

profits as the Mexican Central road made by carrying their own construction material, and I have to remark that I do not consider it fair to reduce to gold the earnings of the Mexican railways, because the largest portion of their expenses—namely, those paid in Mexico, including all operating expenses—are paid in silver, and it is only for rolling-stock and other foreign commodities that they have to pay in gold as well as the interest on their bonded indebtedness. The proper course in this case would be to deduct from the total earnings of the road the operating and other expenses incurred in silver, and to reduce to gold such amount as is left for the purpose of paying for foreign commodities and the interest on its debt. When that operation is done the above-quoted figures will appear in a very different aspect. That is just what the Mexican National Road does. That Company keeps its accounts in Mexican money, and in order to avoid having the cost of operation fluctuate back and forth with the fluctuations of silver, it adopted several years ago an arbitrary rate of exchange, which was 20 per cent. discount, then the actual rate of exchange. In this way the income account is debited with the actual cost of purchasing gold and the net shown is consequently the amount reducible to gold, so giving a clear idea of the gold earnings of the road. I think the other roads do something similar.

I would further remark that the Mexican Central Railway has a very large bonded indebtedness, and although it only pays 4 per cent. interest on most of it, that interest has to be paid in gold; and on account of the depreciation of silver the road has not yet earned money enough to pay the whole of that interest, and every year it has a deficit, which has been paid with a large amount of subsidy granted by the Mexican Government to the Company, and which has been kept in trust for such emergencies as this.

Notwithstanding such deficit, the Mexican Central Railway Company must consider its property very valuable, since it is increasing considerably its mileage every year.

The Mexican National Railway Company has also a very large bonded indebtedness in proportion to its mileage, having four different kinds of bonds. The interest of the first series has been punctually paid. There are outstanding Series "A" Bonds, Second Mortgage, for \$12,265,000, cumulative; \$12,265,00 Second Mortgage Series "B," purely income bonds, and \$7,040,000 Third Mortgage Income Bonds. While the Second Mortgage Series "A" Bonds bear coupons and are cumulative, they are not, by the terms of the Trust, entitled to have the mortgage foreclosed for a certain period, or under certain conditions. During the last year the Company paid upon these bonds out of its earnings $3\frac{1}{2}$ per cent., which is the largest payment made on them since their issue. If silver had not been depreciated the Mexican National would have been able to pay in full the interest on their bonds. As it is now, the increase in the traffic has been remarkably uniform year by year, and has been sufficient to a little more than compensate for the depreciation of silver: that is to say, the net returns of the Company as measured by gold have been a little greater each year.

The Mexican International Railway Company, which has issued a reasonable amount of bonds in proportion to its mileage, earns enough to pay in gold the interest on its bonds, with its receipts in silver.

The following statement shows the bonded indebtedness of each of the three leading Mexican roads, their mileage, and the bonded indebtedness per mile:

	Bonded In- debtedness.	Mileage.	Bonded Indebt- edness per mile.
Mexican Central Railway.....	\$95,051,712.50	1,877.15	\$50,636.18
Mexican National Railway.....	42,879,000.00	1,056.16	40,598.96
Mexican International Railway.....	14,984,000.00	658.28	22,762.34

THE PAN-AMERICAN CONFERENCE OF 1889.

THE PAN-AMERICAN CONFERENCE OF 1889.

INTRODUCTION.

The meeting in Washington in October, 1889, of a Congress in which all the American States were represented was an event of great moment and concern, not only to the United States, but to every one of the nations of this hemisphere. In that way the project originated by Bolivar, immediately after the independence of the Spanish colonies in America, of forming a confederation among all the American nations for their mutual advancement, was partially realized. It is therefore of great importance to record what took place in that Conference, as I am sure it will not be the last one, and a knowledge of the circumstances attending the same and of its main discussions and decisions will be of great use in future meetings. It is now nearly ten years since that meeting took place, and the idea has been suggested of calling a similar conference, as it is thought proper that the American nations should convene to consult among themselves on subjects affecting their common interests and welfare at least once in every ten years.

I thought that an impartial, conscientious, and concise analysis of what took place in that Conference presented by a Spanish-American delegate, especially from the point of view of the Latin-American nations, which is not quite fully understood in the United States, would be of great interest to all concerned, and especially so to this country, and with such object in view I wrote a paper which appeared in the September and October numbers of 1890 of the *North American Review*, of New York, under the heading of "The Pan-American Conference."

I now reprint this paper substantially as it was then published; but giving only a few more details about the way in which the Act of May 24, 1888, which convened the Conference, originated, and about other points of personal interest, and rectifying a statement regarding Mr. Henderson, Chairman of the United States delegation to the Conference, which

appeared in the original article, and which was not exactly fair to him. This edition of the paper gives me also the opportunity of mentioning what have been so far some of the permanent results of the Conference. I have thought it advisable also to append the principal documents which are referred to in the paper, as the Act convening the Conference, a full list of the delegates, a list of the committees, and the text of the project of arbitration, and another against conquest, reported by the Committee on General Welfare, which finally ended in a Treaty of Arbitration, signed by most of the delegates to the same on April 19, 1890, and several other important documents bearing on the results of the Conference.

I published this paper almost immediately after the Conference adjourned, and when Mr. Blaine and all the members of the Conference were not only living, but had fresh in their memory the events that happened in the same, and when Mr. Blaine was yet Secretary of State. With the exception of Mr. Henderson, to whom I have already alluded, neither Mr. Blaine nor any one of the delegates in any manner, directly or indirectly, intimated to me or to anybody else, to my knowledge, that there was any misstatement or misunderstanding on my part about the incidents which I had commented upon, and this shows very clearly to my mind that my statements were correct.

Complete information on this subject will be found in the following official publications of the proceedings of the Pan-American Conference: 1st, a volume of 906 pages, containing the Minutes, signed by the President and the two Secretaries, of the seventy meetings held by the Conference, under the title of *Minutes of the International American Conference in English and Spanish, 1890*. 2d, a publication in four volumes entitled *International American Conference*, printed by the United States Government under the direction of the Executive Committee and by order of the Conference, approved March 7, 1890. Volumes I. and II. of said publication contain the reports of the committees and discussions thereon; Vol. III. contains the narrative of the tour of the delegates through the United States, descriptions of places visited, and reports of addresses delivered; and Vol. IV. an historical appendix, beginning with the Congress of Panama of 1826, and subsequent movements toward a conference of American nations. And 3d, a volume containing the recommendations approved by the Pan-American Conference sent to Congress by President Harrison, each with a special Message, accompanied in every case by a report of Mr. Blaine as Secretary of State. In some cases, as in regard to reciprocity treaties, Mr. Blaine wrote a full report, going into details of the subject, and in others he merely prepared a letter of transmittal. The following is a complete list of the subjects recommended by the Pan-American Con-

ference, as communicated by President Harrison to Congress, with the dates of his Messages in the chronological order in which they were sent, all of which are bound in one volume:

- Inter-Continental Railway, President's Message to the Senate, May 19, 1890.
- International American Bank, President's Message to the Senate, May 27, 1890. Senate Ex. Doc., No. 129, Fifty-first Congress, 1st Session.
- Customs Regulations, President's Message to the Senate, June 2, 1890. Senate Ex. Doc., No. 135, Fifty-first Congress, 1st Session.
- Reciprocity Treaties, President's Message to the Senate, June 19, 1890. Senate Ex. Doc., No. 158, Fifty-first Congress, 1st Session.
- Colombian Exposition, President's Message to the Senate, July 2, 1890. Senate Ex. Doc., No. 173, Fifty-first Congress, 1st Session.
- Postal and Cable Communications, President's Message to the Senate, July 2, 1890. Senate Ex. Doc., No. 174, Fifty-first Congress, 1st Session.
- Sanitary and Quarantine Regulations, President's Message to the Senate, July 11, 1890. Senate Ex. Doc., No. 176, Fifty-first Congress, 1st Session.
- Patents and Trade-Marks, President's Message to the Senate, July 11, 1890. Senate Ex. Doc., No. 177, Fifty-first Congress, 1st Session.
- International Monetary Union, President's Message to the Senate, July 12, 1890. Senate Ex. Doc., No. 180, Fifty-first Congress, 1st Session.
- Uniform System of Weights and Measures, President's Message to the Senate, July 12, 1890. Senate Ex. Doc., No. 181, Fifty-first Congress, 1st Session.
- Uniform System of Port Dues, President's Message to the Senate, July 14, 1890. Senate Ex. Doc., No. 182, Fifty-first Congress, 1st Session.
- Uniform Code of International Law, President's Message to the Senate, July 14, 1890. Senate Ex. Doc., No. 183, Fifty-first Congress, 1st Session.
- Uniform Treaties for the Extradition of Criminals, President's Message to the Senate, July 15, 1890. Senate Ex. Doc., No. 187, Fifty-first Congress, 1st Session.
- Erection of Memorial Tablet, President's Message to the Senate, July 15, 1890. Senate Ex. Doc., No. 188, Fifty-first Congress, 1st Session.
- Plan of Arbitration, President's Message to the Senate, September 3, 1890. Senate Ex. Doc., No. 224, Fifty-first Congress, 1st Session.

THE PAN-AMERICAN CONFERENCE OF 1889.

Although the idea of assembling a congress in which all the American nations should be represented was not a new one—as it had originated in South America with its liberator, Bolivar, after the Spanish colonies had accomplished their independence, and was put into effect by his calling in 1826 a congress to meet at Panama, a project very heartily supported in this country by Henry Clay, then Secretary of State—Mr. James G. Blaine can be properly considered as the originator in the United States of the movement which resulted in convening the International American Conference which met in October, 1889. He proposed it in 1881, when he served as Secretary of State for the first time, under President Garfield's Administration, but reduced to narrow limits the object of such a conference: namely, to the negotiation of an agreement for the purpose of settling by arbitration all differences that might arise between the American nations.

The change of Administration which soon afterwards took place, in consequence of the assassination of President Garfield, caused this idea to be abandoned, as at that time it had not been well received. Chili was then engaged in a war with Peru and Bolivia, and some thought that the proposed conference was an attempt to interfere in that difficulty. Mexico also received it very coolly, for she had then a boundary question pending with Guatemala, and Mr. Blaine had proposed that the President of the United States should arbitrate thereon; but, unfortunately, in making that offer, he had expressed an opinion unfavorable to the rights of Mexico, which were based on undeniable historical facts; and for this and other reasons the proposal was not then accepted.

Act Convening the Conference.—The idea remained latent in this country, however, and it was revived by President Arthur, who, coming from the commercial metropolis, and being in close association with the mercantile community, thought of adding a commercial feature to the original proposition, and sent a Commission to the several other Republics to ascertain how another invitation would be received, and to ask suggestions as to the topics that might be considered at a conference of

American nations. A draft of the law authorizing the President of the United States to call such an assembly was submitted to Congress with the report of that Commission, and full abstracts of interviews with the Presidents of ten of the American nations concerning the meeting and subjects to be discussed. Nine endorsed the project with cordial approval. Chili reserved its reply, being reluctant, while certain political complications were pending, to give a positive answer. The report of the Commission and its recommendations reflected the policy of President Arthur, but were nevertheless transmitted to Congress by President Cleveland without endorsement. The proposed law calling a conference was therefore brought forward under President Cleveland's first Administration, although without any intervention on Mr. Blaine's part. It was introduced in the House of Representatives by Governor McCreary, a Democratic Representative from Kentucky, and in the Senate by Mr. W. P. Frye, a distinguished Republican Senator from Maine, both members of the Foreign Affairs Committee in their respective Houses. These facts show that it was not introduced and approved as a political measure, since it was supported by the two parties struggling for ascendancy in this country. President Cleveland's Administration did not second the proposal in an active manner, seeming to content itself with passive indifference.

The Act was finally approved by Congress on May 10, 1888, but President Cleveland withheld his approval of the same, and when the ten days fixed by the Constitution had elapsed without its having been approved by the President, it was announced on May 24th that the Bill had become a law without the sanction of the President.

It will be interesting to state that the arbitration clause of the Act of May 24, 1888, was introduced on January 4, 1888, in the House of Representatives of the 50th Congress, 1st Session, by Hon. William McKinley, then a Member of Congress from Ohio, and now President of the United States,¹ and this fact shows the trend of his views in

¹ Fiftieth Congress, 1st Session, H. R. 1715. In the House of Representatives, January 4, 1888. Read twice, referred to the Committee on Foreign Affairs, and ordered to be printed. Mr. McKinley introduced the following bill: "A Bill to authorize the President of the United States to invite the autonomic governments of America to send delegates to an international congress to arrange the settlement of national differences by arbitration."

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, authorized to invite the autonomic governments of America to send delegates to a congress to be held at Washington or New York, and at such time as he may designate, for the purpose of devising and formulating and recommending a definite and fixed plan of arbitration of all differences now existing or that may hereafter exist between them, with the understanding that the delegation from each government shall have but one vote in said convention; and that the President is hereby authorized to

favor of arbitration, which he proclaimed and defended so vigorously as President of the United States when the arbitration treaty between the United States and Great Britain was pending in the Senate.

The personal views of the new promoters of the project were not limited to arbitration, but embraced every subject which might affect the relations of the United States with the other American Republics. To prevent opposition in Congress the promoters of the measure had to accept new suggestions which came up during the discussion of the bill, and which enlarged considerably the subjects upon which the Conference had to act. Finally, the Act of May 24, 1888, embraced eight different subjects which the Conference was called upon to consider, some of them covering as many as four subdivisions. On account of these amendments, provisions were incorporated into the Act which did not meet with the support of President Cleveland's Administration or that of his successor, President Harrison, under whose Administration the Conference was held; such, for instance, as the one referring to the adoption of a silver coin to be legal tender in all the American Republics.

From this statement of facts it appears that Mr. Blaine had nothing to do with the enactment of the law which convened the Conference, and therefore he is not, and cannot be, responsible for the form in which it was finally approved.

As this law was passed during a Democratic Administration, by a Congress having a Democratic majority in the House of Representatives, although the Republican party had control of the Senate, it was natural that it should embrace several of the principles contained in the platform of the dominant party, as, for instance, those referring to the development of foreign trade, which might directly or indirectly conflict with the political views and the ideas of political economy of their opponents, and to the coinage of a silver coin of uniform fineness and weight to be a legal tender in all the American nations. It was natural, too, that the delegates of the United States, appointed by a Republican Administration, should represent the protection principles of that party, and that, therefore, they would not be eager to accept the measures concerning the development of foreign trade, and would look with concern on the coining of silver into legal-tender money. This resulted from the diversity of political and economic views in the two parties which control this country, and which in turn attain ascendancy; as it happens some-

appoint delegates, who shall not exceed twelve in number, equally from the two leading political parties, six of them being learned in international law; and that such delegates shall serve without compensation other than their expenses; and that the President is hereby authorized to take such other action as may be necessary for the purposes of this act; and the sum of thirty thousand dollars is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to defray the expenses that may be incurred under this Act."

times that one House of Congress is controlled by one party and the other House by the other party. For these reasons, and from the frequent rotation of political parties in the government of the United States, it is very difficult to bring to a successful termination any transaction of a complex character which requires complete continuity of views and effort on the part of all the branches of the government for any length of time.

Fears of the Spanish-American Nations.—It may be assumed that, as a general rule, the Latin-American nations, except, perhaps, the Central American and two or three of the South American States, looked with distrust on the meeting in Washington of an International American Conference, fearing that its object might be to secure the political and commercial ascendancy of the United States on this continent, to the disadvantage of those nations; but this distrust did not go so far as to make them refuse the invitation. Fortunately, when they were invited, there was no serious question pending between the Latin-American States which could prevent their acceptance, as was the case when a conference was suggested in 1881. The invitation was therefore accepted by all the American nations, with the single exception of San Domingo. The answer of the Dominican Government was a very courteous one, as it stated that that Government had agreed, in a treaty recently signed with the United States, upon arbitration, extradition, reciprocity, and the other subjects mentioned in the law convening the Conference; that these subjects had therefore been considered and decided in said treaty under the Dominican point of view, embracing stipulations which were already decided by the Dominican Government and could not be modified by the Conference, as it was not proper to modify treaty stipulations in an indirect manner by recommendations of the Conference; and therefore, as long as the pending treaty would not be acted upon by the United States, the Dominican Government felt that it could not send delegates to the Conference. This letter was mistranslated, as the phrase *causaban estado*, which meant that as the Dominican Government was "committed to a definite policy on all the points of the program of the Conference, it was useless that it should attend that Conference," was translated "caused a hitch in the relations between the two countries." That naturally created some feeling on the part of the United States, because if the translation had been correct the Dominican answer would certainly have been discourteous; thus showing what are the consequences of a mistranslation. Chili accepted in so far as economic questions were concerned, but stated that she would take no part in political questions or in arbitration. An unofficial intimation that an invitation for the representation of Cuba and Porto Rico in the Conference might be accepted was overlooked for obvious reasons.

It was apprehended by some, as already intimated, that the object of the United States in convening the Conference was to obtain decided political and commercial advantages over the other nations of this continent, making them almost its dependencies; and this view caused decided opposition to the project. There was nothing to show that this was the purpose of the United States, and it probably never entered the mind of either President Arthur or Secretary Frelinghuysen, who formulated the plan. Their motives, as expressed to their confidential associates, were to promote the peace and the material development of the American countries, and divert their trade from Europe to the United States. Mr. Blaine, whose boundless ambition grasped at all possibilities, may have desired a political alliance in which "The Great Republic" should figure as a protector of its smaller sisters, but he was violently opposed to the mixture of races, and never favored the annexation to the United States of any foreign territory, except Canada. The delegates from the United States did not propose in the Conference anything seemingly designed to accomplish such an end. Judging, therefore, by facts and results, these apprehensions were entirely groundless. In speaking of arbitration and commercial union, this will appear more plainly.

My personal knowledge of what took place in the Conference leads me to think that there was not on the part of Mr. Blaine any preconceived plan about the subjects that were to be considered, except, perhaps, that of arbitration, and that he not only had no prearranged plan, but even refused to express an opinion on any subject, or even to give instructions to the United States delegates when called on for them. Mr. Blaine's purpose, as it appears to me, was not to curtail in any manner whatever the full freedom of all the Latin-American nations represented in the Conference, but to allow equal freedom to the United States delegates, so that all might propose and agree on such points as they should think most advantageous to the interests of their respective countries, without any pressure and without even suggestions from the United States Government.

Even in regard to the question of arbitration, Mr. Blaine's wish was only that an agreement should be arrived at that all disputes arising among American nations should be ended by arbitration, with the very laudable and humane object of abolishing war; and he did not seem to have any special plan of his own. When he had to act upon one, he tried to harmonize the discordant opinions of the delegates, without intending to press it upon any one. His interference on this subject was only for the purpose of revising the plan which was accepted by a majority of the Conference; and to carry out this purpose he had to request one of the United States delegates to give up his opposition to the form in which the project was finally accepted.