

headquarters at Santiago de Chile. Señor Covarrubias is fifty-one years of age, but has had considerable experience in the diplomatic service, covering a period of twenty-seven years. His first appointment was as third Secretary at Washington, then second Secretary in Italy, Great Britain and the United States. He has also filled the position of first Secretary and Chargé d'Affaires in the U.S.A., first Secretary in Belgium, first Secretary and Chargé d'Affaires in Germany and Russia, and Minister to the Pacific Slope countries of South America.

Señor Ing. Miguel de Beistegui, first Secretary of the Legation in London, and who has been acting as Chargé d'Affaires since the departure of General Rincon Gallado, has been appointed to the position vacated by Señor Covarrubias, and will leave London shortly to take up his new position. Señor de Beistegui began his diplomatic career in 1884 as an attaché of the Legation in France, of which he was soon made Chancellor. Later on he served as second Secretary in Belgium, then as third Secretary in France, returning to Belgium as first Secretary, then second Secretary to the Netherlands, from which country he was transferred to London as first Secretary. It was hoped that the vacant position in London might have been filled by Don Guillermo de Landa y Escandon, Governor of the Federal District of Mexico, who is a thoroughly accomplished English scholar, and exceedingly popular with English residents in Mexico.

CHAPTER XV

Consular matters and Downing Street—Improvements introduced—Long-standing grievances—Mexico-City Consulate—Mr. Jerome—The Vice-Consul—Increase in Consular duties—British Consular Authority—Important powers conferred—American Consular Service—New Regulations—Candidates' qualifications—Consuls' salaries compared—British and American—United States Consuls in Mexico.

A PROMINENT feature in the reviews of my last book, "Through Five Republics of South America," was the almost unanimous attention drawn by the critics to the "Conclusion," in which I commented unreservedly upon the prevailing condition of the British Consular Service abroad. In every instance my criticisms were endorsed or pronounced timely and justified. It is, therefore, with no small amount of satisfaction that I am enabled chronicle the improvement which has taken place in the Service since I last wrote, a cause for congratulation, indeed, when one considers the vast influences which a properly-organized Consular System can have upon the trade and industry of a country, especially like that of Great Britain.

By common consent of the people of this country it was recognised that foreign affairs should be based upon a national basis, and it is due to the present Government to add that they have recognised their responsibility in the matter a great deal more fully than did their predecessors in office. I pay Sir Henry Campbell-Bannerman's Government the merited compliment of saying that they took the earliest opportunity of showing their desire to improve the Consular Service, which they unmistakably have done. It is perfectly true that the late Government had taken the matter in hand previously, but in so half-hearted, shilly-shallying a way as to rob their policy

of all value. The more active development which synchronised with the advent to power of Sir H. Campbell-Bannerman's Government has been maintained up to the present, with the long-needed but still far from complete amelioration throughout the Service. The principal changes so far effected by the introduction of the new system may be epitomised as follows :

- (1) The posts of Commercial Agent in Switzerland, United States, Russia and Central America have been abolished.
- (2) The present Commercial Agent in Russia has been made a Commercial Attaché.
- (3) The three Commercial Attachés in Vienna, Berlin, and Madrid have had their headquarters transferred to London.
- (4) The current commercial business of the Diplomatic missions is carried on under the superintendence of a specially-selected member of the Diplomatic Staff, who is designated Secretary-in-charge of commercial matters, and who receives an allowance varying according to the importance of the post.
- (5) No change is made in Tokio, Pekin or Constantinople, while Sir H. Austin-Lee remains in Paris as Commercial Attaché.

These changes came into force on the 1st April last, and are shortly, as I understand, to be followed by several others of equal or even greater importance. One necessary recommendation has not, however, been adopted, and the old system of nomination by the Foreign Office still continues, with the result that, occasionally, an appointment is given to an entirely wrong man. Also, the increase in the number of Consular Agents' attachés is still insufficient; while it is necessary that there should be an alteration in the method of their reporting.

So far as Mexico is concerned the permanent officers at the Foreign Office have, for some reason or other known only to themselves, had a rooted objection to both a Legation and a Consulate General in the City of Mexico. In 1904 it was decided to abolish the latter post altogether, and establish in

its place a Vice-Consulate in Veracruz attached to the Legation at Mexico City. This disastrous step was only averted by the strenuous opposition of the British community in Mexico, and the intercession of powerful influences at home.

Energetic action of this kind does sometimes prove effective, as was shown by the compulsory reversal of President Roosevelt's decision to send a full-blooded negro to Mexico City as the Minister of the United States of America. The negro-baiting American population formed themselves into a solid body of vigorous and undaunted resisters, refused absolutely to recognise the "black gentleman from Washington," and thus ended the question.

The long-enduring position of uncertainty as to the British representation in Mexico was set at rest when Mr. Reginald T. Tower's appointment was notified, and the *London Gazette* published the reappointment of Mr. Lucien Joseph Jerome as His Majesty's Consul for the United States of Mexico, in April of last year (1906). Mr. Jerome had been some years in Mexico when his post was threatened by the same influences for evil which have ever acted—and still act—as a bane to British interests abroad. Mr. Jerome, in the midst of his earnest and useful work, was sent away to Hayti, where a man of far less importance and experience could have done all that it was necessary to do.

The Consular affairs in Mexico City are more numerous and considerably more important to the British community than the Foreign Office have any idea of, although it is their manifest duty to make themselves acquainted with the prevailing conditions. Mr. Jerome has to deal with something like 700 to 1,000 letters of enquiry alone every year, to say nothing of the numerous shipping and other commercial documents requiring certification, etc. Day by day, as the business community expands and British interests—as I am glad to say is the case—spread throughout the Republic, the Consular duties increase. To such an extent is this the case that Mr. Jerome's offices have long since become congested with official correspondence, and his ante-room is frequently six and seven deep with callers. Little of this does Downing

Street know, and still less, probably, does Downing Street care. One day, perhaps, the fact may be borne home to officialdom; but at present it is somewhat of a struggle for existence, for not only does the Foreign Office still object to maintain a Legation and a Consulate with that liberality which a country like Great Britain can well afford, but it objects to a Consulate-General at all. The British Consul receives £800 per annum, out of which he must pay the Vice-Consul £150. The present Vice-Consul is Mr. George Kennedy, a very popular official. Under the old system there were two distinct and independent Consulates in Mexico, one at the City of Mexico and the other at Veracruz. While the amount of British business and commerce is literally more than ten or twelve times as extensive in the City as it is at the Port, it was seriously contemplated to abolish the Mexico City Consulate and, as I have said, retain the Veracruz Office as an appendage of the Legation at the Capital. The Veracruz Consul formerly had jurisdiction over the States of Veracruz, Chiapas, Tabasco and Yucatán, while the Mexico City Consul ruled over the remainder of the Republic. Now Mr. Jerome is the Superintending Consul of the British nation for the whole of Mexico, with a Vice-Consul both in the City and at Veracruz.

Mr. Lucien J. Jerome has had a wide experience as British representative abroad. In Cuba, during the American-Spanish war, he rendered such valuable services to his own and other Nations, whose trusted exponent he became at a period of great international tension and uncertainty, that not only were his services officially recorded and acknowledged in the form of a special letter from the British Government, written by the late Marquis of Salisbury, but the United States Government sent him, through its Minister, a most cordial and appreciative recognition of his diplomatic services, which effected so much to consolidate the good feeling between Great Britain and America.

The necessity for selecting only experienced and thoroughly capable men for the Consular Service is apparent when the serious and important duties performed by its representatives are considered. Especially is this the case at large ports such

as those of Veracruz and Tampico in Mexico or Buenos Aires, Santos and Pernambuco in South America. The shipping at Tampico has increased enormously of late months, and will continue to increase even more rapidly as the new lines of railway are constructed, bringing the port into communication with Mexico City within 8-10 hours. As many as 15 British vessels (14 steamers and 1 yacht) have been lying in Tampico Port in one day, while the daily average throughout the year is from 8-9 vessels. The Consul's—or Vice-Consul's—duties are to attend to every one of these British bottoms, and in many cases he has to act as judge or arbitrator in the numerous disputes arising between the captains and their crews, or between the captains and the Port authorities.

Upon one occasion a British trading vessel arrived at Tampico with her captain dead-drunk, and in delirium. The Vice-Consul found it necessary to remove him to the hospital, where he was confined in a padded room; but while away attending to this unpleasant duty word was brought to him that, profiting by the captain's absence and no doubt influenced by his example, both the First Mate and the Second Mate had become violently intoxicated, had been arrested in the streets by the police and conveyed by them to prison.

The Consul has sometimes to call a naval court to try rebellious or drunken naval officers, and he has the power to cancel the culprit's certificate and even order him to be imprisoned if necessary. These and other powers are the Consul's or Vice-Consul's; hence the importance of securing for the service men who are gifted with cool heads, calm judgments, and unflinching firmness of purpose, such as, I am proud to say, distinguish the greater part of the British Consular body all over the world. The exceptions are very few, and those few have, as a rule, little rope given to them, being removed as soon as the attention of the Foreign Office has been drawn to them and their failings by members of the British community under their jurisdiction. But I know of only a few such drastic methods being found necessary within recent times.

While dealing with this matter in "Through Five Republics of South America" (see page 464) I wrote as follows:—"All this suggests that the Consular Service should be organised in a more intelligent and useful manner, and one of the most important innovations should be the employment of travelling Inspectors of Consuls, that is to say officials appointed by the Government, whose duty it should be to visit all our Consular stations at some time or other during the year (unexpectedly for preference), and who should personally inquire among the commercial community how far the particular local Consul carries out his duties to their satisfaction, and to the credit of his Government at home."

It will be regretted that the British Government has to a limited extent only taken this counsel into consideration, inasmuch as by paragraph 4 of the new system, previously quoted, the current commercial business of the diplomatic corps (and that also conducted at Downing Street) is to be carried on under the superintendence of a specially-selected member of the Diplomatic Staff. This, however, does not go far enough; and until some travelling-inspector system is introduced and our Consuls abroad are kept up to the mark, by means of a sort of Damocletian Sword held over their heads by the ever-present possibility of a Government inspector bearing down upon them, a completely satisfactory system is hardly to be expected, and the shirkers, of whom there are some, and the incompetents, of whom there are more, will still flourish undetected.

It is a remarkable fact that, with all its defects, the British Consular Service should so long have been deemed abroad "the best in the world." So it was once pronounced on the floor of the House at Washington. These American critics, not usually prone to admit the superiority of anything British, were, however, entirely mistaken in their estimate of the value of our Consular Service, which, in spite of the strict service regulations observed and the many able men who adopt the Consular Service as a life career, was and still is sadly lacking in many important essentials.

The U.S. Government has not been remiss in setting its own house in order, and in removing the stigma which long was

cast upon it regarding the inadequacy and insufficiency of its Consular Service, a service which had not undeservedly been denounced as "the refuge for the old and incapable political hangers-on." Speaking on this subject not long ago, Mr. Secretary Root observed, "We now have a very indifferent Consular Service. In it we have some very excellent men, some indifferent men, and some poor men. It is just like a country law-office would be if a big city practice were dumped into it. The time has come when we must reorganise it, for American money is being invested abroad, and there is growing up a great demand for good American Consuls to push American trade. This American commerce is now pushing through every crack and cranny throughout the world. There have been sporadic and unsystematic increases in the salaries of some Consuls, but mainly because the Consul affected has had some good friend in Congress."

This was plain, honest, straightforward speaking, thoroughly characteristic of Mr. Secretary Root, and being addressed to America's shrewd statesmen, who knew that he was speaking truthfully, it was but natural that the result should have been all that he anticipated; and this has found expression in the most practical form. For with the dawn of January 1st of this year, there began an entirely new order of things in connection with American consulates. With it was swept away the old, bad and vicious system which has grown up from generation to generation, and the clean broom of reform swept mercilessly from every corner the refuse which had there accumulated. I unhesitatingly pronounce the American consular reform, as it is to-day, to be an excellent one, destined to bring forth great results to the country which has had the pluck and enterprise to introduce it. It was not a light undertaking upon which to enter, either from a political or a financial point of view, and it is little wonder that the scheme met at first with bitter antagonism in certain quarters.

The regulations which govern examinations for persons desiring to enter the U.S. consular service contain many notable features. The subjects upon which written examinations are held include one modern language besides English, preferably French, Spanish or German; the natural,

individual and commercial resources of the U.S.; political economy; the elements of international, commercial and maritime law; commercial arithmetic; modern history of Europe, of Latin-America and the Far East. To composition, to grammar, punctuation, orthography and caligraphy the closest attention in the examinations is also given. No applicant is considered under 21 years old nor over 50, and the Board of Examiners reserves the right to have the applicant submit to medical examination in case there is any doubt as to his physical qualification. The names of candidates who pass examinations successfully remain on the list for two years, and if they be not selected within that time they are dropped.

Although the U.S.A. Government has raised the consular remunerations in proportion to the improved qualifications of candidates, they are far from being excessive, but compare extremely well with the majority of British consular salaries. There are but two American consulates (London and Paris) worth more than \$15,000 (£3,000) a year to the incumbents; 10 consulates pay more than \$6,000 (£1,200), and 23 more than \$5,000 (£1,000). There are several consuls who find it hard, residing as they do in expensive places, to make both ends meet. Singapore, for instance, is one of the badly-paid posts, and yet it is one of the greatest importance. In ports where the consul has to consort with wealthy merchants \$250 (£50) a month is considered poor pay. The following list of U.S.A. consulates, together with their salaries, may be found of interest:—

Post.	Salary.	English Equivalent.	Post.	Salary.	English Equivalent.
	\$	£		\$	£
London ...	17,157	(3,431)	Montreal ...	5,851	(1,170)
Paris ...	16,143	(3,228)	Capetown ...	5,810	(1,162)
Berlin ...	8,950	(1,790)	Calcutta ...	5,729	(1,145)
Havana ...	8,142	(1,628)	Vienna ...	5,709	(1,142)
Hongkong ...	7,428	(1,485)	Bremen ...	5,555	(1,111)
Hamburg ...	7,049	(1,409)	Dawson City	5,457	(1,091)
Mexico ...	6,680	(1,326)	Rio de Janeiro	5,312	(1,062)
Shanghai ...	6,595	(1,319)	Yokohama ...	5,203	(1,040)
San Domingo	6,496	(1,299)	Barcelona ...	5,050	(1,010)
Ottawa ...	6,284	(1,256)	Mouravia } ...	5,048	(1,009)
Cairo ...	6,214	(1,242)	(Liberia) }		
Constantinople	6,019	(1,203)	Frankfort ...	5,928	(1,185)

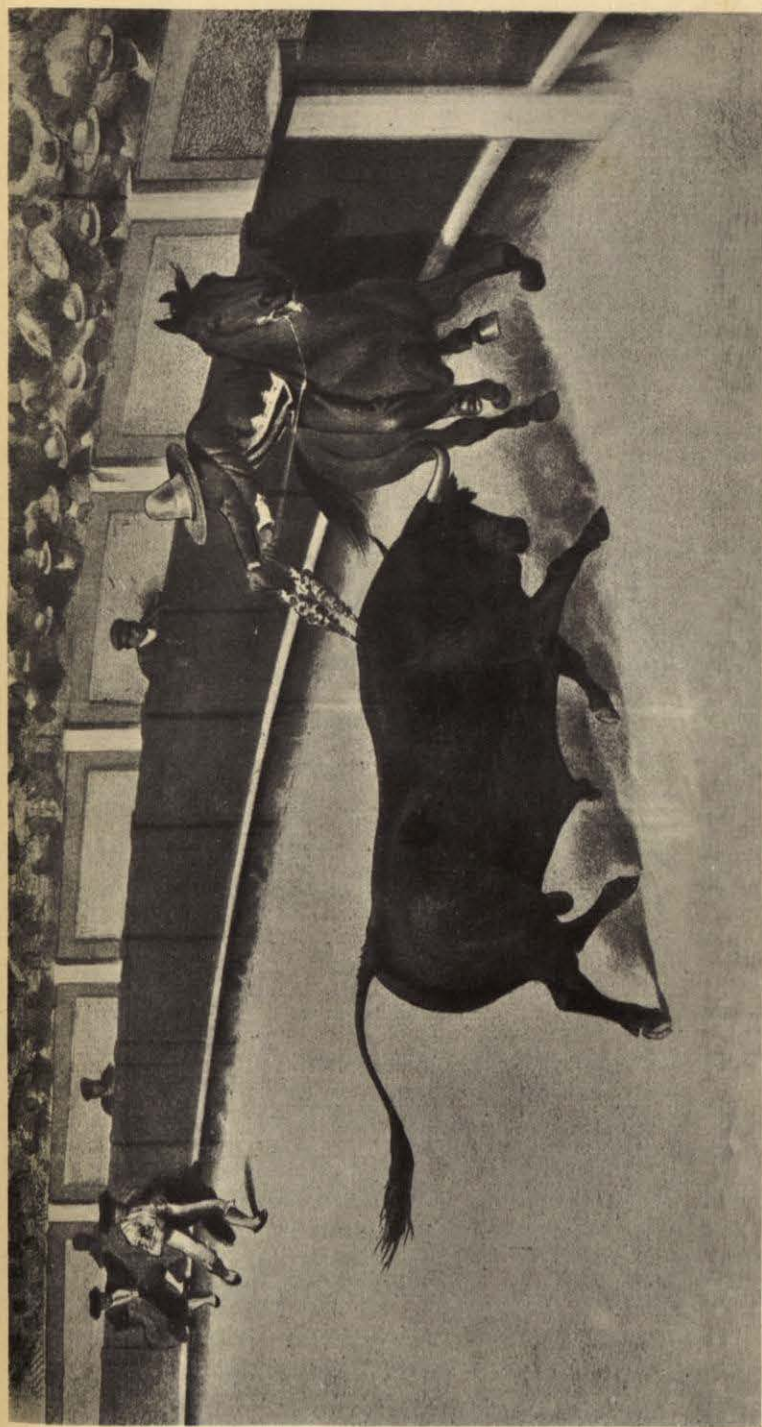


Photo by C. B. Waite. MEXICO CITY—THE BULL RING. PLANTING THE BANDERILLAS BY THE BANDERILLEROS.—see p. 245.

For the sake of comparison the following list of British Consulates, with their attendant emoluments, is given :—

Post.	Rank.	Salary.		American
		£	\$	Equivalent.
Budapest	Consul-general ...	1,000	(5,000)	
"	Consul ...	600	(3,000)	<i>Unpaid</i>
Trieste	" ...	300	(1,500)	
Fiume	" ...			<i>Unpaid</i>
"	Vice-consul ...			
Antwerp	Consul-general ...	1,300	(6,500)	
Rio de Janeiro	" ...	1,100	(5,500)	
"	Vice-consul ...	450	(2,250)	
Bahia	" ...	600	(1,200)	
Pará	" ...	600	(1,200)	
Pernambuco	" ...	600	(1,200)	
Santos	" ...	400	(2,000)	
Rio Grande do Sul	" ...			
Valparaiso	Consul-general ...	900	(4,500)	
"	Vice-consul ...	400	(2,000)	
Canton	Consul-general ...	1,200	(6,000)	
"	Vice-consul ...	600	(3,000)	
"	Consul-general ...	900	(4,500)	
Mukden	Consul ...	800	(4,000)	
Paris	" ...	400	(2,000)	
"	Vice-consul ...	400	(2,000)	
"	Consul ...	600	(3,000)	
Dantzic	" ...			
Hamburg	Consul-general ...	1,350	(6,750)	
"	Vice-consul ...	400	(2,000)	
"	" ...	250	(1,250)	
Athens	" ...	600	(3,000)	
Guatemala City	Consul ...	1,000	(5,000)	
Kobe	" ...	600	(3,000)	
Mouravia }	Vice-consul ...	800	(4,000)	
(Liberia) }	Consul ...	600	(3,000)	
Christiania	" ...	800	(4,000)	
Panama	" ...	400	(2,000)	
"	Vice-consul ...	850	(4,250)	
Calláo	Consul-general ...	400	(2,000)	
"	Vice-consul ...	700	(3,500)	
Bucharest	Consul ...	800	(4,000)	
Mexico City	" ...	150*	(750)	
"	Vice-consul ...			

Mr. Alfred L. M. Gottschalk, the American Consul-General at Mexico, and who was appointed only last year, is a good specimen of the active and enterprising New York business man. He is about 37 years of age, having been born in 1870. He entered the Consular Service in 1902, his first post having been at San Juan del Nortè, where he remained until the middle of 1903. He then went to Calláo, in Peru, his rank

* This salary is paid out of the Consul's salary of £800.

there being Consul-General. Mr. Gottschalk has seen a good deal of South America and its trade, and this experience, combined with his great natural shrewdness and acumen, renders him very fit to fulfil the important position which he now occupies. Apart from this, however, Mr. Gottschalk has acted as one of the *New York Herald's* Special Correspondents in various parts of the world, thus gaining a unique amount of foreign experience. He is very much esteemed in Mexico City, and out of it.

The German Consul, Dr. F. C. Rieloff, is the first to be appointed under the remunerative system, and his appointment is due to the new aggressive German Colonial policy initiated by the Minister of the Colonies, Herr Dernburg. Dr. Rieloff has secured about the finest consular offices in Mexico City, at 18 Zuleta, but his official residence is at 3^d. Denmark, No. 420.

The American Consular Body in Mexico is altogether an able one. Besides the Consul-General, Mr. Alfred M. L. Gottschalk, the U.S. possess in Mr. George H. Murphy a very active and zealous official, enjoying the title of Consul-at-Large. He is one of the five American consuls who are members of a department of the consular service brought into being with the beginning of this year. These consuls perform the duties of inspectors of consulates, and they report direct to the Department of State. They cover the whole world, each being assigned a special territory for the performance of his duty. The special field assigned to Mr. Murphy is North America, which, of course, includes Mexico.

Consul-General Hanna, who is located at Monterey, in the State of Nueva Leon, is yet another keen, shrewd and enterprising representative of the U.S.A. General Hanna has several vice-consuls under him, and his field is an exceptionally wide one.

CHAPTER XVI

National finance—Budget estimates—Completeness of Government figures—Monetary reform—History of Foreign Debt—National Debt appropriations—Reproductive expenditure—Character of bonds—Relations with foreign banking-houses—Amortisation provision—Gradual cancellation of public securities—Table showing Mexican Government and State Government loans, interest paid, dates of payment and redemption.

It has been a fruitful source of complaint among foreign investors in Spanish-American countries that the annual Budget-accounts are invariably from two to three, and sometimes four, years in arrear. These critics do not always take into consideration the fact that the countries referred to are, for the most part, but poorly supplied with the means of internal communication, apart from the fact that Spanish-Americans are not in the habit of hurrying themselves even on their account, and are less inclined to do so in relation to their foreign creditors.

This reproach, however, cannot be applied to Mexico. The accounts, for instance, to June 30th, 1905, and the Budget for the year to 1906-1907, were both presented to Congress in December of 1905, and the Budget for 1907-1908 is very up-to-date. There was no undue delay in completing the accounts for the whole of the Republic, bearing in mind the physical characteristics and in some districts still meagre means of communication.

The accounts in question show how exceedingly stable is the financial condition of Mexico. The recent currency reform is mainly responsible for this encouraging state of affairs. The able handling of the country's finances by Señor J. Y. Limantour is also a very great factor. Many hot debates in financial circles took place when this monetary