

WICKED FOREIGN MERCHANTS AND MACHO ENTREPRENEURS: Shall We Grow Up Now?

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We speak, too often, in hyperboles. Nothing whatsoever can be said for the foreign trader; his position is irredeemable. But native traders and entrepreneurs are either enfeebled instruments of the foreigner or vigorous, watchful, and competitive innovators, quick to seize such opportunities as local knowledge and experience so readily supply. There is little common ground.

Eugene Ridings has gathered every scrap of information he can find on the operations of resident foreigners in Latin America's overseas trade. His conclusion is that, in the nineteenth century, this trade was handled almost entirely by foreigners; Latin Americans were "excluded from a vital step toward all forms of entrepreneurship" (p. 4). Foreigners found themselves "in a position to thwart and delay government programs favoring industrialization or other forms of economic development" (p. 18). By contrast, native Latin Americans, attached to the values of a landowning aristocracy and handicapped by its traditional scorn of business, seldom took a direct interest in overseas trade. The result was that "aliens dominated numerically and in every other way the most important element in Latin America's business elite and its most important economic activity" (p. 18). Ridings has supplied us with what amounts to a bibliographical essay; he cites 151 notes in sixteen pages of text, of which many are bibliographies in their own right while others add much further detail and extended comment.

The intention, no doubt, is to present an overwhelming and conclusive case for the dominance of foreigners. Yet while Ridings feeds one set of stereotypes—strong foreign dominance and control at the expense of domestic interests—he also by implication demeans, humiliates, and contradicts another—a nationalist, patriotic perspective that identifies a strong citizenry of innovating domestic entrepreneurs, vigorous in defence of their interests, watchful for the opportunities open to businessmen on the spot, modern in their methods and, save only

for the most capital-absorbent of nineteenth-century activities (railways, public utilities, public works), fully capable of financing themselves.

It is the second (patriotic) stereotype that describes Mexico's Banco de Avío as a radical, pioneering development bank, Francisco Solana López's arsenal in Asunción as the heroic beginnings of self-sustained, autonomous industrial growth, or even the little Oeste of Buenos Aires (that experimental track with its army-surplus steam engine from the Crimean War) as the bright dawn and foundation of Argentina's great railway network. It is surely one of the choice ironies of the dependency school, perhaps one of dependency theory's many "traps," that its exponents must assume so low a level of general competence for the very people whom they hope to patronize and defend. The reaction of the patronized is naturally profound, and the counter-arguments of indignant patriots are led into excesses hardly less absurd. Neither, of course, has much or anything to do with history, so that when real history intrudes it is made to appear the exception. It was only in central Colombia, says Ridings, that "native predominance resulted from a vigorous spirit of enterprise" (p. 6). But if others had done their research as efficiently as Frank Safford, might not similar stakhanovites have materialized elsewhere?

For any historian, the prerequisites are chronology, detail, and scale—what is known in the trade as "treading the marshy ground of empiricism." When, where, and what was Latin America's overseas trade? How important was it, relative even to a small domestic economy? If overseas trade were handled by foreigners—which seems not unlikely—was it yet the "most important urban economic activity" of Latin America in the nineteenth century? Even within urban economic activity, was overseas trade so unquestionably the node?

These are all points to which Ridings does not respond, and they are indeed difficult to formulate. But they must be asked and answered. British trade, for one, remained at a very low level for decades after Independence. Once the first excitement of a blockaded and now-reopened market was over, once the opportunities and illusions of foreign investment had vanished in London's financial crisis of 1825–26, the attention of British traders came to be focused very largely on a single country, Brazil. Later in the century Britons spread to Argentina and, less so, to Mexico, Chile, and Uruguay. The rest of the subcontinent offered little inducement to foreign traders, Britons or others.

Such things are relative, and it is true that what is important to one community may be insignificant to another. "Meaningful" numbers are in short supply, but it takes much bold manipulation of ideas to metamorphose an impoverished, weakling colony of alien merchants, fighting for their share of a diminished trade on a distant coast, into a powerful community of singleminded, united foreigners whose actions

“must be accounted a strong factor in preserving Latin America’s traditional export-import economy and its ties of economic dependency to Europe and North America” (pp. 4–5). This is, indeed, “imaginative research.”

In *some* republics foreign merchants gained ground as genuine trade developed. By the time they had done so (in the later decades of the century), governments, politicians, the domestic ruling class, and even local business were well established and more fully in control. In Buenos Aires, at the peak of Britain’s economic interest, Ridings’s conclusions would have read strangely both to the president of the Jockey Club *and* to the chairman of the British Chamber of Commerce.