



UNION OF AMERICAN REPUBLICS



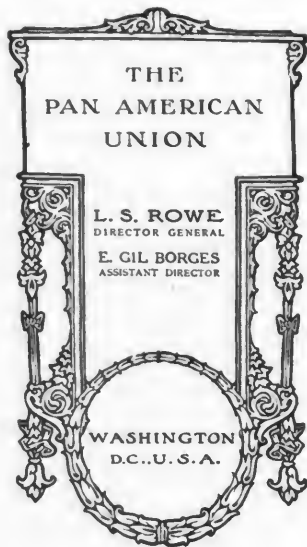
BULLETIN  
OF THE  
PAN AMERICAN  
UNION

OCTOBER

1931



SEVENTEENTH STREET AND CONSTITUTION AVENUE NW., WASHINGTON, D. C., U. S. A.  
CABLE ADDRESS FOR UNION AND BULLETIN - - - - "PAU" WASHINGTON



---

---

**SUBSCRIPTION RATES FOR THE BULLETIN**

English edition, in all countries of the Pan American Union, \$2.50 per year  
Spanish edition, " " " " " 2.00 "  
Portuguese edition, " " " " " 1.50 "

An **ADDITIONAL CHARGE** of 75 cents per year, on each edition, for  
subscriptions in countries outside the Pan American Union.

Single copies, any edition, 25 cents each.

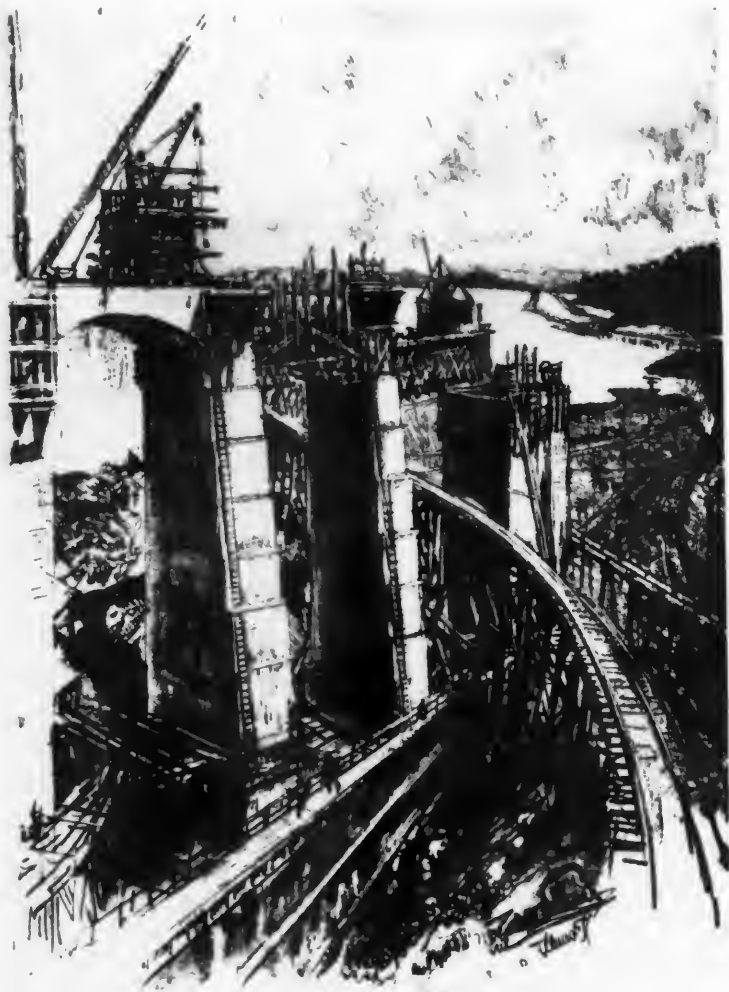
---

---

## TABLE OF CONTENTS

	Page
<b>Foreword: Significance of the Pan American Conferences</b> .....	989
By L. S. Rowe, Ph. D., LL. D., Director General of the Pan American Union.	
<b>The Development of Commercial Treaties in the Americas</b> .....	991
By Wallace McClure, Ph. D., Assistant Chief, Treaty Division, Department of State of the United States.	
<b>Dr. Miguel Cruchaga, The New Ambassador of Chile in Washington</b> <i>(Portrait)</i> .....	1028
<b>Señor Luis O. Abelli, The New Minister of Bolivia in Washington</b> <i>(Portrait)</i> .....	1029
<b>Communications the Keystone of Western Civilization</b> .....	1039
By C. C. Martin, Director, Pan American Information Service.	
<b>What Mexico Offers to the Tourist</b> .....	1030
By Eyer N. Simpson, Ph. D., Senior Associate in Mexico of the Institute of Current World Affairs.	
<b>Character and Distribution of Latin American Foreign Trade</b> .....	1053
By Guillermo A. Suro, Editorial Division, Pan American Union.	
<b>Foreign Investments in the American Republics</b> .....	1064
By William Manger, Ph. D., Chief, Division of Finance, Pan American Union.	
<b>Latin America, Land of Enchantment for the Tourist</b> .....	1078
By C. Keech Ludwig, Assistant Foreign Trade Adviser, Pan American Union.	
<b>Subject Matter of Consular Reports</b> .....	1111

*(The contents of previous issues of the BULLETIN OF THE PAN AMERICAN UNION can be found in the READERS' GUIDE in your Library.)*



Reproduced by permission of Mrs. Joseph Pennell

THE APPROACHES TO GATUN LOCK, PANAMA CANAL

Lithograph by Joseph Pennell



---

---

VOL. LXV

OCTOBER, 1931

No. 10

---

---

## SIGNIFICANCE OF THE PAN AMERICAN CONFERENCES

### FOREWORD

By L. S. ROWE, Ph. D. LL.D.,

*Director General of the Pan American Union*

**I**MPORTANT as are the topics on the program of the forthcoming Pan American Commercial Conference, the conference, viewed as an international assembly, possesses a significance even deeper than the questions included in the program. This will be the fourth commercial conference held under the auspices of the Pan American Union. Each of these conferences has contributed its share toward the development of closer commercial ties between the Republics of America. The coming together of delegates from every section of the continent marks a step forward in the great movement for closer inter-American cooperation which is of such importance to the present as well as to the future of the American Republics.

The outstanding lesson to be drawn from the three conferences is the deep interest which each of the Republics of America possesses in the welfare and prosperity of all. With each succeeding conference it has become increasingly evident that each of the countries of the Western Hemisphere can best serve its own interest by furthering the prosperity of the sister nations. The commercial conferences are contributing their share toward developing that atmosphere of international good will which is destined to be the greatest contribution of America to world progress.

The Pan American Union extends a warm welcome to each and every delegate and combines therewith the assurance that every facility of the Pan American Union is at their disposal. The representatives of the Governments and of the commercial associations of the Republics of America have come to Washington at a time when their respective countries are passing through a period of severe economic depression. It is in times such as these that international cooperation can contribute most toward the progress and prosperity of the nations of the Western Hemisphere.



# THE DEVELOPMENT OF COMMERCIAL TREATIES IN THE AMERICAS

By WALLACE McCLURE, Ph. D.

*Assistant Chief, Treaty Division, Department of State of the United States*

THERE are twenty-one republics in the Americas and, in addition, there is a member of the British Commonwealth of Nations which makes its own treaties and carries on its own international policy in a manner similar to that of other independent countries. Their process of commercial treaty making commenced in 1778 when the United States entered into its first treaty with France. Beginning with the independence of almost all of Latin America early in the nineteenth century, the number of countries, and consequently of treaties, though smaller than contemporaneously among European states, has nevertheless been large; during the period which has elapsed since the World War there has been something of a renaissance in treaty making, especially in the United States and Canada. The task of discussing the development of commercial treaties in the Americas is evidently one of complexity and magnitude. Its treatment within the bounds of a brief paper must be concise and general.

In the paragraphs which follow no effort will be made to consider the colonial territories, of which a number remain in the Caribbean area, or the dependencies in the North and South Atlantic, but the remainder of the Western World will be taken up country by country for brief statements calculated to give impressionistic pictures of the development and essential characteristics of each. Thereafter, before undertaking to summarize and to suggest conclusions, mention will be made of the commercial policies indicated by the resolutions and conventions of international conferences of American nations, and of the participation of the American states in the formulation of world commercial policy as expressed in the multilateral conventions that began in the latter part of the nineteenth century to contribute importantly to international economic relations and have been greatly expanded during recent years under the leadership of the League of Nations.

## INDIVIDUAL NATIONAL COMMERCIAL POLICIES

Bipartite commercial treaties, as they exist, and have long existed among the countries of the world, deal with many varieties of subject matter by no means exclusively commercial, are of greatly differing length, and are expressed in language the form of which, while often

obviously copied from earlier treaties, also presents wide variations. It remains true, however, that among the essentially commercial articles of treaties two subjects are of importance sufficiently greater than the others to justify exclusive emphasis in the discussion of commercial treaties. They are the customs treatment of the goods of merchants of one country when imported into others or exported from others, and the treatment accorded in national ports to the merchant ships flying the flags of other countries. The treatment promised by treaties is regularly that of the most-favored nation in the former case and of nationals in the latter, though national treatment is sometimes denied to shipping and most-favored-nation treatment substituted.

Such contrasts as exist are naturally referred to in paragraphs which seek to describe countries individually; but differences must not be allowed to obscure the high degree of underlying similarity which characterizes in most cases their commercial treaty development and policy.<sup>1</sup>

#### ARGENTINA

The centenary of the first Argentine commercial treaty, that of February 2, 1825, with Great Britain, was celebrated at Buenos Aires six years ago. According to its preamble, "extensive commercial intercourse" had for a series of years been established "between the Dominions of His Britannick Majesty, and the Territories of the United Provinces of Rio de la Plata."<sup>2</sup> Standard provisions for most-favored-nation treatment in respect of commerce and for national treatment of shipping are the features of this opening chapter in the development of the commercial treaty system of Argentina. It has been a rule, the Argentine Minister for Foreign Affairs stated officially in 1871, "in the Treaties which the Republic has hitherto concluded, not to grant favours to one nation which she was not disposed to grant to all the rest."<sup>3</sup>

In the British treaty there is no stated condition, but the most-favored-nation clause in the treaties of Argentina has been, as a rule, conditional; that is, it has permitted either party to a treaty containing it to accord special treatment to a third party in return for

<sup>1</sup> The time and sources available for the preparation of this article did not permit of either the thoroughness or detailed accuracy desirable for such a presentation. This section is based primarily upon the treaties published in *British and Foreign State Papers* and is intended to present a suggestive rather than an authoritative sketch. The hope may be expressed that the essentials of the several national commercial policies have not been misconceived. In footnote references the following abbreviations are used:

BFSP—British and Foreign State Papers

LNTS—League of Nations Treaty Series

USTS—United States Treaty Series

US Treaties—Treaties, Conventions, International Acts, Protocols and Agreements between the United States and Other Powers, 3 volumes, 1776-1923; Senate Documents No. 357, 61st Congress, 2d session, and No. 348, 67th Congress, 4th session.

CR—Commerce Reports (U. S. Department of Commerce)

<sup>2</sup> 12 BFSP 29.

<sup>3</sup> Exchange of notes with Italy, 63 BFSP 1088 (1089).



reciprocal favors without incurring the obligation of extending such treatment to the other. Argentina has, accordingly, been free to enter into special reciprocity arrangements and such arrangements have occasionally been signed with bordering states. The policy of extending them further afield was interestingly expressed in a bill which passed the Chamber of Deputies in 1911, authorizing the Executive to reduce or entirely suppress duties on petroleum, lumber, and machinery imported from the United States, if the United States would enter into a reciprocity agreement.<sup>4</sup> In 1929 negotiations with Great Britain resulted in a decree reducing Argentine duties on British rayon and certain similar textiles, in view of the free importation of Argentine meat and cereals into that country.<sup>5</sup> Great Britain, of course, had long admitted meat and cereals free of duty, regardless of country of origin; and Argentina would undoubtedly have been pressed to accord the lower duties to similar textiles from most-favored nations. Though the decree was not brought into operation, this arrangement may perhaps be cited as an example of special bargaining within the unconditional most-favored-nation principle.

Argentine policy has necessarily dealt with the question of the navigation of the River Plate and its affluents, and the transcontinental transit traffic over the Andes. Liberal treaty provisions on these subjects have been entered into not only with bordering states, but with North American and European countries.<sup>6</sup> That "the freedom of rivers" was "one of the bases of public right in the Argentine Confederation" was asserted in 1857, as a mild protest against the river tolls levied by German states.<sup>7</sup>

The years following the middle of the nineteenth century were especially productive in Argentine treaty development, including agreements with South American states, the United States, and important European commercial countries such as France, Italy and the German Zollverein. Notwithstanding much controversy, the commercial policy of Argentina remains in general harmony with the principle of equality of treatment.

#### BOLIVIA

The commercial treaties of Bolivia reflect the problem of access to the sea, and the use of ports such as Arica, under the control of Chile or Peru; accordingly, the subject of transit is of unusual importance. Relations with Chile and Peru have varied considerably; some of the

<sup>4</sup> *The Standard* (Buenos Aires), June 29, 1911.

<sup>5</sup> *International Conciliation* (New York), No. 271, pp. 432-433, citing *Review of the River Plate* (Buenos Aires), Nov. 22, 1929, p. 13.

<sup>6</sup> E. g., Paraguay, 46 *BFSP* 1305; Chile, 49 *BFSP* 1200; U. S., 1 U. S. Treaties 18; France, 44 *BFSP* 1071

<sup>7</sup> Separate Article of treaty with the Zollverein, 47 *BFSP* 1277 (1282). Translation.

treaties provide for substantial free trade and free transit.<sup>8</sup> Matters even of minute detail appear, as that "respectable and wealthy persons" travelling from one country to the other should pay two dollars as passport dues; that muleteers, mechanics, and "other persons of the working class" should pay only two reals, and that certain "indigenous natives" should be exempt from passport dues.<sup>9</sup>

Bolivia's treaties with more distant countries, European, Asiatic and North American have as a rule been based upon the most-favored-nation clause<sup>10</sup> and the early treaties frequently contain provisions for national treatment of shipping. The right reserved to enter into reciprocity treaties has occasionally been utilized, as in a treaty signed in 1834 with France, which limited Bolivian duties on French wines and spirits, at the same time providing that the duties on woven and manufactured silk goods should be "one-half less" than those "proceeding from China,"<sup>11</sup> and limited French duties on "quinine, bark, cocoa, copper and tin."

On the other hand, most-favored-nation treatment operative "immediately and unconditionally"<sup>12</sup> has also been agreed to, but with a reservation as to "conterminous States," expressive of a Bolivian policy which has elsewhere been extended to include "any American nations to the south of the Isthmus of Panama."<sup>13</sup> Other exceptions to the most-favored-nation obligation sometimes occur, for instance, "rights or privileges arising from plurilateral agreements of a general nature,"<sup>14</sup> as suggested by the Economic Committee of the League of Nations.<sup>15</sup>

#### BRAZIL

It is an interesting coincidence that in one of the earliest treaties entered into by Brazil, the two parties expressed their intention "de donner toute la liberté possible au commerce, par l'adoption d'un système de parfaite réciprocité, basé sur des principes équitables."<sup>16</sup> Nearly a hundred years later the Peace Conference at Paris was to struggle over the meaning of the word "équitable" and it was to be written into the Covenant of the League of Nations instead of the

<sup>8</sup> See, e. g., treaties with Chile signed May 30, 1885, 82 BFSP 862; Oct. 20, 1904, 98 BFSP 763; Aug. 6, 1912, 106 BFSP 899.

<sup>9</sup> Treaty signed Nov. 3, 1847, with Peru, Articles 21-23, 36 BFSP 1137. Translation.

<sup>10</sup> A large proportion of the most-favored-nation clauses are expressly conditional, e. g., treaty of April 13, 1914, with Japan, Article XI, 109 BFSP 872, which, however, operates "except as otherwise expressly provided in this Treaty".

<sup>11</sup> Article XI, 23 BFSP 165. Translation. Cf Article VII of U. S.-French Treaty of July 4, 1831, 1 US Treaties 523. See also treaty of Aug. 17, 1860, with Belgium, Article XIX, 52 BFSP 491.

<sup>12</sup> Treaty of Aug. 1, 1911, with Great Britain, Articles V and XIV, 104 BFSP 132.

<sup>13</sup> Treaty of May 10, 1879, with Portugal, Article XXVII, 70 BFSP 858. Translation.

<sup>14</sup> Treaty signed May 30, 1929, with The Netherlands, Article X (b), *Staatsblad van het Koninkrijk der Nederlanden*, No. 324, p. 13. Translation.

<sup>15</sup> *League of Nations Official Journal*, July, 1929, pp. 1228-1229.

<sup>16</sup> Additional article signed April 18, 1828, treaty of July 9, 1827, with Prussia, 16 BFSP 1201 (1205).

more definite word "égalité," the basis of the most-favored-nation clause.<sup>17</sup>

The commercial treaties of Brazil, while normally containing the most-favored-nation clause, have rarely omitted the words of condition which convert it from an instrument of assured equality into one of permitted inequality. There has been a tendency in the commercial policy of Brazil to enter into special bargains. Relations with Portugal were for a long time regularly excepted from the most-favored-nation clause; an early treaty, providing reciprocally for payment on Portuguese goods of "one-third less as import duties than is actually paid, or may be paid, by the most favoured Nation," was, however, rejected by the Brazilian Senate.<sup>18</sup>

In early treaties with Great Britain<sup>19</sup> and other countries, moreover, the import duties of Brazil were in general limited to fifteen per centum ad valorem,<sup>20</sup> and, in an arrangement with France, certain favors were granted in return for the suppression of the French tariff distinction between long and short staple cotton and the surtax upon goods imported in foreign vessels.<sup>21</sup> In 1924 a reciprocity arrangement was entered into with Spain, according Brazilian minimum tariff rates in return for Spanish second column rates.<sup>22</sup> In recent times Brazil's concern for the exportation of coffee has led to agreements which, in general, have provided free importation or reduced rates for its premier product, in return for tariff guaranties or favors.<sup>23</sup>

With most of its numerous contiguous neighbors, Brazil has entered into special agreements for promoting river and overland commercial intercourse. Arrangements with Colombia<sup>24</sup> and Peru have not only limited or suppressed various duties or charges but have provided for the subvention of Amazon river vessels. One of the treaties with Peru provides for the consolidation of navigation dues into a single tonnage tax, "as recommended by the Washington Congress."<sup>25</sup> What may be thought of as aggrandized border traffic has been provided for in special arrangements with Paraguay and Uruguay for the free or favored interchange of products, particularly cattle, between those two countries respectively and the Brazilian provinces of Matto Grosso and Rio Grande do Sul.<sup>26</sup>

<sup>17</sup> Covenant of the League of Nations, Article 23 (c).

<sup>18</sup> Treaty signed May 19, 1836, Article X, 25 BFSP 626. Translation. It was stipulated that the goods must be imported directly on Brazilian or Portuguese vessels for consumption in Brazil.

<sup>19</sup> Treaty of Aug. 17, 1827, Article XIX, 14 BFSP 1008.

<sup>20</sup> See also treaty signed with Lübeck, Bremen, and Hamburg, Nov. 17, 1827, Article VI, 14 BFSP 715.

<sup>21</sup> 13 BFSP 805, Article XVI.

<sup>22</sup> CR, 1924, Vol. 2, p. 59; 1925, Vol. 1, p. 340; 1926, Vol. 1, p. 100.

<sup>23</sup> See, e. g., France, June 23/30, 1900, 97 BFSP 680; Italy, July 5, 1900, 100 BFSP 807; also U. S., Apr. 16, 1901, U. S. Tariff Commission, *Reciprocity and Commercial Treaties* (1919), p. 286.

<sup>24</sup> See treaty of Aug. 21, 1908, 101 BFSP 941.

<sup>25</sup> Treaty of October 10, 1891, Article XXXIV, 83 BFSP 1286. Translation. See *infra*, paragraphs on International Conferences of American States.

<sup>26</sup> Treaty of Jan. 18, 1872, with Paraguay, Article XV, 63 BFSP 238; treaty of Sept. 4, 1857, with Uruguay, Articles II, III, IV, 49 BFSP 1215.

On the other hand, in 1923, a *modus vivendi* was entered into with the United States for unconditional most-favored-nation treatment, and the only preferences then existing in the Brazilian tariff, namely those on fresh fruits from Argentina, were extended to similar products when imported from the United States.<sup>27</sup>

#### CANADA

During the middle years of the nineteenth century the old régime of imperial exclusiveness and intra-imperial preferences was swept out of the fiscal and economic system of the British Empire.<sup>28</sup> The British North American colonies, among them those provinces which were shortly to become the Dominion of Canada, were thus deprived of the special economic advantages which they had enjoyed in the imperial markets. Canadian commercial policy has from the beginning been influenced chiefly by the results of these events and has been characterized by two main efforts.

The first of these movements to bear fruit was intended to retrieve the situation by means of closer economic relations with the United States. After prolonged negotiations, a treaty was signed between the two countries in 1854 which provided for mutual free trade in a comprehensive enumeration of natural products. Certain other provisions relating to fisheries and to the use of Canadian canals and rivers completed the reciprocity arrangement.<sup>29</sup> It was intended on both sides to be for the respective countries only, and the tariff concessions were not generalized to other countries.

Shortly after the required period of ten years had elapsed, the treaty was terminated at the instance of the United States. The ensuing twenty years witnessed several efforts on the part of Canada to obtain a new treaty and a revival of the question found favor with the United States in 1911.<sup>30</sup> This time, however, the reciprocity movement was defeated by the Canadian Parliament, for noneconomic reasons.

The failure of special arrangements with the United States led the Canadian Government in 1897 to enact a tariff law designed to be the basis for favorable arrangements with other countries and which freely granted a twelve and one-half per centum tariff preferential to other parts of the British Empire.<sup>31</sup> Canada was subject to the obligations of British treaties with Germany and Belgium which were found to include preferences granted to Great Britain as well as to non-British countries. Most-favored-nation clauses in other treaties, among them several with South American states, required the extension of

<sup>27</sup> USTS, No. 672.

<sup>28</sup> The paragraphs on Canada are based largely upon U. S. Tariff Commission, *Reciprocity and Commercial Treaties* (1919), pp. 63, *et seq.*, 363, *et seq.*

<sup>29</sup> U. S. Treaties, 608.

<sup>30</sup> See Act of July 26, 1911, 37 U. S. *Statutes at Large*, p. 4.

<sup>31</sup> U. S. Tariff Commission, *Colonial Tariff Policies* (1922), pp. 639, *et seq.*

these concessions. The two treaties were denounced by the British Government at the instance of Canada, and thereafter the British preferential was increased until it amounted on the average to one-third of the general tariff rates.

In 1907 Canada instituted a third, or intermediate, tariff, designed for bargaining with non-British countries. Thus in 1925 a *modus vivendi* was entered into with Spain in which Canada extended "the benefits of the intermediate tariff" to Spanish goods "when conveyed without transshipment from a port of Spain or from a port of a country enjoying the benefits of the preferential or intermediate tariff" to a Canadian sea or river port.<sup>32</sup> In return Spain promised the favorable second-column rates of its tariff. Other Canadian treaties of the last decade have accorded most-favored-nation treatment<sup>33</sup> which has meant in large measure the same thing, though there are some conventional duties lower than the intermediate schedule of the statute.<sup>34</sup>

A number of special agreements have been entered into with other British countries.<sup>35</sup> Between Canada, however, and the country with which its commercial relations are closest, namely the United States, there are no commercial treaty provisions and no favors in force.

#### CHILE

The commercial policy of Chile, as recorded in the treaties it has signed, distinguishes rather markedly between neighboring American countries and countries of the more distant world;<sup>36</sup> but the distinction has been more sentimental than real.<sup>37</sup> In the treaty signed in 1826 with Argentina (United Provinces of the Río de la Plata),<sup>38</sup> however, provision was made for the free admission of the produce and industry of each country into the other by overland routes, with only most-favored-nation treatment for commerce transported by sea. Moreover, preference was to be accorded even to products of third countries imported by land from one of the two countries into the other. Relations with Bolivia<sup>39</sup> and Peru<sup>40</sup> have also been characterized by special treatment including not only the customs but shipping dues and transit requirements. Thus a treaty signed in 1835 with Peru provided that the produce interchanged in Chilean or Peruvian

<sup>32</sup> 43 LNTS 333. See also convention of 1907 with France, 101 BFSP 764, 103 BFSP 476.

<sup>33</sup> E. g., with The Netherlands, 39 LNTS 45.

<sup>34</sup> See Convention of Dec. 15, 1922, with France, especially Articles X and XI, pamphlet officially published by the Canadian Government, 1922.

<sup>35</sup> E. g., the new trade agreement with Australia signed at Canberra, July 8, 1931, *Board of Trade Journal* (London), July 30, 1931, p. 136. The agreement is subject to parliamentary approval in both countries.

<sup>36</sup> E. g., treaty of July 12, 1808, with Italy, 101 BFSP 923.

<sup>37</sup> Except in the case of bordering countries, the rights reserved for dealing with Latin America appear not to have been exercised.

<sup>38</sup> Articles X, XI, XII, 14 BFSP 968.

<sup>39</sup> See treaties of May 30, 1885, Articles VII, IX, 82 BFSP 862; May 18, 1895, Article VI, 88 BFSP 757; Oct. 20, 1904, Protocol, 98 BFSP 763, 769.

<sup>40</sup> See treaty of Jan. 20, 1835, especially Article XXV, 23 BFSP 742.

vessels should bear only half the import duties charged to the otherwise most-favored nation, with the exception of "either of the new States formed within the territorial limits recognized by Old Spanish America at the close of the year 1809."<sup>41</sup>

In its numerous treaties with European and its several treaties with North American and Asiatic countries, Chile has normally provided for conditional most-favored-nation treatment of commerce; in respect of shipping, the normal provision has been for reciprocal national treatment. The treaty of 1831 with Mexico excepted from the most-favored-nation clause the treatment which Chile might accord to any other Spanish-speaking country with which it formed a single nation prior to 1810.<sup>42</sup> The statement of exceptions from the most-favored-nation clause has varied considerably. In the treaty of 1832 with the United States<sup>43</sup> the reservation was to Bolivia, Central America, Colombia, Mexico, Peru, and the United Provinces of the Rio de la Plata, but elsewhere is extended<sup>44</sup> to the countries of Spanish-America generally, or to the even more extensive "Latin America."<sup>45</sup> In the treaty of 1903 with Persia the exception is stated as applying to favors granted to other Latin American countries "en compensation des concessions plus ou moins équivalentes."<sup>46</sup>

In recent years Chile has inclined toward agreements according stated tariff favors to countries which, regardless of situation, are willing reciprocally to favor Chilean exports.<sup>47</sup>

#### COLOMBIA

The commercial treaties of Colombia reveal an extensive practice of special treatment for bordering states, but no such policy for the more distant countries of Latin America. A treaty of 1870 with Peru<sup>48</sup> provided that the natural products of the two republics should be imported and sold free of duty in the territories of one another. In respect of manufactured goods there was included a conditional most-favored-nation clause. Recognizing the inherent difficulty of determining what might constitute a fulfillment of the condition, this treaty specified that most-favored-nation treatment should be granted subject to the "same condition, or to such an equivalent as shall be agreed upon by common consent."<sup>49</sup> Treaties with Brazil,<sup>50</sup> Ecuador,<sup>51</sup> and Venezuela<sup>52</sup> have provided for free trade or other specially favorable treatment along land routes or by rivers.

<sup>41</sup> *Ib.*, Articles XIV, XV, and XXXV. Translation.

<sup>42</sup> *Tratados y Convenciones celebradas por la República de Chile*, Vol. 1, p. 22.

<sup>43</sup> Article II, 1 US Treaties 171.

<sup>44</sup> Additional Convention of Sept 1, 1833, Article 1, 1 US Treaties 181.

<sup>45</sup> E. g., treaty of Oct. 31, 1897, with Switzerland, 89 BFSP 582. Translation.

<sup>46</sup> Article V, 100 BFSP 827.

<sup>47</sup> See CR, 1927, Vol. 1, p. 756; 1928, Vol. 2, p. 699.

<sup>48</sup> Articles VI, VIII, 69 BFSP 349.

<sup>49</sup> Article XVI. Translation.

<sup>50</sup> 101 BFSP 941.

<sup>51</sup> 99 BFSP 1012.

<sup>52</sup> 33 BFSP 819.

In its treaties in general, Colombia has manifested comparatively little concern for the expressly conditional most-favored-nation clause, though it occasionally appears, as in the treaties with the United States of 1824 and 1846<sup>53</sup> and in treaties with France<sup>54</sup> and with Japan.<sup>55</sup> A recent treaty with Sweden contains an expressly unconditional most-favored-nation clause, exception being reserved, however, as to "contiguous States with a view to facilitating local frontier traffic."<sup>56</sup>

The treaties of Colombia sometimes contain no provisions in regard to the national treatment of shipping, but leave shipping, like exports and imports, to be regulated by the most-favored-nation clause.<sup>57</sup> Where national treatment is provided for, distinction is often made between cargoes consisting of products of the respective parties to the treaty and goods originating in or destined for third countries.<sup>58</sup>

## COSTA RICA

The commercial treaties of Costa Rica reveal, with a high degree of regularity, a clear-cut policy of conditional most-favored-nation treatment for commerce, and full national treatment for shipping. The conditional most-favored-nation clause, however, occasionally states that the words of condition do not apply in case of provisions for equality of treatment inserted elsewhere in the treaty, which provisions usually include equality in the customs houses.<sup>59</sup> Sometimes, also, the words of condition are omitted entirely.<sup>60</sup> The national treatment of shipping clauses now and then refer, in so far as they relate to cargoes, only to the products of the two countries parties to the particular treaty.<sup>61</sup>

In an early treaty with the Hanseatic Republics,<sup>62</sup> Costa Rica stipulated that the treatment assured for its own commerce should likewise be accorded to the commerce of the other Central American Republics and at the same time agreed that the treatment reserved for the commerce of Hamburg, Lübeck, and Bremen should be accorded to other German states, provided that shipment took place from a port of and under the flag of one or the other party. In recent years, exception of the other Central American Republics has been regularly inserted as a definite reservation upon the operation of the most-favored-nation clause.<sup>63</sup>

<sup>53</sup> 1 US Treaties 292, 302.

<sup>54</sup> 20 BFSP 1218.

<sup>55</sup> 101 BFSP 955.

<sup>56</sup> 85 LNTS 443. Translation.

<sup>57</sup> E. g., treaty of 1829 with The Netherlands, 17 BFSP 805.

<sup>58</sup> E. g., treaty of 1825 with Great Britain, 12 BFSP 661.

<sup>59</sup> E. g., treaty of Aug. 31, 1858, with Belgium, Articles XXI, XXX, 49 BFSP 527.

<sup>60</sup> See treaty of June 7, 1901, with France, 94 BFSP 586; refers to colonial products.

<sup>61</sup> E. g., treaty of Nov. 27, 1849, with Great Britain, Article V11, 37 BFSP 20.

<sup>62</sup> Treaty of Mar. 10, 1848, 40 BFSP 1367, incorporating treaty of June 25, 1847, between Guatemala and the Hanseatic Republics, *ib.*, p. 1359 (Article XI).

<sup>63</sup> E. g., treaty of 1901 with France, *op. cit.*, Article II.

In 1924 Costa Rica and France signed an agreement in which the latter proposed to admit Costa Rican coffee at the rates of its minimum tariff and the former proposed certain reductions of duty upon several categories of French alcoholic beverages and one or two other products, as well as the free importation of serums and vaccines from the Pasteur Institute.<sup>64</sup>

Transcontinental transit, because of Costa Rica's geographical position, is naturally an occasional subject of stipulation in its treaties.<sup>65</sup>

#### CUBA

The commercial policy of Cuba has been restricted by the reciprocity treaty which became effective between Cuba and the United States in 1903 and which contains the following provision:

The rates of duty herein granted by the United States to the Republic of Cuba are and shall continue during the term of this convention preferential in respect to all like imports from other countries, and, in return for said preferential rates of duty granted to the Republic of Cuba by the United States, it is agreed that the concession herein granted on the part of the said Republic of Cuba to the products of the United States shall likewise be, and shall continue, during the term of this convention, preferential in respect to all like imports from other countries.<sup>66</sup>

This exclusiveness necessarily makes impossible the granting by Cuba of treatment equal to that accorded to the United States even though another country may be willing to grant equivalent compensation. A most-favored-nation treaty would necessarily contain an exception as to the relations between Cuba and the United States. Accordingly, in a treaty signed in 1903 with Italy,<sup>67</sup> Cuba, while acceding to the promise of mutual unconditional most-favored-nation treatment, made an exception of "other American States," and in a treaty with Spain,<sup>68</sup> effective in 1927, it promised the same treatment which it accords to any third nation except the United States. This reservation, though not expressly stated, is doubtless intended to be implied in a provisional arrangement entered into in 1929 with Japan.<sup>69</sup>

The commercial policy of Cuba has naturally been directed towards the marketing of its sugar and tobacco. This is indicated not only by the reciprocity convention with the United States, but in the treaty with Spain just mentioned, and in an arrangement which was signed with France<sup>70</sup> in 1929. In 1927 Cuba entered into an

<sup>64</sup> *La Gaceta* (San José), Mar. 26, 1924. A former treaty signed June 7, 1901, 94 BFSP 586, containing reciprocity features, expired Mar. 1, 1923.—CR, 1923, Vol. 1, p. 828.

<sup>65</sup> E. g., treaty of Aug. 31, 1858, with Belgium, Article XX, 49 BFSP 527.

<sup>66</sup> Commercial Convention of Dec. 11, 1902, Article VIII, 1 US Treaties, 351 (355).

<sup>67</sup> Treaty of Dec. 29, 1903, Articles II, XXVIII, 96 BFSP 370.

<sup>68</sup> *Diario de la Marina* (Habana), July 30, 1927; CR, 1927, Vol. 3, p. 630. Translation.

<sup>69</sup> *The Official Gazette* (Tokyo), Dec. 26, 1929. See, however, CR, 1930 Vol. 2, p. 527.

<sup>70</sup> *Board of Trade Journal* (London), Mar. 13, 1930, p. 331; CR, 1929, Vol. 4, p. 510.



arrangement with Canada whereby, accompanying certain tariff guaranties on its part, its goods directly imported into Canada were to receive the benefits of the Canadian intermediate tariff.<sup>71</sup> The chief provisions of the reciprocity treaty with the United States are maintenance of the free list existing in 1902 and a general twenty per centum reduction from the United States statutory tariff; and reductions by Cuba of twenty-five, thirty and forty per centum on specified lists of products and twenty per centum on all others except "tobacco, in any form".

## DOMINICAN REPUBLIC

A group of early treaties between the Dominican Republic and European countries,<sup>72</sup> entered into chiefly during the years 1850-1855, displays with marked regularity the basic provisions of most-favored-nation treatment for commerce and national treatment for shipping. The most-favored-nation clause is sometimes expressly conditional and at other times the words of condition are omitted.

In its later treaties, the most-favored-nation clause is regularly without words of condition and there usually occurs an exception in respect of Haiti,<sup>73</sup> sometimes expressed as in favor of "conterminous" or "neighboring" countries.<sup>74</sup> A treaty with Germany contains an express exception in case of a customs union.<sup>75</sup> Occasionally there appears the provision that steamships carrying mail, passengers and baggage, not engaged in commercial operations, shall be exempt from tonnage and other dues.<sup>76</sup> The treaty of 1890 with Mexico contains the following provision:

The Contracting Parties agree to consider as the limit of the territorial jurisdiction on their respective coasts the distance of 20 kilom., counted from the line of lowest tide. Nevertheless, this rule shall only be applied for the carrying out of the custom-house inspection, the observance of the Custom-house Regulations, and the prevention of smuggling; but on no account shall it apply to the other questions of international maritime law.<sup>77</sup>

A treaty with Haiti was signed in 1874 providing for free importation of the products of the respective countries when transported in their national ships. Ships not exceeding fifty tons burden were to be regarded as coastwise while exclusively engaged in traffic between the two countries. Products of the soil and industry of the respective

<sup>71</sup> CR, 1927, Vol. 4, p. 631; 1929, Vol. 4, p. 761.

<sup>72</sup> E. g., Great Britain (in respect of cargoes, direct trade only; most-favored-nation treatment for indirect trade), 38 BFSP 8; Sardinia, 46 BFSP 1273; Spain, 46 BFSP 1283.

<sup>73</sup> Treaty of 1883 with Portugal, 74 BFSP 112. Portugal makes exception of Brazil.

<sup>74</sup> E. g., treaty of Jan. 30, 1855, with Germany, 76 BFSP 127, (frontier traffic); Additional Act, 1889, to treaty of Oct. 18, 1886, with Italy, 81 BFSP 150 (160-161). Translations. See also 73 BFSP 563 (566-7), France.

<sup>75</sup> Article XXXI, 76 BFSP 127.

<sup>76</sup> See treaty of Sept. 9, 1882, with France, 73 BFSP 563.

<sup>77</sup> 82 BFSP 689 (694). Translation.

countries imported by the land frontier were not to be subjected to any fiscal dues.<sup>78</sup>

The Dominican Republic was a party to special tariff agreements with the United States concluded in accordance with that country's tariff acts of 1890 and 1897.<sup>79</sup> In 1924 it entered into a *modus vivendi* with the United States which provided for unconditional most-favored-nation treatment of commerce, making no exception with reference to Haiti.<sup>80</sup>

#### ECUADOR

Soon after Ecuador's separate independence, a treaty was signed with Peru providing that there should be no customs duties upon goods interchanged between the two countries on the land frontier and that duties on goods interchanged by sea should be limited to eight per centum of their value, with the exception of brandy and sugar, imported into Ecuador, which were to be taxed at somewhat higher rates.<sup>81</sup> About the same time a treaty with New Granada (Colombia) provided freedom for the nationals of each country having property in the other, to convey the produce thereof across the frontier to their places of residence.<sup>82</sup>

Ecuadorean treaties, however, soon settled into the routine of most-favored-nation treatment for commerce and national treatment for shipping. In one of the early treaties a temporary exception from the full obligation of national treatment is reserved in favor of ships built at Guayaquil.<sup>83</sup> Treaties of 1856 and 1905 with Colombia enlarged the provision for free trade on the land frontiers.<sup>84</sup> Import and export prohibitions were, with certain exceptions, forbidden.<sup>85</sup>

By treaty of 1861 with Spain<sup>86</sup> Ecuador was able to obtain a small abatement in the duties on its cacao and the limitation of Spanish tariff duties in general to twenty per centum *ad valorem*. Several brief treaties with European powers have most-favored-nation treatment, for both commerce and navigation, as apparently their principal objective.<sup>87</sup> A treaty of 1880 with Great Britain provides expressly for unconditional most-favored-nation treatment.<sup>88</sup> On the other hand, a treaty of 1890 with El Salvador inserts a condition even with

<sup>78</sup> 65 BFSP 235.

<sup>79</sup> U. S. Tariff Commission, *Reciprocity and Commercial Treaties* (1919), pp. 153, 216. The latter did not come into force.

<sup>80</sup> USTS, No. 700.

<sup>81</sup> Treaty of July 12, 1832, Articles IV, V, XVI, 23 BFSP 1233.

<sup>82</sup> Treaty of Dec. 8, 1832, 60 BFSP 1089.

<sup>83</sup> Treaty of June 6, 1843, with France, 33 BFSP 683.

<sup>84</sup> 47 BFSP 1270 (certain exceptions); 99 BFSP 1012. See also treaty signed June 1, 1864, Article III, 63 BFSP 261.

<sup>85</sup> Treaty of July 9, 1856, with Colombia, Article X, 47 BFSP 1270. See also 99 BFSP 1012 (Article X). Cf., *infra*, paragraphs on Guatemala.

<sup>86</sup> 64 BFSP 980.

<sup>87</sup> See BFSP, 78: 947; 79: 261 (reservation as to frontier traffic); 92: 1040; 100: 905.

<sup>88</sup> Article XII, 72 BFSP 144.

reference to treatment of the vessels of the respective countries.<sup>89</sup> The treaty of 1918 with Japan<sup>90</sup> provides, conditionally, for the most favored treatment which may be accorded to any American or European country.

## EL SALVADOR

The commercial policy of El Salvador has been in general harmony with the principle of Central American solidarity. Thus, a treaty of 1868 with Nicaragua<sup>91</sup> limited import duties on goods interchanged between the two republics to four per centum ad valorem; cattle were to be free of duty.<sup>92</sup> A treaty of 1918 with Honduras<sup>93</sup> provided for freedom of commerce, with certain exceptions, along the land frontiers or through ports of the Gulf of Fonseca. Appropriate reservations to the most-favored-nation clause appear in treaties with other states.<sup>94</sup>

Treaties of El Salvador with European countries have usually been based upon most-favored-nation treatment of commerce and upon national treatment of shipping. The former is frequently unconditional.<sup>95</sup> In a treaty with Sardinia, though the clause is conditional, the right is reserved to accord special treatment not only to Hispano-American countries but also to Spain.<sup>96</sup>

In 1901 El Salvador and France agreed upon the reciprocity convention usually referred to by the names of their plenipotentiaries Zaldívar and Deleassé.<sup>97</sup> This treaty provided that coffee and other enumerated products from El Salvador should receive in France, and in the French Empire generally, the most favorable customs treatment applicable to similar products from any outside country. French products, as enumerated, were the subject of limited rates in El Salvador. The treatment accorded to France in this treaty was generalized to certain European countries<sup>98</sup> and the United States.<sup>99</sup>

During recent years El Salvador has undertaken to promote a policy of obtaining larger benefits for its exports through new treaties with European countries. The treaty with France (as well as other treaties) was denounced, but continued in force, pending further negotiations.<sup>100</sup>

<sup>89</sup> Article XV, 82 BFSP 686 (most-favored-nation treatment, "unless the said rights or privileges shall have been or be granted in return for special advantages." Translation.)

<sup>90</sup> 111 BFSP 708. Similar provisions occur in other Japanese treaties with American countries.

<sup>91</sup> Article IX, 67 BFSP 1102.

<sup>92</sup> Except bulls, 2 reals per head (Article X11).

<sup>93</sup> 111 BFSP 750. See also treaty of 1878, 72 BFSP 955.

<sup>94</sup> E. g., treaty of 1893 (protocol) with Mexico, 95 BFSP 1353; Mar. 21, 1906, with Belgium, 99 BFSP 870.

<sup>95</sup> E. g., treaty of Apr. 14, 1908, with Germany, 101 BFSP 940.

<sup>96</sup> Article XXXI, 61 BFSP 1031. See also appended declaration.

<sup>97</sup> 94 BFSP 590.

<sup>98</sup> E. g., Great Britain, exchange of notes, Jan. 4/7, 1928, 80 LNTS 233; Spain, by interpretation of Article IX of treaty of 1865, CR, 1923, Vol. 3, p. 637.

<sup>99</sup> By virtue of the unconditional most-favored-nation clause (Article V11) of the treaty of 1926, effective Sept. 5, 1930, USTS No. 827.

<sup>100</sup> The latest extension keeps the French treaty in force until Apr. 30, 1932, *Board of Trade Journal* (London), June 25, 1931, p. 838.

## GUATEMALA

The early commercial treaties of Guatemala run true to the traditional American practice, being based upon the most-favored-nation clause in matters of commerce, and upon national treatment for shipping. "As, according to their idea, they do not actually consider themselves as foreign nations",<sup>101</sup> the other Central American Republics have regularly been reserved for exceptional treatment.

In 1868, Guatemala became signatory to a treaty providing that,

If one of the Contracting Parties should hereafter grant to another State any particular favour or concession in matters of commerce or navigation, or any other matter contemplated in the present Convention, it shall be understood *ipso facto* and of full right as conceded to the other party.<sup>102</sup>

In 1916 Guatemala entered into a treaty with Italy which takes advance ground in the matter of eliminating prohibitions:

The two High Contracting Parties agree not to place obstacles in the way of the reciprocal commerce of the two countries by prohibitions of importation, exportation, or transit.

Exceptions to this rule, as far as they are applicable to all countries, or to the countries which are in identical conditions, shall not be made except in the following cases:—

1. In exceptional circumstances in regard to provisions of war.
2. For reasons of public security.
3. For sanitary reasons, and with the object of protecting animals and useful plants against sickness or insects and injurious parasites.
4. In virtue of the application to foreign merchandise of the prohibitions or restrictions established by the internal laws as regards the internal production of similar merchandise or the sale or transport to the interior of the country of similar merchandise of national production.<sup>103</sup>

The more recent commercial engagements of Guatemala usually presuppose that the most-favored-nation clause shall be unconditional.<sup>104</sup> Exceptions in regard to the Central American states continue and, at least in one case, an exception is made in respect of customs unions.<sup>105</sup> Treaties with certain of the other Central American Republics have provided for varying measures of free trade.<sup>106</sup> A treaty which became effective on May 8, 1923, with France,<sup>107</sup> provided for minimum French rates on the main products of Guatemala and for most-favored-nation treatment in addition to special

<sup>101</sup> Language in Treaty of Sept. 20, 1867, with Germany, Article XXXIII, 79 BFSP, 738. Translation. See also treaty of Mar. 10, 1865, with Honduras, Article XI, 87 BFSP 673.

<sup>102</sup> With Italy, Article XXI, 60 BFSP 759. Translation. In force Sept. 18, 1871. The italicized words are apparently equivalent to "unconditionally." The conditional language is, however, generally used in the early treaties.

<sup>103</sup> Article VIII, 110 BFSP 893 (895-896.) Translation.

<sup>104</sup> E. g., *modus vivendi* of Aug. 14, 1924, with United States, USTS No. 696; convention of Oct. 4, 1924, with Germany, 52 LNTS 19.

<sup>105</sup> Treaty of Nov. 7, 1924, with the Economic Union of Belgium and Luxembourg, Article 8, 69 LNTS 17.

<sup>106</sup> E. g., treaties of Feb. 13, 1874, with Nicaragua, 65 BFSP 481; July 17, 1880, with Honduras, 72 BFSP 867.

<sup>107</sup> *Board of Trade Journal* (London), May 17, 1923; CR, 1923, Vol. 2, p. 654; 1924, Vol. 4, p. 358.

reductions by Guatemala on a considerable number of French products. Since the termination of this treaty, the commercial policy of Guatemala has been one of equality, except for the Central American reservation.<sup>108</sup>

## HAITI

Although the Haitian treaty of 1838 with France<sup>109</sup> was based upon conditional most-favored-nation treatment of commerce and navigation, and these principles of decidedly limited equality of treatment continued to appear,<sup>110</sup> Haiti's treaties negotiated during later years are characterized rather by the special provisions which some of them contain for reciprocal tariff bargains. There has also been a display of special policy with reference to Haiti's intra-island neighbor, the Dominican Republic.<sup>111</sup>

The desire for a favorable market for its coffee, primarily, and for a few other products, has led to a number of reciprocity treaties with France<sup>112</sup> and Germany.<sup>113</sup> These treaties as a rule provide for the lowest tariff rates in the European countries and for reductions of from one-third to one-half, though sometimes larger percentages, in Haitian duties, in each case upon enumerated lists of products.<sup>114</sup> During the last decade Haiti has agreed to a number of commercial arrangements, some of which maintain the characteristics just referred to, while others contain little besides the most-favored-nation clause, in some cases expressly unconditional; in some cases, also, making exception of the relations between Haiti and the Dominican Republic.<sup>115</sup>

## HONDURAS

In its dealings with countries outside Central America, the commercial policy of Honduras has been consistently based upon the most-favored-nation treatment of commerce and the national treatment of shipping. Expressly conditional most-favored-nation treatment is a rarity for Honduran treaties.<sup>116</sup> Indeed, as early as 1856, Honduras signed a treaty with Great Britain containing a clause that

<sup>108</sup> See treaty of Feb. 22, 1928, with Great Britain, *British Treaty Series* No. 30 (1929), Cmd. 3429; treaty effective Dec. 1, 1926, with France, CR, 1926, Vol. 4, p. 767.

<sup>109</sup> 26 BFSP 1092.

<sup>110</sup> Treaty of 1861 with the United States, Article II, 1 US Treaties 921.

<sup>111</sup> See treaty signed Nov. 9, 1871, 65 BFSP 235.

<sup>112</sup> 1900, 94 BFSP 969; 1907, 100 BFSP 911; 1926, CR, 1926, Vol. 3, p. 437; 1930, *Le Moniteur* (Port au Prince), June 5, 1930. See also CR, 1926, Vol. 2, p. 812; 1927, Vol. 3, p. 695.

<sup>113</sup> 1908, 101 BFSP 1028. See also CR, 1928, Vol. 1, p. 48; 1930, Vol. 2, p. 766; *Le Moniteur* (Port au Prince), Aug. 21, 1930, containing text of treaty of March 10, 1930, in which exception to most-favored-nation treatment is made in respect of border traffic and customs unions, as well as in respect of the Dominican Republic.

<sup>114</sup> Concerning preferences accorded the United States on beer and rope, see McClure, Wallace, *A New American Commercial Policy* (New York, 1921), p. 203.

<sup>115</sup> See arrangements with Great Britain, Feb. 25, 1928, 85 LNTS 91; Italy, Jan. 3, 1927, *Gazzetta Ufficiale* (Rome), Feb. 4, 1928; United States, July 8, 1926, USTS No. 746. See also CR, 1926, Vol. 4, p. 311.

<sup>116</sup> See, however, treaty of 1864 with United States; 1 US Treaties 952.

must apparently be interpreted as expressly unconditional.<sup>117</sup> Thereafter, the unconditional clause appeared from time to time, notably in the treaty of 1927 with the United States.<sup>118</sup>

As Honduras is an isthmian country, the question of transit has been of especial importance in its commercial policy. The British treaty just referred to contains lengthy provisions regarding a proposed transcontinental railway. Provisions respecting freedom of transit frequently occur.<sup>119</sup>

In dealing with its Central American neighbors, Honduras has acted upon the theory that they are not foreign countries. The principle of free trade, though not without reservations in practice, has long guided Honduran commercial policy in Central America.<sup>120</sup> There has also been some effort towards making the tariffs of the several countries uniform.<sup>121</sup> In its more recent treaties, Honduras has regularly made reservations to the most-favored-nation clause vis-à-vis the other Central American countries.<sup>122</sup> It has also agreed to such reservations as special treatment of frontier traffic, the exclusion of customs union privileges from the obligations of the clause, and similar exclusion of special customs duties intended to countervail bounties.<sup>123</sup>

#### MEXICO

Mexico exhibited a very active policy of commercial treaty-making about the year 1830, and the characteristic policies of the most-favored-nation treatment in customs houses and at least partial national treatment for shipping were written into instruments with leading European commercial countries.<sup>124</sup> As a rule Mexico found it

<sup>117</sup> Article 11, 46 BFSP 158, in which the parties agree that neither will grant "any favor to any other nation, in respect of commerce and navigation, which shall not immediately become common to the other."

<sup>118</sup> Article VII, USTS No. 764. Panama, in addition to Costa Rica, Guatemala, Nicaragua, and El Salvador is excepted from the most-favored-nation clause.

<sup>119</sup> E. g., treaty of Mar. 5, 1910, with Great Britain, 106 BFSP 788.

<sup>120</sup> See treaties of July 17, 1880, with Guatemala, 72 BFSP 967; Mar. 13, 1878, with Nicaragua, 60 BFSP 40; Jan. 30, 1930, with Nicaragua, *La Gaceta* (Tegucigalpa), July 29, 1930; Mar. 31, 1878, with El Salvador, 72 BFSP 955.

<sup>121</sup> See treaty of Feb. 28, 1918, Article VIII, with El Salvador, 111 BFSP 750, providing:

"The two High Contracting Parties, recognising the desirability of rendering uniform the customs tariffs existing in both countries, shall do all that is in their power in order that the differences may gradually disappear, without causing a great disequilibrium in their respective national revenues, and for the purpose each shall appoint one or more delegates in order that they may together study the customs tariffs and their differences and the best means of causing them to disappear; and in their reports they shall urge their Governments to propose the necessary reforms to their Legislative Assemblies, in accordance with the present article." Translation.

In Article VI of the treaty of 1878, *op. cit.*, the two parties undertook to impose the same import duties on—

"foreign merchandise introduced by the Pacific ports, fixing as a reasonable basis 50 per cent. of the value of manufactured goods, settled by identical Tariffs, and without power to lower them without a previous agreement between the two Contracting Parties, but with power to raise the Tariffs when it appears well to either of them to do so, without the other being thereby compelled to raise them also." Translation.

The stated object was to facilitate trade and prevent smuggling.

<sup>122</sup> E. g., Germany, signed Mar. 4, 1926, CR, 1926, Vol. 2, p. 498.

<sup>123</sup> See additional declaration to treaty of Mar. 25, 1909, with Belgium, 102 BFSP 362 (367).

<sup>124</sup> E. g., treaty of Dec. 26, 1826, with Great Britain, 14 BFSP 614; treaty signed May 9, 1827, with France, *ib.*, 1221 (France excepts Haiti from part of the obligations of most-favored-nation clause).

unnecessary to place an express condition upon its obligations for most-favored-nation treatment,<sup>125</sup> but, from the very beginning, exhibited a marked reluctance to enter into engagements placing the ships of outside countries on an equality with its own. The early national treatment provisions were accompanied by clauses suspending their operation and substituting, during the intervening years, the promise of most-favored-nation treatment only.<sup>126</sup> Thereafter, the treaties of Mexico usually limit their offer of favorable treatment in the matter of shipping to that which is accorded other outside countries.<sup>127</sup> Even in the treaty of 1924 with Japan, which contains generous provisions for national treatment and for unconditional most-favored-nation treatment with reference to both shipping dues and the admission of cargoes, express exception is made of "assistance which is or may be accorded for the purpose of developing the national merchant marine."<sup>128</sup>

Mexico's policy of equality in the customs house has, on the other hand, been liberal, even including, in at least one instance, the promise of most-favored-nation treatment for "marchandises provenant . . . des entrepôts."<sup>129</sup> Unconditional most-favored-nation clauses appeared in its treaties before the end of the nineteenth century.<sup>130</sup>

Though acceding to various exceptions to most-favored-nation treatment on the part of other countries,<sup>131</sup> Mexico has seldom sought freedom to enter into special relations with third states. In 1883, however, a reciprocity treaty was entered into with the United States, under the terms of which Mexico was to admit free of duty a long list chiefly of manufactured goods and was to have a free market for a corresponding list of its own exports, chiefly raw materials and foodstuffs.<sup>132</sup> This arrangement, unlike the United States-Cuban treaty,<sup>133</sup> was expressly not exclusive.<sup>134</sup> It was, however, dependent for its operation upon legislative measures—which failed of enactment. The principle of reciprocity is recognized in a treaty with Honduras of 1908 which provides for the subsequent conclusion of conventions.<sup>135</sup>

<sup>125</sup> See, however, e. g., treaty of Feb. 18, 1831, with Prussia, 48 BFSP 1205.

<sup>126</sup> E. g., treaty signed June 15, 1827, with The Netherlands, 16 BFSP 1169. National treatment does not include cargoes.

<sup>127</sup> E. g., treaty of Dec. 5, 1882, with Germany, 73 BFSP 709.

<sup>128</sup> 36 LNTS 259. Translation.

<sup>129</sup> Treaty of July 20, 1861, with Belgium, Article XIX, 51 BFSP 1148.

<sup>130</sup> E. g., treaty of Nov. 27, 1888, with Great Britain, Article 11, 79 BFSP 25. See also treaty with Belgium, Articles XIX, XXVIII, *op. cit.*

<sup>131</sup> E. g., treaty of 1909 with Russia, 102 BFSP 684, making exception of frontier traffic, Russia's relations with bordering Asiatic states and favors to Arkangel and other Arctic or Siberian ports.

<sup>132</sup> 1 US Treaties 1146. U. S. Tariff Commission, *Reciprocity and Commercial Treaties*, pp. 139-141; see also p. 59, mentioning an earlier negotiation.

<sup>133</sup> *Supra*, paragraphs on Cuba.

<sup>134</sup> Article V, but if changes should be made the other party might terminate the treaty.

<sup>135</sup> Article XIII, 102 BFSP 655.

A treaty with Italy, which entered into force in 1891, contains the following provision, prophetic of recent projects on a larger scale:

In the event of any changes being made in Mexican laws, Customs Tariff, or Regulations, sufficient notice shall be given, in order to enable Italian citizens to make the necessary arrangements for meeting them.<sup>136</sup>

#### NICARAGUA

The most significant feature of Nicaragua's policy affecting commerce and navigation results from the geographic fact that an excellent inter-oceanic canal route lies across its territory. Its treaties, accordingly, contain extensive provisions relating to rights of transit and the possible construction of a canal connecting the Atlantic and the Pacific.<sup>137</sup>

The familiar policy of most-favored-nation treatment of commerce, conditional,<sup>138</sup> non-conditional,<sup>139</sup> and unconditional,<sup>140</sup> as well as most-favored-nation and national treatment of navigation, appears in characteristic American fashion. Nicaragua's policy towards the other countries of Central America has in general been one of close cooperation, special treatment, and freedom of trade.<sup>141</sup>

Nicaragua was, however, a signatory to reciprocity arrangements with the United States negotiated by that country under its tariff acts of 1890 and 1897.<sup>142</sup> It entered into a reciprocity treaty with France,<sup>143</sup> effective in 1903, under which its coffee and other food-stuffs enumerated in an annexed table would receive in France, Algeria, and French colonies and protectorates the most reduced customs duties applicable to similar products of any outside origin. Similarly, French products were to be given the most favorable Nicaraguan rates, those enumerated in another table a twenty-five per centum reduction from those rates, and a small group of products was to enjoy free entry.

#### PANAMA

The commercial history of Panama has naturally been closely connected with the building and operation of the Panama Canal.<sup>144</sup>

<sup>136</sup> Article III, 82 BFSP 698. Translation. See *infra*, paragraphs on the work of the League of Nations. The Mexican authorities were, moreover, to deal equitably with cases arising from unintentional ignorance of changes. See also treaty of 1834 between Bolivia and France, Article XII, 23 BFSP 165.

<sup>137</sup> See treaties of Apr. 11, 1859, with France, 50 BFSP 363; with Great Britain, Feb. 11, 1860, *ib.*, 116; United States, June 21, 1867, 2 US Treaties 1279, and Aug. 5, 1914, 3 U. S. Treaties 2740.

<sup>138</sup> E.g., treaty of 1867, with the United States, *op. cit.*

<sup>139</sup> E.g., treaty of Nov. 6, 1900, with Mexico, 94 BFSP 1313.

<sup>140</sup> E.g., treaty of Mar. 6, 1868, with Italy, 58 BFSP 539; *modus vivendi* of July 11, 1924, with the United States, USTS No. 697.

<sup>141</sup> E.g., treaties with Guatemala, 65 BFSP 481; Honduras, 70 BFSP 40, BULLETIN of the Pan American Union, Nov., 1930, p. 1148; El Salvador, 67 BFSP 1102. For exception of Central America from most-favored-nation clause, see treaty of 1905 with Great Britain, 98 BFSP 72.

<sup>142</sup> U. S. Tariff Commission, *Reciprocity and Commercial Treaties* (1919), pp. 153, 216. The latter did not become effective.

<sup>143</sup> 95 BFSP 818.

<sup>144</sup> In regard to relations with the United States growing out of the Canal Zone, see treaties of Nov. 18, 1903, 2 US Treaties 1349, and the agreements published in 3 US Treaties 2752, *et seq.*



Freedom of trade exists between Panama and the Canal Zone and products imported into either, except those for the use of the Canal Zone authorities, are dutiable under the tariff of Panama.<sup>145</sup>

This most recently organized of the American Republics took over treaties with France and Germany which had been entered into by Colombia,<sup>146</sup> providing in general, for most-favored-nation treatment of commerce and most-favored-nation or national treatment of navigation. During very recent years Panama has commenced the negotiation of comprehensive commercial treaties with European and Asiatic countries. The treaty of commerce and navigation with Great Britain<sup>147</sup> provides that goods produced or manufactured in the territories of either of the parties "shall enjoy unconditionally in the territories of the other treatment at least as favourable as that accorded to goods produced or manufactured in any other foreign country." Most-favored-nation treatment is also assured for shipping dues and facilities. The treaty does not apply to the Canal Zone and the most-favored-nation provisions are not to be invoked by Great Britain in respect of stipulations agreed to between Panama and the United States for the construction, maintenance, operation, sanitation or protection of the Canal. A protocol to the treaty provides for most-favored-nation treatment in Panama of the products of Iraq as long as reciprocal treatment is maintained by that country.<sup>148</sup>

#### PARAGUAY

In one of its earliest treaties, signed July 15, 1852, with the Argentine Confederation, Paraguay conceded free navigation of the River Paraguay, in return for the same concession regarding the Paraná and its affluents, and also reciprocally extended "all those immunities and advantages that civilized Governments, united by special Treaties of Commerce, grant to each other."<sup>149</sup> The navigation of the great river system which connects Paraguay with the sea has, indeed, been the subject of probably the most important provisions in its commercial treaties. The earlier ones, not only with neighboring countries, but with the United States and with European states, almost invariably contain provisions regarding free river transit.<sup>150</sup>

The commercial treaties of Paraguay regularly contain the conditional most-favored-nation clause.<sup>151</sup> The treaty of 1884 with Great

<sup>145</sup> For an account of the tariff history of the Canal Zone see U. S. Tariff Commission, *Colonial Tariff Policies* (1922), pp. 624, *et seq.*

<sup>146</sup> See U. S. Tariff Commission, *Handbook of Commercial Treaties* (1922), p. 78 and pp. 446-448.

<sup>147</sup> Signed Sept. 25, 1928, ratifications exchanged Apr. 8, 1929, *British Treaty Series* No. 12 (1929), Cmd. 3322.

<sup>148</sup> For the texts of treaties signed with Germany and Italy see, respectively, *Feichgesetzblatt*, Dec. 29, 1928, p. 639, and *Camera Dei Deputati*, No. 660, *Legislatura XXVIII*, Session 1929-30, p. 1.

<sup>149</sup> 42 BFSP 1256. Translation.

<sup>150</sup> E. g., Brazil, 46 BFSP 1209, 49 BFSP 1274; France, 44 BFSP 1091; Great Britain, 42 BFSP 19; Sardinia, 53 BFSP 922; United States, 2 US Treaties 1364.

<sup>151</sup> E. g., treaty of Nov. 9, 1878, with Portugal, 69 BFSP 781.

Britain,<sup>152</sup> however, provided for immediate unconditional most-favored-nation treatment in respect of commerce and navigation<sup>153</sup> Exception was made of the treatment which Paraguay might accord to the bordering Brazilian province of Matto Grosso, under which, by treaties of 1872 and 1883,<sup>154</sup> it had promised reciprocal exemption of duties.

In 1927 Paraguay entered into a *modus vivendi* with Spain, under which the latter country agreed to grant most-favored-nation treatment to raw cotton, orange essence, skins, and a few other Paraguayan products,<sup>155</sup> in return for general most-favored-nation treatment. Paraguay made a reservation regarding its treatment of products of Argentina and Brazil; Spain regarding Portugal and Spanish Morocco.

#### PERU

The commercial policy of Peru has been given expression in many treaties, among which those according special treatment in some phase of commerce or navigation with each of the bordering states have been especially numerous and important.<sup>156</sup> The relations maintained with Bolivia have been the subject of the most carefully detailed provisions. A very early treaty, signed November 8, 1831,<sup>157</sup> provided that import duties in general on the products of the respective countries should be limited to six per centum *ad valorem*, and that municipal duties, to be levied only at the place of consumption, should not exceed four per centum. Goods from abroad introduced through Peru into Bolivia were to be subject to the same import duties in Bolivia as those which should be introduced into Peru for its own consumption, in no case exceeding thirty per centum. Exception to the last stipulation was made, however, in regard to certain sugars, vinegar, wines and liquors. Special treatment was to be accorded to goods from the outside world imported into each of the respective countries in the vessels of the other. The policy of free trade was from time to time asserted.<sup>158</sup> In more recent years, however, the application of this principle has been greatly restricted.<sup>159</sup> Substantial freedom of transit and free passage of goods through the Peruvian port of Mollendo have been maintained.<sup>160</sup>

<sup>152</sup> 75 BFSP 929.

<sup>153</sup> The provisions of this treaty are referred to as "an example of the broadest form of unconditional most-favored-nation treatment" by Charles M. Pepper in *American Foreign Trade* (New York 1919), p. 79.

<sup>154</sup> 63 BFSP 238; 74 BFSP 933.

<sup>155</sup> CR, 1927, Vol. 1, p. 827. See, also, *ib.*, 1928, Vol. 1, p. 780.

<sup>156</sup> See treaties of Oct. 23, 1851, Oct. 10, 1861, and Sept. 8, 1909, with Brazil, 42 BFSP 1308, 83 BFSP 1286, 102 BFSP 199; Jan. 20, 1835, with Chile, 21 BFSP 742; Feb. 10, 1870, with Colombia, 60 BFSP 349; July 12, 1832, with Ecuador, 20 BFSP 1200.

<sup>157</sup> 19 BFSP 1390. See also treaties of 1832, 36 BFSP 1147; 1847, *ib.*, 1137.

<sup>158</sup> See treaties of 1864, 55 BFSP 843; 1870, 60 BFSP 1235.

<sup>159</sup> See treaty of 1905, Articles IV, V, VI, 100 BFSP 805.

<sup>160</sup> See treaties of 1881, 94 BFSP 676; 1905, 100 BFSP 805; 1908, 101 BFSP 913; 1911, 104 BFSP 827.

Peru has had few treaties with more distant Latin American countries and these have not, as a rule, included any special treatment.<sup>161</sup> The most-favored-nation clause governing commerce, occasionally unconditional in form,<sup>162</sup> but usually conditional, has recommended itself to Peruvian usage. In one treaty the parties engaged themselves not to grant favors to the commerce and navigation of other nations which should not be also "immediately extended" to the citizens of the other party, who should "enjoy the same, gratuitously," if the concession was gratuitous, "or on giving a compensation as nearly as possible of proportionate value and effect, to be adjusted by mutual agreement," if the concession was conditional.<sup>163</sup> A treaty entered into in 1930 with Japan adds to the conditional most-favored-nation clause an expression of the intention of the parties that their "economical relations . . . shall be placed in all respects on the equitable and reciprocal footing."<sup>164</sup>

In respect of shipping, national treatment has been the prevailing though not the invariable practice.<sup>165</sup> An early treaty with the United States accorded to whaling ships of that country certain particular favors enabling them to barter in Peruvian ports limited quantities of their supplies and products, free of import duty, in return for provisions and refitting.<sup>166</sup>

#### UNITED STATES

In its first commercial treaty, the United States introduced into commercial policy a new element, that of the conditional most-favored-nation clause.<sup>167</sup> In 1778 the mercantilist conception of international economic dealings ruled the practices of the leading commercial nations, expressed not only in tariffs, but, more particularly, in navigation laws. It was not unnatural, accordingly, that a newly founded state should feel justified in limiting its principles of equality of treatment so as to promise to a country party to a most-favored-nation treaty not every favor that it might in the future accord to some other country, but only the opportunity to bargain for such treatment on equal terms. The policies of many countries were so illiberal, and the difficulty of approaching some measure of equality was so great, that more direct measures seemed impracticable.

Nevertheless, that the new policy should have been denominated most-favored-nation treatment was distinctly unfortunate, because ever since that time there has been an added ambiguity in the meaning

<sup>161</sup> Treaties of 1832 with Mexico, 23 BFSP 1245; 1874 with Argentina, 69 BFSP 701.

<sup>162</sup> See treaties of May 4, 16, 1874, with Russia, 65 BFSP 223; Dec. 23, 1874, with Italy, *ib.*, 649.

<sup>163</sup> Treaty of July 26, 1851, with the United States, Article III, 2 U.S. Treaties 1388.

<sup>164</sup> *The Official Gazette* (Tokyo), Feb. 20, 1930; CR, 1930, Vol. 2, p. 62.

<sup>165</sup> E. g., treaty of May 16, 1830, with Belgium, 41 BFSP 1348.

<sup>166</sup> Treaty of 1851, Article XII, *op. cit.*; treaty of 1857, *ib.*, p. 1401.

<sup>167</sup> Treaty of Feb. 6, 1778, with France, Article 11, 1 U.S. Treaties, 468.

of the phrase: for many years after the reasons behind its inauguration had ceased to exist some countries continued to follow the example of the United States, while the world at large united on the unconditional interpretation. The policy of conditional most-favored-nation treatment remained the basis of the commercial treaties of the United States until after the World War, but in practice the words of condition, with their one practical utility of leaving the country free to enter into special reciprocity treaties, were seldom utilized.<sup>168</sup> Certain reciprocal provisions in the treaty of 1831 with France,<sup>169</sup> important reciprocity conventions of 1854 with Canada,<sup>170</sup> 1875 with Hawaii,<sup>171</sup> and 1902 with Cuba,<sup>172</sup> together with several groups of special arrangements entered into in accordance with provisions of the tariff acts of 1890<sup>173</sup> and 1897,<sup>174</sup> complete the list of instances in which the United States has become party to agreements with other countries reciprocally granting special favors in respect of commerce.

In the matter of the treatment of shipping, the diplomacy of the United States during its first fifty years of national life was directed towards obtaining reciprocal national treatment.<sup>175</sup> This purpose was practically achieved by 1830 and, with insignificant exceptions, the United States has been able to write into its treaties with other countries since that date provisions for equality in the treatment of national shipping.

As a result of the intensive industrialization of the country, made especially manifest by the experience of the World War, which emphasized the need for exporting manufactured goods and hence for assured equality in world markets, the United States has sought, in its post-war commercial negotiations, the unconditional most-favored-nation clause.<sup>176</sup> Beginning with a *modus vivendi* with Brazil<sup>177</sup> and a treaty with Germany<sup>178</sup> signed in 1923, the United States has entered into executive agreements or treaties with more than 20 coun-

<sup>168</sup> The United States Government has regularly interpreted the most-favored-nation clause when not expressly conditional or unconditional as though words of condition were present: see *Whitney versus Robertson*, 1888, United States Supreme Court Reports, Vol. 124, p. 190.

<sup>169</sup> Article VII, 1 US Treaties 523.

<sup>170</sup> 1 US Treaties 668. See *supra*, paragraphs on Canada.

<sup>171</sup> 1 US Treaties 915; extended, *ib.*, p. 919.

<sup>172</sup> 1 US Treaties 353. See *supra*, paragraphs on Cuba.

<sup>173</sup> Of these the one with Brazil was perhaps most important. Aside from those with Germany and Austria Hungary, they related to American states or colonial areas, namely, Brazil, Guatemala, El Salvador, Nicaragua, Honduras, Dominican Republic, Cuba, Porto Rico, Jamaica, Barbados, British Guiana, Trinidad, Leeward Islands, Windward Islands. See United States Senate Executive Document No. 119, 52nd Congress 1st Session. Negotiations were carried on with several other countries. See also United States Tariff Commission, *Reciprocity and Commercial Treaties* (1919), pp. 143 *et seq.*

<sup>174</sup> With France, Portugal, Germany, Italy, Switzerland, Spain, Bulgaria, Great Britain, and The Netherlands. See Tariff Commission, *op. cit.*, pp. 195 *et seq.* A number, though signed, did not become operative.

<sup>175</sup> A careful account of the development of this policy is found in Maxwell, Lloyd W., *Discriminating Duties and the American Merchant Marine* (New York, 1926).

<sup>176</sup> In form, at least, certain nineteenth century treaties contained the unconditional clause, e. g., Serbia, 1881, Article VI, 2 US Treaties, 1613.

<sup>177</sup> USTS No. 672. See Section 317, U. S. Tariff Act of 1922; Section 338, U. S. Tariff Act of 1930.

<sup>178</sup> 52 LNTS 133.

tries, and has exercised its influence in international conferences in favor of the unconditional most-favored-nation treatment of commerce, that is to say, the nearest approach to equality that can be obtained by means of international agreement.<sup>179</sup>

## URUGUAY

The commercial treaty policy of Uruguay, during recent years, has been one of singular inactivity. This attitude of caution toward the acceptance of contractual arrangements with other countries is, on the whole, characteristic of the entire period during which Uruguay has taken part in international commerce.

The commercial treaties entered into have presented the features familiar to the student of American commercial policy. The most-favored-nation clause, while usually conditional,<sup>180</sup> furnished an example of the unconditional form as early as 1885.<sup>181</sup> In renewing

<sup>179</sup> The following table shows the countries with which the United States is a party to treaties or agreements containing the most-favored-nation clause applicable to the customs (Sept. 1, 1931):

Unconditional:	
By treaty	By executive agreement
( <i>Reciprocal</i> )	( <i>Reciprocal</i> )
Austria	Albania
China	Brazil
El Salvador	Czechoslovakia
Estonia	Dominican Republic
Germany	Egypt
Honduras	Finland
Hungary	Greece
Latvia	Guatemala
Turkey	Haiti
Yugoslavia	Lithuania
( <i>Unilateral</i> )*	Nicaragua
Morocco	Persia
Muscat	Poland
Siam	Rumania
( <i>Signed but not in force. Reciprocal.</i> )	Spain
Norway	
Poland	
Conditional:	
( <i>Reciprocal</i> )	( <i>Reciprocal</i> )
Argentina	Portugal
Belgium	
Bolivia	
Borneo	
Colombia	
Costa Rica	
Denmark	
Ethiopia	
Great Britain	
Italy	
Japan	
Liberia	
Norway	
Paraguay	

\* Not obligatory on the U. S.

<sup>180</sup> E. g., Treaty of April 8, 1836, with France, 26 BFSP 1097.

<sup>181</sup> Treaty of Nov. 13, 1885, 76 BFSP 146.

the treaty with Great Britain containing it, Uruguay made a reservation as to treatment of the commerce of Argentina, Brazil, and Paraguay adding, however, that special favors to those countries should "not be capable of application to products similar to those of Great Britain, nor be extended to navigation."<sup>152</sup> Similarly, following an exception of limitrophe and neighboring states in the most-favored-nation clause in a treaty with France,—

Il est d'ailleurs entendu que les faveurs spéciales, exemptions, ou privilèges ainsi accordés en matière de commerce ne pourront porter sur les vins, tissus de soie, de laine, ou de coton, articles de passementerie, sucres raffinés, peaux préparées, ouvrages en peau et en cuir, meubles, outils, machines, et, en général, tous produits qui seraient similaires aux produits Français.<sup>153</sup>

A conditional most-favored-nation clause in a treaty with Italy provided that every favor conceded by either party to a third country should accrue to the other "gratuitously if the concession in favour of the other Government, nation, or State have been gratuitous, and with the same or equivalent compensation if the concession have been conditional; nevertheless it must be demanded by the party which desires it, and be avouched in a protocol to be drawn up for the purpose."<sup>154</sup> Special arrangements for liberalized trade within restricted areas have been entered into with Brazil.<sup>155</sup>

In the field of navigation, in addition to its general policy of according national treatment to shipping, Uruguay has made a number of special arrangements with other states bordering the River Plate and its tributaries. A treaty with Paraguay<sup>156</sup> provides for national treatment in what is called the "coasting trade in the rivers and ports" of the two parties' jurisdiction. Transit, also, has naturally been a subject of some importance in a country of small area and excellent seaports.<sup>157</sup>

#### VENEZUELA

The commercial treaties of Venezuela reveal with marked regularity the customary policy of most-favored-nation treatment of commerce and national treatment of shipping. The most-favored-nation clause is usually conditional and the national treatment clauses include, vis-à-vis cargoes, provisions both limited to products of the respective parties and unlimited by either the kind or the country of origin of the goods, or the route of their transportation.<sup>158</sup> A

<sup>152</sup> July 15, 1869, 91 HFSP 122.

<sup>153</sup> Treaty of July 4, 1862, Article II, 84 HFSP 826. See also 55 HFSP 393, 90 HFSP 100.

<sup>154</sup> May 7, 1866, Article XV, 69 HFSP 485. Translation.

<sup>155</sup> Treaty of Sept. 4, 1857, 49 HFSP 1215.

<sup>156</sup> Oct. 31, 1918, 111 HFSP 836. Translation.

<sup>157</sup> E. g., treaty of Oct. 29, 1840, with Sardinia, 31 HFSP 1102. Article XX provides for six months' notice before reestablishment by Sardinia of certain transit dues. See also CR, 1924, Vol. 4, p. 385.

<sup>158</sup> For examples of the several varieties of clauses determining the treatment of shipping, see treaties with France, Mar. 11, 1833, 20 HFSP 1220, Feb. 19, 1902, 95 HFSP 428; Sweden and Norway, Apr. 23, 1810, 30 HFSP 1325; June 19, 1861, with Italy, 54 HFSP 1330; Mar. 1, 1881, with Belgium, 75 HFSP 39; Mar. 31, 1860, with Hansatic Republics, 52 HFSP 511.

treaty of 1882 with Spain<sup>189</sup> avoided refinements of classification by stipulating that the goods of the respective parties should not be subjected to higher duties than those fixed "for products of the same class belonging to the most favoured nation, by which is to be understood that nation the products of which pay the least, whatever their quality." Particular reference was made to Spanish wines and Venezuelan cacao.

Venezuela has entered into a few treaties involving special relations with its neighbors.<sup>190</sup> An early treaty with Colombia (New Granada) provided for free trade, with certain exceptions, across the land frontier and free navigation on rivers and lakes common to both republics. Venezuela at the same time allowed Colombia free navigation of the River Orinoco and Lake Maracaibo, "throughout their whole course as far as the sea-coast." Venezuela agreed, moreover, to place no import duties upon goods passing through its territories in transit by land to Colombia and to charge only a nominal transit duty, deductible from the Colombian customs duty, for the purpose of preserving and improving the roads.<sup>191</sup> A treaty between Venezuela and El Salvador contained the following provision:

Each of the Contracting Republics engages not to concede any favour, privilege, or exemption to the commerce and navigation of other nations, without extending them to the other Party; and declares besides that the reciprocal concessions which are made in this Treaty, or which shall be made in the future, in consideration of their community of origin and institutions, and of their legitimate aspirations to attain to the Latin American Union, do not constitute a precedent for the treatment of other nations which are not placed in similar conditions.<sup>192</sup>

#### COMMERCIAL POLICY OF THE INTERNATIONAL CONFERENCES OF AMERICAN STATES

The legitimate aspirations of El Salvador and Venezuela to attain to the Latin American Union have found expression on a wider scale in the Pan American conferences which have been held with much regularity during the last forty years. In 1826, shortly after the establishment of independence by the countries of South and Central America, a congress of delegates from a portion of them, which was convened at Panama, projected lofty ideas for the unity of the New World.<sup>193</sup> Barren of results in its day, it nevertheless set a precedent for the larger and more fruitful conferences that were to begin a little over a half a century later. The contributions to the commercial

<sup>189</sup> Article VI, 73 BFSP 592.

<sup>190</sup> The treaty of Mar. 25, 1843, with France, Article XXVIII, expressly includes French Guiana and the other French possessions in America, but involves no special relations, 33 BFSP 694.

<sup>191</sup> Treaty of July 23, 1842, Articles XII, XIV, XV, 33 BFSP 849. Translation.

<sup>192</sup> Treaty of Aug. 27, 1883, Article XLV, 74 BFSP 298. Translation.

<sup>193</sup> Certain countries rejected the invitation and others failed to take action in time. Concerning the gathering see BULLETIN of the Pan American Union, June, 1926.

policy of the Americas made by the six general conferences that have been held to date, by the several special conferences on finance and on commerce, and by the Central American conferences of 1907 and 1922-1923, will now be outlined.

No less ambitious project than an American customs union was on the agenda of what is now known as the first of the international conferences of American states, assembled at Washington late in 1889. As far back as the time of the Panama congress the idea that import and export duties "when applied to native goods" should be "the same in all the Republics" had found authoritative expression, as had also that of forbidding the prohibition of any article of commerce in their reciprocal trade.<sup>194</sup> In connection with the congress a treaty of perpetual union, league and confederation between the Republics of Colombia, Central America, Peru and the United Mexican States was signed; it provided, in Article 25, that

in order that the contracting parties shall receive all possible compensation for the services mutually rendered in this alliance, they have agreed that their commercial relations be regulated in the next assembly; in the meanwhile the relations at present existing between some of the them by virtue of previous stipulations will continue.<sup>195</sup>

For a decade previous to the assembling of the conference of 1889-1890, there had been much discussion at Washington of reciprocity with American states and a number of negotiations had been carried on, resulting in the signature of several agreements.<sup>196</sup> Though none of them entered into force, there was wide advocacy of the principle and the Committee on Customs Union doubtless carried on its deliberations in an atmosphere friendly to reciprocity.

The term "customs union" was defined to mean

the inclusion of several nations in a single customs territory, so that the nations forming the union collect import duties on foreign goods under substantially the same tariff laws, divide the proceeds thereof in a given proportion, and reciprocally receive as domestic goods, and therefore free of duty, their respective natural or manufactured products.

The majority report of the committee took the position that the adoption of such a program would require a change in the fundamental laws of the countries involved and that it would not be acceptable to them. On the other hand, if by customs union were meant

free trade between the American nations as to their natural or manufactured products, which is, properly speaking, unrestricted reciprocity,

<sup>194</sup> Plan presented by Vidaurre, one of the Ministers of Peru, at informal conference, preceding the opening of the congress. See Lockey, J. B., *Pan Americanism, Its Beginnings* (New York, 1926), pp. 333-334. Translation.

<sup>195</sup> Scott, James Brown, editor, *The International Conferences of American States* (New York, 1931), p. xxviii.

<sup>196</sup> E. g., treaty between the United States and Spain for Cuba and Porto Rico, signed Nov. 18, 1884, U. S. Tariff Commission, *Reciprocity in Commercial Treaties*, pp. 139-142.



the majority of the committee believed it to be in principle acceptable, but at the time being impracticable on a continental scale because, among other reasons, the import duties of the various countries constituted the main source of revenue and also, in many of them, the essential basis of the policy of protection. Accordingly, it would seem premature to propose free trade among the American countries, and the conference followed the advice of the committee

To recommend to such of the Governments represented in the Conference as may be interested in the concluding of partial reciprocity, commercial treaties, to negotiate such treaties with one or more of the American countries as it may be in their interest to make them, under such a basis as may be acceptable in each case, taking into consideration the special situation, conditions, and interests of each country, and with a view to promote their common welfare.<sup>197</sup>

The foregoing recommendations deal closely with the essentials of commercial policy. The ideal of free trade among the American countries has made little progress towards realization, but that there should be a general American policy of liberal treatment in the matter of tariffs remains the subject of widespread advocacy. Indeed, at the conference of 1928, the Argentine delegation proposed the inclusion of the following clause in the preamble of the convention on the Pan American Union:

Economic cooperation being an essential factor in the realization of these purposes, the signatory states will direct their efforts towards the suppression of unjust obstacles and excessive artificial barriers which may hinder natural interchange or restrict the liberty of commerce between the nations of America, without according privileges or creating exclusions.<sup>198</sup>

Another recommendation of the conference dealt with port dues, the essential provisions being (1) "that all port dues be merged in a single one, to be known as tonnage dues"; and (2) "that this one charge... be assessed upon the gross tonnage, or, in other words, upon the total carrying capacity of the vessel." War ships, vessels of less than 25 tons, vessels compelled to deviate from their courses, and pleasure boats were to be exempt from tonnage dues.<sup>199</sup>

Other recommendations of the first conference included a recognition that there should be uniform nomenclature designating the commodities in the tariffs of the participating countries and that these countries should shape their customs laws and regulations in accordance with the simplified program set forth in detailed committee

<sup>197</sup> Scott, *op. cit.*, pp. 33-35.

<sup>198</sup> *The Report of the Delegates of the United States of America to the Sixth International Conference of American States*, p. 6. On the refusal of the committee in charge to accept this proposal, the head of the Argentine delegation declared that he would be unable to sign the convention and resigned. This proposal was rejected by the committee, and the final act, including this convention, was subsequently signed by all the delegations represented at the conference, including that of Argentina.

<sup>199</sup> Scott, *op. cit.*, p. 35.

reports.<sup>200</sup> The administrative organ set up by the conference was known as the Commercial Bureau of the American Republics.<sup>201</sup>

The subject of customs formalities, while of great practical importance to commerce, is largely a matter of technique and can hardly be said to deal more than remotely with the essentials of commercial policy. Numerous other questions that came before the first conference and have been the subject of resolutions in later conferences are likewise of subordinate interest in the development of commercial treaty policies in the Americas. Among them are transportation and communication, monetary problems, natural resources, and statistics.

The resolutions and conventions prepared by the second and subsequent international conferences of American states have avoided expressions of policy regarding controversial questions of equality or inequality of treatment in ports and customs houses. Discussion of reciprocity has not been wanting, but no decisions in regard either to it or to the fundamental questions of the most-favored-nation clause and the national treatment of shipping have been taken.

Prolonged effort to bring about practical results has been made in respect of the technical subject of customs and port procedure, resulting in action by each of the conferences in the form of resolutions or, occasionally, of conventions; but nothing really far-reaching, even in these fields, has as yet been achieved.

The second conference, held at Mexico City in 1901-1902, recommended the calling of a customs congress, which met at New York about a year later and drew up a series of resolutions. The conference was poorly attended and lacked adequate information; its accomplishments were not great.<sup>202</sup>

The fifth conference, meeting at Santiago in 1923, in addition to the usual quota of resolutions and recommendations, adopted conventions on publicity of customs documents and on uniformity of nomenclature for the classification of merchandise,<sup>203</sup> which were signed by the delegates on behalf of the countries represented. The former provides for the interchange among the parties of all laws, decrees, and resolutions that govern the importation or the exportation of merchandise or which relate to vessels entering into or sailing from their ports. In addition to these and other provisions, the Central Executive Council of the Inter-American High Commission is charged with the preparation of a handbook dealing with the customs laws and decrees of the various countries. The latter convention simply adopts the Brussels

<sup>200</sup> Scott, *op. cit.*, pp. 11, 21-32, 36-39.

<sup>201</sup> Later the International Bureau of the American Republics and then the Pan American Union, Barrett, John, *The Pan American Union* (Washington, 1911).

<sup>202</sup> See *Report of the Delegates of the United States to the Third International Conference of American States*, p. 43.

<sup>203</sup> Scott, *op. cit.*, pp. 233, 240; *Report of the Delegates of the United States of America to the Fifth International Conference of American States*, pp. 96 and 104.

nomenclature of 1913<sup>204</sup> for the statistics of international commerce, either exclusively or as a supplement to other systems in the preparation of their statistics.<sup>205</sup> In 1927 and 1929, respectively, special conferences were held at Washington on the subjects of consular procedure and formalities and customs and port formalities.<sup>206</sup>

The sixth conference, which met at Habana in 1928, adopted an important convention on commercial aviation, which is now in force among Guatemala, Mexico, Nicaragua, Panama, and the United States.<sup>207</sup>

Three commercial conferences, composed of delegates of both Governments and private organizations, have been held under the auspices of the Pan American Union, at Washington in 1911, 1919, and 1927. As President Taft said in an address to the First Pan American Commercial Conference, the object of the meetings was to give to those who took part "information as to the best means of promoting the commercial relations and increasing the commerce"<sup>208</sup> among the American countries. Accordingly, they have dealt with questions with which business men are confronted from day to day rather than with the larger questions of commercial policy. The second conference devoted much attention to the question of trade regulations and tariffs, as well as the possible unification of customs laws and regulations. Antiquated formalities and other "trade annoyances" existing in the various countries were sharply criticized.<sup>209</sup>

The earlier conferences did not adopt formal resolutions. The one of 1927, however, left a series of more than twenty pronouncements of its views.<sup>210</sup> Somewhat guardedly it advocated lower customs and internal duties, resolving

That in the interest of the greater development of Pan American commercial intercourse, a study be made of the desirability of the gradual reduction of the high customs duties that may prevail in each country. This study should be undertaken by committees of business men representing the different American Republics and the various interests affected;

That in the interest of easier and wider distribution and greater consumption of the products of inter-American commerce, which are not classed as luxuries, a study be made by each government of the desirability of reducing, in a manner compatible with its fiscal interests, the internal taxes that may be imposed thereon.

<sup>204</sup> See *Customs Nomenclature and Customs Classification*, transmitted by Dr. Trendelenburg, *Publications of the League of Nations*, 11, Economic and Financial, 1927, 24., especially pp. 15-16.

<sup>205</sup> The convention on publicity of customs documents became effective July 10, 1925; that on uniformity of nomenclature, Oct. 8, 1924. On Sept. 1, 1931, the following states were parties to each: Brazil, Chile, Costa Rica, Cuba, Dominican Republic, El Salvador, Haiti, Panama, Paraguay, United States, Uruguay.

<sup>206</sup> Concerning the former see "Resolutions of Pan American Conference on Consular Procedure," U. S. Department of Commerce, Trade Promotion Series No. 65, *Preparing Shipments to Latin America*, p. 101. Concerning the latter see C.R., 1929, Vol. 4, p. 642; the text of the draft convention adopted was published in pamphlet form by the Pan American Union.

<sup>207</sup> Scott, *op. cit.*, p. 385; U.S.T.S. No. 840. Effective Aug. 26, 1931.

<sup>208</sup> *Proceedings of the Pan American Commercial Conference*, Feb. 13-17, 1911, p. 27.

<sup>209</sup> *Pan American Commerce* (report of the Second Pan American Commercial Conference), pp. 287, *et seq.*

<sup>210</sup> *Third Pan American Commercial Conference, Proceedings*, pp. 257, *et seq.*

The conference was also of the opinion that customs laws and regulations should, where necessary, be modified so as to permit the establishment of bonded warehouses, the moderation of customs fines, and permission to use bills of lading made out "to order", also that whenever the expression "to order" is not followed by any name of consignee, it must signify to order of the shipper.

The conference presented to the World Economic Conference at Geneva, which convened during the course of the meetings, the hope that its labors would bring about happy results for the "amelioration of conditions of living in all the nations of the world."

The first and second Pan American financial conferences, held in 1915 and 1920, convened with the assumption that the extension by bankers and business men of ample credits was one of the essentials to the development of trade among the American countries.<sup>211</sup> In addition to the strictly financial discussions, such subjects as uniform classification of merchandise, customs regulations, consular certificates, and port charges,<sup>212</sup> seemed suitable for the attention and work of the Inter American (formerly International) High Commission, which was set up by the first financial conference.<sup>213</sup>

At the time of the conference of 1889-1890, there was significant advocacy of an American monetary union, and far-reaching proposals of a financial nature continued to be discussed at subsequent general conferences. The first financial conference was interested in such subjects as commercial paper, bills of exchange and the establishment of a gold standard of value. The second financial conference adopted resolutions regarding double taxation, equality of treatment to branches of banks of other countries, long-term credits, and the establishment of an international gold fund.<sup>214</sup>

The special situation confronting the five countries comprising portions of the territory of the former state of Central America has naturally led to regional conferences for the purpose of improving their mutual relations. These conferences have dealt with political more than with economic problems, but the one of 1907 adopted, in the convention for the establishment of an international Central American bureau, the statement that among the interests recognized as worthy of special attention were the development of commerce and of all that might tend to make it more active and profitable, as well as its expansion with other nations; also, among other subjects, the development of uniformity in the system of customs houses.<sup>215</sup>

<sup>211</sup> *Proceedings of the First Pan American Financial Conference*, p. 9.

<sup>212</sup> *Ib.*, page 301.

<sup>213</sup> See pamphlet published by the International High Commission entitled *First Edition of the Committee Reports and Resolutions*, 1916. See also pamphlet entitled *Program of Activities of the Inter American High Commission*, 1923.

<sup>214</sup> Report of the Secretary of the Treasury of the United States to the President on the *Second Pan American Financial Conference*, pp. 56-57.

<sup>215</sup> *Central American Peace Conference, 1907*, Report of the representative of the United States, p. 65.

The conference of 1923 undertook to develop the policy so frequently found in the bilateral treaties of Central American states with one another by adopting a convention for the establishment of free trade, of which the following are the essential provisions:

The importation and exportation through the custom houses of the Signatory Republics at the various ports or on the frontiers of articles grown or manufactured in said Republics, shall be absolutely free of import and export duties and of municipal taxes or imposts of an eleemosynary nature.

Manufactured articles, in which the raw materials originating in the manufacturing or exporting country, do not form the greater percentage, shall not be included in this exemption.

Coffee and sugar are hereby excluded from the foregoing provision. The same exclusion shall also apply to those articles, whose sale in the Contracting Republics is now or may become in the future, a state monopoly, or unlawful.

This convention was signed on behalf of El Salvador, Guatemala, Honduras, and Nicaragua but not by Costa Rica.<sup>216</sup> It entered into force May 20, 1925, among Honduras, Guatemala, and Nicaragua.

#### PARTICIPATION OF THE AMERICAS IN THE FORMULATION OF WORLD COMMERCIAL POLICY

The great multilateral conventions dealing with economic and technical subjects, which began to multiply during the latter half of the nineteenth century, included but few instruments dealing directly with commercial policy. Indeed, the only clear-cut example prior to the World War was the International Sugar Convention, signed at Brussels March 5, 1902.<sup>217</sup> It was designed for the purpose of eliminating sugar bounties by means of prohibitive import duties upon sugar that had been subsidized by the producing country. Though of direct concern not only to the West Indian colonial possessions of European parties to the convention, but to all sugar producing countries, it was not participated in by any of the American republics. Practically all of them have, however, become parties to the routine convention concerning the formation of an international union for the publication of customs tariffs, signed July 5, 1890.<sup>218</sup>

In certain other economic conventions, as that of the Universal Postal Union, there is large American participation.

With the inauguration of the economic work of the League of Nations, in which organization all of the American states except Ecuador and the United States have become members,<sup>219</sup> multipartite conventions closely affecting commercial policy began to appear. The outstanding vehicle of expression of League policy in commercial

<sup>216</sup> *Conference on Central American Affairs* (1922-23), pp. 388-391.

<sup>217</sup> Text: 95 BFSP 6; as a result of denunciations, the international union set up by the convention ceased to exist as from Sept. 1, 1920, 1 L.N.T.S. 400.

<sup>218</sup> Text: 82 BFSP 340; apparently only El Salvador and Panama, among the American states, are not parties.

<sup>219</sup> Brazil and Costa Rica, after joining, withdrew, and the participation of Argentina has been irregular.

treaty matters was the World Economic Conference, held at Geneva in May 1927.<sup>220</sup> This conference consisted, for the most part, of governmental appointees, but its findings were not considered as direct expressions of, though they must necessarily have reflected, the governmental policies of the participating countries. A majority of the American states sent delegates and their agreement upon the recommendations of the conference in the field of commercial policy was unanimous.<sup>221</sup>

The World Economic Conference is of importance not only because of the fact that it represented with a certain measure of authoritative-ness the policies of about fifty of the countries of the world, but because it dealt directly with the fundamental question of equality of treatment in commercial policy, arriving at clear cut and positive conclusions on the subject of the most-favored-nation treatment of goods in the customs houses and the national treatment of shipping in ports. With reference to the former, the *Final Report*<sup>222</sup> asserts that

A decisive step on the road to world reconstruction would undoubtedly be taken if the system of long-term treaties securing equality of treatment were restored.

For this purpose, it is highly desirable that the widest and most unconditional interpretation should be given to the most-favored-nation clause. This is not inconsistent with the insertion in any particular treaty of special provisions to meet local needs, so long as such provisions are clearly expressed and do not injure the interests of other States.

On the other hand, it is undeniable that the conclusion of such commercial treaties is made difficult by the variety of conceptions of the bases of such treaties. Some countries, moreover, have considered that tariffs and contractual methods are interdependent, so that unduly high tariffs have often reacted on methods of treaty-making, and the latter in turn have often caused tariffs to be raised even higher.

The Conference regards these facts as necessitating immediate action by Governments with a view to concluding treaties as comprehensive and permanent as possible, and in order to improve and standardise the methods of treaty-making themselves.

(1) The Conference therefore considers that the mutual grant of unconditional most-favored-nation treatment as regards Customs duties and conditions of trading is an essential condition of the free and healthy development of commerce between States, and that it is highly desirable in the interest of stability and security for trade that this treatment should be guaranteed for a sufficient period by means of commercial treaties.

(2) While recognising that each State must judge in what cases and to what extent this fundamental guarantee should be embodied in any particular treaty, the Conference strongly recommends that the scope and form of the most-favored-nation clause should be of the widest and most liberal character and that it should not be weakened or narrowed either by express provisions or by interpretation.

<sup>220</sup> The *Final Report* of the conference is published by the League in pamphlet form.

<sup>221</sup> The participating American states were Brazil, Canada, Chile, Colombia, Cuba, El Salvador, Guatemala, Nicaragua, Paraguay, United States, Uruguay and Venezuela. Mexico was represented by an observer.

<sup>222</sup> P. 32.

(3) The Conference recommends that the Council of the League of Nations should entrust the Economic Organisation to undertake, in connection with the enquiry provided for in the preceding recommendations, all the necessary discussions, consultations and enquiries to enable it to propose the measures best calculated to secure either identical tariff systems in the various European countries or at least a common basis for commercial treaties, as well as the establishment, for all countries, of clearly defined and uniform principles as to the interpretation and scope of the most-favoured-nation clause in regard to Customs duties and other charges.

These recommendations of the conference were intended to be given reality through action primarily in the form of treaties, both bipartite and multipartite. The conference was definitely of the opinion that there should be a cessation in the upward tendency of tariffs and a movement in the opposite direction. With this in view, the League convoked a conference early in 1930 which drew up the commercial convention of March 24, 1930,<sup>223</sup> primarily for the purpose of establishing some measure of tariff truce; but the convention was never brought into force. It was not signed by any American country; Colombia and Peru, however, participated fully in the conference; Brazil, Cuba, the Dominican Republic and Mexico were represented by observers, and the United States augmented the staff of its Geneva consulate for the purpose of obtaining complete information concerning the sessions of the conference. One of the provisions of the commercial convention contemplated warning, before tariff duties should be increased, to other countries which might be interested. This phase of the growing realization that the tariff is an international question and can not justly be left to the unrestrained autonomous action of states, found expression later, on December 22, 1930, in a convention for economic rapprochement signed by a number of the northern European countries.<sup>224</sup>

The World Economic Conference endorsed the then forthcoming conference for the purpose of agreeing upon a convention for the abolition of import and export prohibitions and restrictions. To this instrument the United States became one of the seven parties among which it entered into full operation.<sup>225</sup> Chile was the only other signatory among American countries.

The subject of customs formalities has been dealt with by the League with considerable effectiveness through the convention for the simplification of customs formalities, signed November 3, 1923.<sup>226</sup> Both it and two League of Nations instruments dealing with the

<sup>223</sup> Text: *Publications of the League of Nations, Economic and Financial, 1930. II. 15.*

<sup>224</sup> Signatories: Belgium-Luxembourg, Economic Union, Denmark, The Netherlands, Norway and Sweden. See editorial in *Tidens Tegn* (Oslo) Dec. 20, 1930; U. S. Dept. of State, *Press Releases*, Dec. 27, 1930, p. 482.

<sup>225</sup> July 1, 1930, among Denmark, Great Britain, Japan, The Netherlands, Norway, Portugal, United States. Portugal withdrew as of June 30, 1931. Text: 97 LNTS 392.

<sup>226</sup> Effective Nov. 27, 1924, text: 30 LNTS 371. This convention has been signed on behalf of Brazil, Chile, Paraguay and Uruguay; ratified only by Brazil.

arbitration of private commercial disputes have been signed on behalf of a number of American countries.<sup>227</sup>

The attitude of the World Economic Conference towards the problems of the national treatment of shipping, freedom of transit and related problems was expressed in the following resolution:<sup>228</sup>

Whereas the General Conventions on the Freedom of Transit and on the Regime of Navigable Waterways of International Concern concluded at the Barcelona Conference in 1921 and the General Conventions on the International Regime of Railways and on the International Regime of Maritime Ports concluded at the Geneva Conference of 1923 have taken full account of the complexity of the question, and whereas their general application would ensure for transports a stable system of freedom and equitable international treatment without unfair discrimination, care being taken to leave to the tariffs sufficient flexibility to permit of their being adapted as closely as possible to the complex needs of trade;

Whereas the widest possible application of the General Convention on the Simplification of Customs Formalities concluded at Geneva in 1923 would certainly facilitate the free operation of transport;

The Conference recommends:

That the States which have not yet ratified the above-mentioned General Conventions of Barcelona and Geneva should proceed to do so as soon as possible and that as many States as possible should accede thereto.

The convention and statute on the international regime of maritime ports puts into the form of general conventional law the traditional policy of the national treatment of shipping. It was signed on behalf of Brazil, Chile, El Salvador and Uruguay and acceded to, subject to ratification, by Panama, none of which, however, have as yet become parties to it.<sup>229</sup>

The convention and statute on freedom of transit has one American party, Chile. It was signed,<sup>230</sup> also, on behalf of Bolivia, Guatemala, Panama and Uruguay and acceded to, subject to ratification, by Peru. Similarly, some interest on behalf of American countries has been shown in the railway convention and in the convention on internal waterways, but there has been no extensive participation by American countries.<sup>231</sup>

Finally, with reference to the work of the League of Nations, there has been some participation by American States in the characteristic-

<sup>227</sup> The protocol on arbitration clauses in commercial matters, signed Sept. 24, 1923, includes among its signatories, Bolivia, Brazil, Chile, El Salvador, Nicaragua, Panama, Paraguay, Peru, Uruguay. The protocol came into force July 28, 1924; text: 27 LNTS 157. The convention on the execution of foreign arbitral awards, signed Sept. 26, 1927, includes among its signatories Bolivia, Nicaragua and Peru. It came into force July 25, 1929; text: 92 LNTS 301. There have been no American ratifications.

<sup>228</sup> *Final Report*, page 36.

<sup>229</sup> The convention came into force on July 26, 1926; text: 58 LNTS 285.

<sup>230</sup> Apr. 20, 1921; effective Oct. 31, 1922; text: 7 LNTS 11.

<sup>231</sup> The convention and statute on the international regime of railways was signed Dec. 9, 1923; effective Mar. 23, 1926. Text: 47 LNTS 55. American signatories: Brazil, Chile, El Salvador, Uruguay, none of which have ratified. Colombia and Peru have acceded subject to ratification.

The convention and statute on the regime of navigable waterways of international concern was signed Apr. 20, 1921; effective, Oct. 31, 1922. Text: 7 LNTS 35. American signatories: Bolivia, Chile, Guatemala, Panama, Uruguay; Chile has become a party through ratification, Colombia and Peru have acceded, subject to ratification.



ally humanitarian conventions, which also affect commerce, such as those dealing with the opium problem and with international trade in arms and ammunition and in implements of war.<sup>232</sup>

#### SUMMARY AND CONCLUSION.

Equality of trade, the policy expressed through the most-favored-nation clause with reference to merchandise and the national treatment of shipping, has been the characteristic practice of the American republics and is the basis of a large proportion of their commercial treaties. The exceptions are more impressive in description than in fact, but have had some influence upon the trade of the American countries among themselves and with the outside world.

Reciprocity agreements, whether specifically exclusive or in fact limited in their favorable treatment to their parties, have been fairly numerous and it has been the historic policy of most of the American countries to reserve their freedom of action in this matter both by the insertion of the condition of equal concessions in the most-favored-nation clause and by special reservations as to particular countries or regions.<sup>233</sup> An interesting recent example occurs in an exchange of notes between the Irish Free State and Guatemala in which the former makes reservation as to goods the produce or manufacture of any state member of the British Commonwealth of Nations and the latter similarly makes exception in favor of other Central American countries.<sup>234</sup> Canada, with its aloofness towards Pan Americanism and its leadership in the preferential system of the British Empire, has a more highly developed system of preferences than has elsewhere existed in the Americas.

A significant feature of American commercial policy, particularly since the World War, may be found in the aggressiveness with which it is sought to promote the exportation of goods deemed of particular

<sup>232</sup> The arms traffic convention, signed June 17, 1925, which has not been brought into force, has one American member, Venezuela, and has been signed, or acceded to subject to ratification, by Brazil, Canada, Chile, El Salvador, United States and Uruguay. Text: League of Nations *Official Journal*, Aug. 1925, p. 1117. The latest of the opium conventions, that for limiting the manufacture and for regulating the distribution of narcotic drugs, signed July 13, 1931, includes among its signatories Argentina, Bolivia, Canada, Chile, Costa Rica, Cuba, Dominican Republic, Guatemala, Mexico, Panama, Paraguay, United States, Uruguay and Venezuela.

<sup>233</sup> Concerning the latter question see Richarz-Simons, Ingeborg, "Die Regionalen Ausnahmen von der Meistbegünstigung in den Handelsverträgen der Iberoamerikanischen Staaten," *Ibero Amerikanisches Archiv* (Berlin), July 1931, pp. 138-155, of which the following is a translation from the German of the concluding paragraph:

"It cannot be claimed that the present compilation is complete, as there is the greatest difficulty in procuring the material of the treaty texts. By no means all countries have collections of treaties, and the existing ones date in part from former years. Frequently also treaties are not to be found in digests of laws. The material suffices, however, to show that the ideology of a unified Latin-America has retained its vitality, even in the economic policy as to treaties, since the origin of the Latin-American states, and may acquire importance for future development. A proof thereof is the speech of the Chilean minister of foreign affairs, Antonio Planet, [*Kölnische Zeitung*, May 21, 1931, No. 273] in connection with the Geneva declaration regarding the German-Austrian customs agreement, in which, with reference to the difficult situation, he calls for economic cooperation of South American countries."

<sup>234</sup> Saorstad Eireann, *Treaty Series*, 1930, No. 11.

importance in the international trade of individual countries. Thus, in July, 1931, the announcement was made by Chile that it would abrogate the existing commercial treaty with Germany and the Chilean consul at Berlin was quoted as declaring that this action had followed as a form of reprisal the increase in the German duties on nitrates.<sup>235</sup> In the general field of export promotion the most important instance was the renunciation in 1922-1923, of the conditional and the espousal of the unconditional most-favored-nation clause by the United States.

In respect of shipping there are few exceptions in American treaties to the rule of treatment at least as good as that of any outside country. The prevailing principle has been that of equality also with a country's own shipping. At present the policy of Mexico appears to offer the only departure from the rule of national treatment with the exception, however, that coastwise trade is almost universally not subject to the obligations of equality.<sup>236</sup>

The commercial treaties of the American states present numerous points of very great interest which are not directly connected with the subject of commercial policy. A large number of treaties contain clauses for the arbitration, or other peaceful settlement, of any disputes as to their interpretation.<sup>237</sup> There are also many provisions relating to the freedom of the seas in time of war; all or portions of the Declaration of Paris<sup>238</sup> are frequently incorporated.<sup>239</sup> Provisions directed against the slave trade are frequent in early treaties.<sup>240</sup> Isolated treaties deal with the opium<sup>241</sup> and arms traffic<sup>242</sup> and one recognizes the "inherent and inalienable right of man to change his home."<sup>243</sup>

In the commercial treaties of the Americas there is a distinct reflection of the commercial policy of the countries of the world generally.<sup>244</sup> The tendency towards liberalization in commerce and navigation that was manifest throughout the nineteenth century, at least until its closing years, is shown in American as well as in European treaties.

<sup>235</sup> See *Berliner Boersen Zeitung*, July 30, and Aug. 9, 1931.

<sup>236</sup> There have been a few provisions granting national treatment even in the coastwise trade, at least to neighboring countries, presumably including the treaty between Ecuador and Peru which considered the vessels of each to be as the vessels of the other, 20 *BFSP* 1200 (1203). See also treaty between Guatemala and Italy, Article VII, 60 *BFSP* 759.

<sup>237</sup> E. g., treaties between Brazil and Colombia, 101 *BFSP* 941; Chile and Denmark, 100 *BFSP* 832; Colombia and Italy, 84 *BFSP* 206; Colombia and Peru, 60 *BFSP* 349.

<sup>238</sup> 46 *BFSP* 26.

<sup>239</sup> E. g., treaty between Peru and Italy, 65 *BFSP* 649; treaty between the U. S. and Peru, 2 *US Treaties* 1462. See also 61 *BFSP* 1031; 63 *BFSP* 607.

<sup>240</sup> E. g., treaty between Argentina and Great Britain, 12 *BFSP* 29. Concerning American aborigines, see treaty between Peru and Brazil, 83 *BFSP* 1286.

<sup>241</sup> E. g., treaty between Brazil and China, 72 *BFSP* 560.

<sup>242</sup> E. g., treaty between Bolivia and Peru, 60 *BFSP* 1238.

<sup>243</sup> Treaty between Peru and China, 66 *BFSP* 1125 (1127).

<sup>244</sup> The treaties of outside countries, such as Belgium and Japan, with various American countries frequently show common characteristics, evidently the policy of the non-American country.

It will be recalled that following the Anglo-French treaty of 1860, the complete equality of treatment to commerce connoted by the unconditional most-favored-nation clause became the rule in Europe.<sup>245</sup> With the second half of the nineteenth century unconditional most-favored-nation clauses began to appear in American treaties also; the movement has continued to gain ground.<sup>246</sup>

In the navigation clauses, moreover, there is a perceptible development contemporaneous with that of European countries, away from the more limited forms of shipping clauses and in favor of complete national treatment.<sup>247</sup>

The policy in regard to special treatment for neighboring or regional countries has not developed with regularity. The conditional most-favored-nation clause itself exhibits some evolution as shown by the occasional clauses in which the difficulty of knowing what concessions could be considered as equivalent is recognized, and clauses in which the covering conditional language specifically does not apply to prior equality provisions, which are consequently left intact and unconditional.<sup>248</sup>

The economic aspects of Pan Americanism have had an exceedingly wide range, including problems of communication, transportation, industrial property, and others, outside the scope of the present discussion. Commercial policy, however, particularly in the essential elements, has not as yet been largely affected by it. This fact, the relatively small development of intra-American reciprocity, the growing participation of American states in world conferences and in general multipartite treaties, as well as their practice from the beginning of making numerous treaties with important commercial countries of every continent, seeking and according equality of treatment, suggest that the commercial policy of the Americas, conscious always of interests closely bound up with those of the world as a whole, has been one of steady realism. In pursuing commercial policy conformable to that of other countries generally, the American states have recognized their common membership in a world that has become an economic unit. They will continue to display wisdom founded upon realities if they develop their commercial policies in tune with world movements.

<sup>245</sup> In regard to the treaty of 1860, often called the Cobden Treaty, a careful study has recently been made by A. L. Dunham entitled *The Anglo-French Treaty of Commerce of 1860 and the Progress of the Industrial Revolution in France* (Ann Arbor, University of Michigan Press, 1930).

<sup>246</sup> Among the countries which were parties to unconditional most-favored-nation treatment prior to 1900, were Canada, Ecuador, Guatemala, Honduras, Mexico, Paraguay, United States and Uruguay. See, e. g., treaty between the U. S. and Switzerland signed Nov. 25, 1850, Articles I, VIII, IX, X, 2 U. S. Treaties 1763.

<sup>247</sup> A good example of this is found in the treaties of 1824 and 1846 between the United States and Colombia, the former according most-favored-nation treatment to shipping and the latter, national treatment, 1 U. S. Treaties 292, 302.

<sup>248</sup> E. g., treaty between Argentina and Belgium, 1890, 58 B.F.S.P. 611.



HIS EXCELLENCY DOCTOR MIGUEL CRUCHAGA

Ambassador Extraordinary and Plenipotentiary of Chile to the United States

The new Ambassador, who presented his letters of credence to President Hoover on September 18, is not a stranger to Washington, having served first—in 1925—as special Chilean agent before the arbitrator in the Tacna-Arica controversy, and later as Ambassador. A few years ago Doctor Cruchaga, long prominent in educational affairs in his native land, founded a School of Social Service which is affiliated with the Catholic University, Santiago. He has served in the Cabinet as Minister of Finance, and later as Minister of the Interior. Doctor Cruchaga has been Envoy Extraordinary and Minister Plenipotentiary in Buenos Aires, Montevideo, Berlin, The Hague, and Rio de Janeiro. Since leaving the American capital in 1927 he has been in Mexico City as the chairman of the Spanish-American Mixed Claims Commission.



Copyright by Harris & Ewing.

SEÑOR DON LUIS O. ABELLI

Envoy Extraordinary and Minister Plenipotentiary of Bolivia to the United States

Señor Abelli is one of the most progressive industrialists and mine operators of his country, and has won no little renown as a writer of ability on vital international, political, and economic subjects. His first public appointment was that of commissioner to the Panama-Pacific Exposition in San Francisco, where he was made a member of the Superior International Jury of Award. Soon after his return to Bolivia in 1917, he was elected to Congress, where his promising career was interrupted by urgent private affairs which necessitated his retirement. In 1929 he reentered public life by accepting the appointment of counselor ad honorem to the Bolivian Legation in Lima. In March of this year, Señor Abelli was appointed Minister of Finance, a post he resigned to assume that of Minister to the United States.

## COMMUNICATIONS THE KEYSTONE OF WESTERN CIVILIZATION

By C. C. MARTIN

*Director, Pan American Information Service*

A FEW days ago I sat talking to an official of a New York bank. Suddenly the telephone bell on his desk rang and the telephone operator announced "Santiago, Chile, calling." A few minutes more and clear and distinct came the voice of a vice president of this institution, at that time traveling through South America. I have stood in the office of a cable company in New York and watched the transmission of a message to Buenos Aires, and minutes after the message was sent the answer was back in New York.

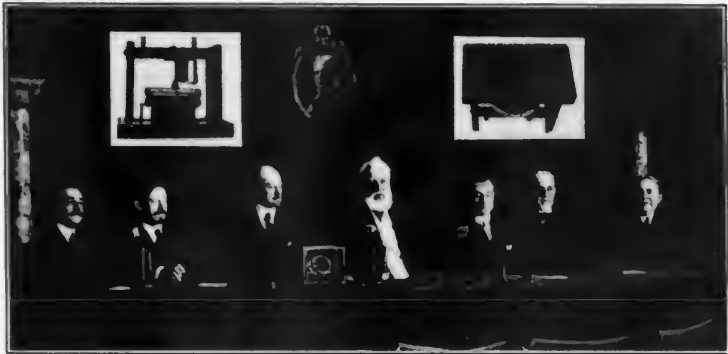
Presidents of Latin American countries are now speaking into ordinary telephones; their voices are carried by ether waves to receiving stations in the United States and then broadcast throughout the country, so that millions of listeners in the great cities, smallest village, or the most remote farmhouse may hear at first hand the story of some important event. Only a short time ago I was present at a large meeting of business men in New York. On a wall at one side of the great hall a huge map of South America had been hung, with small electric-light bulbs indicating prominent cities. From the hall a message was sent successively to some resident of each of these cities. The message was read to the audience and a few minutes later the bulb in the particular city flashed, showing that the message had been received. A few minutes more and the answer was read to the audience.

What would have taken weeks or months to accomplish a few years ago is now being accomplished in minutes. The integration of the Western Hemisphere is taking place before our very eyes. Not alone the radio and the cable, the telephone and telegraph are doing these things, but the airplane as well, fast steamships, better roads, and the automobile. The life of nations and of individuals is growing closer with each tick of the clock. Isolation has been banished with the plagues of the Middle Ages, and clear as the sunlight is the fact that we are facing a new day that means a complete change in national and individual outlook and point of view.

This improvement in communications is the keynote of western civilization. In this hemisphere will be largely written world history during the next hundred years at least. In spite of political differences,

petty jealousies, economic friction, the Western Hemisphere from the most northern point of Canada to the tip of South America is destined to be bound closely together with the passing of the years. This in no sense means surrender of one tiny bit of national or political independence, but it does mean that economically and politically the interests of the various nations will increasingly be recognized as mutually dependent, and closer and more united action will be sought.

Particularly will this movement be manifest in South America itself. The countries in that continent will be drawn together as well as sections of the various countries. The individualism of the different States of Brazil is produced in large measure by lack of communications, and it may be considered that one of the most important problems of the present Government is to bring about a more



INAUGURATION OF TRANSCONTINENTAL TELEPHONE SERVICE

The present high state of development of telephone communications makes it difficult to realize that not until 1915 was it possible to talk across the United States. Dr. Alexander Graham Bell, inventor of the telephone, is shown with a group in New York City immediately after having talked with San Francisco, January 25, 1915, the first time that an entire continent was spanned by telephone.

general national viewpoint in place of the concentration of interest and attention on the individual States, which has been the situation in the past. The same condition existed in the United States 70 years ago, before railroads, highways, the telegraph, and telephone had welded the country into an organic whole.

In this great work of rapprochement communications by land wire, cable, and radio are destined to play an ever-increasing part. We have made great advances, but the future holds many and colossal secrets. The day will come when, in addition to voices and music from Argentina, Mexico, Cuba, and Chile, television will bring the face of the speaker or a view of the orchestra to the United States, and the same will be true for other Latin American countries as well as for transmission from the United States.

It is not alone in the matter of business and finance that communication by radio and by land and marine wires is important. That larger sphere of life which embraces the mind and the feelings is being helped and advanced immeasurably. It was only a short time ago when the people of Latin America and those of North America had little on which to form an estimate of each other. Occasional travelers, a little correspondence by mail were all that could offer a basis for such



BUILDING OF THE  
CUBAN TELEPHONE  
COMPANY, HABANA

The inauguration of telephone service between Cuba and the United States on April 11, 1921, established a record at the time for a long-distance telephone conversation. Voices were carried 6,000 miles, from Habana to Catalina Island, off the coast of California, including 30 miles by radio telephony.

*Courtesy of International Telephone and Telegraph Corporation*

information. To-day the press of Latin America and that of North America are recording immediately every event of importance throughout the entire hemisphere. The proceedings in the Chilean or Colombian Congress, the opinions of public men in the south, economic or financial developments of importance are instantly transmitted to the press of the north, while a similar movement toward the south is constantly occurring, so that each day adds its contribution to the edifice of solid understanding and mutual cooperation.



It is becoming more and more apparent that without adequate networks of electrical communications our complex economic mechanism would resemble an electric locomotive without a power supply. Between two individuals understanding is the basis of friendship, and between peoples geographically separated it is only through facilities of rapid communication that closer relations can be created.

The question of what relation the telegraph and telephone, whether it be wire, cable, or radio, bear to world trade and economic stability is a subject more and more under study by our economists and business leaders as well as by our diplomatic representatives. Of course it is not communication facilities themselves which are responsible for building up trade, but they provide the channels of interchange that materially assist in commercial and industrial development. Increased production of primary products, such as foodstuffs, minerals, and the like, and the growth of manufacture depend on efficient distribution for the sale or export of these things. Efficient distribution depends on rapid means of communication.

The increasing importance of the telephone as an agency in diplomatic relations has been repeatedly demonstrated. It can even be said that the ability to have immediate personal contact by telephone will bring about a revolution in diplomatic methods. The recent European negotiations are striking proof of this statement.

International-telegraph connection between the Americas represents the progress of three-quarters of a century. In 1878, the Colombian Province of Panama had wire connections, but Central American countries were telegraphically isolated from North America, and all messages to South America had to be sent over the Atlantic cables via Great Britain and Portugal. Prohibitive rates and delays in transmission made this roundabout route unfavorable to trade development.

Beginning with this period rapid progress was made in laying international cables, which finally connected all countries in the three Americas with each other. The telegraph and cable system of to-day is the backbone of intercommunication between the countries of the Western Hemisphere.

From New York five cables connect with the West Indies and three extend through Panama to South America. One cable runs down the east coast. At Panama cables connect northward with Central American countries and eastward to Colombia and Venezuela, which are also connected from the north with the West Indies and the United States. South from Panama cables (varying in number from three to four) connect with all the principal west coast ports, and are linked with lines that cross the Andes and reach the principal ports of Argentina, Uruguay, and Brazil. Through these cables messages

from almost any South American port can be flashed to New York in a few seconds.

In addition three cables connect the southern United States with Mexico and several cables connect Florida with the West Indies. The United States east coast system connects at Barbados with the British South American cable leading to the principal ports of the east coast of South America and by land wires over the Andes up the west coast to Peru.

At each point of contact with the shore these submarine cables connect with the South American land wire systems, which provide the

CONDESA TELEPHONE  
EXCHANGE, MEXICO  
CITY

One of the newer exchanges to handle the increased telephone service of the Mexican capital.



Courtesy of International Telephone and Telegraph Corporation

feeder networks from interior points to the outside world. Most of these interior systems have been built up in cooperation with railway telegraph lines, and splendid pioneering work has been done by the engineers who laid out the lines and operate them.

In more recent years cable telegraph networks have been supplemented by radiotelegraph circuits. Several of these are operated by one company from points in the United States to points in Central American countries. Another company operates circuits from the United States to three of the West Indies, and to Costa Rica, Argentina, Brazil, Colombia, Dutch Guiana, and Venezuela.

Radiotelegraph stations in Argentina, Brazil, and Chile are jointly operated by Americans, British, French, and Germans. One company operates circuits from Peru. These systems connect at either end with the existing land networks and with services to ships at sea in the North Atlantic, South Atlantic, and Pacific, as well as with other international radio circuits and cables.

The services of radio and wire telegraph systems are in their nature supplemental to each other and should be operated as such. Radio reaches remote points where the expense of wire or cable lines would not be justified. Radio also reaches ships at sea and aircraft. Operating in cooperation, the radio and wire provide a complete organism

MAIN BUILDING OF  
THE CHILE TELEPHONE  
COMPANY,  
VALPARAISO

Since 1928, when International service was established with Argentina and Uruguay, Chile has been steadily brought into closer telephonic communication with the rest of the world.



Courtesy of International Telephone and Telegraph Corporation

of electric communications, each supplementing the other. Indeed, it has been said by noted electricians that radio was the logical first development in the transmission of electrical signals, and had wire transmission been invented afterwards it would have been hailed as a great improvement in the art.

An illustration of this fact is the use of telegraph printers, which in recent years have revolutionized land-line telegraphy and which because of technical difficulties can not be used on radio circuits. In the United States these printers are employed on all important intercity circuits and are used as well by a large number of business concerns which operate telegraph printers directly connected from their own office with the central telegraph operating rooms.

The day of the telegraph exchange is close at hand, and this is the next important step in telegraphic communication. Business houses having telegraph printers will call shortly for a connection with another business house, just as is done with a telephone call, and will type their message directly and instantaneously. These, with the replies, constitute a clear and permanent record of the transaction.

A development of widespread interest during the past few years has been international radiotelephony. It is one of the most spectacular

LAYING A TRANS-  
DINE TELEPHONE  
CABLE

Increased telephone service between the three southernmost republics of South America was made possible by the recent laying of the new cable, the highest international telephone circuit in the world.



Courtesy of International Telephone and Telegraph Corporation

scientific accomplishments of the twentieth century and has already become an important factor in international relations and business. We can pick up the nearest telephone in Washington or New York and talk to any telephone in Buenos Aires, Montevideo, or Santiago, Chile, as well as with most of the telephones in Argentina, Uruguay, or Chile. Anyone in Buenos Aires can pick up his telephone and talk to Washington, New York, Montreal, Mexico City, Habana, and San Francisco, to name only a few of the connections made possible by radio circuits.

Through other radiotelephone circuits one can talk from South America with most of the telephones in a score of countries of Europe and through London, by double radiotelephone circuit, to Australia. The next year or so will find many more telephone connections available between North and South America and other points in the world. Radiotelephone stations are either operating or under construction in Argentina, Chile, Peru, Brazil, and Colombia. Cuba has been connected by telephone cable with the United States for many years. Mexico has been connected for several years by land telephone wires with the United States, and both of these countries are linked by radiotelephone with Europe and South America. The manner in which the business world and others grasped immediately the oppor-



Courtesy of International Telephone and Telegraph Corporation

RADIO STATION, BUENOS AIRES, ARGENTINA

Transmitting station and antennae for radio service to New York.

tunity to employ these telephone services proved their necessity, and traffic generally has increased at a rate far beyond the expectation of engineers.

Three years ago only five international radiotelephone connections were possible, and all of these five were connected by land wire through the one radio circuit between the United States and England. To-day upward of 180 different connections between various countries are made possible by radiotelephone circuits. These connections are either by direct radio circuits or are fed from or into radio circuits over connecting land lines. Thus, more than 32,000,000 telephones are connected, more than 91 per cent of the world's total.

If international telegraphy, whether cable or radio, depends on the telegraph networks beyond its terminals, efficient transmission is

doubly necessary for the completion of international telephone connections. If there is a single defective link in the circuits, the spoken word is lost. It is therefore without purpose to install an international telephone circuit where the local or domestic systems are inadequate for long-distance service. It is unfortunately true that this is the case in a number of Latin American countries. There is great need in Latin America for technical improvement of local systems and for their connection with adequate long-distance lines. A country which has no complete system of telephone exchanges, connected by proper equipment, can not enjoy the advantages of international telephone communication.

In general, the development in Latin America is about that of the telephone network of the United States 30 years ago. In the United States there are now some 16 telephones for each 100 inhabitants. In all of Latin America there is an average of less than one telephone for each 100 inhabitants. This does not mean that some countries are not advancing rapidly. We can mention particularly Argentina, Brazil, Chile, Cuba, Mexico, and Uruguay. Latin American countries have been backward in building long-distance lines linking the principal centers, and there is a vast field for telephones in rural or farm regions. In many cities there are generally not enough telephones to furnish a service comparable to that recognized as essential to modern life. The value of these communication facilities makes urgent the adoption, by the various countries, of definite plans for modernization of their domestic telegraph and telephone services.

Telephone investment is one which, if the enterprise is to be safe and continuing, only pays for itself after a considerable number of years. If insufficient capital is available, only small telephone exchanges can be built which will take care merely of present needs. In this case either the exchange soon becomes unable to handle normal growth, or the passage of a few years' time may make it necessary to scrap all the equipment before it becomes actually worn out and to build a new exchange to take care of the added requirements. Under this process the return from ordinary telephone rates would never pay for the initial installation. As it normally takes anywhere from 8 to 15 years for the investment to be repaid, vision for the future is what Latin American countries need in building up their telephone facilities, which are so necessary a part of modern economic and national prosperity.

All of these things will come to pass. By land and marine wires, radio, telephone, and other means of communication, the isolation of the Americans with respect to each other is ending. It requires little vision to see the future of the countries of this hemisphere. Possessing within their borders every necessary thing, they will become the dominating factor in world economics.

# WHAT MEXICO OFFERS TO THE TOURIST

By EYLER N. SIMPSON, Ph. D.

*Senior Associate in Mexico of the Institute of Current World Affairs*

## I

MEXICO is one of the few countries in the world whose attractions for the tourist even the publicity offices of the railroad and steamship companies find it difficult to exaggerate. Were some enterprising travel agency given *carte blanche* to bring together and arrange in one place all of those features calculated to awaken the interest and stimulate the imagination of the visitor to foreign lands, it is seriously to be doubted if any improvement could be made upon the job which nature and history have done in Mexico.

Take, for example, the matter of climate. The Tropic of Cancer passes almost through the center of Mexico and thus locates the country at about the same latitude as the Sahara Desert, which is to say, in the semitropical zone. One might assume, therefore, that Mexico would be hot. As a matter of fact, nothing could be further from the truth, for fully two-thirds of Mexican territory lies high above sea level on vast plateaus created by two great mountain ranges which parallel the coast and traverse almost the entire length of the country. Situated at altitudes varying on the average from 5,000 to 8,000 feet, most of Mexico, far from being hot, is relatively cold. The yearly mean range of temperature in Mexico City, for example, is between 58° and 64° Fahrenheit.

But if you like it hot there is no difficulty in meeting your requirements in Mexico. All you have to do is to descend a few thousand feet from the uplands, and there you are with a mean range of temperature of from 77° to 82°. Climate in Mexico is a vertical rather than a horizontal question. Simply by going up or down it is possible to adjust the temperature to the individual taste.

Throughout the greater part of Mexico it rains hardly a drop from October to May. During the remaining four months of the year, it rains for a short time almost every day. Because of this curious régime, Mexico has a record of total hours of sunshine per year equaled by few other countries. Mexico City averages 2,743 hours of sunshine annually; Acapulco on the west coast averages 3,017 hours; Zacatecas, located in the central part of the country half way between the border with the United States and the capital, averages 3,085 hours. Compare these figures with 2,700 hours of sunshine each year in the famous resort town of Nice in southern France, or



Courtesy of Pan American Airways

#### RUINS OF CHICHEN ITZA, YUCATAN

This photograph of a notable center of Maya culture shows in the foreground the Temple of the Warriors, or Temple of a Thousand Columns; in the center, El Castillo, a great pyramid temple; in the upper left, the largest residential structure of the ruins, which was probably the palace of the ruler, notwithstanding the fact that it is commonly known as the Nunnery; and the Caracol, a circular observation tower.



the 2,570 hours during which the sun shines each year at Algiers in northern Africa, and you will understand why Mexico is sometimes called the land of eternal spring.

Using the generally accepted indices of inches of rainfall, degrees of temperature, hours of sunlight, etc., it is possible to give some idea of the range and variety of Mexico's climate. Unfortunately there are no similarly useful and commonly understood measuring rods which may be applied for the purpose of describing the range and variety of the Mexican landscape. This is a job for the poet and the artist. The present writer, being neither of these, can only testify to the fact that if scenery were gold, then, in hackneyed phrase, Mexico would be rich beyond the dreams of avarice. Brown sea deserts in the north, dripping tropics along the coasts and on the isthmus of Tehuantepec, and mountains everywhere rearing their heads into the sky and forever and eternally rimming the horizon—surely in few parts of the world has nature been more prodigal in the distribution of the picturesque, the exotic, and the awe-inspiring.

## II

But, after all, the climate and scenery of any land are only a background, a stage setting. However beautiful and varied a country's natural endowments may be, the primary interest of most visitors is in the subject of man and his works. Here, too, Mexico meets the test of the tourist, for it would be hard to imagine a country with a more romantic history or more visible evidences of that history than Mexico. Indeed, history in Mexico is, in a peculiarly vital sense, contemporaneous. As one writer has put it, Mexico is "the land of *mañana* in truth, as to aspiration. The land of yesterday just as well, for tradition. In reality, the land of to-day, where everything exists in the present; where it is not possible to plan long ahead, where the unexpected always happens. Life is in the present as in the stories of the Aztec scrolls where past events and future happenings, history and prophecies, are items in the day's narration."

Space does not permit even a brief review of the high lights of Mexico's past and much less a description of her colorful present. It is perhaps sufficient to remind the reader that modern Mexico is the product of a cultural and racial tradition whose roots sink more deeply into antiquity than those of perhaps any other country of the Western Hemisphere. Hundreds of years before the first colonist set foot, for example, on the shores of what is now the United States, Mexico had already developed in the Maya and Aztec nations at least two civilizations of a very high order. And unlike most nations of the New World, Mexico did not break with her indigenous culture and start life anew with transplanted European elements. On the

contrary, present-day Mexico is obviously and vividly a continuation and a development of native customs, institutions, and ways of life which were already old and established when most of the rest of the Americas was still a wilderness. The evidence of autochthonous culture in Mexico, accordingly, is to be found not only in the thousands of archæological monuments (such as the famous ruins at Chichen Itza in Yucatan or those astounding pyramids in the valley of Teotihuacan) which dot the country from one end to the other, but also in the everyday life of the people. It is the survival of the age-old

#### PYRAMID OF THE SUN

The largest of the sacred pyramids at San Juan Teotihuacan, about 25 miles from Mexico City, rises to the imposing height of 210 feet from a base covering nearly 11 acres. Unlike the pyramids in Egypt, those in Mexico did not serve as burial places for the great, but were lofty platforms for temples, reached by narrow steps in one side of the pyramid. A Mexican authority places the approximate age of the archæological remains at San Juan Teotihuacan at 2,500 to 3,000 years.



Courtesy of Eyles N. Simpson

indigenous culture, not as a museum exhibit but as a living reality, which gives the Mexican scene that essentially strange and colorful aspect which is so endlessly interesting to the tourist.

What might be called the "Indian heritage" is, however, but one element in the Mexican cultural pattern. As everyone knows, Mexico was conquered by Spain in 1521 and thereafter for 300 years ruled by the Spanish Crown. The impress of Spain is deep upon the land and the people. The principal language of the country is Spanish, the religion of the people is predominantly Catholic and Spanish, the

system of agricultural exploitation owes much to Spain—indeed, so intimately do Spanish institutions, customs, and ways interpenetrate and characterize the life of the country that it is difficult to think of Mexico except in terms of Spain and the Spanish tradition.

If anyone had deliberately set out to make the most exciting combination possible for the student and traveler, he could hardly have done better than to have taken the most highly developed of the cultures of the New World and mixed them with the traditionally most romantic culture of the Old World. And that is exactly what has taken place in Mexico.

### III

In the last few years Mexico has begun to awaken to the fact that in her sunshine, her incomparable scenery, her profusion of historical monuments, and the variegated pattern of her culture she has a treasure which may, if properly exploited, prove to be more valuable than all of her silver and copper mines and oil wells put together. It has become increasingly apparent that Mexico has as much to offer the tourist from the United States, for example, as any other country in the Western Hemisphere, or for that matter in Europe or Asia. Mexicans have been asking themselves why Mexico should not share in the golden shower which falls from the pocket-books of citizens of the United States (to mention only one nation) traveling in foreign countries to the tune of around \$850,000,000 a year? If tourists from the United States are spending over \$250,000,000 dollars each year to visit Canada on the north, why shouldn't they spend as much to visit their equally interesting neighbor on the south?

Why not, indeed? Mexico began to take stock and found that the business of catering to tourists, like any other business, was first a matter of making it easy and convenient for the customers to get to the market; second, of advertising your wares; and in the third place of protecting your clientèle from shoddy goods and in general keeping it happy and satisfied.

The first point mentioned, which relates primarily to transportation, is being tackled from all angles by both private and governmental authorities. The National Railways of Mexico have cut down the running time between Mexico City and the frontier with the United States by several hours; the rolling stock has been vastly improved, and, in cooperation with the Mexican and American immigration authorities, the formalities attendant to crossing the border have been reduced to a minimum.

In a similar fashion the principal steamship companies operating between the United States and Mexico have greatly improved their service. Not only have new and up-to-date vessels been put on the



#### PICTURESQUE MEXICAN CUSTOMS

Upper: Pottery vendors on their way to market on a road near Tlaxcala, one of the most historically interesting towns of Mexico. Right: Children attired in the native costume of Tehuantepec. Lower: Market day in Salina Cruz, port of the State of Oaxaca, on the Gulf of Tehuantepec



Courtesy of Eyley N. Simpson.

Mexican run, but, as in the case of the railroads, round-trip rates are offered at markedly reduced prices. Within the last month, in conjunction with the principal railroad running from Mexico City to Vera Cruz, a boat-train service has been inaugurated, transporting passengers directly from the dock to Mexico City, and vice versa. Also in connection with this new service custom inspections have been greatly simplified and expedited.

The most important contribution to the solution of the problem of opening up Mexico's tourist market, however, is that which is being made by the Federal Government in carrying out its national highway program. In 1925 a National Highway Commission was created and charged with the tremendous task of covering Mexico's 767,000 square miles with a network of modern roads. For the last six years this work has been pushed to the limit of the Government's resources. At the end of 1930 a total of 58,579,241 pesos had been expended, with the result that several thousand kilometers of highways are now provisionally opened to traffic; 634 kilometers (380.4 miles) are surfaced and about 621 kilometers (372.6 miles) are paved. The cost of building the national highways is being defrayed from a special tax on gasoline of six centavos per liter. (A liter is nine-tenths of a quart.)

At the present time the commission has under construction four principal highways. The first of these is the Mexican division of the Pan American Highway. This road is in two sections: One of 1,242 kilometers (approximately 770 miles) runs from Nuevo Laredo to Mexico City and one of over 1,400 kilometers (840 miles) extends from Mexico City to the boundary line with Guatemala. Work on the Nuevo Laredo-Mexico City section of this highway is being pushed as rapidly as possible (at the present time over 6,000 men are employed on this project alone), and it is expected that a provisional road passable in all seasons will be opened from the border to Mexico City before the end of the year.

The second highway will connect the port of Vera Cruz on the Gulf coast with Acapulco on the Pacific coast. The total length of this road when completed will be around 936 kilometers (about 532 miles). The Mexico City-Acapulco section is already paved as far as Cuernavaca (75 kilometers) and surfaced the remaining distance. On the Vera Cruz side, paving extends from Mexico City to Puebla and the rest of the road is in the process of being surfaced.

Another coast-to-coast highway is being built in the northern part of the Republic from Matamoras to Mazatlan. This highway will cover a distance of 1,217 kilometers (about 730 miles) and will pass through the important cities of Monterrey, Torreon, and Durango.



Copyright by Publishers Photo Service.

#### THE SAGRARIO METROPOLITANO, MEXICO CITY

The east entrance to the edifice, which is a distinct church though joined to the cathedral. Built in the eighteenth century, it is considered one of the finest examples of Churrigueresque ecclesiastical architecture in the city. The fountain in the foreground is a part of the monument erected in 1925 to Fray Bartolomé de las Casas, friend of the Indians.

The fourth main trunk-line highway is that connecting Mexico City with Toluca, Morelia, and Guadalajara, the capital of the State of Jalisco and the second largest city in the Republic. Work on this important addition to the internal system of communications in Mexico has been prosecuted with considerable vigor during the past two years.

The extent to which Mexico's new highways are opening up the country not only for international but also for internal tourist traffic may be judged from a consideration of a few statistics. Since the National Highway Commission started its work, automobile registrations in Mexico have increased by 64 per cent, or from 51,554 in 1925 to 84,791 in 1930. In the 5-year period 1926-1930 gasoline consumption increased 81.6 per cent, or from 47,470,380 to 86,253,294 gallons. Interurban bus lines are springing up as if by magic all over the country. On the national highways that have been completed 649 passenger cars and busses were registered at the end of 1930 as engaged in passenger and freight service, and the number is undoubtedly much greater at the present time.

#### IV

In connection with its road program, the Federal Government has also been active in advertising, encouraging the building of hotels, providing centers of information, and in general organizing and directing the tourist trade. In July, 1929, President Portes Gil issued a decree establishing a permanent tourist commission (*Comisión Mixta pro-Turismo*). Later, in March, 1930, the commission was enlarged and reorganized as the *Comisión Nacional de Turismo*. The duties of the commission were "to encourage domestic and international tourist travel in Mexico by all means within its reach; to direct and coordinate the work of local tourist commissions; to see that tourists may enjoy every protection and are not molested through the application of immigration and customs laws; to act as the official organ of the country for propaganda abroad, directing the efforts of consuls and commercial agents; and in general to promote and take all measures which directly or indirectly contribute to the development of tourist travel." In addition to an annual subsidy of 200,000 pesos, the Government granted the commission the right to the use of all funds collected from visitors to national monuments and from advertising along the national highways.

At the present writing the Federal Government is planning still further to extend and enlarge the activities of the National Tourist Commission, and for this purpose a new law is now in the process of being drafted by the Ministry of Government.

Private, semiofficial, and local governmental agencies have been cooperating with the efforts of the Federal authorities. The Mexican American Automobile association in Monterrey has been especially active in calling attention to and helping to solve the problems attendant on working out a system permitting the convenient entry of automobile tourists into the country. The Bank of Mexico



Courtesy of Eyer N. Simpson.

#### THE VOLCANO IXTACCHUATL

Towering over the Valley of Mexico are the peaks of Popocatepetl and Ixtaccihuatl. The latter name, the Aztec equivalent of "The White Woman," was given the volcano because of its fancied resemblance to a reclining female figure.

has created a special tourist department, which is rendering very efficient service to visitors in the capital. Within the last month the American Chamber of Commerce in Mexico City has announced its intention to raise and expend the sum of 50,000 pesos in the interest of developing tourist traffic. The campaign of the American chamber includes, among other things, the preparation of a new guide book to Mexico, the sending of 10 new photographs each month to a number of selected newspapers in the United States, and the transmission of special radio programs advertising Mexico's attractions for the tourist. Several of the provincial cities, notably Juarez, Tampico, Cuernavaca, and Durango, have established local tourist commissions.

As the result of the activities of these various agencies, and perhaps for other reasons growing out of the existence of certain laws in the United States which need not be discussed here, tourist expenditures in Mexico have greatly increased during the last few years. According to the estimate of American consular officers, the tourist traffic along the border increased from \$32,041,800 in the calendar year 1928 to \$55,642,000 in 1930. The figures for the border traffic





Courtesy of Eyley N. Simpson.

A VILLAGE ORCHESTRA IN PUEBLA

for the year 1930 as published by the United States Department of Commerce are as follows:

United States consular districts along Mexican border (arranged from west to east):	American expenditures in Mexico
Ensenada, Lower California.....	\$22, 124, 000
Mexicali, Lower California.....	<sup>1</sup> 10, 000, 000
Nogales, Sonora.....	932, 000
Agua Prieta, Sonora.....	2, 976, 000
Ciudad Juarez, Chihuahua.....	3, 500, 000
Piedras Negras, Coahuila.....	572, 000
Nuevo Laredo, Tamaulipas.....	11, 160, 000
Matamoras, Tamaulipas.....	4, 378, 000
Total.....	55, 642, 000

In addition to the above, it was estimated that \$2,467,000 was spent in 1930 by United States travelers in Mexico arriving by boat, thus raising the total American tourist expenditures in Mexico for the year to \$58,109,000.

In connection with the statistics of tourist traffic along the border, it should be remarked that the extent to which the expenditures of American tourists in frontier towns may be entered on the plus side

<sup>1</sup> Raised from \$9,391,000 to include traffic at San Luis, Ariz., plus expenditures by Americans permanently residing in the consular district.



Courtesy of Eyley N. Simpson.

#### TWO ROADS OF MEXICO

To extend its appeal to the tourist and develop the country economically Mexico is carrying out an extensive road-building program. Upper: The Mexico City-Nuevo Laredo highway traversing Tablón Hill. Work is being rushed on the final sections of this road, which will connect the United States border with the Mexican capital. Lower: The highway from Mexico City to the suburb of Xochimilco.

of Mexico's balance of trade is probable much less than the figures would seem to indicate. Indeed, *El Economista*, Mexico's leading financial journal, remarks: "At least 90 per cent of the estimated expenditures in border towns remain in these same towns in the shape of investments in the establishments financed and controlled by citizens of the United States, and thus the money simply turns around and goes back where it came from. \* \* \* By this system it would make no difference to our economy if the North Americans should spend a hundred or two hundred million dollars a year in Mexico; for the benefit accrues to the citizens of that same country who have established hotels, restaurants, casinos, cabarets, race tracks, etc.," on the Mexican side of the frontier.

## V

There are two principal problems which must be solved by those interested in fomenting and encouraging the tourist business in Mexico before that business can be greatly extended beyond its present limits. The first of these problems is the providing of more and better living and traveling facilities for tourists.

In a recent interview given to the press the Minister of Communications and Public Works in Mexico, General Juan Andreu Almazán, made the following statement: "We now have a large part of the country covered with roads, but there are no conveniences for travelers. \* \* \* Tourists are afraid to start out on a long trip on our roads because [they know] they will not find inns in which to rest, gasoline stations, stores in which to buy food, etc."

Referring to the hotel situation in the principal cities in Mexico, Lic. José Castellot, jr., stated in the First National Planning Congress in January, 1930, that "in Mexico City it is impossible to take care of more than 800 tourists; in Monterrey more than 300; and in Guadalajara and Puebla more than 200. It is easy to believe if this is the situation in Mexico City and in the other principal cities mentioned, that in the [smaller] cities of the country it would be impossible to find even 200 bad beds and the towels necessary for 200 tourists."

The second problem which must be solved if Mexico is to take her rightful place in the front rank of the nations engaged in catering to foreign travelers is that of protecting the goose that lays the golden egg. And here the reference is not to the tourist but to the country itself. Experience of other countries has shown that unless laws are passed and strictly enforced regulating the building of hotels, gasoline stations, signboards, etc., inevitably there will grow up in the wake of the tourist traffic all of the evils and the ugly disfiguring features which characterize, for example, most of the resort towns, and all but a very few of the highways in the United States. That

Mexico is already aware of this danger has been shown by the passing of that admirable law making the old colonial town of Taxco on the road from Mexico City to Acapulco a national monument, thus prohibiting the erection of signboards, gasoline stations, "Dew-Drop-Inns," and other excrescences of the motor age within the city limits. On this same road, however, in the last four years 100 signboards have been erected in the 75 kilometers between Mexico City and Cuernavaca, and Cuernavaca itself has been needlessly cluttered up with garages and the Mexican equivalent of hot-dog stands. It is to be hoped that the new law soon to be promulgated regulating the tourist industry will attack the incipient "motor slums" now present in Mexico root and branch and stop forever their further growth and multiplication.

In the beauty of her mountains, in the lovely simplicity of most of her architecture, and in the color and general "differentness" of the national scene taken as a whole, Mexico has a unique and valuable treasure. And if only Mexico will take to heart the slang phrase popular a few years ago "Be yourself," she will continue to have this treasure for an indefinite time to come; for what Mexico has to give the tourist is her own picturesque and charming self. No tourist can ask for more; Mexico can not afford to offer less.



## CHARACTER AND DISTRIBUTION OF LATIN AMERICAN FOREIGN TRADE<sup>1</sup>

By GUILLERMO A. SURO

*Editorial Division, Pan American Union*

ALTHOUGH manufacturing industries exist in all the Latin American countries, and in such cities as Buenos Aires, São Paulo, Rio de Janeiro, Santiago, Lima, Habana, and Mexico City, they represent an investment of millions of dollars, the age of industrialization has scarcely begun in Latin America. None of the Latin American countries can properly be classified as an industrial nation. Rather, the national economies of the various Republics are characterized by a predominance of agriculture, cattle raising, and mining. Their foreign trade, being an expression of their organic economic constitution, consists in the main of exports of foodstuffs and raw industrial materials and imports of manufactured commodities in various forms.

There is, nevertheless, a distinct trend in Latin America toward industrialization. Manufacturing enterprise is creating interest and the various governments are lending every encouragement in order to stimulate a desire for greater economic self-sufficiency through increased diversification of economic undertakings. This tendency is stronger in some countries than in others but in this, as in other phases of the trade of the Latin American Republics, the broadness of the subject makes generalization a necessity if the discussion is to be kept within the bounds of a brief paper.

To answer categorically the question, What does Latin America buy? by enumerating the articles or even the classes into which imports fall, would be to name nearly all the finished products of Europe or the United States. The range of Latin American imports covers nearly the whole field of human wants, from primary food products to articles of the highest luxury, but is restricted to products and manufactures in a finished or nearly finished state and includes but a comparatively small proportion of raw materials for manufacturing. Among the principal finished manufactures are textiles, machinery, furniture, automobiles, ready-made clothing, tools and

<sup>1</sup>This article is to a considerable extent based on "Foreign Trade of Latin America—1940-1929," a general survey recently compiled by the Statistical Division of the Pan American Union for the use of the delegates to the Fourth Pan American Commercial Conference, as well as on the general surveys of the foreign trade of Latin America compiled annually by the Statistical Division from the latest available official reports. Tables II, III, IV, and V are reprinted from the publication named.

hardware, office appliances, leather manufactures, agricultural implements, mining supplies and tools, engines and motors, electrical apparatus and material, and paper. Of commodities not so comprehended, the chief are lumber, gold, mineral oils, iron and steel construction material, leather, flour, canned goods, and some unwrought iron, steel, copper, and other metals.<sup>2</sup>

Generally speaking and subject to modifications arising from climatic differences in such lines as textiles and clothing, the importation of finished manufactures in kinds and qualities is, for all practical purposes, uniform with regard to all the countries. The differences in imports of finished manufactures are almost entirely confined to the class including tools, apparatus, and machinery intended for special industrial uses. Mining machinery and tools have their chief market in Mexico, Peru, Chile, Bolivia, Colombia, Central America, Venezuela, and Ecuador; agricultural machinery in Argentina, Uruguay, Chile, and Brazil. In like manner the countries that produce sugar, especially Cuba, Peru, and Brazil, import sugar-mill machinery, and the coffee and cacao producing countries—Brazil, Colombia, Venezuela, Ecuador, Central America, the Dominican Republic, and Haiti—machinery for cleaning those products.<sup>3</sup>

Finished manufactures represent the bulk of imports, but not all, and it is outside of this classification—in unfinished manufactures, raw and partly finished material, and primary foodstuffs—that one finds radical differences in imports. None of the countries are entirely devoid of some form of manufacture. For example, in all countries boots and shoes are fabricated, and bookbinding and upholstering are carried on. Therefore, the demand for leather exists in all. Domestic production supplies the demand for some, but not for all, grades and kinds of leather, and consequently the missing kinds and grades and partly finished leather goods find a sale in all countries. Nevertheless, leather-goods manufacture on a large scale is found in only 4 or 5 of the 20 countries, and these countries are the chief importers of leather.<sup>4</sup>

This trade in raw and partly manufactured materials, mainly cotton and cotton yarns, metals, industrial chemicals and leathers, is growing and will continue to grow with the development of local manufacturing industries. The trade has already assumed considerable proportions in such countries as Argentina, Brazil, Chile, and Mexico. Yet as compared with the importation of raw materials by the manufacturing countries of western Europe the Latin American market is still small.<sup>5</sup>

<sup>2</sup> See *Latin American Foreign Trade in 1928—A General Survey*, by Matilda Phillips, BULLETIN of the Pan American Union, March, 1930. Condensed summary of the General Survey published in pamphlet form.

<sup>3</sup> See *Latin American Foreign Trade in 1920—General Survey*, Pan American Union, Washington, 1922.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

In food products there is greater diversity in the imports as between the various countries than in any other class of goods. Latin America, taken as a whole, is one of the largest world producers of coffee and sugar, yet these two commodities are imported by a number of countries since some do not produce them at all and others not in quantities sufficient for domestic consumption. Flour, wheat, corn, staple meats, and dairy products are not imported by Argentina, Uruguay, Paraguay, and Chile. The two first-mentioned countries are large exporters. All the other countries import these products, especially wheat and flour. Highly elaborated foods, such as fancy biscuits and canned and bottled goods, are imported by all the countries and may be included in the category of manufactured products in which there is no essential difference in kind between the imports of one country and any other.<sup>6</sup>

Latin American exports are almost entirely primary foodstuffs and raw material for manufacturing purposes. While large in volume and great in value, they are comparatively few in number. In 1929 the 19 commodities shown in Table I comprised more than 85 per cent of the total Latin American export trade by value. The bulk of the exports of the majority of the 20 Republics consists of only one, two, or three of these products. According to the figures for 1929, the last year for which complete trade statistics are available, 73 per cent of Bolivia's exports consisted of tin; 71 per cent of Brazil's consisted of coffee; 75 per cent of Cuba's consisted of sugar, and 83 per cent of sugar and tobacco combined; crude petroleum made up 74 per cent of Venezuela's exports, and petroleum and coffee accounted for 91 per cent; 42 per cent of Chile's exports consisted of nitrate, and 84 per cent of nitrate and copper combined; and of the exports of Panama bananas composed 71 per cent of the total.

For the five Central American Republics (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) 56 per cent of the total exports consisted of coffee and 88 per cent of coffee and bananas combined. One of the countries, El Salvador, does not export bananas, and coffee alone composed 93 per cent of her total shipments; Honduras does not ship coffee in any appreciable quantity and 85 per cent of her exports consisted of bananas. Of the total exports of the other three countries (Costa Rica, Guatemala, and Nicaragua), 69 per cent consisted of coffee and 18 per cent of bananas. Coffee also composed 77 per cent of the Haitian exports, and in the neighboring Dominican Republic sugar accounted for 52 per cent, and sugar, coffee, and cacao combined for 78 per cent of the total exports.

<sup>6</sup> See *Latin American Foreign Trade in 1928*.

TABLE I.—Major Latin American export commodities in 1929

Commodity	Exporting countries <sup>1</sup>	Value	Per cent of total Latin American exports
Coffee.....	<b>Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Peru, Venezuela.</b>	\$512,000,000	17.33
Wheat and flour.....	<b>Argentina, Chile, Uruguay</b> .....	283,000,000	9.58
Sugar.....	Brazil, <b>Cuba, Dominican Republic, Ecuador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Peru, El Salvador, Venezuela.</b>	235,000,000	7.95
Petroleum and its derivatives.....	<b>Colombia, Ecuador, Mexico, Peru, Venezuela</b> .....	228,000,000	7.71
Copper.....	Bolivia, <b>Chile, Cuba, Mexico, Peru</b> .....	191,000,000	6.46
Meats.....	Argentina, Brazil, Chile, <b>Paraguay, Uruguay</b> .....	168,000,000	5.68
Corn.....	Argentina, Brazil, Ecuador, Dominican Republic, Nicaragua, Uruguay.....	164,000,000	5.55
Linseed.....	Argentina, Uruguay.....	120,000,000	4.06
Nitrates.....	<b>Chile</b> .....	118,000,000	3.90
Wool.....	Argentina, Bolivia, Brazil, Chile, Peru, <b>Uruguay</b> .....	112,000,000	3.79
Hides and skins.....	Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay, Venezuela.	94,000,000	3.18
Cotton.....	Argentina, Brazil, El Salvador, Haiti, Mexico, Paraguay, <b>Peru.</b>	55,000,000	1.86
Silver.....	Bolivia, Costa Rica, Honduras, Nicaragua, Mexico, Peru.	54,000,000	1.72
Lead.....	Bolivia, Chile, Mexico, Peru.....	50,000,000	1.69
Tobacco.....	Brazil, Colombia, Cuba, Dominican Republic, Honduras, Mexico, Paraguay.	48,000,000	1.62
Bananas.....	Colombia, <b>Costa Rica, Guatemala, Honduras, Nicaragua, Panama.</b>	44,000,000	1.48
Tin.....	<b>Bolivia</b> .....	37,000,000	1.25
Zinc.....	Bolivia, Chile, Mexico, Peru.....	33,000,000	1.12
Cacao.....	Brazil, Costa Rica, Dominican Republic, <b>Ecuador, Haiti, Nicaragua, Panama, Venezuela.</b>	27,000,000	.91

Total Latin American exports in 1929 ..... \$2,954,000,000  
 Total, 19 commodities listed ..... (\$2,570,000,000 or 87 per cent.)

<sup>1</sup> Countries in which commodity formed over 20 per cent of total exports are shown in bold-face type.

In some countries a somewhat wider range of products makes up the bulk of the exports. Copper bars, petroleum, gasoline, and cotton composed about 70 per cent of Peruvian exports in 1929. Fifty-nine per cent of Argentina's exports consisted of wheat, corn, and linseed. Various animal products (wool, frozen and chilled beef, canned meats, frozen mutton, jerked beef, meat extracts, meat offal, oxhides and sheepskins, and tallow and other fats) accounted for 77 per cent of Uruguay's exports. Sixty-one per cent of Mexico's exports consisted of five mineral products—silver, copper, lead, zinc, and crude petroleum. Fifty-six per cent of Ecuador's exports consisted of cacao, crude petroleum, and coffee, these products plus straw hats and vegetable ivory making up 71 per cent of the total.



Quebracho extract, canned meats and meat extract, cattle hides, yerba maté, and tobacco accounted for 63 per cent of Paraguay's total exports.

The prices of the majority of the Latin American export products have been at extremely low levels since the closing months of 1929. Most of these products are basic commodities with a world market; naturally the prices for which they sell respond to changes in world prosperity. There is a close relation between the market price of these commodities and the value of the Latin American import trade. When prices are low Latin American imports generally decline, since it is on the exports of these commodities that the Latin American countries depend chiefly for paying for their imports. As Governments in the majority of these countries depend largely upon indirect taxes for their ordinary revenues, a decline in exports and imports also tends to curtail national revenues.

The character of the imports and exports of the Latin American Republics suggests the main current of Latin American trade, i. e., an exchange of the foodstuffs and raw materials in which these countries specialize for export for the manufactured commodities of the leading industrial countries of western Europe and the United States. Trans-Pacific commerce—carried on principally with Japan and British India—is still a small factor in Latin American trade. The trade of the Latin American Republics among themselves consists mainly of the interchange of foodstuffs: As a rule, Peruvian sugar is sent to Chile; Argentine and Uruguayan wheat and flour to Brazil; Brazilian coffee to Argentina, Uruguay, and Chile; and Brazilian and Paraguayan yerba maté and fruits to Argentina and Chile. What little trade is carried in manufactured products is principally in cotton textiles.

In inter-Latin-American trade that of Paraguay with Argentina reaches the largest proportion. Of Paraguayan imports, 39 per cent in 1928 and 35 per cent in 1929 were contributed by Argentina, but this trade consisted largely of goods originating in other countries. On the export side, 88 per cent of the total in 1928 and 85 per cent in 1929 went to Argentina, about one-third being for transshipment to other countries, especially the United States, Germany, and the United Kingdom. The inclusion of reexports in the total trade with Argentina tends to exaggerate the importance of Paraguayan trade with that country and distort the position of the various other countries which share in the trade. Nevertheless, direct exports of various forestal and agricultural products to Argentina constitute a large share of the total Paraguayan export trade.

TABLE II.—Latin American foreign trade—1910-1929  
 (Values in thousands of dollars, i. e., 000 omitted)

Country	Imports				Exports				Total foreign trade			
	1929 per cent change from—		1929		1929 per cent change from—		1929		1929 per cent change from—		1929	
	1910	1928	1910	1928	1910	1928	1910	1928	1910	1928	1910	1928
Mexico	97,433	178,881	+96.4	101,421	130,023	290,222	295,317	+127.1	297,456	475,103	+113.9	+2.4
Guatemala	6,468	30,111	+369.9	30,399	8,914	28,212	24,028	+170.6	15,382	38,323	+148.9	+17.0
El Salvador	3,745	18,652	+493.0	17,340	7,208	23,464	18,415	+257.6	45,755	57,755	+263.0	+10.3
Honduras	2,696	12,574	+463.2	14,891	2,207	8,344	4,922	+220.6	4,902	39,430	+680.8	+10.3
Nicaragua	2,886	12,860	+445.2	14,891	5,544	11,693	10,879	+193.2	7,401	25,043	+246.3	+2.2
Costa Rica	10,857	15,860	+45.7	20,164	8,374	10,636	18,198	+117.3	16,272	37,529	+135.7	+15.4
Cuba	107,959	16,182	-85.1	19,278	1,769	4,113	4,144	+134.2	11,826	20,205	+23.4	+18.3
Venezuela	10,575	212,817	+201.2	216,215	151,271	278,070	272,440	+80.1	299,230	490,887	+68.5	+18.3
Dominican Republic	6,258	26,788	+428.1	22,729	10,850	28,755	23,796	+118.7	17,108	55,343	+221.5	+20.8
Haiti	7,682	20,248	+263.1	17,258	15,475	22,607	16,724	+8.0	23,157	42,916	+86.0	+11.0
North American Republics	253,052	547,496	+121.8	561,442	340,815	736,975	709,344	+108.1	593,867	1,284,471	+114.0	+3.9
Argentina	967,972	811,046	-127.2	836,137	377,369	1,022,872	925,132	+145.1	745,371	1,834,478	+146.2	+17.1
Bolivia	19,033	23,503	+23.8	26,097	29,493	42,367	51,103	+73.2	48,526	65,870	+36.0	+17.1
Brazil	233,575	441,826	+91.1	416,105	310,066	474,743	455,353	+46.8	545,581	916,369	+67.8	+23.6
Chile	108,582	146,044	+34.5	166,858	120,022	239,052	279,136	+132.9	235,098	476,048	+103.5	+10.2
Colombia	17,383	144,060	+723.1	172,625	17,625	148,678	147,207	+83.1	24,933	36,261	+44.9	+6.7
Ecuador	14,292	68,853	+384.5	68,853	15,410	13,056	13,056	+85.3	10,986	26,286	+141.1	+6.8
Paraguay	24,156	70,507	+292.1	75,941	34,369	126,075	134,033	+206.6	58,465	196,582	+236.1	+3.9
Uruguay	42,447	97,713	+229.9	98,500	42,573	105,251	96,467	+126.5	85,020	262,664	+194.7	+28.0
Venezuela	12,388	80,406	+550.0	87,400	17,949	117,644	150,262	+375.1	30,337	198,050	+546.0	+28.0
South American Republics	845,048	1,846,156	+123.6	1,860,065	967,783	2,262,688	2,244,825	+131.9	1,812,831	4,138,844	+128.0	+1.1
Total Latin America	1,088,100	2,393,652	+123.2	2,451,447	1,308,596	3,024,663	2,954,169	+125.7	2,446,698	5,423,315	+124.6	+3.3

TABLE III.—*Distribution of Latin American trade*

ALL LATIN AMERICA

[Values in thousands of dollars, i. e., 000 omitted]

Country	1910	1928	1929	1929 per cent change from—		Per cent of total		
				1910	1928	1910	1928	1929
Imports (total).....	1,088,400	2,393,652	2,451,447	+123.2	+2.4	100.0	100.0	100.0
United Kingdom.....	275,466	380,101	365,680	+32.7	-3.7	25.0	15.8	14.9
France.....	88,427	142,589	126,981	+43.5	-10.9	8.0	5.9	5.1
Germany.....	164,644	260,423	265,490	+61.2	+1.9	14.9	10.8	10.8
United States.....	248,801	878,904	943,728	+279.3	+7.3	22.6	36.7	38.4
Exports (total).....	1,308,598	3,029,663	2,954,159	+125.7	-2.4	100.0	100.0	100.0
United Kingdom.....	268,428	587,748	547,453	+103.9	-6.8	20.5	19.3	18.5
France.....	111,021	198,384	183,985	+65.7	+9.2	8.4	5.5	6.2
Germany.....	143,474	297,662	238,832	+66.8	-19.8	10.9	9.8	8.0
United States.....	443,042	1,037,109	1,003,105	+126.4	-3.2	33.8	34.2	33.9

Argentina and Uruguay take about 10 per cent of the exports and supply 12 per cent of the imports of Brazil. Chile is Peru's best Latin-American customer, taking about 8 per cent of its exports, mainly sugar, petroleum, and cottonseed products. Crude petroleum and petroleum products shipped to Argentina and Brazil account for about 7 and 6 per cent, respectively, of Peruvian exports; wheat and butter from Argentina constitute about 3 per cent of the imports. Uruguay has 12 per cent of her exports and 8 per cent of her imports credited to Argentina. The imports represent largely European and American goods coming through Buenos Aires for reexport, although some commodities, such as potatoes, are direct Argentine exports. Brazil furnishes about 5 per cent of Uruguayan imports, principally coffee, yerba maté, and some rice, fresh fruits, and tobacco. Argentina, Chile, and Peru supply 21 per cent of Bolivian imports, although a large part of the Chilean exports are reexports of goods received at Arica and Antofagasta. The neighboring Republic of Colombia is Ecuador's second best customer, taking 13 per cent of her exports, mainly rice and cattle products.<sup>7</sup>

Thus far we have dealt with the South American Republics. In the Republics of the northern group inter-Latin-American trade is less significant. Few of the tropical products of these countries go to the temperate parts of South America, since they find a nearer market in the United States. Of the total trade of Cuba in 1929, Mexico, Uruguay, Chile, Venezuela, Brazil, and Argentina supplied only 4 per cent of the imports and took only 2 per cent of the exports. Argentina, Brazil, Cuba, and Panama are the only Latin American countries for which figures are available in the Mexican official statistical report of the foreign trade for 1929. These countries supplied 0.6 per cent of the Mexican imports and took 2 per cent of the exports.

<sup>7</sup> These percentages are based on the foreign trade of the respective countries in 1929.

In general, it may be said that although the trade of the Latin American Republics among themselves, especially when based on climatic differences, is bound to grow as the countries develop more fully, that trade is limited to the extent that the principal markets for the foodstuffs and industrial raw materials which Latin America produces in large quantities and the sources of manufactured commodities which these countries need lie in the North Temperate Zone, especially in northwestern Europe and the United States. In a large measure the foreign trade of Latin America is complementary to the trade of the leading manufacturing countries.

Of the total Latin American trade in 1910 the United Kingdom, Germany, France, and the United States supplied 70.7 per cent of the imports and took 73.7 per cent of the exports. The increased trade of other European countries in later years, notably Belgium, Italy, and the Netherlands, has widened somewhat the distribution of Latin American trade among the industrial nations of the world. In 1928 and 1929 the United Kingdom, Germany, France, and the United States combined handled 69.1 and 67.1 per cent, respectively, of the total Latin American trade for those years as compared with 72.4 per cent in 1910.

Significant changes have taken place since 1910 in the distribution of Latin American trade among the four leading countries participating in this trade. Table III shows, among other things, the proportionate share of the United Kingdom, France, Germany, and the United States in the total imports and exports of all the Latin American Republics in 1929, as compared with 1928 and 1910. In Tables IV and V a geographical division has been made to show these data separately for the Latin American Republics in North America (including Panama, the Central American Republics, Mexico, Cuba, the Dominican Republic, and Haiti) and for the 10 South American Republics. It will be noted that in 1910 the United States led in the total Latin American trade with 29 per cent of the total, the United Kingdom came second with 22 per cent, followed by Germany and France with 13 and 8 per cent, respectively.

By segregating imports and exports, it may be seen, however, that while the United States took the largest share of total Latin American exports in 1910, it came second to the United Kingdom as a supplier of goods. The United Kingdom's premier place in South American trade (usually about three times as large as the foreign trade of the Latin Republics in North America) is shown in Table V. While in that year the United States purchased about three-fourths of the exports of the Latin Republics in North America (Table IV) and supplied them with over half of their imports, the United Kingdom dominated the foreign trade of South America, taking 24.4 per cent of the exports and furnishing 28.9 per cent of the imports.

TABLE IV.—*Distribution of Latin American trade*

## LATIN REPUBLICS IN NORTH AMERICA

[Values in thousands of dollars, i. e., 000 omitted]

Country	1910	1928	1929	1929 per cent change from—		Per cent of total		
				1910	1928	1910	1928	1929
				Imports (total).....	253,052	547,496	561,442	+121.8
United Kingdom.....	31,244	37,807	38,571	+23.4	+2.0	12.3	6.9	6.8
France.....	16,101	23,880	24,132	+49.8	+1.0	6.3	4.3	4.2
Germany.....	21,332	35,657	35,806	+67.9	+0.5	8.4	6.5	6.3
United States.....	136,109	344,023	349,231	+156.5	+1.5	53.7	62.8	62.1
Exports (total).....	340,815	736,975	709,344	+108.1	-3.7	100.0	100.0	100.0
United Kingdom.....	31,484	95,792	87,397	+177.5	-8.7	9.2	12.9	12.3
France.....	15,365	33,170	30,712	+99.8	-7.4	4.5	4.5	4.3
Germany.....	21,578	45,791	48,348	+124.0	+5.5	6.3	6.2	6.8
United States.....	251,579	465,433	443,163	+76.1	-4.7	73.8	63.1	62.4

TABLE V.—*Distribution of Latin American trade*

## SOUTH AMERICAN REPUBLICS

[Values in thousands of dollars, i. e., 000 omitted]

Country	1910	1928	1929	1929 per cent change from—		Per cent of total		
				1910	1928	1910	1928	1929
				Imports (total).....	845,048	1,846,156	1,890,005	+123.6
United Kingdom.....	244,222	342,294	327,109	+36.9	-4.4	28.9	18.5	17.3
France.....	72,326	118,709	102,849	+42.2	-13.3	8.5	6.4	5.4
Germany.....	143,312	224,766	229,654	+53.9	+2.1	16.9	12.1	11.6
United States.....	112,692	534,881	594,497	+427.5	+11.1	13.3	28.9	31.4
Exports (total).....	967,783	2,292,688	2,244,825	+131.9	-2.0	100.0	100.0	100.0
United Kingdom.....	236,944	491,956	460,056	+94.1	-6.4	24.4	21.4	20.4
France.....	95,656	135,211	153,273	+60.2	+13.3	9.8	5.8	6.8
Germany.....	121,596	251,871	190,484	+56.6	-24.3	12.5	10.9	8.4
United States.....	191,463	571,676	559,943	+192.4	-2.0	19.7	24.9	24.9

The changed position in 1929 of the four leading competitors in Latin American foreign trade is clearly shown in the tables. The United States continues to lead in the aggregate trade of all the Latin American Republics with 36 per cent of the total. In contrast with 1910 it not only buys the largest share of Latin American exports but is also the principal source of Latin American imports. It maintains its primary in the trade with the Latin Republics in North America, and has surpassed the United Kingdom in the South American markets, far outdistancing Germany and France.

The remarkable development of the United States trade with Latin America has been attributed by many to the fortuitous assistance of the World War. To do this is to ignore the economic forces underlying this trade, at play before the war, which were perhaps accelerated and exaggerated by abnormal war conditions but which resumed their natural development after the cessation of hostilities.

The immediate result of war was a shifting in the distribution of the trade among the group of industrial countries which shared the major portion of Latin American trade: the United Kingdom, Germany, France, Belgium, and the United States. Belgium lost her trade entirely and German trade disappeared, except for some clandestine shipments. Latin American exports to England and France increased in value about 49 and 30 per cent, respectively, during the four war years as compared with the four previous. The exports of these two countries to Latin America fell off one-third and one-half, respectively, notwithstanding the advance in prices. United States trade increased about 99 per cent on the import side and more than double on the export side. Of course, in comparing imports and exports during the war with those of pre-war years allowance must be made for inflated war values.<sup>8</sup>

Since the war and the world depression of 1921 and 1922 and up to the present time the United States has kept its lead in Latin American trade in competition with Europe. Had its dominant position been an outgrowth of the war rather than the logical result of economic evolution the United States would have lost its premier place in Latin American trade when normal peace conditions set in. But this gradual evolutionary process had its inception long before the war. Already in 1910 the United States consumed the largest share of Latin American exports. This preponderance in Latin American export trade was attained 30 years or more before 1913, the year in which the United States reached the premier position in Latin American import trade. The two events did not synchronize nor was one the cause of the other. Both grew out of the rapid industrialization of the United States—a movement which gathered momentum in the last two or three decades of the nineteenth century and is not yet completed. It was this fundamental change in the economic make-up of the country, reflected in an increase of manufacturing industries which far outdistanced those of Europe, that drew the hides, wool, rubber, metals, and other raw materials of Latin America to the manufacturing plants of the United States. The constantly increasing domestic consuming power which contributed to making the United States the greatest manufacturing nation in the world also drew the coffee, sugar, cacao, bananas, and other tropical foodstuffs.<sup>9</sup>

Why did the United States not export to Latin America as largely as the United Kingdom and Germany before 1913? The reason is plain if one considers that within the boundaries of the United States lay a land area of 2,974,000 square miles completely free to trade, bound

<sup>8</sup> See *Latin American Foreign Trade in 1918—General Survey*. Pan American Union, Washington, 1920.

<sup>9</sup> *Id.*

together with the most efficient means of transportation and communication, and settled by a population which consumed three or four times as many manufactured goods as the United Kingdom and Germany combined. The domestic needs of the leading countries of Europe were satisfied sooner and export became a necessity there earlier than in the United States.

The ever-increasing demands of the domestic market of the United States and the increasing efficiency in production and merchandising to satisfy these demands is the base which strengthens the present commercial relations between that country and Latin America. United States exports to Latin America represent the enormous price and quality advantages made possible by the efficient mass production, standardization and mechanization necessary to supply a home market of such a great size and remarkable uniformity.

In view of the requirements of this market for the products of the Latin American forests, mines, and farms it is easily comprehensible why the importation of these products was 126 per cent greater in 1929 than in 1910. During the same period the United States exports to Latin America increased 279 per cent, yet with the exception of the years 1921 and 1922 this country has always bought more from its southern neighbors than it has sold to them.



## FOREIGN INVESTMENTS IN THE AMERICAN REPUBLICS

By WILLIAM MANGER, Ph. D.  
*Chief, Division of Finance, Pan American Union*

IN the following pages an attempt has been made to present figures showing the investment of foreign capital in the various republics of the American Continent. Numerous estimates of this nature have been attempted, most of them unofficial in character, with widely varying results. This compilation does not presume to be the result of an original investigation. Rather is it the presentation of estimates heretofore made by others, which have been checked and brought up to date so far as available data permitted.<sup>1</sup>

From the very nature of the subject the figures offered must be considered merely as approximations. In only a few countries have thorough scientific investigations been undertaken to determine the extent of foreign capital invested, and in these cases the difficulties involved in conducting the inquiry have usually resulted in range estimates, to allow for omissions and for calculations that might be in excess of the actual investments. It is, therefore, with these considerations in mind that the following figures are here set down.

### LATIN AMERICA AS A WHOLE

The investing countries themselves have frequently made estimates of the amount of capital invested by their nationals in foreign countries. This is particularly true of the United States and Great Britain, the two leading nations exporting capital to Latin America, and to the world as a whole.

<sup>1</sup> In footnote references the following abbreviations are used:

SAJ—South American Journal, London.

RRP—Review of the River Plate. Buenos Aires.

REA—Revista de Economía Argentina. Buenos Aires.

TIB 362—Investments in Argentina. Trade Information Bulletin No. 262, United States Department of Commerce, Washington.

TIB 767—A New Estimate of American Investments Abroad. Trade Information Bulletin No. 767, United States Department of Commerce.

TIB 466—Investments in Bolivia. Trade Information Bulletin No. 466, United States Department of Commerce.

Kimber's, 1930—Kimber's Record of Government Debts, 1930. Overseas Statistics (Inc.), New York.

TIB 426—Investments in Chile. Trade Information Bulletin No. 426, United States Department of Commerce.

TIB 382—Investments in Uruguay and Paraguay. Trade Information Bulletin No. 382, United States Department of Commerce.



As of January 1, 1931, the total of United States capital invested in all of Latin America was estimated by the United States Department of Commerce as ranging from \$5,150,000,000 to \$5,350,000,000, or more than one-third of the total of United States foreign investments.

British investments in Latin America in 1930, on the basis of quotations on the London Stock Exchange, were estimated at \$5,900,000,000 (\$5,901,067,248) (£1,214,211,368). This total is divided into Government bonds, \$1,644,946,038 (£338,466,263); railways, \$2,410,107,588 (£495,906,911); banks and shipping, \$211,132,027 (£43,442,804), and miscellaneous enterprises, \$1,634,881,595 (£336,395,390).<sup>2</sup>

## ARGENTINA

The principal sources of foreign capital invested in Argentina are Great Britain and the United States, estimates of the amount of capital from these countries having been made as follows:

Great Britain.....	\$2, 200, 000, 000
United States.....	750, 000, 000

Estimates of foreign capital invested in Argentina have varied widely. From Argentine sources Dr. Alberto B. Martínez in 1918 placed outside capital in the country at from four to four and a half billion dollars,<sup>3</sup> while an estimate made in 1927 by Dr. Alejandro E. Bunge reduced the total to \$3,053,000,000 (7,025,000,000 paper pesos).<sup>4</sup> On the basis of figures obtained from the leading investing countries themselves, and after making allowance for increases since 1927, it would appear that the latter estimate were more nearly correct. Doctor Bunge divided foreign capital in Argentina as follows: Railways, \$1,317,368,000 (3,107,000,000 pesos); loans, \$742,000,000 (1,750,000,000 pesos); mortgages, \$304,432,000 (718,000,000 pesos); banks, \$88,192,000 (208,000,000 pesos); and other enterprises, \$536,608,000 (1,242,000,000 pesos). Of the total, Great Britain was credited with \$1,992,800,000 (4,700,000,000 pesos); the United States with \$487,600,000 (1,150,000,000 pesos); and other countries with \$498,200,000 (1,175,000,000 pesos).

The total amount of British capital invested in Argentina at the beginning of 1930, as quoted in the London Stock Exchange lists, was \$2,103,005,980 (£432,717,280). This was divided as follows: Government bonds, \$306,202,929 (£63,004,718); railways, \$1,256,004,525 (£258,437,145); and miscellaneous, \$540,798,526 (£111,275,417). As British investments in Argentina in recent years have been increasing

<sup>2</sup> SAJ, Jan. 21, 1931.

<sup>3</sup> RRP, June 7, 1918.

<sup>4</sup> RRP, Jan. 20, 1928; REA, February, 1928.

at the rate of eight to ten million pounds annually, the total of British investments should now approximate \$2,200,000,000.<sup>5</sup>

This figure compares with total investments in 1913 of \$1,738,-629,582 (£357,740,661). In the intervening years British holdings in the railways and miscellaneous companies have steadily increased, but have tended to decline in Government bonds as sinking fund operations have reduced the principal, since new Government financing has been done in other markets, principally New York.<sup>6</sup>

Various figures have been published as to the extent of other foreign investments in Argentina. In a report issued a few years ago by the United States Department of Commerce,<sup>7</sup> France is reported to have placed in Argentina \$500,000,000 and Germany about \$250,000,000 prior to 1916, which latter sum, however, was believed to have been substantially reduced by the disposal of certain German holdings. In his estimate of 1927 Doctor Bunge placed all investments other than British and American at 1,175,000,000 paper pesos.

A detailed and comprehensive survey undertaken by the United States Department of Commerce puts direct investments of the United States in Argentina at the end of 1930 at \$358,519,000.<sup>8</sup> Since Argentine Federal Government, provincial, and municipal bonds offered in the United States and at present outstanding amount approximately to \$449,258,000, the total of American investments in Argentina may be placed at about \$807,777,000. Of the direct investments, the major sums have gone into communications and transportation; manufacturing industries, of which meat packing is the biggest item; and selling and distribution.

#### BOLIVIA

Various estimates have been made of foreign investments in Bolivia, the total, on the basis of calculations which are believed to be reasonably accurate, being about \$200,000,000, distributed as follows:

United States.....	\$116,000,000	Chile.....	\$15,000,000
Great Britain.....	43,000,000	France.....	10,000,000

American direct investments, in the estimate recently compiled by the United States Department of Commerce, are placed at \$61,619,-000, of which more than \$40,000,000 represents investments in mining and smelting.<sup>9</sup> Indirect investments representing Bolivian loans floated in the United States and at present outstanding total approximately \$54,424,000.

<sup>5</sup> SAJ, Aug. 16, 1930.

<sup>6</sup> FAJ, Aug. 16, 1930.

<sup>7</sup> TTB 962.

<sup>8</sup> TTB 767.

<sup>9</sup> TTB 767.

Investments of Great Britain in Bolivia were estimated a few years ago at \$43,000,000,<sup>10</sup> represented chiefly by British holdings in railroads, mines, merchandising, manufacturing, oil, and miscellaneous enterprises.

Bolivia has also been the recipient of considerable sums of Chilean capital, the total investments of that nation in Bolivia amounting to about \$15,000,000, chiefly in mining and oil companies. About \$10,000,000 of French capital has also been invested in Bolivia, largely in mining industries and in public utility enterprises. Until recent years French capital dominated in Bolivia, and French investments were greater than those of any other nation until the refunding several years ago of a number of Government loans outstanding in France.

#### BRAZIL

Great Britain and the United States have been the principal investors of capital in Brazil. Estimates of capital furnished by these countries have been made as follows:

Great Britain .....	\$1,400,000,000
United States .....	557,000,000

British investments at the beginning of 1931 were placed at \$1,396,-310,805 (£287,306,750), on the basis of quotations on the London Stock Exchange. The greater portion of British interests in Brazil was represented by holdings of Government bonds—Federal, State, and municipal. These represent more than half the total, or \$819,-921,040 (£168,708,033). Holdings in railways amounted to \$236,-529,095 (£48,668,538), and in miscellaneous industries and enterprises to \$339,860,670 (£69,930,179).<sup>11</sup>

United States direct investments in Brazil at the end of 1930 were placed at \$210,166,000 by the United States Department of Commerce<sup>12</sup> and indirect investments, including Brazilian Federal, State, and municipal Government bonds outstanding at present, are approximately \$346,835,000, making a total in round figures of \$557,-000,000. The major portion of the direct investments has been made in communications and transportation; manufacturing industries; and selling and distributing enterprises.

Considerable sums have also been invested in Brazil by France, Germany, Portugal, Canada and Italy. French investments a few years ago were estimated at more than 2,200,000,000 francs, of which one and a half billion francs were in industrial enterprises, and the balance in loans to the Federal, State, and municipal Governments.<sup>13</sup>

<sup>10</sup> TIB 466.

<sup>11</sup> SAJ, Aug. 1, 1931.

<sup>12</sup> TIB 767.

<sup>13</sup> "Brazilian Business," Rio de Janeiro, November, 1926. Kimber's, 1930.

The sums invested by the other countries mentioned have been placed at \$300,000,000. It would appear, however, that these estimates have not been arrived at after the same careful check as has characterized the American and British estimates, and should consequently be considered merely as broad approximations.

## CHILE

The following apparently conservative estimates have been made of foreign investments in Chile:

United States.....	\$700,000,000
Great Britain.....	330,879,365
Germany.....	125,000,000

At the beginning of 1931 British capital invested in Chile was estimated at \$330,879,365 (£68,082,174). During the past few years British investments in Chile have tended to decline, because of the disposal of large holdings in Chilean electrical and other interests. The division of British investments in Government bonds, railways, and miscellaneous enterprises is as follows, based on the amount outstanding and quoted on the London Stock Exchange:<sup>14</sup>

Government bonds.....	\$136,788,602 (£28,145,803)
Railways.....	103,234,589 (£21,241,685)
Miscellaneous.....	90,856,174 (£18,694,686)

There is now more United States capital invested in Chile than that of any other country, large sums having been placed in governmental bonds, as well as in the development of the vast natural resources of the country, particularly the mineral deposits. Direct investment of United States capital at the end of 1930 was placed, in a recent study of the United States Department of Commerce, at \$440,843,000 of which more than \$330,000,000 was in mining and smelting and \$66,000,000 in communication and transportation.<sup>15</sup> Chilean bonds, offered and outstanding in the United States, are estimated at about \$260,092,000, making the total of United States capital invested in Chile approximately \$700,000,000.

In a report prepared in 1926 by the United States Department of Commerce,<sup>16</sup> German investments in Chile were estimated at about \$125,000,000. It is not believed that the total of German capital has varied widely from this sum in the last five years. Other foreign capital, including French, Spanish, Italian, and Dutch, has been invested in Chile, but no accurate estimates of the amounts are available.

<sup>14</sup> SAJ, Aug. 8, 1931.

<sup>15</sup> TIB 767.

<sup>16</sup> TIB 426.

## COLOMBIA

The greater proportion of foreign capital invested in Colombia has come from the United States, the investments of this country being several times greater than those of any other nation. Estimates of foreign investments in Colombia are as follows:

United States .....	\$300,000,000
Great Britain .....	42,000,000

British investments at the beginning of 1930 were \$41,843,666 (£8,609,808), which represented an increase of about \$5,000,000 over the previous year, but a decrease of about \$13,500,000 from the investments in 1923, when British holdings amounted to about \$55,000,000. British investments in Government bonds amount to \$14,191,399 (£2,920,041); in railways, to \$14,190,422 (£2,919,840); and in miscellaneous enterprises, to \$13,461,845 (£2,769,927).<sup>17</sup>

United States capital placed in Colombian bonds of the National Government, the Departments, municipalities, and banks, and at present outstanding, is approximately \$171,698,000. The direct investment of American capital in Colombia amounted to \$129,994,000 at the end of 1930,<sup>18</sup> according to the estimates of the United States Department of Commerce, making a total investment of United States capital in that country of approximately \$300,000,000. The interests of the United States in Colombia as represented by direct investments are more varied than in most of the other Latin American countries, and include oil lands, in which the investment amounts to about \$56,000,000; public utilities, including railroad, electric power and light, and telephone and cable companies; fruit and sugar plantations, cattle ranches, and coffee plantations; mines; and manufacturing, selling, and distributing enterprises.

Investments in Colombia have also been made by Belgium, France, and Germany, but no reliable estimate appears to exist as to the extent of these holdings.

## COSTA RICA

The greater portion of the foreign capital invested in Costa Rica has come from the United States and from Great Britain. British capital invested in the Republic has been estimated at approximately \$26,000,000 and that of the United States at \$32,000,000. French investments to the extent of \$4,200,000 and German capital to the value of \$2,500,000 is also believed to have been invested in the country.<sup>19</sup>

At the end of 1930 the direct investment of United States capital in Costa Rica was placed at \$22,416,000.<sup>20</sup> The greater proportion of

<sup>17</sup> SAJ, Nov. 15, 1930.

<sup>18</sup> TIB 767.

<sup>19</sup> Kimber's, 1930.

<sup>20</sup> TIB 767.

this has been placed in agriculture and in communications and transportation. The indirect investment of American capital, as represented by Costa Rican bonds, is approximately \$10,247,000.

Of the British investments, more than \$7,800,000 is represented by Costa Rican Government bonds floated in London; and more than \$15,000,000 by investments in railways.

## CUBA

Estimates of foreign investments in Cuba, particularly the investment of capital from the United States, have varied widely. The most important investors in the Republic are the United States and Great Britain; recent estimates of the holdings of these countries are as follows:

United States.....	\$1,066,000,000
Great Britain.....	206,000,000

In the study made by the Department of Commerce of the United States of direct investments in foreign countries, United States capital in Cuba was estimated at \$935,706,000.<sup>21</sup> More than half of this sum, or \$544,012,000, is represented by investments in the sugar industry. Other important items in which capital of the United States has been invested includes railways (\$117,000,000), other forms of communication and transportation, and manufacturing and distributing enterprises. The indirect investment of capital as represented by long-term Cuban Government securities offered in the United States and at present outstanding is approximately \$130,000,000.

This estimate of United States capital invested in Cuba is nearly \$500,000,000 less than that made by other investigators. The difference arises principally with respect to the sugar industry. For instance, in 1928 the Cuban-American Chamber of Commerce placed American investments in that industry at \$800,000,000, while Leland H. Jenks in the same year placed the total at \$600,000,000. The United States Department of Commerce, however, believes both these figures too high, as reflecting the optimism generated by the prosperity of the sugar industry at that time, and considers that \$544,012,000 is more nearly correct.

British investments in Cuba at the beginning of 1931 amounted to \$177,663,953 (£36,556,369), which represents a decrease of nearly \$30,000,000 from the previous year. Most of the British capital invested in Cuba is in the railways, viz, the United Railways of Habana and the Regla Warehouses. British investments in Government bonds at the beginning of 1931 amounted to \$24,853,554 (£5,113,900);

<sup>21</sup> TIB 767.

in railways to \$142,250,319 (£29,269,613); and in miscellaneous enterprises to \$10,560,080 (£2,172,856).<sup>22</sup>

## DOMINICAN REPUBLIC

Foreign investments in the Dominican Republic are represented principally by capital of the United States, the total of which is thought to be approximately \$87,000,000. In a study of the United States Department of Commerce,<sup>23</sup> direct investments of the United States were estimated at \$69,822,000, of which more than \$61,000,000 was in the sugar industry. Loans of the Dominican Government outstanding in the United States amount to about \$17,000,000.

## ECUADOR

United States capital in Ecuador has been estimated by the United States Department of Commerce at \$11,777,000,<sup>24</sup> although other estimates have placed these investments as high as \$25,000,000.<sup>25</sup> Direct investments account for virtually all of this sum, as there have been no Ecuadorean bond issues offered in the United States.

British investments in Ecuador are represented principally by holdings of Government bonds and by investments in railways and other enterprises. The amount of British investments in Ecuador has been estimated at about \$20,000,000.<sup>26</sup>

## EL SALVADOR

Direct investment of United States capital in El Salvador at the end of 1930 was estimated by the United States Department of Commerce at \$29,466,000.<sup>27</sup> Government bonds offered in the United States and at present outstanding amount to approximately \$5,266,000, making a total of about \$35,000,000 of United States capital in El Salvador. Of the direct investments, the greater sum has been placed in railways, as represented by the International Railways of Central America.

British interests in El Salvador are represented principally by the ownership of the Salvador Railway, and in holdings of Salvadorean Government bonds. Securities of the former quoted on the London Stock Exchange amount to nearly \$4,000,000 while Government bonds offered in London and still outstanding amount to about \$4,800,000.

No figures appear to be available of the extent of other foreign investments in El Salvador.

<sup>22</sup> SAJ, Sept. 5, 1931.

<sup>23</sup> TIB 767.

<sup>24</sup> TIB 767.

<sup>25</sup> Max Winkler, "Investments of United States Capital in Latin America." World Peace Foundation Pamphlets, Boston, 1928.

<sup>26</sup> RFA, November, 1928.

<sup>27</sup> TIB 767.

## GUATEMALA

The United States, Great Britain, and Germany have been the principal investors in Guatemala, the estimates of the capital of each country being as follows:

United States.....	\$75,000,000
Great Britain.....	25,000,000
Germany.....	12,500,000

The total direct investment of United States capital in Guatemala was estimated by the United States Department of Commerce at the end of 1930 at \$70,729,000.<sup>28</sup> The bulk of this capital has been placed in communications, as represented by the International Railways of Central America, and in fruit growing, as represented by the activities of the United Fruit Co. Indirect investment of American capital in Guatemala amounts to about \$4,378,000.

British and German capital is represented principally by investments in public utilities, coffee plantations, banks, etc.

## HAITI

Foreign capital in Haiti is made up largely of investments of the United States. According to the Department of Commerce of the United States, direct investment of United States capital at the end of 1930 amounted to \$15,191,000, of which more than \$8,000,000 was in the sugar industry.<sup>29</sup> The foreign debt of Haiti is composed largely of bonds offered in the United States. Recent figures place the amount of Haitian bonds outstanding in the United States at about \$13,000,000, which would make the total United States investments in Haiti approximately \$28,000,000.

## HONDURAS

The estimate of United States investments in Honduras, according to the figures compiled by the United States Department of Commerce, reaches \$71,735,000, as of the end of 1930.<sup>30</sup> These investments are represented principally by capital engaged in the development of the banana industry and the mineral resources of the country, and in the construction of railways and other means of communication necessary to the development of these industries.

No estimates appear to have been made of the extent of other foreign investments in Honduras.

## MEXICO

Vast sums of foreign capital have been invested in Mexico, principally by Great Britain and the United States. Other important

<sup>28</sup> TIB 767.

<sup>29</sup> TIB 767.

<sup>30</sup> TIB 767.



investors in this country are France, Spain, and Germany. As in the case of other countries, the various estimates that have been made of the amount of foreign investments in Mexico have differed widely. The following may be quoted:

Great Britain.....	\$937,000,000	Spain.....	\$195,000,000
United States.....	*695,000,000	Germany.....	75,000,000
France.....	290,000,000		

\* Direct investments only.

Direct investments of the United States in Mexico, as determined by the United States Department of Commerce at the end of 1930, amount to \$694,786,000.<sup>31</sup> Approximately \$200,000,000 of the total is invested in the production and refining of petroleum; about \$230,000,000 in mining and smelting; about \$73,000,000 in railroads; \$90,000,000 in other forms of communications and transportation; and \$58,000,000 in agriculture.

Estimates of the proportion of the national debt of Mexico held in the United States have also varied greatly, the figures ranging from \$22,000,000<sup>32</sup> to \$160,000,000.<sup>33</sup> On the basis of the former figure the total of United States capital invested in Mexico, direct and indirect, is \$704,536,000. This figure may be compared with an estimate of \$695,000,000 made in 1927 from reports submitted by United States Consular officers in Mexico. Edgar Turlington (*Mexico and her Foreign Creditors*, Columbia University Press, New York, 1930, p. 319) has placed these indirect investments at \$115,785,000, which would bring the total of United States capital in Mexico to \$800,000,000. Because of the uncertainty of the proportion of Mexican bonds held in the United States, the Department of Commerce made no estimate of indirect investments in Mexico.

At the beginning of 1929 British investments in Mexico were estimated at \$937,295,702 (£199,029,980). Approximately 50 per cent of British capital in Mexico, or \$478,166,873 (£99,932,690), is invested in railways; \$188,562,329 (£38,784,430) in Government bonds, and the remainder, or \$293,120,499 (£60,312,860) in miscellaneous enterprises, particularly in the petroleum industry.<sup>34</sup>

Estimates made some years ago of other foreign capital in Mexico placed French investments at \$290,000,000, Spanish capital at \$190,000,000, and German at \$75,000,000.<sup>35</sup>

In this estimate French holdings of bonds of the external debt of Mexico were placed at \$105,000,000, and French investments in railways at \$32,000,000, and in manufacturing industries at \$56,000,000. The greater portion of Spanish investment in Mexico has,

<sup>31</sup> TIB 767.

<sup>32</sup> Kimber's, 1930, quoting the United States Department of Commerce.

<sup>33</sup> Max Winkler, *op. cit.*

<sup>34</sup> SAJ, Sept. 7, 1929.

<sup>35</sup> "The Pulse of Mexico," Mexico City, May, 1922.

according to this estimate, been in agricultural lands, where \$125,000,000 has been placed, other investments being in manufacturing industries, wholesale and retail business enterprises, and petroleum. German investments have been made in manufacturing industries to the extent of \$22,000,000, and in agricultural lands, banks, and selling and distributing enterprises.

#### NICARAGUA

Direct investment of United States capital in Nicaragua was estimated by the United States Department of Commerce at the end of 1930 at \$13,000,000.<sup>36</sup> The foreign debt of Nicaragua is represented by two outstanding loans. One of these, the emission of customs bonds of 1918, is held to some extent in the United States. The total of United States capital invested in Nicaragua would therefore be somewhat more than \$13,000,000, which has been invested principally in the development of the fruit and lumber industries and in mining.

No detailed estimates of the extent of other foreign investments in Nicaragua appear to exist, but it is not believed that the total of all foreign investments exceeds \$20,000,000.<sup>37</sup> Of the sterling loan of 1909, approximately \$2,800,000 is outstanding.

#### PANAMA

United States capital invested in Panama was estimated by the United States Department of Commerce at the end of 1930 at \$28,709,000 in direct investments, made up of fruit and agricultural developments, public utility enterprises, etc.<sup>38</sup> Since indirect investments as represented by Government and other bond issues floated in the United States and outstanding at the present time amount to about \$18,000,000, the total of United States capital invested in the country is approximately \$46,000,000.

No estimates appear to have been made of other foreign investments in Panama. Of the foreign bond issues of the Republic, three have been floated in Canada, and of these approximately \$2,000,000 remain outstanding.

#### PARAGUAY

Argentina, Great Britain, France, and the United States have been the principal foreign countries placing capital in Paraguay. The total of all foreign investments in Paraguay is about \$70,000,000.<sup>39</sup>

Argentine capital in Paraguay as early as 1912 had been placed at \$30,000,000, greater than that of any other country. Argentine in-

<sup>36</sup> TIB 767.

<sup>37</sup> Kimber's, 1930; "The Foreign Securities Investor," New York, Mar. 16, 1927.

<sup>38</sup> TIB 767.

<sup>39</sup> Kimber's, 1930.

terests are broad in scope and include land and timber developments, yerba maté plantations, and cattle.<sup>40</sup>

Investments of British capital are placed at from \$15,000,000 to \$20,000,000, represented principally by the Central Paraguay Railroad, Government bonds, and interests in lands, cattle, and yerba maté plantations.<sup>41</sup>

French capital, to the extent of about \$5,000,000, has been placed in Paraguay, chiefly in banks and in cattle lands.<sup>42</sup>

At the end of 1930 United States investments in Paraguay were estimated by the United States Department of Commerce at \$12,615,000, represented chiefly by holdings in cattle, agricultural, and forest enterprises.<sup>43</sup> No Paraguayan Government loans have been offered in the United States.

## PERU

The total of foreign investments in Peru was estimated a few years ago at approximately \$300,000,000.<sup>44</sup> During the past few years foreign capital in Peru, especially from the United States, has increased considerably and may now be placed at about \$400,000,000, made up as follows:

United States.....	\$200,000,000	Germany.....	\$22,000,000
Great Britain.....	130,000,000	France.....	5,000,000
Italy.....	10,000,000	All others.....	10,000,000

British capital in Peru at the beginning of 1930, on the basis of issues quoted on the London Stock Exchange, amounted to \$130,385,538 (£26,828,300). This represents an increase of about \$3,237,586 (£666,170) over the preceding year, but a decrease of about \$2,008,696 (£413,312) from the high of 1926. Of the total British capital in Peru, about 75 per cent or \$98,217,684 (£20,209,400) is represented by a single organization—the Peruvian Corporation. British holdings of Government bonds amount to \$17,570,358 (£3,615,300); and \$1,944,000 (£400,000) has been invested in railways. The relatively small amount of British capital invested in the railways is explained by the fact that the Peruvian Corporation controls about 80 per cent of the rail lines within the country. Other important interests of Great Britain in Peru are in the petroleum fields.<sup>45</sup>

United States capital in Peru amounts to about \$200,000,000, of which approximately \$75,000,000 is represented by Peruvian Government bonds, and the remainder by direct investments. The United States Department of Commerce, at the end of 1930, estimated direct

<sup>40</sup> TIB 382.

<sup>41</sup> TIB 382.

<sup>42</sup> *Ibid.*

<sup>43</sup> TIB 767.

<sup>44</sup> "Peru, a Commercial and Industrial Handbook," United States Department of Commerce, Washington, 1925.

<sup>45</sup> S.A.J., Oct. 4, 1930.

American investments in Peru at \$124,742,000. About two-thirds of this total, or \$79,490,000, was in smelting and refining; \$11,260,000 in communications and transportation; and the balance in miscellaneous enterprises, including petroleum development, manufacturing, and selling and distribution.

Estimates of Italian investments in Peru have varied widely, ranging from \$10,000,000<sup>46</sup> to \$50,000,000.<sup>47</sup> It would appear, however, that the former figure is more nearly correct if consideration is given only to that capital which originated in Italy, and acquisitions of property by Italian residents in Peru are excluded.

German capital has been estimated at from \$20,000,000 to \$25,000,000, occupied principally in agricultural and mercantile enterprises.

#### UNITED STATES OF AMERICA

Although the greatest creditor nation of the world, the United States of America is also one of the leading debtor countries. No census of foreign long-term capital in the United States has ever been taken, but in the *Balance of International Payments for 1930* the United States Department of Commerce placed these investments at probably \$4,700,000,000. The figure is based on estimates submitted by consuls and commercial attachés of total holdings of United States investments by persons in foreign countries, but in using the figures the department emphasized that they were mere estimates, and in some instances hardly more than guesses.

According to this compilation, Great Britain had the largest amount of long-term investments in the United States at the end of 1929, with holdings of \$1,560,000,000, followed by Canada with investments of about \$935,000,000. The Netherlands, Germany, and France followed, with around \$400,000,000 each. Mexico and Cuba were estimated to have \$100,000,000 and \$60,000,000, respectively, invested in the United States.

#### URUGUAY

British investments in Uruguay at the beginning of 1931 totaled \$200,902,048 (£41,337,870). Of this sum, \$100,173,119 (£20,611,753) was in Government bonds; \$72,729,739 (£14,964,967) in railways; and the balance, \$27,999,189 (£5,761,150), in miscellaneous enterprises.<sup>48</sup>

This total is a decrease of more than \$25,000,000 (£5,148,986) from the high of 1923, which is accounted for principally by the amortization of Government loans held in England. British holdings of Uruguayan Government loans at the beginning of 1930 were placed

<sup>46</sup> Kimber's, 1930; and Department of Overseas Trade, Report on the Commercial, Economic, and Financial Conditions in Peru. His Majesty's Stationery Office, London, 1927.

<sup>47</sup> "Peru, a Commercial and Industrial Handbook."

<sup>48</sup> SAJ, Aug. 22, 1931.

at \$101,206,890 (£20,824,463). Large sums of British capital have also been placed in the railways of Uruguay, the total at the beginning of 1930 amounting to \$71,940,587 (£14,802,590). In miscellaneous enterprises, represented chiefly by Liebig's Extract & Meat Co., British capital to the extent of \$26,296,799 (£5,410,864) has been invested.

United States capital to the value of approximately \$81,000,000 has been invested in Uruguay. This is composed of \$27,904,000 in direct investments and about \$53,171,000 in indirect investments as represented by Government bonds—national and municipal—offered in the United States. Of the direct investments, the estimate of the United States Department of Commerce placed the greater proportion in manufacturing, selling, and distribution.<sup>49</sup>

Other foreign investments in Uruguay were estimated several years ago at \$272,160,000 (£56,000,000).<sup>50</sup> Apparently no details are available, however, as to the division of these investments, nor do any recent estimates of other foreign investments seem to have been made.

#### VENEZUELA

Foreign investments in Venezuela have increased enormously during recent years, owing almost entirely to the expansion of the petroleum industry in that country.

Investment of British capital in Venezuela at the beginning of 1930 was estimated at \$124,667,690 (£25,651,788), which is an increase of about 65 per cent during the seven preceding years. This total included \$4,890,910 (£1,006,360) of bonds of the foreign debt, which the Government paid off early in 1931. British capital has been invested in the railways of Venezuela to the extent of \$16,693,949 (£3,434,969) and in miscellaneous enterprises, principally petroleum, to the value of \$103,082,831 (£21,210,459).<sup>51</sup>

United States capital in Venezuela was estimated by the United States Department of Commerce at the end of 1930 at \$247,238,000.<sup>52</sup> The petroleum industry alone accounts for 97 per cent of the total investments, or \$226,000,000, and is the growth of comparatively recent years. Other important enterprises in which United States capital is interested in Venezuela are the asphalt industry and public utilities.

No detailed estimates of other foreign investments in Venezuela appear to have been made, but the total of such foreign capital, other than that of the United States and Great Britain, has been placed at \$37,000,000.<sup>53</sup>

<sup>49</sup> TIB 67.

<sup>50</sup> TIB 382.

<sup>51</sup> SAJ, Nov. 8, 1930.

<sup>52</sup> TIB 767.

<sup>53</sup> REA, November, 1928.

# LATIN AMERICA LAND OF ENCHANTMENT FOR THE TOURIST

By C. KEECH LUDEWIG

*Assistant Foreign Trade Adviser, Pan American Union*

LATIN America is at once a new part of the world and an old one: new to the tourist, and consequently of much interest, for one may travel through virgin country hardly seen except by the explorer and the native; old in that it possesses the ruins of civilizations flourishing thousands of years ago. In some respects more advanced than those of ancient Europe were these brilliant civilizations whose mysterious remains extend from Mexico on the north to Bolivia and Peru on the south.

Latin America is a vast region and a region of contrasts. South America alone is almost twice as large as Europe. France could be placed in that continent thirty times, and there would still be room for Germany. Latin America has every climate imaginable, ranging from the tropical to the frigid, from the humid to the completely arid. Within the boundaries of a single country one may travel from tropical jungles to peaks three and almost four miles high, forever ice and snow laden. Think of a mountain range extending over 4,000 miles, with an average height of 13,000 feet, of a river navigable for 3,000 miles, the entire breadth of one of the largest countries in the world. Such phenomena are features of the lands to the south of us.

Why not start our trip to Latin America with a glance at Cuba, so favored by visitors from the United States? Mexico, our nearest Latin American neighbor, is discussed from the tourist viewpoint elsewhere in this issue.<sup>1</sup>

The largest city of Cuba, and the port through which are received approximately two-thirds of the imports of the Republic, is Habana, where, upon first entering the harbor, we may see Morro Castle, built in the latter part of the sixteenth century, and Cabañas Fortress, constructed somewhat later by the Spaniards to guard against their country's many envious and covetous neighbors. The city is a harmonious mixture of the ancient and modern, the Cathedral, built in the seventeenth century, the sixteenth-century Dominican convent and the ancient fortress La Fuerza being near the magnificent and imposing new capitol, whose gilded dome may be

<sup>1</sup> "What Mexico Means to the Tourist," by Eyer N. Simpson, p. 1039.

seen glistening from far at sea. One of the attractions of the city is the beautiful Malecón Boulevard, a drive which extends for miles along the waterfront; the entrance to the harbor is being converted into a delightful park.

One of the most modern features of Cuba, and an outstanding example of twentieth-century progress, is the 700-mile Central Highway; its two arms extend from the Zero Milestone, a 23-carat diamond in the rotunda of the capitol in Habana, one to Pinar del Rio in the west of the island, the other for hundreds of miles from Habana to Santiago on the eastern seaboard. This highway may



Courtesy of the Department of Public Works of Cuba

#### MUNICIPAL BUILDING, HABANA, CUBA

In 1930 the façade was slightly remodeled to conform to its appearance in colonial days. The arcade, providing a shaded walk, is typical of much Spanish-American architecture. The building was the presidential palace until 1920 when the magnificent new palace was completed.

well be counted one of the most modern pieces of road engineering in the world.

From Pinar del Rio, tobacco center of Cuba, through pineapple and sugar plantations to Habana, the pleasure of the trip is enhanced by the smoothness of the ribbon of concrete highway. From the capital eastward, we pass through Matanzas, regarded by many Cubans as the most beautiful province of their country, thence on to Santa Clara, the capital of this province being built on the site of the old Indian town of Cubanacan. From Santa Clara the highway traverses the Province of Camagüey. The capital of this province, bearing the

same name, is far from the usual haunts of the tourist, and perhaps retains more of the colonial traditions and customs than any other city of the Republic.

At the eastern end of the island is the Province of Oriente, the most mountainous section of the Republic, a section replete with history, for here was first heard the *Grito de Baire*, slogan of the War for Independence, and just outside of Santiago, second city of the country and principal seaport of the eastern coast, is San Juan Hill, renowned for the famous charge of Colonel Roosevelt and his Rough Riders.

It should be added that the Cuban Government has made it very simple for tourists to bring their cars with them.

From Santiago our course is to Haiti, a scant hundred miles by water or air across the Windward Passage. Here we find ourselves in an entirely new and different land; a land in which French is the language, and which in colonial days was the most highly prized of all of France's overseas possessions. Haiti is a country rich in historic tradition, whose rugged coast once sheltered many ships flying the skull and cross bones of pirate lore. A foreign resident of Haiti has said, "In all the West Indies there is not a cleaner land, nor one of greater natural beauty and more appealing interest."

The streets of Port au Prince, the capital and largest city, are a picture of color, and the Presidential Palace gleaming in the sunlight stands out like a sparkling gem. Cap Haitien, on the north coast, is of much historical interest. It was near here that the *Santa Maria*, flagship of Columbus, was wrecked in 1492. The timbers were taken ashore to build a small settlement which, upon his return a year later, Columbus found had been destroyed by the natives. One of the interesting objects in Port au Prince at the Gendarmerie is the anchor of the *Santa Maria*.

An excursion from Cap Haitien which should not be missed is that by motor and horseback to the ruined palace of Sans Souci and the Citadel of Christophe, sometimes called the eighth wonder of the world. Christophe was elected President of Haiti following the assassination of Dessalines in 1806, but encountering difficulties with his rival Pétion, was first proclaimed President of North Haiti and then King Henri I in 1811. His seat of government was established at Sans Souci, where the extensive ruins, remarkably preserved, are still visible.

More impressive still are the ruins of the Citadel, built on the peak of Bonnet-a-l'Evêque, or Bishop's Hat, 2,500 feet above sea level in the midst of the jungle, and reached by a well-kept trail. Everything used in constructing this stronghold was dragged up the mountain, and it is said that 20,000 lives were lost in the undertaking. With walls 140 feet high, above an abyss of 700 feet, it is an awe-inspiring spectacle. Legend has it that the engineer for the edifice was hurled from its highest parapet at the command of Christophe, in order that the





THE PRESIDENTIAL PALACE, PORT AU PRINCE, HAITI

One of the fine official buildings in the capital



Courtesy of Sumner Welles

THE CATHEDRAL, SANTO DOMINGO

Within this sixteenth-century cathedral is the tomb of Columbus

secrets of the fortress might remain forever unrevealed. There is also a story that to demonstrate the discipline of his men to a British admiral, Christophe marched an entire company of his guard from the parapet into the abyss below.

From Port au Prince it is about nine hours by motor over a highway constructed but a few years ago to Santo Domingo, capital of the Dominican Republic, cradle of Old World civilization in the Western Hemisphere, and first permanent European settlement in the New World, for Santo Domingo was founded by Columbus himself. Here are still plainly visible the ruins of the palace of the first governor of Santo Domingo, Diego Columbus, son of Christopher, and until modern times there still stood an immense ceiba tree to which the great navigator is reported to have moored his flagship.

In Santo Domingo the visitor will find the oldest cathedral in the New World, constructed in the sixteenth century, a striking and typical example of the architecture of that period. Within this cathedral rest the remains of the great navigator himself, which it is planned to move to the Columbus Memorial Lighthouse. At this time plans are going forward for the construction of the memorial lighthouse and park, and the project will eventually include a landing field for airplanes, a basin for seaplanes, a radio station and many other appurtenances. By day the lighthouse will be visible for many miles from sea and sky. By night its beams will pierce the darkness, guiding navigators of sea and air to the resting place of Columbus—a fitting monument to the discoverer of the New World!

Santo Domingo is indeed a city of history, for one even enters the city through the gates used in the days of Spain's colonial glory, and everywhere are seen reminders of ancient times. The ancient fortress of San Geronimo, still in use, to this day retains embedded in its ramparts cannon balls fired by Sir Francis Drake's forces. Many residences now occupied have resounded to the clatter of the boots and spurs of the Conquistadores, since Santo Domingo was the gathering place for all expeditions to Mexico and Central and South America; in her harbor assembled twice a year from all of Spain's western empire the famed galleons, to return to Spain laden with wealth from the New World.

A tour of the Central American Republics may well begin at Puerto Barrios, principal Atlantic seaport of Guatemala, northernmost of these five states. From this port come many bunches of that famous fruit, the banana. The train to Guatemala City passes first through typically tropical country, but as we reach higher ground the vegetation is similar to that of temperate climates, for the capital city is 5,000 feet above sea level. At all the stations are seen venders of enticing tropical fruits, such as bananas, pineapples, oranges, and mangoes. A stop should be made at Quirigua, 60 miles from Barrios,

where are found important remains of the mysterious and once flourishing civilization of the Mayas, who built their massive cities from Yucatan and Chiapas in Mexico on the north through Guatemala, Honduras, and British Honduras. The stelæ and great boulders, giant, intricately and beautifully carved monoliths, are the archæologist's puzzle and delight, for these are practically the sole source of history. But two or three Maya written records are known to exist, all manuscripts having been destroyed by order of Bishop Landa, of Yucatan, for fear they would tend to lead the natives back

#### RUINS OF QUIRIGUA, GUATEMALA

An elaborately carved stela at Quirigua, one of the older centers of Maya civilization which was abandoned during the sixth century when the Mayas migrated northward into Yucatan



to their ancient idolatrous customs. Here we have the remains of a civilization that was old when Europe was passing through the Dark Ages, and when most of the North American Continent was uninhabited or traversed only by nomadic tribes.

Guatemala City is surrounded by green hills and volcanoes. On one of the heights stands a stoue church built the year that the Pilgrims were landing at Plymouth, and other ancient buildings dot the modern city, which rose again from the ashes of a disastrous earthquake not many years ago. Low houses line the streets, close to the sidewalk, but when one of the main doors is opened, inside may



A PICTURESQUE GUATEMALAN SCENE

On the Cerro del Carmen, overlooking Guatemala City. The church of which a cupola is seen at the right was erected in 1620



Courtesy of R. W. Hebard & Co.

THE NATIONAL THEATER, SAN SALVADOR

One of the handsome edifices in the progressive capital of El Salvador

be seen a flower-filled patio. The entire country well merits the words of a prominent visitor who said, "In Guatemala you have the grandeur, majesty, and sublimity of towering mountains, the beauty of shimmering lakes and turquoise skies; and with all that the subtle lure and mystery of ancient ruins and buried cities."

One of the most interesting excursions possible is that to Antigua, former capital, which before the American Revolution had a population of 80,000; now it is a town of 10,000 inhabitants. In 1773 this magnificent city and university center, containing more than 100 imposing churches and monasteries, was destroyed by earthquake and the capital later moved to the present site. Even in ruins the architectural monuments are impressive.

El Salvador, to the south of Guatemala, is reached by highway, steamer, rail, or airplane. This, the smallest but the most thickly populated Central American Republic, is a compact, flourishing country, and owes its prosperity largely to agriculture and mining, coffee from El Salvador being famed for its flavor. El Salvador is also fortunate in possessing beautiful scenery, the country being dotted with lovely lakes and lofty mountains, somewhat similar to those of the neighboring republic, Guatemala.

The capital, San Salvador, is a modern and progressive city, paved and drained throughout, with efficient motor bus and taxicab services. Its airport is a busy one, being one of the stops on the route of the organization maintaining the longest regular schedule in the world.

El Salvador has within recent years spent large sums for road building, and her expenditures have not gone unrewarded, for the country is served by a system of highways connecting every city of importance. This system will form an important link in the Pan American Highway, which it is hoped will be completed as far as the Panama Canal within five years, thus opening a vast new territory to commercial and economic development and to tourist travel.

From San Salvador a fine highway leads to La Libertad on the Pacific coast, principal seaport of the Republic, where a boat may be taken for Amapala, Honduras, a few hours journey distant. In order to reach Tegucigalpa, it is necessary to go by launch to San Lorenzo on the mainland, as Amapala is situated on Tigre Island, and thence by motor car from San Lorenzo. The capital and most important city of the country is picturesquely located over 3,000 feet above sea level, at the foot of Picacho Mountain. The name "Tegucigalpa" is of Indian origin, being composed of two words meaning "Silver Hill." The Honduran capital is the only one in the Western Hemisphere that is not connected with its seaports by a railroad, but this does not mean that transportation facilities are lacking. As previously stated, it is readily accessible from the Pacific coast, while there is a combination motor and rail route to ports on the Atlantic

seaboard. In addition, a regular air service, carrying mail, passengers, and goods is maintained between Tegucigalpa, San Pedro, and Tela, which in turn connects with a weekly service of ships flying north to the United States and Mexico and south to all important points.

The wealth of Honduras is principally in her agriculture, cattle raising, and mining, and many of her fertile valleys are reached either by rail or motor. Gold and silver mining have been extensively developed in many localities.

If the traveler be of an adventurous nature, a most interesting trip can be made to Copan, in the north of Honduras, one of the oldest and largest cities of the ancient Mayas. Here is seen the largest



LOADING BANANAS, TELA, HONDURAS

Bananas are the republic's chief product and export

archaeological cross section known in the world, the Copan River having cut through the ancient city, revealing over 100 feet below the top of the remains the ruins of buildings constructed hundreds of years before those visible above ground. The main group consisted of an immense mass of courts, plazas, pyramidal structures and stairways which were added to, enlarged, and built over until the original structure can only be observed in the section cut by the river. At Copan is also seen the largest sundial in the world, two stela located with mathematical precision on hilltops far apart, and many intricately carved stones depicting priests and scientists of the Mayas attending an astronomical congress held at Copan in 503 A. D.



AIR VIEW OF MANAGUA, NICARAGUA

The capital and the southern shores of Lake Managua, with Arcubakt air field in the foreground

Nicaragua, immediately to the south of Honduras, is next visited. From Corinto on the Pacific coast the trip to Managua, the capital, is made on the Pacific Railroad, which also passes through Leon and extends to Granada. These are both important towns.

The western section of Nicaragua contains more than three-fourths of the population, the climate being very healthful, and the land quite mountainous, with many fertile valleys. Matagalpa, capital of the Department of the same name, about six hours from Managua by motor, is situated in a rich, well-watered region with a bracing climate and is famous for the grade of coffee grown there. The eastern section of the country is chiefly devoted to the growing and export of tropical crops, such as bananas and coconuts, together with the exploitation of mahogany and other woods, and gold mines. An evidence of the faith of capitalists in the future of the country is the fact that at Puerto Cabezas, a port on the Atlantic coast, about \$5,000,000 is being spent in development of the district.

From Corinto it is necessary to take a boat to reach Punta Arenas, chief port on the Pacific for Costa Rica and popular bathing and fishing resort for Costa Rican vacationists.

The trip by rail to the capital of the country occupies about six hours. San Jose, at an altitude of almost 4,000 feet, has a temperate



GRAN HOTEL, SAN JOSE, COSTA RICA

The main entrance and arcades of the city's newest hostelry, opened in 1930

climate, with an average temperature of  $68^{\circ}$ , and very cool evenings. It is noteworthy that the annual temperature variation is but  $5^{\circ}$ .

Side by side in the capital may be seen buildings not only Spanish in architecture, but actually constructed in colonial times, and those of modern days. In the older sections of the city one can walk through the streets and easily imagine himself in one of the historic towns of Spain. The streets are well surfaced, the sanitation of the city has been accomplished, and the numerous small parks in all sections add a restful touch.

Another trip by rail leads to Limon, chief port of the country, located on the Caribbean. As the train descends to the seaboard it follows the Reventazon River, a gleaming, silver stream broken by many waterfalls, and at some points 1,500 feet below as the train skirts a cliff. The route passes through country dotted with mountainside farms on which coffee, tobacco, sugarcane, and citrus fruits are grown. For the last few miles the line follows the sea, and the traveler has a beautiful picture of the breakers appearing through groves of palms. Limon itself is a busy city, the chief exporting center for bananas and coffee, and is visited regularly by steamers from South America, the United States, and Europe.

From Limon we go by water to the Republic containing what has been termed "the greatest liberty that man has taken with Nature,"



to Panama and the Canal, the pulse of commerce in the Western World.

Panama City, capital of the Republic, is located on the Pacific. A few miles east on a well-paved road are the ruins of old Panama, which was destroyed by Henry Morgan, famous buccaneer. To-day all that remains of the once flourishing city are the ruins of the cathedral, sections of massive walls, and stone arches. No attempt was made to rebuild the town, but the earlier buildings of importance in the new town show that the Spaniards did not intend to be caught

BALBOA MONUMENT IN  
PANAMA CITY

Monument to the great explorer who in 1513 crossed the dense forests of the Isthmus of Panama and took possession of the waters of the Pacific in the name of Spain



Courtesy of Mrs. Thomas M. Reynolds

napping twice. The walls are of stone, some 4 feet thick, with windows high above the ground, while the doors are thick and bound with iron.

As the traveler walks through Panama City, he is allured by the older section, with its narrow streets, stone arcades, and balconies. Fine shops display wares from the four quarters of the globe, and the market place is a scene of activity, with the natives from the interior offering for sale every tropical fruit imaginable, such as avocados, mangoes, pineapples, coconuts, and papayas. The last-named fruit



LOCKS OF THE PANAMA CANAL

In the foreground the Pedro Miguel Locks, and in the rear the twin Miraflores locks

is healthful as well as delicious, the essence being extracted and used as medicine. In front of Santo Tomás Hospital, facing the Pacific, stands a statue of Balboa, gazing out over the sea in mute commemoration of the moment when over 400 years ago he himself stood "silent upon a peak in Darien," the first man from the Old World to view the Pacific.

Day in and day out ships of every nation are slowly passing through the Canal on their voyages to distant lands. Records show that in 1929 alone 6,785 ships saved thousands of miles by its use. Nor are ships of the sea the only means of transportation whose routes center here. Ships of the air alight at Panama City and Cristobal on their weekly flights from Florida through Central America, where fresh planes carry on to Chile, far to the southward, and three times a week others arrive at Cristobal after making connections from Texas through Central America. Each week another line sends its messenger from Colombia, Panama's southern neighbor, and still more planes are constantly flying shuttlelike back and forth across the isthmus between Panama and Colon. These activities, combined with those of the railroad from the east to west entrances of the canal, afford a veritable picture of efficient transportation.

The passage through the canal itself is highly impressive, and one may best enjoy from the canopied decks of the ship a view of this triumph of man over nature. The trip lasts about eight hours.



Copyright by Ewing Galloway

BOLÍVAR PLAZA, CARACAS, VENEZUELA

A statue of Simon Bolívar, the Liberator, occupies the center of the plaza in the city where he was born

During the course of the passage the ship is raised through three locks at Gatun to Gatun Lake, 85 feet above sea level; crossing the lake, the descent to the Pacific is made through one lock at Pedro Miguel and two at Miraflores. In passing through one often sees a ship in the other lane, slowly bound in the opposite direction for the Atlantic and some far distant port.

The largest port in Venezuela and the one affording easiest access to the interior is La Guaira, through which pass practically all the exports and imports for the central part of the republic. It is picturesquely located, with mountains and dull red and green cliffs rising directly in the background.

One of the most beautiful trips through the country is that from La Guaira to Caracas by motor. The port and capital are but eight miles apart in a direct line; the motor road is 23 miles in length. This gives some idea of the engineering difficulties encountered in ascending to the capital, 3,000 feet above sea level. The road passes directly over the mountains, and as the winding concrete ribbon unfolds, the passenger may look to one side and see almost immediately beneath the road just traversed. From high in the mountains one may observe La Guaira, where the ships in the roadstead appear as children's toys.

Caracas, being surrounded by mountains, has a temperate climate, although it is in the Torrid Zone. It is a city of broad shady avenues, brightly colored walls and red-tiled roofs. During the spring, the Plaza Bolívar is a paradise of flowers, with hundreds of orchids blooming on a single tree.

The Pantheon in Caracas is a place of pilgrimage to peoples of all lands, for here are interred the remains of Simón Bolívar, the Liberator of six republics and the "Washington of South America."

Many trips of interest may be taken over good roads, through fertile valleys in which flourish coffee, cacao, sugarcane, and tobacco. A 1-day trip which is becoming increasingly popular with tourists visiting Venezuela is that from Caracas to Puerto Cabello. The road is paved the entire distance and passes through rugged country typical of the Republic. A stop is usually made for lunch at Maracay on Lake Valencia, where there is an excellent hotel. The trip is then continued to Valencia, second city of the Republic, reminiscent of old Spain, and thence to Puerto Cabello, an important shipping and industrial center.

Colombia, Venezuela's neighbor to the west, is the only country of South America with seaports on both the Caribbean and the Pacific, the capital being accessible either from Cartagena or Barranquilla on the Atlantic, or from Buenaventura on the Pacific.

The city of Cartagena is at once a bustling seaport and a sleepy town steeped in the glamor of its history. The seaport is ever at work, receiving agricultural products from the hinterland to send to far-distant countries, and unloading finished goods from the Seven Seas to distribute throughout the interior.

But during the quiet of the brilliant midday sun Cartagena seems to dream of its past romance and glory, for it is an ancient city, founded by Pedro de Heredia in 1533. Many short excursions may be taken to the massive ruined forts, which once bristled with guns from now empty parapets. One may peer out from the overhanging stone sentry boxes, and well imagine the soldier of royal Spain's army, ever on watch for a sail on the horizon. These forts performed valiant but vain service in 1585, when Drake and his men by sheer force of numbers scaled the walls and captured the city.

About 100 miles north of Cartagena along the Caribbean coast lies Barranquilla, seven miles up the mouth of the Magdalena. It is the port where one-half of the foreign commerce of Colombia is transacted.

From Barranquilla begins a journey nine days long up the Magdalena to reach Bogota, the capital. It is not possible to go the entire distance by boat; a train is taken at La Dorada, which passes through Beltran and Girardot before reaching the capital city.

What a difference if the voyage is taken by plane! Instead of nine days or more, the trip lasts eight hours or less. The company which operates this line offers one of the most successful commercial air services of the world. The first route to be flown was that from Barranquilla to Girardot, but planes of this organization now fly to many other cities of Colombia, Ecuador, Peru, Venezuela, and Panama.

From the plane one can realize why the trip by boat is so long, for in many places the river doubles back on itself. As the airship flies

**PALACE OF THE IN-  
QUISITION, CARTA-  
GENA, COLOMBIA**

In 1608 the city of Cartagena was chosen as the seat of an ecclesiastical tribunal with jurisdiction over all the lands surrounding the Caribbean with the exception of Central America.



Copyright by Sea-Ita

close to the river, hosts of alligators may be seen sliding into the muddy waters, their sleep in the sun on the mud banks disturbed by the roar of the motor. From Barranquilla to Girardot every imaginable kind of country is seen. Near El Baneo is flat land covered with myriads of lagoons and shallow lakes. Further on a stop is made at Barranca Bermeja, along the Magdalena, a center for petroleum production and refining. From here to Cartagena there stretches for hundreds of miles a pipe line, which is capable of carrying 40,000 barrels of oil a day to the port and the waiting ships. Until recently it was necessary to end the trip by air at Girardot, and continue by



Courtesy of Dr. Homero Viteri Lafronze

PATIO OF SAN FRANCISCO CONVENT, QUITO, ECUADOR

The atmosphere of colonial days lingers in this charming patio, pictured by the Spanish artist Roura Oyarzabalero

train for several hours to reach the capital city, but it is now possible to fly directly to Bogota.

Bogota is an historic city, having been founded in 1538, and its 250,000 inhabitants make it the metropolis of the Republic. Long renowned for its culture, it is often called the Athens of South America. Here may be found a fine presidential palace, capitol, national library, university, and other substantial and imposing buildings.

The traveler need not fear the heat. Though the city is relatively close to the Equator, the average temperature is 50° F., as the city is more than 8,000 feet above the sea and surrounded by mountains.

To reach Ecuador, to the south of Colombia, one may proceed by the other trade route from Bogota, a combination motor and rail trip to Buenaventura, Colombia's chief Pacific port, busy in the export of coffee, gold, and platinum, and thence to Guayaquil, by air or water. Ecuador takes its name from the Equator, which crosses it.

From a city shunned by the visitor because of disease to one of the healthiest is the record of Guayaquil. Even during the present century, if a person was known to have visited Guayaquil, on reaching another port he was rushed off to quarantine, closely examined, and his clothes and effects were thoroughly fumigated. Owing to the efforts of several physicians of the Republic and others especially commissioned for the task of sanitation, this condition is now one of the past, and Guayaquil bears the rating of an A-1 port according to the Pan American Sanitary Code.

Guayaquil is situated about 30 miles from the Pacific, up the Guayas River, and from here to Europe, North America, and Asia go Ecuador's contributions to world trade, including cacao, tagua nuts to make our buttons, sugar, coffee, tobacco, and tropical fruits.

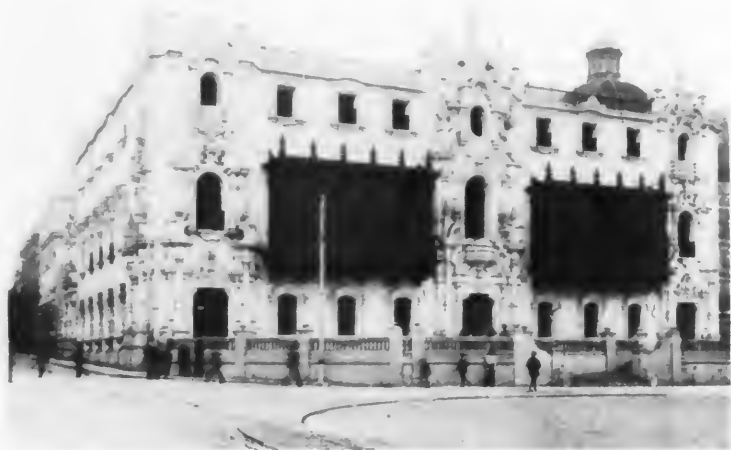
Snow on the Equator? Seemingly incredible, but true. When visibility is good, the snow-mantled peak of Chimborazo, miles high, is seen from Guayaquil. It rises almost a hundred miles north of the city and about 150 miles south of the Equator. The journey to Quito, the Capital, may be accomplished only by rail, a distance of 288 miles from Guayaquil, over a line which is one of the engineering feats of the world. During the second 50 miles of the trip the train ascends over 10,500 feet, and at times is traveling two miles above sea level, before it "descends" to Quito at a mere altitude of 9,300 feet. One hundred thousand people living nearer the sky than the hospice of St. Bernard in the Alps! The trip offers a treat of scenic splendor never forgotten. Before reaching Quito Chimborazo and five other monarchs of the Andes are seen; Tungurahua Volcano, the lowest, is almost 17,000 feet high.

Quito's people have great reverence for both religion and learning. The city has many sumptuous churches, especially notable for exquisite wood carving, one of the arts for which Spanish America is indebted to the mother country. In Caspicara Ecuador had a sculptor in wood comparable to the great Montañés of Spain. The University at Quito is one of the oldest in the Western Hemisphere, and today, as it was in colonial days, is an important seat of learning in South America.

Travelers to Peru usually land at Callao, its largest port and one of the finest on the Pacific coast. Upon entering the harbor, one

may see the towers of Lima, the capital, about 8 miles inland. Extensive improvements are being made in the port works, and this activity, combined with the routine ship traffic and the naval and submarine base on San Lorenzo Island in the harbor, makes of Callao a busy center.

Lima, christened "City of the Kings," in honor of the Kings of Spain, is but a short ride by motor, train, or trolley from Callao. Now a city of over 300,000, it was founded by Pizarro in 1535 and was Spain's capital in South America. The explorer's body, in a mummified condition, may still be seen in the cathedral.



THE ARCHBISHOP'S PALACE, LIMA, PERU

An imposing modern building of colonial style

While settlers in the United States were still living in log cabins and existing by their skill as hunters, Lima was a thriving city, a center of learning and brilliant society. Four score years before the founding of Harvard University, students were attending San Marcos University, most ancient seat of learning in the Western Hemisphere. Sections of Lima still remind one of colonial days. The city is sprinkled with plazas containing fountains and gardens. Many fine old Spanish houses with massive and deeply carved doorways and overhanging balconies are to be seen; convents and churches are of storied age. The presidential palace was once the residence of the Spanish Viceroy; the cathedral is beautiful with intricate carvings on priceless woods.



Do not believe from this that the City of the Kings lives on its history. It is a city of the future as well as of the past. Trade is active; the avenues are smoothly paved and of the widest; some of the new streets are 120 feet in width. Lima's golf courses are excellent. Tennis and polo are popular, and the luxurious country club is unexcelled.

Mollendo, southernmost Peruvian port of importance, is the only city having rail connections into southern Peru. These run to Cuzco and to Puno on Lake Titicaca.

From Mollendo the train climbs the Andes to Arequipa, second city of Peru, built at the foot of snow-covered Mount Misti, rising 19,000 feet into the sky, with Chachani and Pichu-Pichu standing guard on either side. Harvard University and Arequipa, Peru, may seem far apart; however, the two are closely related, for so clear is the air at Arequipa that the university has located an astronomical observatory there. This has gained considerable prominence through discoveries made by astronomers connected with that institution.

From Arequipa the train proceeds to Juliaca, at one time traveling nearly three miles above sea level. From Juliaca the line turns north and descends to Cuzco, located in a valley at an altitude of 11,500 feet.

It was from Cuzco that the Inca Emperors ruled their enormous empire, extending from Colombia on the north to Chile on the south. That the Incas were a powerful and progressive people is evidenced by the ruins of temples, fortresses, and numerous irrigation works. The Temple of the Sun, one of the most imposing remains, is in the midst of the present city. The climate here is extremely dry, practically all of the rain being precipitated on the eastern slopes of the Andes. However, the Incas remedied this condition with much labor and engineering skill through their irrigation works, and many present-day inhabitants water their farms by the handiwork of their proud forefathers.

To reach Bolivia from the ancient Inca capital, it is necessary to return by train to Juliaca and proceed a short distance farther to Puno. This is a Peruvian port on Lake Titicaca, a body of fresh water over 100 miles long and 60 miles wide. From Puno one goes by comfortable steamer 100 miles across the lake to Guaqui, in Bolivia.

During the trip across Lake Titicaca the two sacred isles of the Sun and the Moon are seen. Upon the isle of the Sun may be seen the rock, most hallowed spot of the Incas where, according to one legend, Manco Capac and his wife, children of the Sun and founders of the Inca monarchy, were set upon the earth. Upon these and many other islands ruins of Inca civilization are still visible.

Traveling westward by train from Guaqui, La Paz, the chief city of Bolivia, bursts into view with startling suddenness. The track draws close to a precipice, and La Paz is seen spread out 1,000 feet below. An electric trolley is taken for the trip into the city, and as it winds its way downward, the city loses its toylike appearance. The streets are shining channels, for it is the law that each house must be painted once a year and the street in front swept once a day. Llamas, strange, woolly creatures, smaller cousins to the camel, and the beasts of burden of the Peruvian and Bolivian highlands, may be



Photograph by I. F. Scheeler

#### POTOSÍ, BOLIVIA

Tower of the Jesuits, with the Cerro de Potosí dominating the background. The mines in the vicinity of this city have been famed for the production of silver since 1554

seen marching everywhere through the streets, which are enlivened with the bright colors of the Indian dress.

Sunday is the day of importance in La Paz. It is, of course, the Sabbath, but it is also market day, which means much more than merely buying provisions. Each Sunday the population of the city is swelled by hundreds of natives, who travel 25 and even 50 miles to display their products and barter for their few necessities.

Not only are the people partial to high colors, but nature herself seems to have endowed this highland country with brilliance. In the market place can be seen yellow corn, of course, but rarely does one see blue, red, and black corn such as that displayed in the markets of Bolivia. Red, white, pink, and yellow potatoes are sold by the "pile," for

scales are largely an unknown quantity to the Indian. Bananas, oranges, lemons, apricots, white grapes of enormous size, tuna, fruit of the cactus, are all brought to town by the natives from tropical regions many miles distant.

Far older than the Incan, probably the most ancient civilization of the Americas, is that of the prehistoric race which once held sway at Tiahuanaco, not far from La Paz. The ruins are about 10 miles from Lake Titicaca, but the stone piers at the water's edge indicate that the city either was connected with the lake or extended to its shores. The ancient city occupied hundreds of acres over which are now scattered innumerable carved monoliths weighing many tons. A mystery shrouded by scores of centuries is the source of the stones, for to-day there are no quarries for long distances which could supply them in this great size.

En route by train from La Paz to Antofagasta, one of Chile's principal ports, we pass through Oruro, the Chicago of Bolivia and center of tin mining, Bolivia's most famous industry.

Chile is one of the most peculiarly shaped countries of the world. For more than 2,600 miles, farther than from San Francisco to New York, it extends along the west coast of South America, bounded on the east by the highest peaks of the Andes, and for 1,500 miles the Chilean State Railways wind through the center of the country, with rail connections to more than two dozen seaports. At no point is the country more than 250 miles wide.

Iquique, about 230 miles north of Antofagasta, and the latter city are, respectively, the second and third most important ports, Iquique important for nitrate and its by-product, iodine, and Antofagasta for nitrate and copper.

Sailing into Valparaiso, whether by day or by night, the passenger sees a beautiful picture. By day, before entering the irregular half-circle of the harbor, one beholds the terraced city with its many beautiful residences against a range of mountains. By night, from one arm of the harbor to the other, the city appears as an endless chain of twinkling lights extending far up into the hills, many of the lights seeming to hang mysteriously in mid-air.

A short ride from Valparaiso is Viña del Mar, a famous seaside resort and a city in itself, visited not only by Chileans, but also by many people from distant Argentina. Here is offered every facility for the delight of the vacation seeker, such as race courses, swimming pools, club houses, and golf courses.

Where is the man who has not read the celebrated story of Robinson Crusoe, and as a boy, imagined himself on a desert island, clothed himself with skins and surrounded himself with animals, with his Man Friday his only human companion? It is safe to say that there are few youths who have never read this famous piece of fiction, but how



Courtesy of "Chile"

AVENIDA DE LAS DELICIAS, THE MAIN THOROUGHFARE OF SANTIAGO, CHILE

many actually know the location of the island which was the scene of Robinson Crusoe's adventures?

Geographically known as Más a Tierra, but much more famous as "Robinson Crusoe's Island," it forms part of the Juan Fernández group, which is about 30 hours from Valparaiso by boat. Tourists may still visit the cave in which Alexander Selkirk, the prototype of Robinson Crusoe, lived for more than four years in seclusion, and may climb to the summit of El Yunque, where for all those lonely months he scanned the Pacific for sight of a sail.

Slightly more than a hundred miles inland by rail from Valparaiso is Santiago, capital of Chile and fourth largest city of South America. Occupying a wide plain, it has for a background the snow-covered Andes, and is one of the most picturesquely situated cities of the Continent. Under certain atmospheric conditions, in the late afternoon when the mist begins to rise, the peaks of the Andes, with their mantles of snow still shining in the last rays of the sun, seem to hover close to the city, producing an awe-inspiring sight.

The National Library containing the famous collection of books and manuscripts on American colonial history presented by the late José Toribio Medina, the art museum, and the university are among the leading cultural institutions. La Moneda, the president's palace, dates from colonial times. It is an enormous building, covering an entire block and having several patios.

The journey by rail or water from Chile to Argentina is one never to be forgotten. Leaving Valparaiso by water, the ship proceeds southward, threading its way among the mountainous islets, the entire voyage to Buenos Aires taking two weeks or slightly less. The most exciting part is the trip through the Straits of Magellan. Even now with steam and motor ships, the passage is made with utmost care, for the treacherous, changing currents are strong, and there is an ever-present danger of hidden reefs. Imagine the trials of Magellan with his tiny caravels, and the courage of the skippers of the clipper ships, who made the passage time and again without mishap. On the voyage to Buenos Aires there is usually only one call, which is at Magallanes, southernmost port of Chile, formerly known as Punta Arenas but now renamed for the intrepid Portuguese navigator.

The trip by rail from Santiago to Buenos Aires over the famous Transandine Railway is an event equally stimulating, although the entire journey lasts less than 40 hours. The Chilean State Railways extend to Los Andes, which is quickly reached, since Chile is a narrow country. From Los Andes, the narrow-gauge road of the Chilean Transandine Line goes on to the Chilean frontier. From Portillo to the mouth of the tunnel at the backbone of the Cordilleras one encounters along the way some of the most stupendous scenery of the

world. Flowers of every brilliant hue interspersed with cactus brighten the rough countryside. This gradually gives way to towering, pointed piles of rock rising thousands of feet into the heavens. First the peaks are snow-covered, then entire mountains are mantled in white, and we catch a glimpse of mighty Aconcagua, highest of the monarchs of the Western Hemisphere, sheathed in a mantle of spotless white. At an altitude of almost 10,500 feet, the train enters a tunnel nearly 2 miles long, approximately bisected by the frontier between Chile and Argentina, while overhead the mountain extends skyward for another 3,000 feet.



THE STRAITS OF MAGELLAN

The voyage from Valparaiso to Buenos Aires is a thrilling experience for even the inveterate traveler

The train then descends to Puente del Inca in Argentina. From here excursions are made by many travelers to the famous statue of the Christ of the Andes atop La Cumbre Pass on the Argentine-Chilean frontier. It was unveiled in 1904, and bears the inscription in Spanish, "Sooner shall these mountains crumble into dust than the peoples of Argentina and Chile break the peace which they have sworn to maintain at the feet of Christ the Redeemer."

Following the Tupungato Valley toward Mendoza, the train continues to descend. In sharp contrast to the beautiful Chilean landscape, the country is at first rocky and barren, because of the absence of rainfall, the clouds from the Pacific striking the cool Chilean slopes of the Andes and depositing their moisture there. Finally the train

emerges from the foothills and travels through the lovely Mendoza Valley, and on arriving at the city bearing that name broad-gage trains are resumed. More than 600 miles west of Buenos Aires, the city of Mendoza has over 70,000 inhabitants, and is situated in one of the most fertile valleys of the country. For miles around may be seen vineyards and orchards. Wine making is an important industry.

Of less world fame, perhaps, than Napoleon's crossing of the Alps, but a more arduous and difficult task, was Gen. San Martín's crossing of the Andes in 1817 to aid the Chileans in their fight for freedom. Here at Mendoza is a statue of the general to commemorate the feat.



Photograph by Arthur Bauer

A SECTION OF THE PORT OF BUENOS AIRES

The harbor always presents a scene of great activity

From Mendoza the train speeds eastward toward Buenos Aires, passing through the pampas, cattle country and "bread basket" of Argentina. From the train glimpses may be caught of the gauchos, swarthy cowboys of Argentina, as much at home on a horse as anyone in the world.

Finally the train arrives in Buenos Aires, largest city of South America and sixth largest of the world, a city which has increased from 300,000 in 1880 to well over 2,000,000 to-day, and above all a city of progress and of the future. Buenos Aires is older than any town in the United States, for it was founded in 1536.

It is futile to attempt to describe in a few lines points of interest in a magnificent city such as Buenos Aires. The main artery of



"LA CASA ROSADA," THE PRESIDENTIAL PALACE, BUENOS AIRES



the city is the Avenida de Mayo, a tree-lined boulevard 120 feet wide and a mile in length, with the Plaza de Mayo at one end and the capitol at the other. A visit might be made to the imposing Bolsa de Comercio, seat of the Buenos Aires Stock Exchange, which has a membership of over 5,000, or to the great new building of La Prensa, one of the city's newspapers, notable among the world's great dailies not only for its excellent news, but also for its free library, lectures, classes, and welfare service. Excursions might be taken to any or all of the six museums, which specialize in subjects ranging from history to agriculture, and a glimpse of the Casa Rosada or Pink House, home of the President, should not be missed. The great port, of admirable construction, offers berths to many of the ships of the world, and towering grain elevators, electric cranes, and all the apparatus of modern commerce proclaim the importance of Buenos Aires in world trade.

If the traveler is interested in sports, a card may be secured to one of the nine golf clubs in the suburbs. Tennis courts are numerous, football games are frequent, and the visitor has opportunities to see polo played by the famous Argentine teams. If the tourist wishes to learn something of the environs of Buenos Aires, he may visit the numerous seaside resorts and suburbs. But a few miles from Buenos Aires is El Tigre, famous for its yacht regattas and clubs, while a short distance by train from the city is Mar del Plata with its delightful beaches.

Asuncion, capital of Paraguay, is easily reached in three and a half days by steamers plying the Rio de la Plata and Parana, or the journey may be made in somewhat less time by rail. Located far from other large cities, Asuncion has retained much of the Spanish colonial atmosphere; it is old, older than the Argentine capital, for from the former city went settlers to reestablish Buenos Aires. Many of the buildings and private residences resemble those of Spain. The latter are often of unimposing exterior but have attractive and beautifully furnished interiors with charming patios where fountains play. Orange blossoms and roses are everywhere in Asuncion.

The Falls of Iguazu—what does this phrase mean to the reader? To few does it bring to mind the thrilling spectacle of the great cataracts of the Iguazu in the midst of the virgin jungle, far to the east of Asuncion, on the boundary between Argentina and Brazil. On descending the Paraguay, a side trip by steamer may be made to the Falls, which are on a tributary of the Parana. From Asuncion it is necessary to go by boat down the Paraguay River to its confluence with the Parana, and thence up the latter to the Iguazu. Higher than Niagara, nearly two miles wide, the Falls of Iguazu are supreme.

En route by rail from Asuncion to Montevideo, capital of Uruguay, the road passes through some of Paraguay's richest agricultural regions. Villarrica, the first important city reached, is a center for farming and cattle raising. On the border between Paraguay and Argentina the train stops at Encarnacion, where a ferry must be taken to cross the Parana to Posadas on the Argentine frontier. From Encarnacion are shipped great quantities of tobacco, hides, timber, and maté. The latter product, often known as "Paraguayan tea," replaces tea and coffee in many localities of South America.

From Posadas in Argentina the train travels southward, following the course of the Uruguay River. At Concordia the journey through



CONSTITUTION PLAZA, ASUNCION, PARAGUAY

In the center of the plaza is a monument commemorating the adoption of the constitution

Argentina is ended, as the Uruguay River is crossed to Salto, an important agricultural and cattle market and rail center of Uruguay.

Uruguay, smallest of the South American Republics, but at the same time one of the most progressive, has been favored with a rich soil. Nature has carved for her many inviting harbors, and throughout her country Uruguay has been blessed with numerous streams and an even, temperate climate for her highly productive lands. Practically 90 per cent of the country is devoted to cattle and sheep raising; there are approximately 10,000,000 cattle and 20,000,000 sheep within her borders, or about 5 cattle and 10 sheep for every one of her 2,000,000 inhabitants.

Montevideo, the handsome, modern capital whose population is about one-third that of the entire country, is located on the Rio de la Plata and is the nucleus around which center the affairs of the country. Near Montevideo are located many of the packing plants where cattle and sheep are killed and prepared for shipment, and to Montevideo come the vast majority of products from the interior to be exported.

Busy as the city is, Montevideo has well provided itself with facilities for play and enjoyment. The Prado is one of its delightful parks, sprinkled with shady walks, cool lakes and lagoons, with rolling expanses of precisely kept lawns. Here is a variety of flowers never imag-



A PARTIAL VIEW OF MONTEVIDEO, URUGUAY

Conspicuous in this air view are the Plaza de la Independencia, with the statue of General Artigas, the national hero, and the city's highest structure, the Savola office building

ined, and the roses! More than 800 varieties! Visitors whose desires turn to bathing need go no farther than the Montevideo suburbs. Los Pocitos, Ramirez, and Carraseo Beaches, which are only three of the many surrounding the capital, are among the finest in the world.

We have seen something of the West Indies. We have visited Central America. We have glanced at the countries of the Caribbean. We have sailed down the west coast of South America and snatched a glimpse of the southernmost countries of this hemisphere. We are homeward bound, with thousands of miles of sailing to the north before crossing the Equator, and now we shall visit a country



*Courtesy of Pan American Airways*

RIO DE JANEIRO, FROM CORCOVADO

*One of the world's magnificent views*

larger in area than the United States, a nation destined to take an increasingly important place among the nations of the world.

Four-fifths the size of Europe, Brazil has stupendous riches. Into one of her states Great Britain could be dropped five times, with room to spare. The Amazon River, almost 3,500 miles in length, fed by more than a thousand large tributaries, flows the entire width of the country and empties into the Atlantic a volume of water four times that of the Mississippi. Within Brazil's borders there are a soil and climate suitable for growing almost every conceivable crop, from coffee to corn. Her mineral resources are prodigious in both volume and variety. Her iron deposits are said to be among the greatest of the world.

Did you have a cup of coffee this morning? If you did, there are seven chances out of ten that it came from Brazil, and it was probably shipped from Santos, greatest coffee port of the world. Day in and day out, there is ceaseless activity in loading coffee for export. Some is loaded by hand, a tireless chain of men trotting up the gangplank with the 132-pound bags, depositing them, and trotting back for more; and some is loaded by an endless belt, thousands of bags going aboard each hour.

The center of the land of plenty where this vast crop originates is São Paulo, about three hours inland by motor or train, through jungle laden with orchids. São Paulo contributes largely to Brazilian commerce and industry. It closely resembles the cities of the United States, with modern, wide streets, and efficient transportation services. The commercial section is easily distinguished by its 15, 20, and 25 story modern buildings, smart shops and stores with attractive window displays.

The Avenida Paulista, lined with beautiful buildings, presents an imposing sight. The Municipal Theater with its seven floors seats more than 2,000 people. The Ypiranga Museum is filled with examples of Brazilian art and relics of history. Throughout the city may be seen the palatial mansions of the greatest coffee growers of the world.

By various modern means of transportation, the traveler may go from São Paulo, commercial center of Brazil, to Rio de Janeiro, Federal capital, pride of Brazil, and the most picturesquely situated port in the world, bar none. One may go by motor and arrive before the train which left São Paulo at the same hour. One may go by plane and arrive before either. But only by boat does one see Rio as it should be seen for the first time.

As the ship passes through the narrow straits into Guambarna Bay, the traveler knows not where to look. Probably the first height to impress the traveler is Pão de Assucar (Sugar Loaf Mountain), nature's thousand-foot granite monument to indicate that Rio is at hand.

Behind the city the mountains have gathered close for its protection, and above all towers Corcovado (the Hunchback), who at night rears his mighty hump, a silent, black, and ever-watchful guardian.

No description of Rio can adequately depict her charms. Her location is superb. Her buildings are among the most magnificent in the world. Her avenues are spacious and beautiful. At Copacabana and Flamengo Beaches one finds pleasure and enjoyment reigning supreme, and from the heights of Sugar Loaf and Corcovado one sees views never to be forgotten. Excursions unique for beauty may be taken from Rio, including the drive over a masterpiece of highway engineering to Petropolis, from where one sees fair Rio far below us in her beautiful setting. Chapters and even books may be written to give the story of the city, but to know Rio one must go there.

In and between the countries of the Western Hemisphere every mode of transportation has been improved during the past few years. Many highways connecting the countries, and within the republics themselves, have been constructed. New rail routes have been completed. One may now travel by boat from New York to Rio de Janeiro in 12 days, to Buenos Aires in 17, and from New York to Valparaiso in 16, stopping at the principal ports en route. But the greatest advance has been made in the field of aviation, a method of transportation eminently adapted to Latin America, where construction of railroads and highways is costly owing to the difficult topography of the land. The South American Continent is now practically encircled by regular air services. From the United States to Mexico and Central America planes fly on schedules as carefully maintained as those of trains, and the West Indies form an important link in the air route between the United States and the east coast of South America. There are to-day approximately a score of air services operating in and to Latin America, and with these facilities, in addition to those of water, rail, and highway, the bonds of friendship uniting the American Republics are being steadily strengthened.

*The Columbus Memorial Library of the Pan American Union has available for free distribution a limited supply of a bibliography for travelers and students. This is entitled Selected List of Books on Latin America, Bibliographic Series No. 4 (mimeographed).*

# SUBJECT MATTER OF CONSULAR REPORTS

REPORTS RECEIVED TO SEPTEMBER 5, 1931

Subject	Date	Author
<b>ARGENTINA</b>		
	1931	
Review of commerce and industries, quarter ended June 30, 1931.	July 10	Raymond Davis, consul at Rosario.
Restriction of use of postal cards.....	July 18	A. M. Warren, consul at Buenos Aires.
Inauguration of terminal grain elevator at Rosario.....	July 21	Raymond Davis, consul at Rosario.
Argentine export taxes for the month of August, 1931.....	Aug. 1	A. M. Warren, consul at Buenos Aires.
<b>BOLIVIA</b>		
Excerpt from report on the general conditions prevailing in Bolivia for the period May 16 to June 15, 1931.	June 25	Chargé d'affaires, La Paz.
<b>BRAZIL</b>		
Review of commerce and industries for the Santos Consular District, quarter ended June 30, 1931.	July 18	Arthur G. Parsloe, vice consul at Santos.
Excerpt from review of commerce and industries, quarter ended June 30, 1931. (Legislative changes—State laws.)	July 23	C. R. Cameron, consul general at Sao Paulo.
Coffee exports from Rio de Janeiro during the quarter ended June 30, 1931, and market conditions in Brazil.	Aug. 6	Samuel T. Lee, consul general at Rio de Janeiro.
<b>CHILE</b>		
Review of commerce and industries, quarter ended June 30, 1931.	July 22	Edward B. Rand, vice consul at Antofagasta.
Watches used by railways of Chile.....	Aug. 7	Thomas D. Bowman, consul general at Santiago.
<b>COLOMBIA</b>		
Review of commerce and industries, quarter ended June 30, 1931.	July 22	Eli Taylor, vice consul at Cartagena.
Translation of Law 88 of 1931, Adopting a Plan of National Highways.	July 29	Legation, Colombia.
Summaries of Law 93 of July 9, 1931, Promoting the Exploitation of Forest Products.	...do ...	Do.
<b>COSTA RICA</b>		
Review of commerce and industries, quarter ended June 30, 1931.	July 12	Thomas J. Maleady, vice consul at Port Limon.
Presidential decree of July 25, 1931, amplifying the program of the extraordinary session of Congress.	July 28	Legation, San Jose.
Annual report of the director of the Banco de Costa Rica...	July 30	David J. D. Myers, consul at San Jose.
Report on pure coffee law of Costa Rica.....	July 12	Do.
Costa Rican currency circulation during July, 1931.....	Aug. 14	Do.

*Reports received to September 5, 1931—Continued*

Subject	Date	Author
ECUADOR		
	1931	
Copy of "Revista del Departamento de Agricultura del Ecuador," March, 1931.	May 7	Wm. D. Moreland, jr., vice consul at Guayaquil.
Excerpt from report on general conditions prevailing in Ecuador during June, 1931.	July 1	Legation, Quito.
Production of Ecuadorean petroleum refineries January-June, 1931.	Aug. 4	Harold D. Cluir, consul general at Guayaquil.
EL SALVADOR		
Legislature authorizes negotiation for million-dollar loan ...	July 22	F. P. Latimer, jr., vice consul at San Salvador.
GUATEMALA		
Law governing the use of Government lands	Aug. 10	Legation, Guatemala.
HAITI		
Financial forecast for the month of July.	Aug. 14	Legation, Port au Prince.
HONDURAS		
Review of commerce and industries, quarter ended June 30, 1931.	July 30	Thomas C. Wasson, vice consul at Puerto Cortes.
Do .....	do	Kenneth S. Stout, vice consul at Tela.
MEXICO		
Proposal for establishment of free ports	July 27	Milton P. Thompson, vice consul at Mexico City.
VENEZUELA		
Installation of Children's Hospital	Aug. 5	H. C. von Struve, consul at Caracas.
New super radio station inaugurated by the Government at Maracay.	do	Legation, Caracas.



S