

or England in this market. We buy comparatively little of Chile, and without the increase in the beet sugar industry creates a demand for nitrate in the United States the bulk of Chilean exports will continue to go to Europe. At present Chile sends about three-fourths of her exports to Great Britain, but a large part of this is nitrate, which finally gets to Germany, and is used there in the raising of the sugar beet. We buy some nitrate and iodine and a little wool and hides. About half of the Chilean imports come from Great Britain, the amount brought from that country in 1894 costing more than \$20,000,000. Germany stands next, and, as I have said, the German imports have been steadily gaining. Of late, however, the German merchants here have been detected in a number of attempts at fraud on the customs, and their methods of trade are carefully watched.

South America is fast passing out of the hands of the Spanish-American natives. I mean as far as the valuable properties and business of all kinds are concerned. From the coast of Lower California to Valparaiso there has been of recent years a great German commercial invasion, which has been crowding out the English who had come before. The strongest foreign element in Central America today is the German. The Germans own the best of the coffee plantations of Guatemala, and you find their importing houses in every Central American city. The most of the business of the Isthmus of Panama is done by the English, French and Germans. There is at Panama an American banking establishment, that of Felix Ehrman & Co., and the Panama railroad, while owned by the French, is still managed by Americans. In Ecuador I found a large colony of Germans, Italians and English. The chief business establishments of Guayaquil are in their hands. The native Peruvians have long since sold their best properties out to the foreigners, and among others the Chinese own millions of dollars worth of Peruvian estates. The sugar plantations are chiefly in the hands of the English. The oil fields are owned by English and Italians. The railroads and the guano beds, as well as millions of acres of coffee lands in the interior of Peru, belong to the English syndicate, called the Peruvian Corporation, and the silver and gold mines of that country are owned to a large extent by foreigners. The native Peruvian is either ashamed of trade or he does not know how to go about it, and the stores of Lima are managed almost altogether by Germans, English, Italian, French and Chinese merchants. In Arequipa I found that the Germans did the most of the trade, although there were several English and American mining companies which made this their headquarters. It was the same in La Paz, where there were about thirty American miners. The English have a number of the best mining properties of Bolivia. They practically control Antofagasta, and Iquique is more English than Spanish. I have already told you that more than \$100,000,000 of English capital is invested in the Chilean nitrate fields, and other millions from the same source are working some of the mines. Southern Chile has a large colony of Germans, and there are English and German sheep farms in Patagonia. Both Santiago and Valparaiso are full of German firms. Many of the large estates here which are owned by natives are managed by foreigners, and this is so with nearly all of the mines and other large properties of the different countries. The railroads of Chile and Peru were built by English and American engineers, and the most of them are managed by Anglo-Saxons today. In

short, the real work of South America as far as big things are concerned is now in the hands of foreigners, and even here in Chile the natives who are wealthy are chiefly so from the vast estates which they have inherited from their ancestors. They own also valuable mines, but only the fewest of them are rich as a result of their individual efforts.

And still the Chileans are by far the most progressive people in South America. This is, in fact, the only live country that I have so far visited in my travels on this continent. Columbia is a slice out of the middle ages, Ecuador has the same customs that it had when the Spaniards owned it. It is priest ridden and its people are 300 years behind the times. The Peruvians are further advanced, but they have little snap in them, and as to the Bolivians, they are waiting for some other people to come in and gobble up themselves and their country. You notice the difference the moment you step on Chilean soil. I was delighted with Antofagasta, although it is a town largely built of corrugated iron and driftwood. It had an air of business about it, and the spirit of get-up-and-get was abroad everywhere. When I asked one of the citizens whether I could post my letters without danger of the postal officials destroying them in order to steal the stamps, as I have been told was sometimes done by the clerks of the postoffices of Bolivia, he replied, "Certainly you can. This is Chile." He was right. Chile is a land of its own kind, and for South America it is very much up to date. It has its railroads, telegraphs and telephones, and its people have as much patriotism as we have. The Chileans, as they call themselves, number about 3,000,000. They are like the other peoples of the west coast, of Spanish descent and of the product of the union of the Spaniards and the Indians; but the Spaniards who came to Chile were largely from the Bosque provinces of Spain. They were the best of the old Spaniards, and today about one-third of the population are their descendants. This population are their descendants. These constitute the ruling and wealthy classes of the Chileans. The other two-thirds are formed of the mixture of Spanish and Indian blood, but the Indians in this case were far different from the Incas and other tribes further north. The Indians of Peru, Ecuador and Bolivia lack manhood. The most of them have always been slaves and they are contented to remain slaves today. They have no virile qualities whatever, and the mixed breeds which come from them partake of the same spirit. The chief tribe of Indians here is the Araucanians. They are undoubtedly the strongest Indians of North and South America. It was long before they were subdued, and they caught and put to death Pedro Valdivia, one of Pizarro's lieutenants, who came south to conquer them. It was with these people that the Spaniards united, and it is a question whether the masses of the Chileans of today get most of their strength from them or the Spaniards. The Araucanians are big-boned and muscular, and their women are especially well built, recalling the words of the old saw:

"If strong be the frame of the mother, her sons shall make laws for the people."

There are still about fifty thousand of these pure Araucanians who have settlements of their own in southern Chile. These I shall describe more fully after my travels in that part of the country. The remainder have been assimilated with the Spaniards,

and they form to a large extent the working people and the rank and file of the Chilean army. The temperate climate of Chile has also had an influence in making the Chileans stronger than the people of the semi-tropical lands of the north.

My voyage down the coast of Chile gave me some idea of the enormous length of the country. I spent five days in coming by steamer from the nitrate fields to Valparaiso, and the German ship on which I shall sail within a few weeks for Tierra del Fuego will require nine days to reach Punta Arenas, on the Straite of Mgelan. Chile is more worn than any other country of the world. The only land that compares with it is Egypt, which drags its weary length for more than a thousand miles between deserts along the valley of the Nile. Chile begins in a desert, and continues in it for more than a thousand miles. Later on it bursts out into a green valley between high mountains and ends in the grassy islands of the southernmost part of this hemisphere. It is nowhere over 200 miles wide, and in some places it is not more than fifty, but it is so long that if it were laid upon the face of the United States, beginning at New York, it would make a wide track across it to far beyond Salt Lake, and if it could be stretched from south to north with Terra del Fuego at the lowermost edge of Florida, its upper provinces would be found in Hudson bay almost even with the top of Labrador. Chile is 2,000 miles long. It embraces all of the land between the tops of the Andes and the Pacific ocean south of the river Sama, which divides it from Peru, and it has, in addition, most of the islands about the straits of Megellan. The question as to just where the boundary of Chile and the Argentine republic lies is one of dispute between the two countries, and on which promises to bring about a war sooner or later. Just now the relations of the Chileans and the Argentines are strained almost to breaking, no one knows how soon war may result. Of this, however, I will write in the future.

A land of this kind must be one of many climates. It is now winter on this side of the equator, but I found it quite warm in the north. Here at Valparaiso one needs an overcoat when the sun is not shining, and in the Straits of Magellan I am told that the ground is now covered with snow and the nights begin at 4 o'clock in the afternoon. During my travels in western Peru and Bolivia weeks passed without a drop of rain. It never rains in northern Chile, and everything in the cities I there visited was as dry as Sahara. The great questions in most of the towns along the coast is where to get water to drink. At Mollendo, Peru, a little above the Chilean border, the water supply comes from the Andes near Arequipa through an iron pipe over 100 miles long. At Iquique water is piped more than eighty miles, and Antofagasta gets its drinking water away up in the Andes 180 miles back from the coast. This Antofagasta aqueduct is, I believe, the longest in the world. In coming from Bolivia down to the sea I visited the great reservoir within a stone's throw of a dead volcano down the sides of which this mountain water flows and rods on the care for almost a day over a thirsty desert along the line of the aqueduct. At other ports I found them selling water. This is the case in many of the nitrate settlements. The steam from the engines of the nitrate factories is condensed and there are engines used solely for making drinkable water from that of the sea. As you sail from this desert region south you now and then