

THE FOURTH INTERNATIONAL CONFERENCE OF THE AMERICAN STATES¹

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The promotion of friendship and closer relations with Latin-America is not a new subject to me. On the contrary, it is one, the vast importance of which to our interests and to those of the countries in question I have long realized, and its importance will be immeasurably increased with the opening of the Panama Canal. For years past I have availed myself of every opportunity to cultivate the friendship of the diplomatic representatives accredited from the other American republics to the country in which I happened for the time being to represent the United States, and to make them feel that they shared with me the honor of representing America as a whole. The result of this was not only the creation of a strong feeling of American solidarity among us all, the moral effect of which was beneficial to our respective interests in the particular foreign country to which we were accredited, but it also enabled me to realize how earnestly all the best elements in the different countries of Latin-America desire closer relations with the United States and the chief obstacles which exist to the complete realization of that desire.

It is deeply to be regretted that those vast fields for lucrative investment to the south of us—particularly in the far South—have unfortunately attracted little or no attention among our own people, and it is a source of delight and satisfaction to me which I can but inadequately express, to realize that at last we have begun to turn our attention, as a nation, to this most important subject, and that representatives of distinguished commercial bodies from all sections of the country are here in conference assembled to discuss it seriously.

Well, gentlemen, greatly as the importance of our relations with countries to the south of us had previously impressed itself

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upon me, that impression was strengthened a hundred fold by my visit last summer to those two great countries of the far South, Argentina and Chile.

I wish I could give this assembly an adequate idea of the complete harmony that prevailed, and feeling of American solidarity, in the deliberations of that great Parliament of America, the Pan-American Conference at Buenos Ayres, which sat for over seven weeks, and in which not a single unkind or unfriendly word was uttered from beginning to end; of the desire manifested by all other delegates to fall in as far as possible with the views of their colleagues from the United States; and of the warm personal friendship established, which, as far as I am concerned, will be lasting between each and every delegate to the conference.

You will, however, shortly have in your hands the report to the Secretary of State of our delegation to the late Buenos Ayres conference, and I would suggest that every member of this conference read the allusions to our country made in the opening and closing speeches of the two Argentine Ministers of Foreign Affairs, who successively held office during the sessions of the conference, and also the speeches of the President of the conference, himself, on the days of its opening and of its close. I may add that similar sentiments were expressed by the Chilean President and Minister of Foreign Affairs, during the official visit which our delegates made, as a special embassy to the hundredth anniversary of Chile's independence, in speeches which they made on our arrival and departure.

But perhaps the most interesting feature of the conference—and the most important to us—next to the harmony and friendship which characterized its deliberations, was the close friendship which sprang up there between the three great powers of the far South—Argentina, Brazil and Chile—known with ourselves as the “A, B, C” of the conference, and the way in which they availed themselves of every opportunity to show their friendship separately and collectively for our country. Neither of the three ever voted otherwise than as our delegation did. We always voted first—by the conference's arrangement, not ours—and the other three voted in the order mentioned, immediately after us; and on the whole, there was very little voting against those four delegations.

Whatever may be said or written to the contrary by those

whose interest it is to promote discord between the countries of Latin-America and ourselves, I have no hesitation in asserting that those great powers of the South have no longer any fear of our wishing to obtain territorial extension at their expense or at the expense of any other country, or of our aspiring to any other undue advantage over them; and they sympathize fully with the efforts our government is making to improve conditions in Central America. It is to my mind of the greatest advantage to all America, and to this country particularly, that there should be at the southern end of our hemisphere three important powers in complete sympathy with each other and with ourselves, and anxious to develop trade relations to the greatest possible extent with us.

Those great countries are above all things desirous that our merchants should come there and do business with theirs, and they cannot understand why we should so long have neglected the opportunities they offer us, and should have left them entirely in the hands of other great commercial countries. Not only Great Britain, which has been investing for more than a century in the Argentine Republic and other American countries, has, I was credibly informed, 2,500,000,000 of dollars invested in the former alone, producing an average annual return of at least 10%, but Germany, Italy, France and other countries—the first particularly, are doing likewise. A first-class passenger and freight steamer arrives nearly every day at Rio de Janeiro and Buenos Ayres from one European port or another. There are a number of British, German, Italian and other foreign banks, in those and other Latin-American cities, and, what is perhaps most important of all, the citizens of the countries named go to Latin-America themselves—or send fellow citizens in whom they have confidence, knowing the language of those countries—and attend in person or through such fellow citizens to their own business. And in this connection, I venture to appeal to those present here to-day to urge every youth and young man upon whom they have any influence to learn the Spanish, and if possible, one or two other languages, particularly French and German.

But how is it with us—the nation of all others whose influence should be felt in those countries? Not a single American bank in Buenos Ayres or Santiago; the official representatives of our country having to cash their drafts on the Treasurer of the United

States through a British or other bank, via some European city. One direct passenger steamer a month from New York to Buenos Ayres and intermediate ports on the east coast of South America, taking about twenty-five days for the voyage, and another requiring a change of steamers at Rio, in about the same time; and those two ships under the flag of another country!

In addition to this, scarcely an American is to be found permanently representing American business interests in Buenos Ayres, even the sale of the machines of one of the greatest of our agricultural machine manufacturers being in the hands of an agent not of our own nationality, who also sells similar machines from his own country. Can that man be blamed if he gives the preference to the machines of the country from which he hails, and only sells ours when they are asked for? Of course not. And I could, if time allowed, give many similar instances of the way in which we have been positively inviting other great countries to take the lion's share of these wonderful opportunities for investment; an invitation of which they have certainly not been slow to avail themselves.

The whole situation is simply incredible to anyone who has not actually been there and seen it for himself. I have however derived much consolation during the past few days from the knowledge that the head of one of our large business firms has been recently himself to the Argentine and Chile, and has secured a ten-year contract, the largest ever made, I am told, for the supply of his particular commodity in any foreign country, and I hope, when the particulars of this transaction become known, I am not at present allowed to mention names, and especially when the voluminous returns which are certain to result from this investment, begin to be realized, that other fellow citizens of ours will follow this admirable example in constantly increasing numbers.

Gentlemen, I am not a statistician, and if I were I should not permit myself to take up your time to-day with a series of figures to show how much we are losing annually by the policy we have hitherto pursued in respect to commercial intercourse with South America.

I would merely say that in my opinion there is but one way—and one way only—by which that intercourse can be placed on a proper footing, and that is by ships of our own, such as the other great commercial countries of the world, who now practically

monopolize the trade with South America, have. By ships I mean first-class, fast passenger and freight carrying steamers, flying our own flag, between our ports and those of Central and South America.

Nothing can be more derogatory to our dignity and to our interests in those countries than the fact that our flag is never seen there on merchant steamers. This statement some persons may consider sentimental. I can assure you that it is not, but eminently practical, there being no question as to the fact that we pay an enormous sum to other nations—I understand upwards of \$300,000,000 annually—for the privilege of carrying our over-sea commerce. In comparison, any subsidy that could be imagined would be the merest trifle, quite apart from the fact that under present conditions we are contributing largely toward the increase and maintenance of the merchant marine of other countries, which must at least be useless to us, and might be hostile, in the event of war. For this reason, I cannot help deeply regretting the fate which seems likely to befall in Congress the bill popularly known as the Gallinger Ship Subsidy Bill, providing moderate subsidies for steamers of not less than sixteen knots, running between our ports and those of Central and South America. It was only passed in the Senate by the Vice President's casting vote, and will, I am told, be defeated in the House of Representatives.

I am wholly unconnected with any business interests, and consequently, with any shipping interests, having devoted the past twenty-eight years of my life solely to the diplomatic service of the United States. I am neither for nor against subsidies, and am inclined on general principles to be against them rather than in their favor. But I am for ships, merchant ships under the American flag, between ports of this country and the rest of America, and if we cannot get these ships otherwise than by subsidies, then I am for subsidies, or for any other measures that will give us means of communication with our sister republics.

The size and speed of the steamers, which the European commercial powers are sending to South America, are being steadily increased; and the Italians have now two or three new ones averaging eighteen knots an hour. With such ships, the voyage from New York or other ports of the United States to Buenos Ayres could be performed in less than fourteen days, and to Brazil in about eleven

days. In order to get the American delegation to the Pan-American Conference, under our own flag, the government had to send us out in an army transport which, averaging only eleven knots, took twenty-one days for the voyage.

Nations are like individuals; they cannot become intimate with each other unless their respective citizens meet from time to time, and exchange views in personal intercourse. Still less are they likely to trade freely and to have confidence in each other save under those circumstances. On the other hand, they are not unlikely to drift apart and become suspicious of each other, if they never do meet, and the only way in which the people of the countries south of us are likely to come to us, or ours to go freely to them, is on good, fast steamships. At present the only comfortable way of making the voyage is via Europe.

Nothing can be more interesting and remarkable than the manner in which the Germans during the brief period of their existence as a great nation, and particularly of late years, have realized that it is by merchant ships of their own, carrying their goods all over the world in exchange for other goods which they bring home, *rather than by colonies*, that their influence can be most advantageously and profitably exercised throughout the world. They are consequently competing most successfully by means of their fine merchant steamers, which they do not hesitate to subsidize whenever desirable, for the trade of South America, with all the other powers now engaged therein. And I say this in no spirit of hostility, but, on the contrary, with the greatest admiration for the manner in which that great nation has realized, from the first, the best way of extending its influence and of increasing its wealth, and has allowed no question of expense or any other obstacle to stand in the way of the attainment of those objects which are not only legitimate but of vital importance for every nation. Even the Japanese, who are not supposed to be a wealthy nation, but are a very marvelous and intelligent nation, have realized also the importance of the South and Central American trade, and are beginning to compete for that of the West coast with a line of subsidized merchant steamers, and very good steamers they are, too, running to Salina Cruz in Mexico, thence to Callao and from there to Valparaiso; returning to Japan by the same route.

I cannot believe that we are the only nation unable to have

ships wherewith to compete for our share of that great commerce which is particularly within our own sphere, and should be ours, any more than I can believe that we are the only great nation of the world which cannot have a sound monetary system—a system whereby our periodical financial panics, which are the laughing stock of the world and bring ruin to thousands of our citizens, would be avoided, and whereby, if we had such a system, as I believe we shall have before long, this country would become the financial center of the world.

I would therefore urge the great commercial bodies of the country, whose representatives are here to-day, and those who are not represented also, to bring all possible pressure to bear upon members of Congress from their respective districts, with a view to turning their attention to the restoration of our merchant marine—at least to the seas between our ports and those of Central and South America; whether by subsidies or otherwise, I care not, so long as we have the ships! But ships we must have, or resign ourselves to becoming a tributary nation in so far as our ocean-borne trade is concerned, to those who carry it for us. I suppose that no one here doubts that foreigners carry our products on terms most advantageous to themselves and not to us, and in their own way.

If, however, Congress has not seen its way to the restoration of our merchant marine in American waters, I am happy to say that that distinguished body took a step last week of far-reaching importance to our commercial interests, for which it deserves all possible credit. I refer to the bill which was passed by both the Senate and House of Representatives for the purchase of houses for our embassies, legations and consulates in foreign countries.

I have trespassed too long upon the time of this assembly to venture upon a dissertation upon the importance, to the furtherance of our commerce particularly, of that measure; but I am happy, from the point of view of our relations, commercial and otherwise, with our sister republics of America, to find that the provisions of this Act of Congress are such as practically to compel our government to limit its scope at present to those particular countries, in which it is of greater importance even than elsewhere, that we own, without a moment's further delay, our official buildings.

I understand, but have not yet seen the Act since its passage,

that no more than \$150,000 can be spent under its provisions upon any one building. It will be perfectly possible to obtain commodious and suitable buildings within that limit, in every South and Central American capital, except Buenos Ayres, where it will not be possible to do so, owing to the enormous rise during the last year or two in the price of land in the best sections of that city, and to the great expense there of building and of everything else.

And here, I should just like to say a word about the stress which has been laid during discussions on this subject in Congress, in the press, and elsewhere for many years past, upon the alleged impossibility for an ambassador or minister, with little or no private means, of living in a house costing \$150,000, \$200,000 or \$300,000, or whatever the amount may be. It never seems to have occurred to those raising that question that the cost of a house depends entirely upon the place in which it is situated. In the best residential districts of New York, a house costing \$150,000 would be a small one, so would such a house be in similar districts of Buenos Ayres, London, Paris, Berlin, Vienna, Rome or St. Petersburg, where houses of moderate size cost upwards of \$300,000, and even \$400,000, according to the price of the land on which they are built, and to other local conditions. The main point is to have a house of suitable size for our foreign representative to inhabit so that he shall not be dependent upon the rapacity of local landlords, or have to spend the whole of his salary upon his house rent, as is the case with our present minister to the Argentine, Mr. Sherrill, who has rendered invaluable service to our commercial and other interests in that country. He not only has had to do this, but has been turned out of the house in the middle of his term of office because the landlord wanted it for himself, and the same thing has frequently happened to our ambassadors in the great capitals of Europe.

Our present ambassador to Italy has so far been unable to find any residence at all, owing to the overcrowded condition of Rome, and is living in a hotel, which is eminently derogatory to the dignity of the country he represents, and constitutes a situation against which other great countries protect themselves by owning their embassy houses.

This is a subject upon which I have felt most deeply ever since my early youth, when my national pride was humiliated upon going

to Paris, just after the Civil War, and seeing the dignified manner in which the other great Powers house their embassies and legations, while all that we could call a legation in those days consisted of a few rooms up three flights of stairs, over a corner grocery store! I still hardly dare trust myself to speak of it. But fortunately it is unnecessary any longer to do so, as Congress has at last taken steps to remedy the humiliation.

Suffice it to say that nations, as is the case with individuals, are respected by others, precisely to the extent to which such nations cause the impression to prevail that they respect themselves.

Nothing produces an impression of national self-respect so completely in foreign countries, or tends so much to the development of a nation's commerce, with the exception of a powerful navy, as dignified provision for the housing of its official representatives in such countries, and a merchant marine carrying its wares under its own flag to the uttermost parts of the earth.

We have had a powerful navy for some time past. We shall soon be housing our representatives and the valuable archives under their charge as other great nations do theirs. And I would appeal earnestly to every commercial body in this country to see that we get a merchant marine before the opening of the great international waterway at Panama; that work of Herculean magnitude, which it will soon have been the glory of our country to contribute to the promotion of international commerce and to the immeasurable benefit of mankind.