovered by Columbus. On his final voyage, after discovering Cape Gracias á Dios ("Thanks be to God") on September 14th, 1502, he sailed along what we now know to have been the coast of "Colombia" proper, but made no attempt at colonization. The King of Spain granted it to the explorer, Alonso de Ojeda, in 1506, but the real importance of the country was not revealed until the interior—Bogotá—was discovered (1536-7) by Jiménez de Quesada, a far greater man than Ojeda, whose discoveries and exploits rank with those of Cortes in Mexico and of Pizarro in Perú, and in memory of whose Spanish birthplace (Granada, Andalusia, Spain) the name of New Granada was given to the territory that we now know as Colombia. The country remained under Spanish rule until, three centuries afterwards, the citizens of Bogotá rose against their Spanish masters and deposed the viceroy, Borbon. It was then that the celebrated Simón Bolívar came to the front, and took the lead in the long and

chequered War of Independence that culminated in the utter overthrow of the Spanish dominion over New Granada, which included within its limits Venezuela and Ecuador, in the great battle of Boyaca in 1819, and in the establishment of a union between the three divisions of the country, with Bolívar as first President of "Greater Colombia."

Bolívar's work threatened to be short-lived, for after his death in 1830 both Venezuela and Ecuador (who had joined the union in 1829) seceded, and the country, after several changes of title, became finally known as The Republic of Colombia by a constitution adopted in 1886 on the lines of a republican unitary form of Government. The final secession of Panamá in 1903 involved a loss not only of territory but of pecuniary advantages, from the concessions in connection with the Canal Zone, that Colombia could ill afford.

Situated in the extreme north-west corner of South America, and with outlets both to the Pacific Ocean and the Caribbean Sea, Colombia embraces an extent of 438,436 square miles and has a population of about 4,320,000. But whereas this area is equal to about three and a half times the area of the United Kingdom, its population works out at only about ten inhabitants per square mile, as compared with three hundred and forty per square mile in the United Kingdom or thirty per square mile in the United States of

America. The national demand is, therefore, for more people, as it is also, in varying degrees, with all the Latin-American Republics. No



doubt the increased trade facilities that will be afforded Colombia by the opening of the Panamá Canal will help to attract the immigrants she so urgently requires.

Colombia has a great many rivers which form

part of the vast watersheds of the Orinoco and of the Amazon. Both the Orinoco and the Amazon flow partly through Colombian lands, but they really belong, the one to Venezuela and the other to Brazil; however, the number of rivers of Colombia emptying into the Orinoco is quite large, and some of them are mighty streams, such as the Meta, the Vichada and the Arauca, and it is no exaggeration to say that probably there are more than thirty or forty of these large rivers, and possibly a hundred small rivers, flowing from Colombian plains into the Orinoco. The same may be said with regard to the Amazon. In short, Colombia has a very important share in two of the greatest watersheds of the world.

The principal Colombian rivers are the Atrato, which empties into the Gulf of Uraba, and the Magdalena, which flows into the Caribbean Sea, 250 or 300 miles to the east of the Atrato. In connection with the former it may be mentioned that owing to the proximity of its mouth to the Isthmus of Panamá competent engineers claim that it would serve as a base for an inter-oceanic canal between the Atrato and the Pacific, as there is a small river, not far from the Atrato, that empties into the Pacific.

In consequence of the great differences in altitude that exist, the climates of the different parts vary considerably from tropical to temperate, and there is a consequent variety of agricultural and forest products. In the hot lands, at the

*China
panda -*

level of the sea, or up to 2000 feet or so, all the products of the Tropical Zone are obtainable. Some of them, like cacao and rubber, require special temperature and moisture, so that other conditions than merely that of altitude are essential to their cultivation. Coffee grows at from 3000 to 4500 feet. It may be produced at other altitudes, but not profitably. The coffee crop of the Republic yields annually about 600,000 bags, mainly for European and North American markets. In the uplands and altitudes beyond 7000 feet European fruits and cereals are produced; and with an efficient railway system Colombia could not only supply enough wheat and barley for her own consumption, but she could also export them. The cultivation of bananas has been greatly stimulated by Government measures with regard to concessions of lands for this purpose as well as to the development of existing lands by extensive irrigation.

Bananas can be grown all over the lowlands; they are only a valuable article of commerce when near the coast. The commercial importance of Santa Marta, on the Caribbean coast, and north of the great coastal banana-raising plain, depends almost entirely upon its large and increasing shipments of this fruit to the United States. The Santa Marta Railway, which runs through this region, is responsible for most of the transportation, having carried in one year 50,000 tons of this fruit. Round the basins of the

rivers Magdalena (a stream which is navigable for nine hundred miles of its course) and Sinu there is another very fertile region where rubber and cacao as well as bananas can easily be grown, while coal and petroleum are only awaiting capital for development in the same district. These districts are, too, the great cattle-rearing districts, though the entire country is suitable for stock-raising. The eastern plains of the Meta, the Orinoco, and other rivers towards the east which are much larger in extent, are as well suited to cattle-raising as the plains of the Magdalena. Rubber also is on the upgrade, and the production of tobacco, much of which now goes to Germany, can undoubtedly be greatly increased.

But Colombia's chief source of wealth should be in her minerals and precious stones, and it seems extraordinary that they have hitherto been so little exploited. Up to 1845 or 1846, that is to say, before the discoveries in California, Colombia was considered one of the largest gold-producing countries in the world. It stands on record that during Spanish rule the taxes on gold showed that up to 1810 the production of gold and silver, principally gold, in Colombia had amounted to more than a thousand million dollars, and it should be borne in mind that many evasions of the tax, such as clandestine shipments, must have taken place. Emeralds, platinum, coal, copper and iron are known to exist in large

quantities, but for some reason the capital necessary for their working has not been forthcoming, though as regards the influx of capital the outlook is now much more promising.

The great gold-bearing districts lie in the Choco region and in Antioquía, and between the Cauca and the Magdalena. The mines of Marmoto, Riosucio, and the Choco district are said to have deposits equal to those of the Transvaal, whilst new discoveries have been made on the Magdalena river, and gold nuggets are found in the beds of all the rivers flowing to the Pacific.

The famous emerald mines are situated at Muzo, seventy-five miles from Bogotá, and have an extent of 140,000 acres. The scarcity of this precious stone in other parts of the world tends naturally to enhance the value of these mines in Colombia.

Copper ore is known to be abundant, and it is estimated that the output of platinum would rival that of Russia.

Coal deposits are very large ; they extend from the gulf of Maracaibo, on the Venezuelan coast, to the Pacific, where out-croppings are found not far north of Buenaventura ; furthermore, the mountains near Bogotá, covering an area of at least two or three hundred miles, are rich in coal, as well as salt.

Petroleum and rock-salt deposits are very considerable. The Government holds a monopoly of salt-mining, the net revenues in 1908 to the Government from the Zipaquira mines, near

Bogotá, being between $1\frac{1}{2}$ to 2 millions sterling. In fact, rock-salt mines have hitherto formed one of the greatest sources of the wealth of the country. Iron and copper ores are abundant, but remain unworked to a very great extent owing to lack of transportation facilities, a defect that has retarded the development of the whole country.

Government concessions have been granted with regard to the free importation of machinery and implements necessary to certain manufacturing industries, and it may be said that all manufacturing industries have benefited by the Government's consistent policy towards their establishment and development. The textile, hat, sugarcane and flour milling industries are the most important, though the latter's output has not hitherto been sufficient for the home market.

After exhibiting in 1908 an advance of half a million sterling on its trade of 1907, Colombia's foreign commerce in 1909 increased to a total value of £5,214,878, represented by £2,112,209 of imports and £3,102,669 of exports, giving the encouraging trade-balance in the Republic's favour of nearly £1,000,000. The flourishing ports of Barranquilla, Cartagena and Buenaventura were a long way ahead in totals of foreign trade, though as regards export trade alone Santa Marta, Tumaco and Cucuta competed favourably with Buenaventura. While the exports improved by some £40,000 as compared with the 1908 output, the imports decreased by no less than £600,000.

The principal exports from the United States of America were iron and steel manufactures (chiefly machinery), cotton goods, bread stuff, lard, medicine, and oils. Colombia sent, in return, coffee, hides and skins, rubber, bananas, vegetable ivory, etc. Great Britain is, however, Colombia's principal customer. Her large investments in railway enterprise have secured her the supply of much of the railway material, though on the lines controlled by the Government preference is shown for American locomotives and equipment. A great deal of the cotton-goods trade is held by Manchester, where previously the United States had been supreme. Germany's interest in Colombian trade is to be noted; her permanent stake in the country (as in any of the South American countries) is negligible compared with that of Great Britain, but she offers a considerable market for Colombian tobacco, hides, dye-woods, and a number of miscellaneous products. France, too, has trade amounting to a considerable sum annually with Colombia, supplying chiefly wines, liquors, olive oils, etc.

With regard to the importation of machinery, that which is considered necessary to the development of the country's resources is in many cases admitted duty free. These are not special concessions, but benefit every importer. The supply of mining machinery is shared by Great Britain and the United States, being distributed mainly according to the nationality of the owners

of the mines. American manufacturers are obtaining a hold upon the market for agricultural and milling machinery, but in the sugar and coffee industries European machinery is most generally used, though American competition in this direction may be anticipated.

In 1909-10 Colombia made satisfactory progress, but development is far too slow. In July of the first-named year the President gave Congress a clear exposition of the financial position of the Republic, and at the same time introduced sweeping economic reforms. Trade monopolies having been abolished by a decree of April, 1909, great relief was thereby afforded to commerce, though the State revenue failed to benefit. The President urged upon Congress the conclusion of reciprocity, boundary and arbitration treaties with Venezuela and Perú. Similar treaties had, in 1908, been effected with Great Britain, France and Brazil. Foreign capital is essential to this otherwise thriving community, and the outlook is very bright now that the era of war and internal dissensions appears to have given place to peace and goodwill both at home and with all nations.

The great obstacle to Colombia's development has been the difficulty of internal communication. The railway system is quite inadequate, and the resources and finances of the country have not permitted, until recently, of the introduction of any systematic policy into railroad construction. In 1909 only 510 miles of railway line were in work-

ing order, none of the stretches exceeding a hundred miles in length, with perhaps a further hundred in course of construction. Of the existing lines, 60 per cent. are worked by British companies, the remainder being owned either by the State or by native concerns. Unfortunately, no uniformity of gauge has been observed, both the yard and metric gauge having been used indiscriminately. The short line on the Sabana, connecting Bogotá with Facatativa, is the most important and the most profitable. Bogotá lies in a somewhat isolated position, and is difficult of access, but in 1909 a freight and passenger service was established between the city and Girardot, situated a little to the west, which has facilitated the communication of Bogotá with the outside world. Congress has recently authorized a project for the cutting through of the bar at the entrance to the Magdalena, which will throw open that river to ocean traffic, and it is hoped that this will stimulate railway enterprise.

The fact, too, that concessions covering 1570 miles have recently been granted by the Government points to the attention that is now beginning to be paid to the development and extension of means of communication, while the modifications that have been made in the customs tariff on materials for railroad construction are proof of Colombia's recognition of what may be called her chief need.

Bogotá, the capital of Colombia, is a mountain

city, standing 8616 feet above sea-level on the high inland plain of Bogotá that lies, to quote a correspondent's description, "like a huge, high-rimmed and flat-bottomed bowl" about midway between where the Eastern Cordillera diverges from the north-west and middle ranges of the Andes and where it enters Venezuela. Owing to the height at which the city is situated, its climate is cool, the mean annual temperature being about 60 degrees Fahrenheit. It has a population of 125,000. Bogotá is a mixture of the very old and the very new. Among its many interesting buildings are the Astronomical Observatory—after that at Quito the highest in the world—and the School of Philosophy and Letters, dating from the Spanish Conquest in 1553, and proudly described by the Bogotanos as "*la gloria de la patria.*" "Bogotá to-day is without doubt," writes Mr. Cunninghame Graham, "the greatest literary centre south of Panama." From the church of Guadalupe across the Savannah of Bogotá, a fertile plain of 330 square miles, one of the most exquisite views in the world is to be obtained, which calls to mind a description of the Colombian capital as "the Athens of South America."

After Bogotá, the largest cities are Medellín with 50,000 inhabitants, Barranquilla, 40,000, Bucaramanga, 30,000, and Cartagena, 27,000.

Education under Spanish rule was largely in the hands of the Roman Catholic Church, which

seems to have done its work well in New Granada, where at one time there were twenty-three colleges. Here, too, were erected the first observatory and the first public library of the New World. The Republican Government is now continuing the work of the Church. There is a Department of Public Instruction, and in 1909 statistics show that 235,000 pupils were being educated at nearly 3000 schools. Industrial night schools have been established in the larger towns.

To encourage and improve national education special officials have been appointed to study the systems of other countries. By a recent decree additional normal schools for males have been established at Medellín, Manizales and Ibagüé, and for females at San Gil and Neiva. In all national and departmental schools a course of six years' study must be completed before the degree of Doctor of Medicine or Surgery can be obtained, but doctors, dentists and surgeons holding degrees from foreign faculties are free to practise their professions without any examination, whilst foreign practitioners holding no degree may submit themselves for examination before the Faculty of Medicine at the University of Bogotá.

As with most of the South American Republics, Colombia is administered by a National Congress composed of a Senate and a House of Representatives, the former comprising three members for each department and the latter one representative for every 50,000 inhabitants. The Senators are

elected indirectly for a term of four years, and the other Chamber by the popular vote for a similar period. Congress elects the President, who holds office for four years at a salary of £2400 per annum, the six members of his Cabinet receiving salaries of £1200 each.

Military service is compulsory, and while there is a standing army of only 6000 men, there is an estimated war-footing of 120,000. Last year the President invited a War Commission from Chile to meet at Bogotá and discuss the questions of establishing military schools and placing the Colombian army on an improved basis.

CHAPTER X

ECUADOR

EARLY history shows Ecuador to have been the kingdom of the Caras, a Quechuan race which could boast an advanced civilization whereof some few traces remain to this day. The Caran dynasty seems to have endured for more than four hundred years, until the fifteenth king, defending his country against the invading Inca Huayna Capac, fell in battle, 1487. The region of Ecuador then became a separate Inca possession, ruled, upon the death of Huayna Capac, by his son, Atahualpa, between whom and his half-brother, Huascar, Emperor of Cuzco (Perú), a war broke out in which the former was successful. But the fruits of victory were withheld from Atahualpa, for in 1532, almost immediately after his defeat of Huascar, he was taken prisoner by the marauding Pizarro and subsequently put to death.

Spanish dominion commenced with the founding, in 1534, of Quito, the present capital, whereafter, for nearly three hundred years, Ecuador was administered, first as the province of Quito by Pizarro's brother, Gonzalo, and, after his execution, as a Presidency by the Viceroys of Perú, in much the same oppressive fashion as the other Spanish colonies, and, in 1809, with the same result.

The first revolutionary movements were unsuccessful, but on May 24th, 1822, General Sucre won a decisive victory over the Royal forces at Pichincha, and a few days afterwards Ecuador was declared part of the Republic of Colombia. In 1835, however, she seceded and assumed her present position as an independent sovereign nation.

The political history of the Republic of Ecuador is largely a record of unscrupulous or incompetent government relieved by periods of honest and occasionally capable administration, changes in the Presidency being almost invariably effected until 1890 by plots and revolutions. In 1875 García Moreno, a priest-ruled but otherwise excellent President, was assassinated in Quito, and it is probable that by his death the country suffered a severe set-back. But in 1896, and again in 1907, General Eloy Alfaro, a wise and energetic statesman, was elected to the Presidency, and his administration has been signally successful in many directions.

The name of Ecuador is significant of its geographical position, for the Equator traverses its northern provinces only a few miles above its capital city. The country is bounded on the west by the Pacific Ocean, on the north by Colombia, on the east by Brazil, and on the south by Perú, but its precise southern limits cannot be defined for the reason that a boundary dispute with the last-named nation, involving an enormous tract of territory, is still pending.

Physiographically, Ecuador partakes of many of the attributes of other Andean Republics,



having, on the west, a strip of low-lying coast backed by a twin range of lofty mountains which enclose a high plateau crossed at fairly regular

intervals by *nudos* or knots of peaks. These parallel chains have been called "an avenue of volcanoes," for each contains at least ten peaks of volcanic origin, two of which, Cotopaxi (19,600 feet) and Sangay (17,464 feet), are in a constant state of activity. Chimborazo, 20,500 feet, the most northerly summit of Ecuador, is not considered to belong to the Andes proper. In the central district of the country, between the ramifications of the eastern range, are hot lowlands furrowed by the valleys of small rivers, and the eastern section is occupied by plains thickly covered with virgin forests, interspersed with grass lands and low hills, all considerably above the level of the sea. The interesting Galápagos Islands in the Pacific, the nearest of which lies some 140 miles from the coast, belong politically to Ecuador.

The area of the country is officially estimated at 276,000 square miles, including the Galápagos Islands, which together would cover rather over 5400 square miles. These fifteen small units of Equatorial maritime territory—something of a white elephant to their political owners—occupy a strategical position commanding much of the west coast and are coveted by more than one great Power. A recent offer from the United States to lease them for 99 years provoked, when submitted to the people, an angry popular demonstration. Then there is the territory in dispute with Perú, whose exact extent is unknown. It probably

exceeds 150,000 square miles of rich rubber and forest lands, comprised within the rough triangle formed by the rivers Yapurá and Marañon (Amazon) from their confluence to their respective headwaters. This tract has been in dispute since 1821, when Ecuador formed part of the Republic of Colombia, and at present there seems to be little prospect of an immediate amicable settlement of the question.

For administrative purposes Ecuador is divided into sixteen provinces and a territory (the Galápagos Islands). The provinces are, in geographical order from north to south: Esmeraldas, Carchi, Imbabura, Manabí, Pichincha, León, Tunguragua, Rios, Bolívar, Azuay, Loja, El Oro, Cañar, Guayas, Chimborazo, and Oriente (the great eastern province, forming part of the disputed territory); they are subdivided into cantons, and these into parishes.

The constitution of Ecuador is that of a centralized Republic, power being distributed among the independent legislative, executive and judiciary branches. The President is elected by direct vote for a term of four years with the usual proviso as to re-election, and receives a salary of £2400. The National Congress consists of two Houses, the Senate and the Chamber of Deputies, the former composed of thirty-two and the latter of forty-two members, both Houses being elected by direct vote, which may be exercised by all male citizens over eighteen years of age who can read and write. Each province is represented by two

senators, and there is one *diputado* to every 30,000 citizens. The President appoints a cabinet of five ministers. There is also a Council of State composed of the five Cabinet Ministers and of seven councillors elected by Congress. Quito, the capital city, is the seat of the Supreme Court, and judges and magistrates are elected by Congress for a term of six years. The provinces are administered by governors and the cantons by magistrates appointed by and responsible to the President, and the parishes elect their own councillors by direct vote.

The natural resources of Ecuador cannot be gauged even approximately, but there is no reason to believe that they are greatly inferior to those of Perú or Bolivia. There are gold-washings and gold mines in the Guayaquil and Esmeraldas districts, though the emeralds which gave the latter province its name are now seldom found. In 1905 one mine in Esmeraldas produced gold to the value of over £18,000, though in 1908 this was reduced to little over £1000. From the port of Guayaquil, however, gold was exported in the latter year to the value of nearly £37,500. It is practically certain that the Equatorian Andes are rich in gold and silver, and copper, zinc, iron, silver and platinum also exist, but the mining industry is very little developed. Coal of a lignite quality occurs in several districts, but it is to be feared that it would not pay to mine it. Petroleum is also found and is used in a crude state for fuel.

Agriculture in general, though the chief industry, suffers like the mining industry from lack of machinery, labour, capital, and means of transport. Cocoa is by far the most important product of the country, and for this the soil of the valleys is particularly suitable. *Tagua*, or vegetable ivory nuts, used in France and Germany for the manufacture of buttons, is Ecuador's next most valuable product, followed by coffee and rubber. Sugar cane is cultivated and a little sugar is exported; rice is grown, though not in sufficient quantities for home needs, and the same may be said of wheat. Fruits, principally bananas, are exported to some extent, and the export of hides is on the increase. A product of some importance is the fine straw from which are woven what are known in England as Panamá hats, but which were originally made in Manabí. This straw is the raw material of an industry flourishing at present, but dependent to a great extent on the caprice of fashion.

Guayaquil, the busy chief port of Ecuador, through which passes ninety per cent. of the imports and nearly eighty per cent. of the exports of the country, is situated some forty miles up the Guayas, the largest river on the west coast. It has an urban population of 120,000 inhabitants.

Quito, the capital, is connected by rail with Guayaquil, and stands at a height of 9340 feet above sea-level in the midst of a fertile and temperate plateau. It claims to have 100,000 in-

habitants, possesses several fine churches, and is one of the oldest and most interesting cities in South America.

Nearly all the important cities of Ecuador are situated on the Andean tableland, at an average height of 8600 feet, and if their appearance is poor and unattractive the blame must be laid upon the insecurity of their sites in a region so exposed to earthquakes and landslips. Riobamba, eighty-five miles east and north of Quito, was destroyed with thousands of its inhabitants in 1797, and subsequently rebuilt in a less dangerous position. It is to-day an ecclesiastical and educational centre, with a population of some 20,000. Cuenca, the third most populous city in Ecuador (45,000 inhabitants), lies to the south in a fertile basin watered by the Pauté. Sugar is grown in the district, and the city has several refineries. Latacunga, near the peak of Chimborazo, has a population of 10,000; and Esmeraldas, in the north, is an important port and the centre of a rapidly developing district. Other chief ports are Puerto Bolívar, Manta, and Bahia de Caraquez. The population of the entire country slightly exceeds 2,000,000, but no trustworthy figures are obtainable. The *mestizo* class largely predominates, and the huge Oriente Province is almost entirely inhabited by uncivilized Indians, Jíbaros, Zaparos, and Piojes.

The export figures for 1909 show a slight decrease of trade as compared with those of 1908,

due principally to a decline both in value and amount exported of cocoa, and to the fact that in 1908 an unusually large amount of gold specie was shipped. On the other hand, the export of vegetable ivory was nearly three times that of 1908. Imports also were reduced, as a consequence of over-importation in the previous year. The total figures for 1909 were : Exports, £3,000,621 ; imports, £1,870,424, and the balance of trade in favour of Ecuador was, therefore, £1,126,377.

The subjoined table compares the export trade of the last two years for which details are available :—

	1908.		1909.	
	Tons.	Value.	Tons.	Value.
Cocoa . . .	32,119	£2,087,742	31,949	£1,757,176
Vegetable Ivory	10,363	160,046	18,620	471,667
Straw Hats . .	—	159,857	—	231,715
Rubber . . .	402	120,712	514	174,855
Coffee . . .	3,787	113,616	3,420	116,286
Gold Specie, etc.	—	355,047	—	140,000
Hides . . .	766	38,802	889	46,238
Toquilla Straw .	97	18,091	127	16,745
Fruits . . .	—	10,857	—	12,734
Various . . .	—	24,658	—	33,205
		<u>£3,089,428</u>		<u>£3,000,621</u>

France was the greatest consumer of Equatorian products in 1909, taking goods (almost exclusively cocoa) to the value of £892,161, as compared with £1,010,577 in 1908. The next most important customer was the United States, with £683,229, as against £774,282 in the previous year ; Germany, which in 1908 consumed products to the value of only £198,356, occupied third place in

1909 with £315,599, while Great Britain's importation fell from £352,288 to £250,147.

In 1909 Ecuador imported from Great Britain goods to the value of £629,965, as against £720,482 in 1908; from the United States £479,569, as compared with £409,769 in the previous year; from Germany £334,686, representing a decrease of £95,137; and from France £122,087, as against £147,722 in 1908. The principal items were: Silk fabrics and general textiles, £497,923; food products, £215,220; gold and silver, £170,600; clothing, £139,314; ironware, £119,362; wines and liquors, £65,095; machinery, £68,799; and drugs and medicines, £38,240.

The financial situation of Ecuador is notoriously not of the happiest. The Budgets of recent years have invariably shown deficits, and the Government has for a long time been embarrassed by the need of funds for necessary undertakings. The service of some of the debts is still unpaid for 1909, and, in addition, the public indebtedness has been increased by loans which could not be, or were not, met out of the corresponding revenues, and which were consequently added to the burden of the future. The fiscal situation of the country urgently needs regularization.

The external debt is as old as the Republic itself, for Ecuador, when she separated from Colombia in 1834, was made responsible for a proportion of the Colombian debt, her share amounting, with arrears of interest, to £2,108,377.

On June 30th, 1910, the amount in circulation of the public indebtedness was £4,351,102, and though for the service of this debt she has assigned heavy charges on her revenues, these do not increase rapidly enough to meet it.

The large item for military expenditure was due to the anticipated possibility of war with Perú.

The total budgetary revenue was £1,589,011 and total expenditure £1,504,795, showing a surplus of £84,216, but if in the expenditure payments effected out of the proceeds of loans were included the result would be a considerable deficit.

Ecuador is one of the few Latin American countries having a gold standard. Its monetary unit is the gold *condor* of 10 sucres, worth £1 sterling. The silver *sucre*, worth 2s., and its subdivisions are legal tender only up to £1.

Of all the republics of South America, Ecuador stands most in need of railroads. At present she has but one of any consequence—the Guayaquil and Quito Railway, which, starting from Duran, a city on the river Guayas opposite Guayaquil, climbs over the western Andean range to Quito, a distance of 290 miles. The complete line was opened to traffic in July, 1908, and the cost of working it is so heavy that up to the present the receipts have barely exceeded the expenses. Quito is also to be linked with Bahia de Caraquez on the coast of the Manabí province, and the construction of the line is advancing. Some twelve miles have been opened to traffic, and within a

short time a further considerable section will be ready. The line from Puerto Bolívar to El Pasaje was found to be in such a bad state that, in view of the danger of war with Perú, it was decided to repair it at once.

A line is projected from Manta, on the Manabí coast, to Santa Ana, passing through the cities of Montecristo and Puerto Viejo, and President Alfaro has pointed out the pressing necessity of a line or lines to open up the great and rich province of Oriente. The threatened war has interrupted negotiations for the lines from Huigra to Cuenca and from Quito to Ibarra and Tulcán, but a provisional contract has been entered into for the construction of a line from Puerto Bolívar to Biblián, which would tap a district both rich in minerals and adapted for agriculture.

A considerable part of the revenue is devoted to public instruction, and the education of the people is being greatly improved under the modern system that has been adopted. In Quito there are five colleges (including a military college), a normal institute for girls and another for young men, a university, schools of medicine, theology and arts and crafts, a science institute and three kindergartens. There are altogether more than 1200 elementary schools, attended by 70,000 pupils. The State supports or assists young men in colleges and universities of the United States and Europe, where they study for the various engineering professions.

CHAPTER XI

PARAGUAY

PARAGUAY is one of the two inland countries of Latin America, Bolivia being the other. It borders upon Bolivia, Brazil and Argentina, covers an extent of about 197,000 square miles, and at the time of the last census, 1908, had a population of 715,841, being an increase of 133 per cent. since 1887. The climate is sub-tropical, modified and made healthful by several mountain chains and an extensive hydrographic system.

Paraguay is magnificently watered, yet few of its rivers are navigable by vessels of any considerable draught. While the great river systems of the Upper Paraná and the Paraguay give direct exit to Argentina and Uruguay, the Paraguay also runs through the entire length of the Republic. This great river divides the country into "Paraguay Oriental" and "Paraguay Occidental." The first-named region enjoys the better climate, and is well wooded at a good elevation above sea-level. Occidental or Western Paraguay, more familiarly known as "The Chaco," is a swampy, jungly, and, in some parts, almost desert area mainly inhabited by the Chaco Indians, who, in

the twentieth century, continue to be a primitive and undeveloped race. Lesser rivers are the Jujuy, Apa, Monday, Tibicuary and Manduvira, but the navigation of these is not safe at all seasons.

To the English-born Sebastian Cabot belongs the credit of having discovered Paraguay, in the course of his exploration of the upper Paraná and Paraguay rivers in 1526-7. A Spanish settlement was ultimately established in 1536, on the site of Asunción, now the capital of the Republic. The explorer, De Vaca, appointed by the King of Spain Governor of the new province (but subject to the Viceroy of Perú) in 1542, had to travel 130 days in order to reach Asunción, in that period exploring upwards of a thousand miles of trackless territory. It must be understood that, originally, Paraguay covered a far larger area than now, including all the territory drained by the River Plate. Jesuit missionaries began to arrive toward the close of the sixteenth century, and did effective missionary and educational work among the Indians until expelled by decree of the King of Spain in 1769.

When Argentina broke away from Spain in 1810 and took the title of "United Provinces of the Rio de la Plata," it was intended to include Paraguay in that designation. The Paraguayans thought otherwise, however, and met and defeated an army sent against them from Argentina. They then declared their independence as a

separate Republic (1811), adopted a national flag, and a new constitution, lodging the executive power in two consuls, was promulgated in 1813; but in 1814 Dr. Francia became Dictator, holding office until 1840. In 1844 Don Carlos Lopez



was made President, being followed by his son, Marshal Solano Lopez, in 1862. This ambitious man speedily plunged his country into one of the most prolonged and disastrous wars of modern times. Allied against Paraguay was the armed strength of Brazil, the Argentine Republic and

Uruguay, and in the five years 1865-70 the little Republic's gallant army and fine navy were destroyed, and 100,000 Paraguayans were slain.¹ The struggle only terminated with the death of Lopez in battle, and the loss of a large slice of territory yielded to Brazil on the conclusion of peace in 1870, in addition to which large war indemnities were imposed. The paralysing effects, financial and social, of this war are still being felt in Paraguay, and "paralysed Paraguay" has been the text for many writers. When peace was proclaimed, out of a population of 1,337,439, only 221,080 were left, and of these the men numbered scarcely 29,000. The country had practically to be entirely reclaimed, and this accounts for the difficulty the Government has experienced in attracting colonists, in spite of the advantages proffered them. Peace being at last arranged, a fresh constitution reorganized the Government, and at Christmas, 1871, Don José Jovellanos became President. With occasional disorders and spasms of civil war, the affairs of the country progressed under successive Presidents down to the beginning of 1911, when Colonel Jara, the Minister for War, managed to effect a *coup d'état* and get himself declared President. He has been described as "a young man of great energy and determination, fearless, and with a genius for

¹ "No invasion of barbarians such as ravaged Europe in the early centuries could have wrought more ruin or entailed more misery. Nothing seemed left."—Lady Susan Townley.

intrigue." He certainly seems to be gifted with strength and with considerable ability, and it is to be hoped that under the new régime a wise and expansive policy may be maintained.

Of the chief towns, Asunción, the capital, has a population of 52,000, Villa Rica, 30,000; Concepción, 25,000; Encarnación, about 8000; Caazapa, 7000, and Estanislao, 7000. A pleasing picture of Asunción has been given by Lady Susan Townley, who was there in 1909. "My first impressions of the gay little capital of Paraguay," she writes in *The Times*, "were of scent and colour—the scent of orange blossoms borne on the breeze, the colour of glorious bougainvilleas tumbling in violent cascades." Satisfactory evidence of the growth of Asunción as a port is derived from the fact that as long ago as 1908, 1320 ships entered and 1184 cleared from its harbour. There is a weekly steamship service with Buenos Aires in addition to the "intermediate boats" of other lines, and this year there will be through railway communication with Argentina. The Republic was admitted into the International Postal Union in 1884, while already two thousand miles of telegraphs are in operation and are being extended to the Brazilian boundary.

Until November, 1910, no budget had been presented to Congress for the last five years, and last year's revenue was calculated on the basis of the amount of taxes collected in 1908.

The revenue for 1911, derived from import and export duties, wharf dues, transit dues on foreign produce, land tax, etc., is estimated at £652,300, and the expenditure, which provides for £130,000 for the service of the public debt, £120,000 for War and Marine, and £108,000 for Interior, at £651,550, thus anticipating a surplus of £750.

During 1910 the Government met with punctuality the interest on the National Debt, and has redeemed a portion of the principal since 1900. The Republic's liabilities in 1910 were:—

Loan, 3 per cent	£
Amount owing to French Bank	803,643
Floating debt (approximate)	130,300
	<u>70,000</u>
	<u>1,003,943</u>

But we have also to bear in mind the considerable amount of paper money in circulation, against which, on June 30th, 1910, the gold in the Conversion Chest amounted to 471,000 pesos.¹

It cannot be said, then, considering all she has gone through, that Paraguay is very seriously embarrassed financially. Exports rose to £1,027,328 in 1909 and imports to £757,590, as against £773,419 and £814,591 respectively in 1908, showing a net increase in trade of £196,908 and at the same time the first trade balance in favour of the

¹ The value of the gold peso is the same as that of Argentina, viz. 4s. The paper peso is worth about 3½d.

Republic for five years. About forty per cent. of Paraguayan exports consisted of animal products : hides (£233,458), dried meat or *charqui* (£18,457) and a few consignments of horns.

Paraguay's best customer is Argentina, where she finds a ready market for her *maté* (Paraguayan tea),¹ oranges, hides, tobacco, and lumber. *Maté* is one of the principal products, some 17,600,000 lb. being treated annually, and half this amount exported. In 1909, £114,000 was sent abroad, and by July, 1910, the entire product had been sold. The quebracho tree comes next in importance. It grows mainly in the Chaco. Its very hard wood is used for railway sleepers and fence posts, but it is chiefly valued for the tannic properties of its extract, of which, in 1909, the country prepared and exported £130,491 worth. Land bearing this tree sells at £600 and upwards per square league. Of timber of all sorts just short of £200,000 was exported in the same year. Tobacco is the next leading crop, the output being estimated at 6,000,000 lb. annually, of which half is exported and the rest consumed at home. This industry alone, it has been said, should suffice to ensure for Paraguay a great future. The leaf from which the cigars are manufactured is of so excellent a quality that, with more care and skill in their manufacture, Paraguayan cigars would rival the far-famed

¹ *Maté* is the product of an evergreen plant of the *Ilex* species, and is the beverage *par excellence* of all Paraguayans.

“Havana.” It having been discovered that the soil closely resembles that of the “Vuelta Abajo” of Cuba, seed from that locality has, in fact, been introduced, and with complete success. The tobacco crop is of three varieties; the Havana-quality weed, a strong native tobacco which finds its chief market in Argentina, and a mild one which is largely exported to Europe. The total value of tobacco exported in 1909 was £109,894.

It is also certain that, with more capital and increased transport facilities, cotton will become a very considerable source of wealth to the country. As long ago as 1863 there were 58,000,000 plants under cultivation, and Paraguayan cotton is of a particularly silky quality. A little rubber is now exported annually (chiefly to France), though this industry dates only from 1907. Other products are essential oils, beer, native whisky, soap, furniture, leather, and bricks. There is a considerable output of maize, and in 1908 the export of oranges reached nearly 11,000,000.

The raising of cattle has increased so rapidly on the fertile pastures that by 1910 there were 6,000,000 head in the country, whereof the home consumption does not exceed eight per cent. The free importation of cattle from Argentina and Matto Grosso (Brazil) is permitted with the usual restrictions. There are a number of tanneries, and two large beef-curing establishments, where nearly 40,000 beasts are annually disposed of.

A powerful stimulus has been given to the cattle-

raising industry of late years by the influx of cattlemen from Brazil and Argentina. Much of the trade in jerked beef is done with Cuba, Brazil, and Spain, while the hides command such excellent prices on the European markets that they constitute the principal export of the country.

Among the minerals found in Paraguay—but, generally speaking, sadly undeveloped—may be named quartz, agate, opals, kaolin, iron, copper, mercury and manganese. Iron is said to be plentiful in the north of the Republic.

A principal article of commerce with the United States is the oil of petit grain. This is extracted from the leaves of a native orange tree, and is used as the basis of various perfumes and in making flavouring extracts. In 1909 this commodity was exported to the value of £18,490. The export of oranges, a fruit which grows in profusion and to perfection in certain districts, amounted in the same year to £53,000.

More railways and more immigrants must be Paraguay's two principal requirements for some time to come. Till recently the country possessed but one railway, less than two hundred miles of direct line altogether, but soon an extension of the "Paraguay Central" will enable the traveller to board the train at Asunción and go direct to Buenos Aires (1100 miles) without changing and in less than fifty hours. This line will thus enjoy the unique distinction of being the key to the rich central regions of South America; the gauge has

been altered by arrangement with the Argentine North-Eastern Railway Company and new and improved rolling stock manufactured by several British firms. It is hoped, moreover, that the volume of trade will enable Paraguay to link up with the railways of Uruguay. When it is stated that the cost of carriage by water between Asunción and Buenos Aires (a four days' journey) has been greater than that between the Argentine capital and Liverpool or Southampton, it will be understood how much this line means to Paraguay. Another short railway, some sixty miles in length, will connect Concepción with Horqueta and will greatly accelerate the transport of cattle and timber.

The development of the Chaco is only in its first stages. A few years ago the primitive tall-wheeled ox-cart was the principal means of transport, whereas it now serves as a "feeder" for the light railways. It is noteworthy that the French local main-line railway is being prolonged from Resistencia towards the north, with Asunción, the capital, as its objective. Traversing as it will the eastern interior of the Chaco, this line cannot but benefit the whole industrial outlook, since from it will flow a system of interlacing lines to open up a hitherto undeveloped territory.

Immigrants have so far been arriving in Paraguay only at the rate of about a thousand per annum, and they make but $1\frac{1}{2}$ per cent. of the population. Of this number very few are British

and the majority Italians and Germans. It is a significant fact that in 1908 the number of Germans settling in Paraguay was 146, while there was no record of English immigrants. This question of the population is the most pressing problem of the day. Even now amongst the native inhabitants the females largely predominate.

The scarcity of money and the amount of the paper currency are still drawbacks to the fuller exploitation of Paraguayan resources. The present issue of about £500,000 in paper money is obviously insufficient for the commercial needs of a million inhabitants whose centres of commerce are so far apart; this scarcity of money has even led to the introduction in rural districts of the primitive system of exchange of products. A determination seems to have been arrived at to abstain from further new issues until the values in relation to the gold standard can be adjusted. In order to convert the existing paper currency, Congress passed laws in 1907 and 1910 respectively. The first of these ordered the entire proceeds of the export duties on hides (say £50,000 per annum) to be set apart for a "conversion fund," while that of 1910 authorized a loan of £1,000,000, at five per cent., to be utilized in part payment of the debt to the French Bank, for public works, and in establishing an exchange rate by means of a system of conversion such as that adopted in Brazil and Argentina. Meanwhile, improved trade and the deposit of nearly £100,000 (being some twenty per

cent. of the value of the note circulation) brought about a rapid and welcome fall in the rates of exchange—the average commercial gold quotation, which had been 1521 per cent. in 1909, having fallen to 1384 during 1910. In 1906-7 there had been a financial “slump” due to overstocking, but the recovery from this state of affairs has been so rapid that the British Consul at Asunción was able to write: “In face of adverse circumstances with which it had to contend, it speaks well for the business community that, with two or three unimportant exceptions, there have been no failures.” The Banco Agricola, which is State-capitalized, grants loans to work-people at the comparatively low rate of six per cent. per annum, and this has benefited agriculturists: but its modest capital of £200,000 is too small to be effective. Ordinary interest on money is very high, the current rate, even with substantial guarantees, being fifteen per cent.

A good deal of smuggling goes on, this being aided by the vast extent of the river-side territory and its contiguity to the Argentine frontier. The land tax is very small, but it is by no means easy with the means at hand to organize the collection of taxes over so vast an area. The Customs duties are levied *ad valorem*; a new valuation tariff which became law in 1909 is similar to that of Argentina. While the average of the import duties may be calculated at forty per cent., a large number of articles, notably machinery and imple-

ments used in the meat industry, are admitted duty free.

The majority of the roads in Paraguay necessarily provide very rough travelling, and all that the opening of the new railway¹ means to the little Republic has been admirably expressed by Lady Susan Townley, in an interesting article in *The Times* South American Number of December 28th, 1908: "At every village where we stopped and were entertained," she writes, "the conversation of our hosts invariably turned upon this topic. 'Until the railway is brought within our reach,' they would sadly remark, 'progress is impossible in Paraguay.' At present all the cattle have to be driven, sometimes over immense distances, to market, and they grow footsore and thin on the way, thus losing considerably in value, whilst the grain and other produce has to be conveyed to Asunción by the antiquated and slow bullock-waggons. Though the land is so fertile, the pastures so rich, the forests so full of valuable timber, these sources of wealth to the country are rendered comparatively valueless by the cost and difficulty of conveyance to market. Luckily the 'Paraguayan Central,' the only railway in the country, is being rapidly pushed on, and will in the near future form a continuous link between Asunción and Villa Encarnación in the south, tapping in its course the rich grain and cattle dis-

¹ The writer is advised that the railway should be completed by June of the present year (1911).

tricts of 'Misiones'¹ on the one hand, and the great yerba-maté plantations and valuable forest-lands on the other. Ultimately this railway is to be connected by means of a ferry-boat over the Paraná river with Posadas, and from there, without change of gauge, via the Argentine railway systems of Corrientes and Entre Rios with Buenos Aires itself, the great exporting centre of South America. Then will Paraguay have her chance, being for the first time in her history brought into direct railway communication with the rest of the world."

It is difficult to realize that previous to the great war Paraguay was a richer and more prosperous country than Argentina was at that period. The war occurred at a critical moment in the history of South American commerce. From 1865 to 1875 the processes for freezing meat were being perfected, and Great Britain was seeking fresh food supplies. Owing to the destruction of the Paraguayan estancias, Argentina secured the new trade, the foreign capital, and the numerous immigrants. Paraguay has, however, already done much to regain her position, and the qualities that she has shown in making this effort augur favourably for her commercial importance in the near future.

¹ A term applied to the land where the Jesuits formerly maintained so many missions.

CHAPTER XII

PERU

“Let observation with extensive view
Survey mankind from China to Perú.”

THESE lines of Samuel Johnson's suggest that to Fleet Street Perú stands for the uttermost bounds of the earth ; to South America, however, it bears a very different relation. Historically, politically, and geographically, Perú is the heart of the continent.

The mountains of the Andes, with their varied temperature and fertile valleys, offered to the aboriginal races more than the bare subsistence obtainable elsewhere, but they did not offer it gratuitously ; the kindly fruits of the earth were the reward of energy and intelligence, and thus the Peruvian became the superior in civilization of his brethren in the plains, over whom he lorded it until he in his turn succumbed in the sixteenth century to the Spaniards. With their advent the importance of the country increased ; for many years the whole of the Spanish dominions in South America were ruled from Lima, and it was not until the insurgent republics were victorious in Perú that their independence was secured.

This long pre-eminence has given Perú claims

on territory coveted by her neighbours, and the attention of statesmen has still to be directed from time to time to her frontiers in the fear that questions suitable for arbitration should be decided by the sword. It is but a few years ago that she was deprived by Chile of her coast province of Tarapacá, of which the deserts—at once rich and barren—have influenced her history no less than her mountains themselves.

It is with something akin to relief that we turn to a country whose attractions do not wholly lie in her commercial opportunities. Wonderful to contemplate as is the onward flow of the great stream of materialism that has left no South American state untouched, the discovery of opposite tendencies which furnish evidences of past history and tradition that has not yet given way to modern habits of thought, is refreshing. Just as the ruins of old Perú among the Cordillera valleys turn our inward eye to the vision of an older civilization, finer and more thoughtful in many ways than our own, so the essential characteristics of the Peruvian nature, proceeding from the merging of Spanish romanticism with the native Quechuan melancholy, suggest an influence that may be of much value in the future to the great world of South American life.

From Lima, the original chief seat of the Spanish viceroys, the home of the first South American printing press and the first university, come evidences of that spirit of culture without

which no social centre, however prosperous, can for long be sufficient unto itself and retain the affection of its more thoughtful citizens. The



way in which her educational and literary institutions have placed their resources at the service of practical investigation and research points to the

conversion of the old Lima to a wide educational outlook, and to another result that will have an equally important influence upon the future of the city, the modern Lima's recognition of the value of its inheritance from the past.

Perú's early history is so minutely recorded in Prescott's classic pages that even the barest allusion to it here would be supererogatory. It is Perú in the last decade or two that this chapter would show, a less richly romantic, but a generally improved and advanced Perú, no longer a mere gold mine, but a workaday nation turned to the cultivation of its varied sources of wealth and gradually recovering from its misfortunes.

In 1884, after the war which lost her the nitrate province of Tarapacá, Perú's position could hardly have been worse. President Iglesias was more Chile's choice than Perú's, and malcontents soon became actively hostile under the determined and resourceful General Caceres, the Chilean troops having scarcely evacuated Lima when the streets of the old city rang with civil strife. Financially the country was ruined, and a depleted Treasury was confronted with the result of former reckless borrowing in the shape of a foreign debt of £23,000,000. But on the one hand a truce was arranged between the contending parties and in 1886 Caceres was chosen as President by a Ministerial Council; while on the other the foreign debt, (almost exclusively English), was later on taken over by the Peruvian Corporation

in exchange for the cession, during a term of years, of the guano deposits, railways, State lands and mines; and for a time all promised well. In 1890, however, upon the termination of Caceres' period of office, dissensions arose as to his successor, with the result that Caceres was again elected President. A large party under Nicolas de Piérola rose against him in 1895, and for three days there was heavy fighting in the capital. Caceres was defeated and Piérola became President, his administration being marked by Perú's first step towards progress. He was succeeded by Eduardo de Romaña, whose peaceful term was followed by another, unfortunately brief, under President Candamo, who died in office. In 1904 Dr. José Pardo was elected to the Presidency, since when, with the exception of a "revolution," headed last year by the brothers Amadeo and Isaias Piérola, in the course of which President Leguía was for a few hours held prisoner by a party of the insurgents, Perú's history has been one of peace and, as will presently appear, of economic advance. The present chief magistrate, Dr. Augusto B. Leguía, was elected in September, 1908, for the usual term of four years.

When the writer was in Lima in November of 1910 he was accorded an interview with the President, a man of much quiet determination and energy, whose courage in a critical moment conquered the sympathies of many among his enemies,

to whom he has shown no particular malice. In external affairs, too, his attitude is pacific, and alluding to the possibility of a settlement by force of arms of the boundary dispute with Ecuador, President Leguía declared that Perú did not want war, and would do all in her power to avert it.

Perú is bounded on the west by the Pacific Ocean, on the north by Ecuador and Colombia, on the north-east by Brazil, and on the east and south by Bolivia and Chile. Her coast-line, as recognized by Ecuador and Chile, extends from immediately south of the Guayas estuary to the outlet of the river Sama, but her various boundary disputes prevent exact definition of her geographical position and area. If the department of Loreto, of which the greater part is claimed by Ecuador, be considered entirely Peruvian, and the Tarapacá, Tacna, and Arica territory, which Chile is likely to retain, be omitted from the official estimates, her total area is approximately 660,000 square miles.

The physical characteristics of the country differ little from those of other Andean republics. Perú is divided naturally into three zones: the coastal region, an almost rainless desert, varying in width from fifty to one hundred miles, crossed at considerable intervals by short, unnavigable rivers which descend from the western Cordillera, and whose course towards the Pacific lies through the fertile but circumscribed valleys which they water, and which are the sites of most of the coastal towns; the Andean region, which covers more than one-

fourth of the entire territory, and which itself may be divided into cold and barren tablelands, temperate uplands, and hot ravines or gorges; and the *montaña*, which begins east of the eastern Cordillera, and extends to the Brazilian and Bolivian frontiers, a region of luxuriant tropical vegetation, rich in timber, valuable plants and rubber, and watered by several great rivers with innumerable tributaries.

This varied territory is politically divided into twenty Departments and two Littoral Provinces, subdivided into provinces and districts.

The population of Perú is estimated at about 3,600,000 inhabitants, of which 15 per cent. are whites, of Spanish origin, 50 per cent. Indians, 31½ per cent. of the *mestizo* class, 2 per cent. Africans, and 1½ per cent. Chinese and Japanese.

Lima, the capital of the Republic, a city of 160,000 inhabitants, lies a few miles inland from Callao. It is a fine old city, with many architectural marks of its early Spanish origin and fewer signs of modern progress than are to be noted in some South American capitals. Its importance as an educational and literary centre has already been referred to.

The Constitution of Perú dates from 1860, and administration is based upon the inter-independence of the Legislative, Executive and Judicial governing bodies. The President, elected by direct popular vote for a term of four years, is assisted by six Secretaries, for Home, State, War and

Marine, Finance and Commerce, Justice, and Public Works respectively. Congress consists of two Chambers, the Senate and the Chamber of Deputies, whose members are elected for a term of six years by direct vote.

Perú's sources of mineral wealth are as numerous and diverse as those of any Latin-American Republic, with the possible exception of Bolivia, which seems to have a monopoly of the tin deposits. The Cerro de Pasco, in the department of Junín, is the centre of the principal mining district, and within a considerable radius of the celebrated hill the earth is richly seamed with copper, silver, gold and many other precious metals, including the quite recently discovered vanadium. As usual, the minerals are found chiefly in the Andes region. The department of Puno yields most of the gold, though the streams which flow into the Pacific, especially in the southern departments of Ica and Arequipa, bring down auriferous sands from the mountains, and gold is also found in districts of the *montaña*. Silver and lead occur throughout the Andean region, and copper abounds in the Cerro de Pasco neighbourhood, and in Yauli and other centres. In the department of Huancavelica are numerous deposits of quicksilver, especially in the vicinity of the famous Santa Barbara mine, which has been worked since Colonial times. The northern coastal department of Piura produces vanadium, sulphur and petroleum, of which latter there are vast deposits in Ica and Puno, and

around Lake Titicaca. It is calculated that throughout the Republic there are nearly seven hundred petroleum wells working. They are at present mostly in the Zorritos and Negritos districts, but discoveries are being made in many other regions, and indicate an extraordinary abundance of this oil in Perú. Anthracite and pit coal of good quality occur in the departments of Cajamarca, Ancachs (where, around Tablones, there is an outcrop eighteen miles in length), Junín, Arequipa, Puno and Moquegua and elsewhere, and the deposits of this mineral may shortly solve for Perú the fuel problem which harasses all South America.

From the groups of rocky islands in the Pacific, where rain seldom falls, much guano is still extracted; but this product has not recently figured so prominently among the exports for the reason that the guano from all the islands south of Callao, with one exception, is now worked by a native company which has contracted to supply Peruvian agriculturists only,¹ and also because a close season of six months in the year has been established for the industry. The richest beds of guano at present are on the two groups of Lobos Islands, the Ballestas, and Macabí Island.

It is to be regretted that the statistics published do not make clear the value of the various minerals exported during 1909. We know that of the country's entire exportation of £6,134,374, wool,

¹ During 1910 Peruvian agriculturists took nearly 25,000 tons of guano for their various cultivations.

cotton, sugar, cocaine and hides represented about half, or £3,050,950, but of the balance, £3,083,424, we have only been able to obtain from *El Diario*, a Lima journal, details for the first six months of 1909 compared with a similar period in 1908, which follow :—

	1909 £	1908 £
Minerals	658,421	856,226
¹ Rubber	183,310	173,944
Crude Petroleum	56,448	25,602
Rice	23,023	31,337
¹ Cocoa	7,643	11,903
Alcohol	3,741	7,474

The chief product of the vegetable kingdom is the rubber of the *montaña*, which has for some years occupied second place as an export. The rubber districts are the huge department of Loreto and the northern part of the department of Cuzco, where the gathering and shipping of *hevea* and caucho occupies practically the whole of the population. In spite of the fact that the 1910 season was particularly rainy and unfavourable, nearly 2300 tons of rubber and caucho were exported during that year. There are still great tracts of virgin forest in Loreto which must contain an abundance of rubber trees, and it is therefore no matter for surprise that, except by the Peruvian Corporation at Perené Colony, no planting is done. In December, 1909, new and welcome laws as to real estate were issued from Lima,

¹ The bulk of the rubber exports and the greater part of the cocoa would be shipped during the latter half of the year.

as a result of which private individuals may now acquire definite titles to rubber and other lands in perpetuity. In the first six months of 1910 over 1,300,000 acres of lands were granted, chiefly to foreigners.

From the department of Loreto, in 1910, products to the value of over £1,000,000 were shipped, including, besides rubber, 53,300 tons of vegetable ivory, some hides and skins, and a little raw cotton. The imports, goods of every description, since the only manufacturing industry in the region is the weaving of "Chile" hats, amounted to about the same figure.

Loreto is here mentioned at some little length for various reasons. Upon its capital, the port of Iquitos on the Amazon, many large and freely navigable rivers converge, amongst them the immense Ucayali, and from Iquitos, at all times of the year, the Atlantic coast is reached in about a week without trans-shipment, by ocean vessels sailing to Europe and the United States.¹ Then the projected railway from Paita on the Pacific coast has Iquitos as its objective point, though the exact route is not settled at the moment of writing. Again, the department has an export trade which may, in any especially favourable year, become the first in importance of the whole country; and,

¹ Nearly the whole of the carrying trade to and from Iquitos is done by the Iquitos S.S. Co., a British concern. In 1910, nineteen of the Company's vessels entered and cleared, eight from New York with 5392 tons of cargo, and eleven from the United Kingdom with 14,384 tons.

finally, in the event of Ecuador agreeing to submit her boundary dispute to arbitration and gaining all that she claims (which it must be admitted is improbable), a vast area north of the middle of the Amazon, including the port of Iquitos, would pass from Perú's possession into that of her northern neighbour.

On the coast excellent and very important crops of cotton and sugar are raised to quite a large extent by irrigation, which, discounting the initial cost, has some advantages over the natural means. The chief producing centres, however, are still the well-watered alluvial valleys, and in the Piura, Lechura, Catacaos, La Chira, Ica, Nazca and Moquegua valleys cotton in particular acquires a growth and a quality unequalled anywhere in the world. The indigenous plant (*gossypium peruvianum*) which grows in the four first-mentioned districts, has a fibre closely resembling wool, and is used in the manufacture of woollen goods in England. It grows only in Perú, and is quoted in British markets at an average of ten per cent. above the price of any other quality. The production per acre of the "upland" variety (484 lb.) is greater than that of the best cotton lands in Egypt, and consequently in the world. Extension of the irrigation system must mean a corresponding increase in the exportation, which in seven years (1903-9) has more than quadrupled in value.

Nearly a quarter of a million acres of land on the coast are under sugar-cane, which soil and

climate combine to develop to extraordinary dimensions and productivity. The Chilian refineries depend largely on Peruvian raw sugar, though much is taken by England at relatively high prices. The following table will show the recent progress of the two exports above-mentioned :—

	1907.		1909.	
	Tons.	Value. £	Tons.	Value. £
Cotton .	24,527	516,256	33,727	1,245,415
Sugar .	110,615	827,298	125,395	1,159,972

Good crops of rice are also raised on the coast, irrigation being employed with conspicuous success, and it may be said that within the last few years Perú has ceased to import and commenced to export this commodity.

The animal kingdom contributes in considerable measure to Perú's export trade. The rearing of sheep and cattle is a growing industry in Junín, Ancachs, Cuzco, Cajamarca and other districts of the plateau where there is good pasturage.

The total imports into Perú during 1909 amounted to £4,356,132, and in order of importance the principal items were: iron and other metal ware, cotton manufactures, machinery, woollen goods, wheat and coal. It would appear that among the exporters to Perú England was first, the United States second and Germany third. As a purchaser of Peruvian products Great Britain easily occupies first place, taking most of the

cotton, wool and guano, and much of the minerals and rubber. The United States, Chile, France and Germany follow in the order named, but Belgium is making a strong bid for fourth or even third place.

Peruvian manufactures are not of great importance, but there are five fairly prosperous cotton manufactories in Lima, and there is one in Ica and another near Arequipa. In various parts of the west are flour-mills, match factories, breweries, biscuit and lard factories, a few tanneries and cotton-seed oil factories, etc.

There are half-a-dozen establishments for the preparation of wool, but their output is insufficient even for the local demand. The manufacture of hats, which Peruvians claim to have originated in Moyobamba, in the department of Loreto, keeps a considerable number of hands employed, and the distilling of alcohol from sugar cane is a thriving business. Cigar and cigarette making and the manufacture of cocaine and wines and spirits are industries of some importance, while for the generating of electric light and power from the fall of the Rimac, a company known as the Electric Trust, operates with a capital of over £2,000,000, working the electric railways of Callao and Chorrillos and the Lima tramways.

The national revenues are derived, as to about fifty per cent., from import and export duties. There are heavy taxes on alcohol, sugar, tobacco, and matches, and others include a small tax on

active capital. In addition to these sources there are the Government monopolies of salt, opium, and, since 1909, tobacco. The salt monopoly yielded, in 1909, £93,575, and that of opium £22,718. The Government entrusts the management of the opium and tobacco monopolies and the collection of most of the taxes to a National Tax-collecting Company, which receives one per cent. of the total product for its services; and the salt monopoly is conducted by a National Salt Company on similar lines. These rather unusual arrangements are said to work very well.

The national revenue in 1909 was £2,518,062, and the net deficit £343,220. No details of the expenditure can be given, but the service of the public debt has in the last few years been scrupulously covered and the country's credit stands reasonably high in Europe. Perú was able in June of last year to arrange in France a loan of £1,200,000 at $5\frac{1}{2}$ per cent., with the proceeds of which she cancelled bank loans amounting to £500,000 and the balance of another, all bearing six to eight per cent interest.

The progress of Peruvian railways, of most of which the Peruvian Corporation is the usufructuary, has not been particularly satisfactory. Lack of funds has recently prevented active work on the Huancayo-Ayacucho line, which is constructed only for some twenty miles, and progress with the Lima-Huacho line has also been slow. The Ilo-Moquegua and Tumbes-Puerto Pizarro

lines are reported to be working satisfactorily and economically. The projected line from Paita to Iquitos, whose importance to Perú it is difficult to exaggerate, will cross the Andes at Molino and Guayabo, employing the rack system for a stretch of twenty-five miles. Another line practically decided upon is that which will leave Goyarisquisga, a little north of Cerro de Pasco, and run east and north for 270 miles to Pucalpa on the Ucayali river, joining the capital with the unexploited part of Loreto ; while amongst other enterprises under consideration are the Santa Ana-Cuzco line and the railway from a point on the Juliaca-Cuzco line to one of the navigable rivers in the south-east, which the Peruvian Corporation is at present studying.

Mention of Peruvian railways would be far from complete without a brief allusion to the Oroya railroad, one of the most remarkable lines in the world and a combination of many feats of engineering. Originally commenced at Callao in 1869, work on the line was suspended in 1877, on the death of its constructor, Mr. Henry Meiggs. Not until 1891 did the Peruvian Corporation take over the railroad, which was then actively pushed forward, reaching Oroya in 1893. There are branches to Ancon and Morococha, and a private line runs from Oroya northwards to the Cerro de Pasco mining district. In its course of 227½ miles the main line reaches an altitude, at Ticlio, of 15,665 feet, and a trip from Callao to Oroya pro-

vides a safe and comfortable method of enjoying the unsurpassed Andine scenery of Perú.

Education in Perú is under the control of the General Office of Public Instruction, and elementary education is both compulsory and free, being provided by fiscal or municipal schools to the number of 2159, attended by some 154,000 scholars. Practical instruction is very actively promoted by a system of general scholarships at the National School of Agriculture, and in Lima the School of Manual Training and Physical Culture is doing good work. The ancient and excellent San Marcos University alone would constitute Lima a seat of learning, and there are universities at Arequipa, Cuzco and Trujillo.

Labour in Perú is scarce, especially in the rubber districts. The Republic has, or will have shortly, to face the problem arising from the immigration of Japanese and Chinese labourers, of which there are some 10,000 in the country. Perú sees in these the nucleus of a yellow peril, and the industrious Celestials, especially when they become successful shopkeepers, are not popular, though the Japanese are welcomed on the sugar and rubber estates. The efforts of the Government are now in the direction of attracting European immigration of good class.

CHAPTER XIII

URUGUAY

THE territory which now is occupied without dispute by the Oriental Republic of Uruguay was wrested by the Spaniards, with long and painful effort, from the hardiest, fiercest, and most courageous of the South American aboriginal tribes. Time and again did the indomitable Charruas defeat in pitched battle the veterans which Spain sent against them ; but they could not be expected to stand for very long before the skill and daring which had conquered the Incas and the Aztecs, and at last the few which had survived the constant struggle disappeared into the forests of mid-Brazil.

The history of Uruguay in Colonial times is the history of all Latin America in the same period. In 1810 she declared her independence with the rest, and in 1814 she was free, and part of the Argentine Federation. In less than a year she grew restive and seceded, constituting herself a sovereign and independent state with a Government at Montevideo. But in 1821 Brazil annexed her, after much fighting, and she became the Provincia Cis-platina. Four years later a revolution

in the new State, instigated and assisted from Buenos Aires, resulted in war between Brazil and Argentina, and upon the cessation of hostilities Uruguay was formally and finally recognized as an independent State.

For a few years there was peace in the Republic, but from 1839 until quite recent times the *guerrero* spirit of the Uruguayans has been evident in the intermittent civil wars, the longest period of internal peace coinciding with the seven years' war with Paraguay. Since 1904 the people have been more occupied with the commercial development of the country, but, as was shown in October last, the ancient intolerance of government has not entirely abated.

Previous to 1891 the financial history of the Republic was a chequered one, but since that date, thanks to Presidents Cuestas, Batlle y Ordoñez, and Williman, the country's foreign obligations have been scrupulously and punctually met, and of all the Latin-American States none enjoys higher credit than Uruguay, while, area for area, none can boast greater prosperity.

Uruguay, the smallest of the Latin-American republics, with an area rather less than that of England, is bounded on the north and east by Brazil, on the west by Argentina, and on the south by the Rio de la Plata and the Atlantic.

Physiographically, its territory consists for the most part of undulating plains, traversed by short ranges of rocky mountains following no particular

direction and of no very great height, and intersected by some large and many small rivers. Of these latter few are navigable, and of the larger streams the Uruguay has regularly to be dredged



in certain parts, while the Rio Negro is difficult in time of drought. In the north are mineral deposits of some importance, as yet scarcely exploited, but in the centre and south the natural products of the country spring entirely from the fertility of the soil, which provides some of the best grazing in South America.

This territory is divided for the purpose of administration into nineteen departments. The constitution of Uruguay has remained practically unchanged for upwards of eighty years, and, in the opinion of many, it is the best of all South American constitutions. Half a century before slavery completely vanished from American soil, Uruguay declared emphatically against it, and this declaration was supplemented a little later by an enactment conferring freedom upon the few slaves still in the country. Freedom of religion was ordained, and there is no censorship of the public press. There is no imprisonment for debt. Conscription is unknown, and if any person is called upon to lodge troops in time of war, the Senate enacts that he shall be suitably indemnified.

Legislative power is vested in two Chambers, viz. a Chamber of Deputies (nominated by direct election) and a Chamber of Senators. These Chambers elect a President of the Republic every four years, and they also appoint the magistrates of the High Court. It may be mentioned, as showing recent financial and economical progress, that of the four financial years 1906-9 three have closed with a surplus of over £425,000. The amount sanctioned as "budget expenditure" for 1908-9 was £4,404,113, whereof £2,187,000 was allocated to "national obligations" and the rest to the State administration.

About forty-five per cent., therefore, of the country's annual revenue, mainly derived from

heavy import duties, goes to the payment of the debt, which commenced in 1860 with a modest £58,000. The following figures illustrate its rapid increase after that date :—

				£
1880	.	.	.	10,320,227
1890	.	.	.	19,116,776
1900	.	.	.	26,703,607
1909	.	.	.	27,692,995

This sum has since been made up to nearly thirty millions by the floating of a Public Works Loan of £1,270,000. It is a truly immense Public Debt for a young and small country of little more than a million inhabitants, working out at £25 11s. 10d. *per capita*, although there is the satisfactory set-off of the Republic's extraordinary prosperity, which was never greater than in the present year.

Last year Uruguay could boast of nearly fifteen hundred miles of railway in active operation, all British owned, and 830 miles of it "guaranteed" or subsidized by the State. And since the working of its railroads affords an indication of a country's prosperity it may be mentioned that for the financial year 1909-10 Uruguayan railways showed a total profit of £713,000. Fifty-three miles of line were added in the same period, the eastern extension of the Central Railway, which runs north and west from Montevideo, being completed to its terminus, Melo ; but a much more ambitious pro-

gramme has been authorized for this year (1911). On the Durazno-Trinidad section of the Pan-American railway work had already begun in April, and the Puerto Sauce-Trinidad section was to be commenced immediately and hurried forward at all speed. This line will open up the departments of Flores, Durazno and Colonia. Then the construction of the line from Treinta y Tres to Corrales is proceeding apace, with two thousand men at work on fifteen miles of road. From Pan de Azucar a line is being built which will greatly assist an important agricultural region, while the cities of Canelones and San José are to be linked by rail as soon as possible. Rio de Janeiro and Montevideo have recently been connected by extensions in Brazil, but for some time the sea-voyage will be the shorter route.

No less than £50,000,000 of British capital is locked up in Uruguay, a sum in excess of that invested in any South American country save the great Republics of Brazil and Argentina, and it must be remembered that the "Oriental Republic" covers only 72,000 square miles. Of this £50,000,000 it may be roughly estimated that some £27,000,000 is in Government stocks, £13,000,000 in railroad enterprise, perhaps £5,000,000 in other joint stock concerns, and the remainder in insurance, shipping, etc.

It may perhaps best serve to illustrate this most interesting country's expansion of trade by setting out at length the figures covering the amount of

exports and imports during the last seven years for which figures are published :—

	Imports. £	Exports. £
1903	5,341,276	7,950,851
1904	4,514,255	8,188,298
1905	6,548,511	6,554,255
1906	7,330,851	7,106,808
1907	7,972,492	7,418,814
1908	7,969,396	8,562,977
1909	7,905,694	9,584,478

In 1910 the total importation and exportation amounted together to £17,614,235, a trade record which the present year, however, promises to surpass.

The following figures show the details of the export trade of the country during the last three years for which they can be obtained :—

	1907 £	1908 £	1909 £
Live stock and cattle products, including meat, wool and hides	6,733,715	7,751,950	8,540,027
Flour, Fodder, Meat, etc.	333,097	448,957	609,101
Minerals (mainly stone and sand)	245,380	247,458	304,953
Ship's provisions in general	96,269	93,426	113,365
Miscellaneous	10,353	21,186	17,032
	<u>7,418,814</u>	<u>8,562,977</u>	<u>9,584,478</u>

Of Uruguay's exports in 1900 France took nearly a fifth part. Next in order of importance as consumers were Germany and Belgium (who were

about equal); Brazil, the United States and Great Britain, whose share consisted of meat, meat extracts, and wool.

Uruguay's imports consist principally of textiles, food-stuffs, coal, and iron, timber, stone and glass manufactures. Her wants are chiefly supplied by Great Britain, whose exports to Uruguay in 1909 amounted to £2,418,005, or roughly one-third, a level which has been maintained for a number of years. Germany contributed in 1907 £1,293,531, and in 1908 £1,324,861.

A rough estimate of the live stock reared annually on the plains of Uruguay works out at 20,000,000 sheep, 7,000,000 cattle, 600,000 horses and 100,000 hogs. Apart from the live stock, therefore, the trade in hides, skins and wool is considerable. Most of the raw wool, amounting to 100,000 bales the year before last, is taken by France. There are twenty "saladeros" for the preparation of jerked beef scattered through the pastoral country, and one establishment only devoted to the frozen meat industry. A big and welcome impetus has been given to the live stock trade by the cancelling of the vexatious duties on cattle, mules, horses, sheep and goats formerly imposed by the Government of Brazil. Of the many meat-packing houses the most prominent are those of the familiar "Liebig's Extract." Nor must the very considerable "line" in various cereals be overlooked, for unquestionably it has a great future. In a recent year as much as 34,000

tons of excellent wheat was shipped from Montevideo in addition to bran, flour, corn and barley.

At present Uruguay's export trade indicates little diversity of natural sources of wealth, about nine-tenths of the total being live stock and cattle products. As to the importance of the mineral deposits in the north and in the centre opinions are conflicting, and the results of the coal and gold mining begun last year have not transpired. Petroleum is known to exist, but no effort appears to have been made to develop it commercially, though cheap fuel would be a boon to the community; and such of the country's exports as are officially catalogued as minerals consist for the most part of stone and sand. It would therefore seem that Uruguay must rely for her prosperity upon her cattle-raising and agricultural industries, and of recent years much has been done in the direction of improving the strain of her live stock and the prevention or stamping out of epidemics. English prize cattle and kine have been largely introduced, with valuable results, and dairy farming is on the increase. The tilling of the soil is not possible, or rather, profitable, in all parts of the country, but where it is practised the yield is abundant. A very little rubber is found.

In his valedictory Presidential message to the Chambers, delivered in February, 1911, Dr. Williman laid emphasis on the "exact and honourable fulfilment of the country's obligations," and on the definite establishment of its foreign

credit. He mentioned that within four years upwards of £3,500,000 had been expended on public works, and was able to conclude with the prediction of days of assured peace and plenty for the Republic. In a conversation which the writer had with President Williman he evinced as great an interest in the moral and educational progress of his people as in their material welfare.

The progressive Uruguayan Government has for some long time past provided for the free education of children. During Dr. Williman's term as President no fewer than 150 schools were simultaneously established throughout the country, and before his term of office came to an end the number of schools, which in 1875 had been 190 and in 1908 had reached 805, increased to 1000, the attainment of this figure being one of the President's most cherished ambitions. If recent advices do not err, the present President, Señor José Batlle y Ordoñez, is even more enthusiastic for the spread of education, for he proposes to create and endow within a short period the extraordinary number of 600 primary schools, though in educational matters Uruguay already stands not merely ahead of any other South American state save Argentina, but also in front of those of the Latin countries of Southern Europe.

With regard to higher education, Montevideo boasts a splendid university. In a great building, four storeys high, are contained colleges of Medicine, Law, Commerce, and Secondary Education, and

visitors and *savants* from Europe have repeatedly expressed their opinion that the University of Montevideo is on a par with the great educational institutions of the Old World. There are, in addition, the Polytechnic at Salto, the "Sandurero," "Mercedario," and "Uruguayo" at Mercedes, and other excellent establishments. At Sayagoi also there is the splendid Institute of Agriculture.

The spread of education may do much to dispel the bitter feeling between the *Colorados*, the governing party, and the *Blancos*, or, to give them the designation they have recently assumed, Nationalists. It is more an inherited hostility than one based on any wide divergence of opinion, and was originally engendered by the rivalries between Generals Oribe and Rivera and their followers, which began with the very birth of the republic; an Uruguayan of to-day is a Colorado or a Nationalist because his father was one or the other. As may be seen, the strife of the *politicos* has not fatally hindered the commercial progress of the country, but its economic advance would be more rapid if the party in power could feel it safe to disband a part of the large standing army, which in view of the country's excellent relations with its neighbours is a totally unnecessary and unfair burden upon the State. For Uruguay's boundaries with Argentina are purely natural frontiers, and in May of last year Brazil and Uruguay exchanged ratifications of the new treaty of limits on Lake Mirim and the River

Yaguaron, a settlement hailed in Uruguay as an act of justice on the part of the Brazilians which will straiten the bonds of friendship.

Of the populous centres of Uruguay, the port and city of Montevideo is somewhat disproportionately superior in every way to the next most important towns. It stands on a bold headland, the termination of the Sierra de las Animas, a really beautiful city with a mild and benign climate and an almost English appearance. Its electric-tram system is probably the best in South America, and when the installations now in progress have been completed it will be one of the best lighted cities on the whole continent. Several million pounds have quite recently been expended on its embellishment, the improvements including a new river-front some two miles long, in the style of the Thames Embankment with a Rotten Row added, a new and fine avenue, and the paving with asphalt of a great part of the city streets. It has the oldest English club and one of the largest English colonies in South America, and other British institutions comprise a Diamond Jubilee Hall, two churches, and the Montevideo *Times*, edited by an independent and outspoken Englishman, Mr. Denstone. More native features of the capital are the beauty, grace, and elegance of its women.

As to the port, though not naturally affording good harbourage, the £3,000,000 and more spent since 1901 on dredging and on the extension of its

eastern and western breakwaters have placed it in the category of first-class ports. It has a commanding position on the Atlantic sea-board, and the vessels of forty steamship companies, half of them flying the British flag, enter Montevideo in the course of the year. By a recent decree merchant vessels are treated, with regard to provisioning, as warships, being permitted to load their stores out of bond free of Customs duties, and this concession will render Montevideo even more attractive as a port of call. The population of port and city exceeds 300,000.

Of the other cities and towns such as Colonia, Paysandú, Mercedes and Salto we have no space to speak. They are all given over to the meat industry, and as a consequence are less beautiful than busy. Their sanitation, however, is carefully looked after.

The population of Uruguay is far from sufficient for the needs of the country. Labour is scarce and dear and the import tariff renders living expensive. The health of the country generally is good, and the co-efficient of deaths and births (forty to one hundred) very satisfactory as compared with that of European countries.

Enough has been said to demonstrate the steady growth, in the face of great difficulties, of the Oriental Republic of Uruguay, and of her prospects of yet greater and more rapid expansion. In the words of a native writer, "The Republic furnishes a good example of those new peoples

who, in their own right, take their places in the great congress of nations dedicated to the social good. We claim brotherhood with all the states of the earth. We are supported by our democratic system of government, and we shall advance by reason of the work we do for our country, and by our ardent desire for progress, which will surely carry us onwards towards our goal." And it is not impossible that those qualities of virility and high-spiritedness which among the Uruguayans find their expression in aversion to authority, will in the course of time be turned to the true service of the country and the realization of their rulers' ideals.

CHAPTER XIV

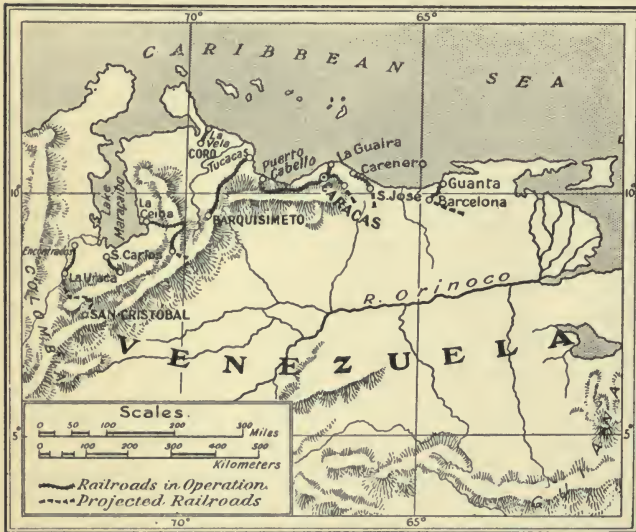
VENEZUELA

IF James I had not turned a deaf ear to Sir Walter Raleigh's suggestions when that great explorer returned from his voyage up the Orinoco, Venezuela might have become one of the richest and most prosperous possessions of the British Empire. Raleigh wanted King James to annex Venezuela as a British colony, but at that time the King's mind was under the influence of the charges brought against Raleigh by the Spaniards, whose revenge he had provoked, and soon afterwards the great explorer was beheaded for high treason and his aspirations as to Venezuela were buried with his reputation.

The material potentialities of the country are as impressive now as in those days they were to Raleigh. The climate, soil, river supply, and the excellence of its natural harbours still remain excellent reasons for British colonization, in the unpolitical sense of the word, though the finer motives of restoring peace and avenging a conquered and suffering people that inspired Raleigh's appeal to his countrymen, happily need no longer be urged.

Venezuela is one of the nearest of the South

American Republics to Great Britain, being within fourteen days' steaming of the port of Liverpool. It occupies the northernmost part of the South American continent, and is bounded by the



Atlantic Ocean, the Caribbean Sea, Colombia, Brazil and British Guiana. The country has an officially estimated area of 393,976 square miles and a population of 2,664,241, being one of the most sparsely populated countries in South America. It is divided into three distinct geographical zones: the plains and river valleys, the mountain section and the dry and healthful tablelands or plateaux, characteristics which are found

in many of the neighbouring republics. Behind the Venezuelan coast range of mountains lies the basin of the Orinoco. This river, 1500 miles long, has nearly five hundred tributaries, and is navigable up from the ocean for about 1200 miles. For nearly half its length it flows north, and then turns almost directly east, and continues in this line to the Atlantic. Near the bend of the Orinoco it is joined by the Apuré, one of its chief tributaries, which has come down from the Eastern Cordilleras of Colombia through the heart of the region of the *llanos* or prairie lands. These lands continue on to the east to the vertex of the delta of the Orinoco. They comprise about 150,000 square miles in Venezuela and about 120,000 square miles in Colombia, and form the largest single compact area of high-class natural cattle pasture in the world. In the luxuriance of the pasturage they are as far ahead of the pampas lands of Argentina as these are ahead of the short grass lands of Kansas or Nebraska. This immense level prairie, thickly carpeted with *para* and *guinéo* grass, growing twice as high as broom sedge on a neglected Virginian farm, is crossed and interlaced by hundreds of rivers flowing into the Orinoco or into its larger tributaries, the Apuré, the Arauca, the Meta, the Vichada and the Guaviaré. From these rivers spread out smaller rivers, creeks and channels, joining one river to another, so that the whole is one great water mesh. In some places for a hundred miles one

must cross water every half mile or less. The creeks and channels, when wide enough, are navigable for launches and flatboats, and offer the best and cheapest possible system of highways leading directly down to the Orinoco and the sea.

From the earliest days of the Spanish conquest Venezuela has been famed as a cattle land. At the time of the war of independence, in 1812, it was estimated that there were 3,000,000 head of cattle in the country. The industry has never since been so flourishing. These natural cattle lands comprise about 170,000,000 acres, and could easily support 180,000,000 head of cattle and not be overstocked. In the past the industry has been much hampered by Government restrictions, monopolies and taxation, and the estimates as to the cost of cattle production in consequence vary much. Under the same favourable conditions as exist in Mexico, Argentina and Uruguay, the *llanos* of Venezuela can produce cattle ready for slaughter at a cost which ought not to exceed 10s. per head. Indeed, a company was formed less than two years ago, which has started a refrigerating business at Puerto Cabello, and has made a number of shipments of cattle to Europe, already with considerable success.

The high plateau lands are the chief agricultural region, and are by far the richest economically and the most populous. The climate is for the most part mild and healthy. The principal objects of cultivation are coffee, cocoa, sugar cane, maize

and fruit. There are more than 247,000 acres of coffee plantations, and the annual export of berries, which are of superior quality, amounts to 52,000 tons. Sugar cane is cultivated more or less throughout the Republic, and the consumption of sugar in the country is dependent upon the home supply, its importation being prohibited. In spite of this absolute protection the export of sugar remains small. This is due not to the inferior quality of the cane, but to defective methods employed in refining and distilling. The cultivation of maize, which is one of the staple foods of the poorer class, hardly produces half the quantity required, and the rest has to be imported from North America. It should be noted, however, that in the districts where this crop is cultivated seriously as many as four harvests are gathered in a year.

This plateau district further produces, but not for export, a considerable quantity of fruit. Finally may be mentioned the export of 8000 tons annually of wood for building, cabinet work, and dye-making.

Apart from the undeveloped riches of the country, the sources of which, with regard to mineral wealth, are known, the unexplored "Sierras" of Venezuela afford opportunities for initiative and energy from which, without undue optimism, great results may be anticipated, judging from what this Southern Zone region surrounding the Sierras has yielded to such as have exploited it. It was in the district to the south-east of Ciudad-Bolívar, not far from

British Guiana, that the mines of the Callac were discovered which, between 1875 and 1887, produced nearly £4,000,000 and distributed to each of the 322 holders of the original £40 shares a total sum of £8400. Since 1888, however, the black quartz diabase has remained hopelessly out of sight, and the shares to-day have fallen to a few shillings.

Upon the undeveloped riches of the country a correspondent writes :—

“There is copper more or less everywhere, chiefly on the side of Barquisimeto, Caracas and Carupano; iron, lead and antimony, and tin at various points in the Caraib chain; sulphur in the neighbourhood of Cumaná; coal near Altigracia de Orituco and Barcelona; petroleum in the Andes of Mérida and around the great salt lakes of Maracaibo; kaolin and pearls near the island of Margarita; phosphates and guano in the islands of Roques, Aves and Orchila. On the other hand, there is found growing wild on the coast, between Caracas and Rio Chico, a plant of the aloe type, the ‘cocuiza,’ the leaves of which, from four feet to six feet long, after being pressed and combed give a very supple fibre which is a textile material at least as strong as hemp.”

We have now to consider why it is that, considering all the natural advantages of this country, its development has not hitherto proceeded at the rate at which other South American countries, no more favourably endowed by nature than is Vene-

zuela, have progressed. Venezuela is, for instance, about half as large again as Chile, yet while British financial interests in Chile amounted to over £50,000,000 at the end of 1910, less than £8,000,000 nominal of British capital was quoted on the London Stock Exchange as invested in Venezuela, and if a list could be made of the few concerns operating with British capital in this republic, but not officially quoted in London, the amount would not be increased to any very appreciable extent. During the past ten years there has been hardly any addition made to the amount of British capital interested in Venezuela, and comparing the total with that concerned with some of the other South American States, it must be obvious that there is room for very considerable development. In the last year or two there has been some progress, and there are good signs at the moment that this will not only continue, but be greatly augmented in the near future. Such anticipations have, however, been previously put forward and have not been justified, and it may fairly be said that the financial and political conditions of the country have generally been responsible for the disappointment.

No progress of any great importance can be looked for unless capital is obtained, and capital cannot be attracted to any country unless it has a stable government and will look after the interests of investors, particularly when they are not of local origin. It cannot be maintained that Vene-

zuela has behaved creditably towards foreign investors in the past, though the last arrangement has now been kept for some years and the debt service has been punctually paid at the due dates, with the result that her credit has advanced considerably, the quotation of her bonds in London being fifty per cent. higher than the price ruling as comparatively recently as 1907. There still remain to be settled, however, one or two questions between the Venezuelan Government and foreign investors. It is only fair to state that Venezuela has had unusual difficulties to contend with. Smallpox epidemics do not help a country to prosper, while the despotic rule of ex-President Castro will be remembered as having kept the country back very considerably during the past decade. Since Señor Castro left his country for his country's good, things have certainly improved. The present constitutional President, General Juan Vicente Gomez, who came into office in the early part of last year, has kept the country free from internal troubles, and gives promise of assisting to bring about a future state of development which must be beneficial to all concerned. In his inaugural address to Congress in the early part of last year he showed that Venezuela was on the best of terms, not only with her neighbours, but with the world generally, and promised reform of the customs and other measures which he believed would redound to the credit of his country.

The first movement for Venezuelan indepen-

dence was initiated in 1797, and many subsequent attempts were made, all of which ended in failure, until 1810, when the citizens of Caracas rose against the Spanish authorities, deposed the governor, and formed a constitutional congress, which met in March, 1811, and in the following July formally declared the independence of the United Provinces of Venezuela. Spanish authority was, however, afterwards re-established, and continued until Simón Bolívar, the great South American Liberator, took up arms against Spain and eventually defeated the Royalists in 1819, which saw the end of Spanish dominion in northern South America.

In 1819 Venezuela became a part of Bolívar's Greater Colombia, and upon the disruption of that federation in 1830 Venezuela declared its absolute independence. Then followed a long period of presidents and revolutions, General Castro, the immediate predecessor of the present holder of the chief office of State, being still notorious in Europe for the many disputes and difficulties which he had with foreigners and foreign Governments.

The present Constitution of Venezuela was authorized by the National Congress of August 5th, 1909, by which the country is officially termed the United States of Venezuela. It is one of the five Federal Unions of America, having adopted the federal representative republican form of government, the various States being entirely autonomous in their internal government but

leaving certain limited powers the prerogative of the Federal Government. The executive power is vested in a president, a cabinet of ministers, who act in conjunction with the president, and a council of government, which co-operates with him in certain cases provided for in the Constitution.

The United States of Venezuela consist of twenty states, two territories, and a federal district. Each has a legislative assembly whose members are elected according to their representative State in the Constitution, an executive power which consists of governor and secretary-general, and a council of government. The States are divided into districts, and the latter into municipalities, each district having a municipal council and each municipality a communal board.

As intimated at the beginning of this article, Venezuela is neither well nor favourably known to British investors, for only a comparatively small amount of money is invested in the country. The bulk of this is in the Government bonds, holders of which have until very recent years had a very unfavourable experience.

Other British interests in Venezuela are chiefly concerned with four railway companies operating in the Republic, although there are, in addition, a further eight lines, the total length of the twelve being returned at 540 miles, with an invested capital of something over £8,000,000. The two most important lines are the Puerto Cabello and Valencia and the La Guaira and Caracas, both

owned by British capital, and it is in connection with the first-named that claims have been made against the Venezuelan Government for many years past, and are still unsettled. This is practically the only blot now remaining on the credit of that country, and the sooner the authorities realize the fact and deal with their obligation in that connection the sooner will its credit be restored. The La Guaira and Caracas Railway Company owns a line $22\frac{3}{4}$ miles long, and has generally managed to do fairly well. Another English-owned line is the Bolívar Railway, while there is also the Venezuelan Central Railway.

Reliable and up-to-date statistics as to the financial position of the Government are not available, the latest which have been issued only referring to the financial year ending June, 1909, for which period the revenue of the country amounted to £2,016,500, the expenditure for the same period being returned at £1,906,760, thus showing a surplus of revenue over expenditure of about £110,000, and comparing with a surplus of £65,000 in the previous year. The internal and external debt of the country at the end of 1909 was placed at £7,710,990. The budget estimate for 1910-11 gave both revenue and expenditure at just under £2,000,000, the figures, however, being of little importance, as it is the rule with these countries to budget evenly, and the estimates are only a very rough criterion of what is likely to be.

It should perhaps be mentioned that in con-

sequence of the Anglo-Venezuelan award of 1903 Venezuela has in the past eight years been called upon to liquidate considerable indebtedness, and the fact that this has been done must not be overlooked in judging the progress or otherwise which the country has made during the interim. Trade statistics show exports during the year ended June, 1910, to have amounted to £3,600,816, and the imports to £2,360,040, thus giving a balance in favour of the country of nearly £1,250,000. The bulk of the trade is with the United States of America, for the imports from that country amounted to £768,613, and the exports to £1,289,943, these figures in both cases being larger than the trade with any other country; France came next, so far as exports from Venezuela are concerned, with £1,194,973; whereas Great Britain and Colonies only figured for £403,340 of exports from Venezuela. On the other hand, Venezuela imported from Great Britain and Colonies £635,100 as against only £156,688 from France. To Germany products worth £346,095 were exported, and the imports from that country reached £444,225. The bulk of the exports consisted of coffee, £1,546,005; cocoa, £726,026; rubber, £583,079; and hides and skins, £337,247. The total trade of the country in the year in question amounted to the equivalent of about £5,750,000, which for a population of 2,664,241 is equal to slightly more than £2 per head, and compares with over £7 per head in the

neighbouring Republic of Costa Rica, £2 per head in Nicaragua, and slightly more than £1 per head in Guatemala.

Caracas is the seat of the Federal administration, but owing to the extensive powers of self-government enjoyed by each of the States there is a marked tendency to decentralization, which is assisted by the lack of intercommunication. The capital city is pleasantly situated in a valley at a height of 3025 feet above sea-level, 10 miles south of the port of La Guaira. In appearance it is typical of most of the towns founded by the Spaniards, with straight streets intersecting at right angles, some shady avenues and several handsome squares. In its three and a half centuries of existence earthquakes and civil war have played a destructive part, and soon after its founding it was sacked by an English pirate; but to-day it is still by far the most important social and commercial centre which Venezuela can boast. It is to be feared that this says but little for the progress of the republic as a whole, but the backward state of the country is fully realized by those in power, and it is to be hoped that as the condition of politics is now more settled, and past abuses have to some extent been removed, an era of reform and progress will set in. Capital is urgently required for the development of the country, and English capitalists have now in Venezuela an excellent opportunity of obtaining a good return for their money.

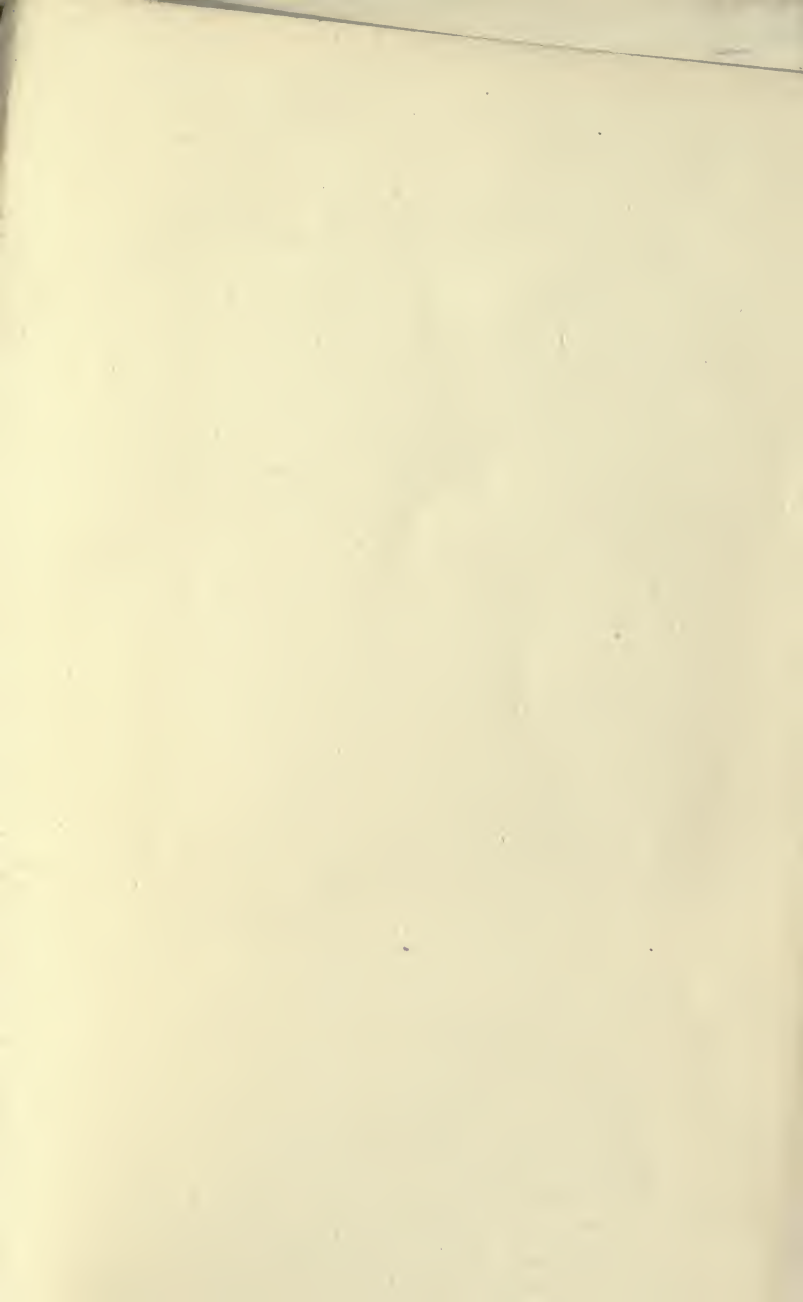
INDEX

- Alamagro, expeditions, 5, 6, 184
 Alfaro, General Eloy, 220
 Andes, political significance, 26-7
 Antilles, privateer stations in, 10
 Antofagasta, 201-2
 Argentina: army and navy, 119-20; betting in, 125-6; British trade with: capital invested in, 61-3, criticism of methods, 135-7; butter, 130; cattle rearing, 129-30; chilled and frozen meat, 128; cities, population, 116; constitution and administration, 38-40, 116; early history, 114-15; education, 118-19; finance, currency and tariff, 122-4; foreign trade, 65-8, 112, 126-8, 132, 198; geographical position, 112; Gran Chaco, 134-5; Great Britain's invasion of, 18; hides and wool, 129; immigration to, 117; Italian and Spanish colonists in, 117; linseed production, 128; manufactures, 131-2; meat extract companies, 130; mineral products, 132-3; modern rulers, 115; population, 66, 112; railways, 83-5, 120-1; shipping, tonnage at different ports, 133; timber, 133; Vice-royalty of, founded, 7; war with Brazil, 19; war with Paraguay, 19, 233-4; wool industry, 130. *See also particular names of towns*
 Arosemena, Don Pablo, 109
 Asunción, 79, 235
 Atahualpa, 5, 219
 Aztecs: arts of, 2; overthrow by Cortes, 3
 Bahía, 75
 Bahía Blanca, 135; population, 116
 Balboa, 93
 Balmaceda, President, 18, 188
 Barranquilla, 216
 Barrett, John, 70, 81
 Belém, 75
 Belgium, Uruguayan trade, 269
 Beresford, General William, 18
 Bogotá, 79, 215-16
 Bolívar, Simón, 9, 205-6, 284
 Bolivia: Acre territory dispute, 182; agricultural products, 146-7; area, geographical position, etc., 27, 141-2; currency and finance, 153-4; early history, 138; education, 149-50; foreign trade, 65-8, 82, 152-3; labour question, 149; mineral wealth, 81, 142-3; population, 67, 149; present satisfactory prospects, 140; railways, 84, 86, 140-1, 147-8; rubber industry, 145-6; war with Chile, 17, 187; wealth of, 81-2. *See also particular names of towns*
 Bovril Company, 130
 Brazil: Acre territory dispute, 182; agricultural products, 165-6, 170-6, *see also* São Paulo State; army and navy, 163-4; British investments in, 64; coffee exports, 172-3; constitution and administration, 38-40, 161-2; early history, 156-9; education, 164-5; foreign trade, 65-8, 176-9; finance, revenue and currency, 180-2; geographical and physiographical conditions, 160-1; mineral deposits, 177-8; population, 66, 162; Portuguese occupation, 6, 22-4; railways, 84-5, 169-70; Republic proclaimed, 160; Republican administration and recent history, 23; rubber, 173-4; Uruguay's independence recognized by, 19-20; war with Argentina, 19, 115; war with Paraguay, 233-4. *See also particular names of towns*
 Bridge, Admiral Sir C., 105-6
 British Honduras, 13
 Bucaramanga, 216
 Buenos Aires, 126; Centennial Exhibition, 126; Jockey Club, 125-6; population, 116; railway construction, city improvements, etc., progress in, 68-70, 124-5; shipping, tonnage, 133
 Cabot, Sebastian, 232
 Cabral, 156
 Caceres, General, 248-9
 Caracas, 79, 288
 Cartagena, 216

- Castro, Cipriano, 16, 283, 284
 Celman, 115
 Central American Republics: Disputes between, agreement as to arbitration, 13; Spanish domination, 11
 Charles V of Spain, 9
 Chile: agricultural products, 203; army and navy, 191-2; characteristics of people, 190-1, 204; constitution and administration, 53-4, 188-90; early history, 184; foreign trade, 65-8, 195-8; geographical position, 28, 183; immigration, 191; mineral products, 202-3; nitrate industry, 199-201; population, 67, 183; ports, 195; railways, 84, 85, 194-5; recent history, 18; Republic founded 186; revenue, finance and currency, 198-9; tariff, 204; war with Perú and Bolivia, 171, 187. *See also particular names of towns*
 Cochrane, Lord, 186
 Colombia: agricultural products, 208-10; army, 218; constitution and administration, 47-8, 217-18; early history, 14-15, 205; education, 216-17; foreign trade, 65-8, 212; geographical position and area, 206-7; mineral wealth, 81, 210-11; population, 67, 206-7; President's message 1909-10, 214; railways, 84, 214-15; Republic founded, 206; rivers, 208; sources of wealth in, 81; Spanish rule overthrown in, 205-6; tariff concessions, 212, 213-14. *See also particular names of towns.*
 Columbus, Christopher, 1-3, 93
 Córdoba, 116, 135
 Corrientes, 117
 Cortes, Fernando, 3
 Cuenca, 226
 da Fonseca, Marshal Hermes, 160
 d'Andrade, General Gomes, 158
 de la Gasca, Pedro, 7
 de Moraes, President Prudente, 160
 de Nicuesa, Diego, 93
 de Ojeda, Alonso, 205
 de Piérola, Nicolas, 249
 de Quesada, Jiménez, 6, 205
 de Vaca, 232
 Diaz, Porfirio, 11
 Drake, 8
 Ecuador: agricultural products, 225; constitution and administration, 48-51, 223-4; early history, 15, 219; education, 230; foreign trade, 65-8, 226-8; finance, revenue and currency, 228-9; geographical position, area, 221-3; independence proclaimed, 220; mineral resources, 224; population, 67, 226; railways, 84, 229-30. *See also particular names of towns*
 Esmeraldas, 226
 Ferdinand VII of Spain, 8, 185
 Francia, Dr., 20
 Galápagos Islands, 222
 Germany: Bolivian trade, 82, 152-3; Brazilian trade, 176-7; Chilean trade, 196-7; Colombian trade, 213; Equatorial trade, 227, 229; Peruvian trade, 257; Uruguayan trade, 268
 Gilbert, J. S., 93, 94
 Goethals, Colonel G. W., 104
 Gomez, President, 83, 283
 Gorgas, Colonel, 102-3
 Great Britain: Argentine invaded by, 18; Argentine trade, British investments, 61-3, criticism of methods, 135-7; Bolivian trade, 152-3; Brazilian investments, 64; Brazilian trade, 176-7; Chilean trade, 196-7; Colombian trade, 213; Equatorial trade, 228-9; Peruvian trade, 257; South American Independence recognized by, 9; and United States, controversy *re* British Guiana boundary, 16; Uruguayan investments, 267; Uruguayan trade, 269
 Grey, Sir E., 192-3
 Guiana, 16-17
 Guayaquil, 225
 Hawkins, 8
 Honduras, 13
 Hume, Major M., 111

- Immigration: to Argentina, 117;
Chilian, 191; Paraguay—need
for, 239-41
- Incas, 2
- Isabella of Portugal, 23
- Jara, Colonel, 234
- Jesuit missions, 20
- João VI, Dom, of Portugal, 22, 159
- Lake Titicaca, 152
- La Paz, 79, 150-1
- La Plata, 116
- Latacunga, 226
- Leguía, Dr. Augusto B., 250
- Lemco and Oxo Company, 130
- Lesseps, Ferdinand de, 97
- Lima, 79, 245-6, 251
- Lopez, Carlos, 233
- Lopez, Francisco, 20-1
- Lopez, Marshal Solano, 233
- Loreto, 255-6
- Luque, 5
- Mahan, Admiral, 105-6
- Manáos, 75-6, 167
- Maté, 175
- Maximilian, Emperor of Mexico, 11
- Medellin, 216
- Mendoza, 116, 128
- Mexico: Aztec Empire, 3-4; early
history, 7, 11
- Montevideo, 70-2, 273-4; siege of,
20
- Moreno, García, 220
- Morgan, Capt. Henry, 10, 93
- New Granada, 7, 94, 205-6
- Nicaragua, 13
- O'Higgins, Bernardo, 186
- "Old Panamá," 93
- Ordoñez, José Batlle y, 271
- Orellana, 6
- Panamá: area, geographical
position and population, 108;
Canal Zone administration, 108;
Canal Zone, cession to United
States, 14-15; early history, 14,
92-5; government and admini-
stration, 109-10; health condi-
tions, 103; independence of,
proclaimed, 93, 95-6; railway
enterprise, 94-5. *See also par-
ticular names of towns*
- Panamá Canal: economic impor-
tance, 80, 88-91, 104-5, 107-8;
history and details of present
work, 97-104.
- Panamá Congress, 13.
- Pará, 75, 76, 167
- Paraguay: agricultural and forest
products, 237-8; cattle rearing,
238-9; Chaco, 231; constitution
and administration, 43-5; cur-
rency and finance, 235-6, 241-2;
early history, 232; foreign
trade, 65-8, 236-7; geographical
position, 27, 231-2; immigra-
tion, need for, 239-41; Jesuit
missions in, 20; mineral de-
posits, 239; population, 67,
231-2; railways, 84, 239, 243-4;
Republic proclaimed, 232;
rivers, 231; smuggling in, 242;
war with Brazil, Argentina and
Uruguay, 19, 233-4, 263. *See
also particular names of towns*
- Paraná, 116
- Pardo, Dr. José, 249
- Pedro V, Dom, Emperor of
Brazil, 22-3, 159
- Pelotas, 76
- Peña, Dr. Roque Saenz, 115
- Pernambuco, 75
- Perú: agricultural products,
256-7; and Bolivia, war with
Chile, 17; cattle and sheep
rearing, 257; commercial im-
provement, 82; constitution and
administration, 51-3, 251-2;
education, 260-1; expedition
from, 6; foreign trade, 65-8,
257-8; geography, area and
population, 250-1; guano beds,
253; labour question, 261;
manufactures, 258; mineral
wealth, 252-3; population, 67,
251; railways, 84, 259-60; re-
cent history, 248-9; revenues
and finance, 258-9; rubber and
caucho, 254-5; Vice-royalty of,
founded, 7; war with Chile, 187.
See also particular names of towns
- Pinzón, 156
- Pizarro, Francisco, 5
- Porto Alegre, 76
- Portugal, Brazil's occupation of,
24, 157-9; and Spain, division
of South America between, 24

- Potosí: ancient glories, 138; silver mining, in 143-4
Prescott's History of Mexico, 4
 Privateers, 9-10
- Quintana, Don Manuel, 115
- Quito, 79, 219, 225-6
- Railways, important factors in South American development, 83. *See also under particular States*
- Raleigh, Sir Walter, 276
- Riobamba, 226
- Rio de Janeiro, 72-5, 167-8; harbour improvements, 76, 167
- Rio Grande, 167
- Recife, 76, 167
- Roca, General, 30
- Rosario, 116, 134
- Rosas, 19, 115
- Sanclémente, President, 95
- San Martín, 9, 186
- San Salvador, 13
- Santa Fé, 116, 134
- Santa Marta, 209
- Santiago, 77, 190
- Santos, 75, 76, 167, 169
- São Paulo city, 75, 168-9
- São Paulo State, 171-3
- South America: economic importance, 56-60; trade returns, 65-8; constitutions, outline and type, 29-38; tariffs, 31. *See also particular States*
- Spain: Paraguay separated from, 232; and Portugal, divisions of South America between, 24; South American possessions of, history and overthrow of, 1-10; South American trade at first mainly in hands of, 10
- Sucre, 151
- Sucre, General, 220
- Tarapacá, 248
- Townley, Lady S., 235, 243
- Trade, returns of. *See under particular countries and under South America.*
- Tucumán, 116
- United States of America: Bolivian trade, 152-3; Brazilian trade, 176; Chilean trade, 196-7; Colombian trade, 212-13; Equatorian trade, 227, 229; and Great Britain, controversy re British Guiana boundary, 26; Panamá Canal Zone acquired by, 97-8; Paraguay trade, 239; Peruvian trade, 257; South American independence recognized by, 9; Uruguayan trade, 269
- Uruguay: British capital invested in, 267; commercial importance of, progress, 71; constitution and administration, 265-7, 45-7; cereals, 269-70; early history, 262; education, 271-2; foreign trade, 65-8, 72, 268-9; geographical position, 28, 263-4; independence proclaimed, 19-20, 272; jerked beef trade, 269; live stock trade, 269; meat packing houses, 269; population, 67, 274; railways, 84, 86, 266; revenue and finance, 265-6; war with Paraguay, 233-4, 263. *See also particular names of towns*
- Valdivia, 184
- Valparaíso, 18, 77-8.
- Venezuela: agricultural and forest products, 279-80; British interests in, 285-6; cattle lands, 279; constitution and administration, 43-3; 284-5; early history, 16; finance and revenue, 286-7; financial instability has hindered development of, 282-3; foreign trade, 65-87, 287-8; geography, area, etc., 277-8; improved commercial conditions, 82-3; independence, movement for, 284; mineral wealth, 280-1; population, 67; railways, 286; river system, 278-9. *See also particular names of towns*
- Vera Cruz, 3
- Villazón, Dr. Eliodoro, 154
- West Indies, 9
- Whitelock, General, 18
- Williman, Dr., 270-1
- Yucatan, 3.



THIS BOOK IS DUE ON THE LAST DATE
STAMPED BELOW

AN INITIAL FINE OF 25 CENTS
WILL BE ASSESSED FOR FAILURE TO RETURN
THIS BOOK ON THE DATE DUE. THE PENALTY
WILL INCREASE TO 50 CENTS ON THE FOURTH
DAY AND TO \$1.00 ON THE SEVENTH DAY
OVERDUE.

DEC 7 1937
DEC 18 1935
JUL 21 1942
DEC 30 1943
FEB 25 1944
OCT 15 1945
22 May '49 PA
13 Apr '53 FF
MAR 30 1953 LU

JUN 4. 1957
REC'D LD
MAY 27 1957
17 Apr '61 PM
REC'D LD
MAY 27 1961
27 Jan '64 AM
REC'D LD
JAN 17 '64 - 10 AM
JAN 5 1966 7 9
REC'D

DEC 15 '65 11 AM

298952

F3208
.P7

UNIVERSITY OF CALIFORNIA LIBRARY

