

anha, and sarsaparilla; dyewoods, vegetable ivory, vegetable wax, divi-divi, and coca; naturally growing cacao and tobacco, and soil that is eminently fitted for coffee growing, sugar cultivation, cattle raising, and increasing the great industry of wool. Above all, it is a well-watered country, and might be what it is not, prosperous, and the home of a contented people.

So far we have stated only what Peru is, and indicated what she might become. We have told what should be done, but said nothing of what is being done, of the silent work of development that is being pushed steadily forward. Obviously the first obstacle to be overcome is the removal of difficulties of transport, and the triumphs of the engineer have been rendered possible, not because the Government was enthused with a desire for progress, but because it was hopelessly in debt. Ever since Dickens in "Dombey and Son" was grimly sarcastic about the poor man who "broke his heart in Peruvian mines," the bondholders of Peru have been the subjects of satirical comment which was not quite deserved. They may have been too confiding at one time, but they were wide awake upon occasion, and one of these times was in 1890, when the holders of Peruvian bonds to the amount of £33,000,000 sterling, together with interest from 1876, making a total principal and interest of £50,000,000, cancelled the bonds in return for concessions from the Government for certain railway, guano and mining rights, and formed a company known as the Peruvian Corporation. This company of limited liability was formed under English law with a capital of £9,000,000 ordinary shares and £7,500,000 preference shares, each bondholder receiving an agreed proportion of the shares in respect of his holding of bonds. In addition to the concession mentioned, the Peruvian Government gave to the bondholders a cash annuity of £80,000, to run for a period of thirty years, commencing in 1893, which annuity was subsequently reduced to £60,000, and, so reduced, was paid to June, 1893. Since that time, however, no further payments have been made, and negotiations for a settlement have so far not met with any success. The railways are ceded for a term of sixty-six years from January, 1890, and at the expiration thereof the lines are to revert to the Peruvian Government. Meanwhile much has been done. In 1890-91 the net receipts sterling, allowing for rate of exchange, as the result of the working of railways and steamers, were £91,771 11s. 3d.; in 1900-1901 £200,758 15s. 1d.; and with the large reserve of £130,000, which has to be drawn upon in the absence of working capital, the Corporation are still able to pay interest of 5 per cent. for the current year. The engineering difficulties which have had to be overcome, and the supineness of the Government, have added terribly to the task of the Corporation, but success has rewarded their efforts, and prospects are brighter now than they have ever been. The effect which these transport facilities will have upon the future of Peru cannot be over-estimated. We will take a few examples haphazard. Last year the Central Railway carried over their system 34,817 tons of minerals, 18,686 tons being from the Cerro de Pascoo mines, against 31,841 tons the previous year; the Pascamayo and Guadalupe Railway shows by the cargo transported a steady increase in the agricultural industry of the province of Pascamayo, although the working expenses were increased by the cost of relaying portions of the line with steel rails; the Trujillo Railway shows an increase, and sugar production in the district is being rapidly pushed forward; and the position of the Southern Railway promises to be materially benefitted by agreement with the Bolivian Government, who are constructing a railway from La Paz to Huaqui, a port on

Lake Titicaca, upon which the steamers of the Corporation ply, and which will thus connect the Peruvian and Bolivian railway systems. Lake Titicaca, the sacred lake of the Incas, is the highest known navigable lake in the world, being 13,000 feet above sea level and 325 miles from Mocho, the nearest seaport, and yet the Corporation's steamer "Coya," or "Lawful Inca Princess," which is of 550 tons, was sent out in sections by Messrs. William Denny & Bros., of Dumbarton, and riveted up by Mr. John Wilson on the lake above the clouds. We are accustomed to remarkable engineering feats and betray no surprise, but this achievement and the safe landing of the sections through the surf at Mollendo shows that the agents of the Corporation will stick at nothing, and that they at least mean business and they mean development.

A great question springs from a consideration of these matters, which has already been asked in America, and that is "Who shall have the Peruvian trade?" Professor Orton, who has travelled the country, urges the people of the United States to nerve themselves for this conquest. He calls Peru the France of South America and revels in her capabilities. "These rich resources," he says, "lying almost at our very doors, must soon appeal to that restless spirit of enterprise and commercial activity which, not content with its vast triumphs, longs for new conquests and a wider field of exercise. One looks forward to the dazzling future of this great valley when the ships of all nations will crowd the network of rivers for the gold and perfumes, the gems and woods of the great Western Ophir." The answer to the Professor's poetic and yet truthful tribute—the reply to the American query—is that the Peruvian Corporation, registered under British law, is there, doing the work America would like to do. Peru is doubtless a magnificent field for commerce. British feet are planted there now, and have power to remain under contract for fifty-four years more. It is unwise to prophesy, but if, being there, we permit the trade of a country which we are developing to slip from our grasp we shall deserve all the polite epithets so frequently levelled at us, and be unworthy the pioneers of commerce who are working there so unobtrusively and so well."

#### AMERICAN SHIPPING.

The introduction to the 1902 Blue Book of American Shipping, published by The Marine Review, of Cleveland, Ohio, contains some facts and statements which are of much interest to Canadians. Speaking of Mr. J. P. Morgan and what is called the Morgan shipping combination, the article says:

It is proper to state that the dramatic event of the year in shipping circles has been the formation of what the newspapers loosely term the Morgan shipping combination. This extraordinary man has combined under one management the White Star, Leyland, Red Star, American, Atlantic Transport and Dominion lines of steamers. This combination was presaged by the acquiring earlier in the year of the Leyland line. The great factor in the combination is the White Star line, as the American, Red Star and Atlantic Transport lines were controlled by interests in close affiliation with Mr. Morgan. The White Star line enters the combination upon a basis of ten times its profits for the year 1900. This figure is very favorable to the stockholders of the White Star line, as the year 1900 was the most profitable in the history of the company. Notwithstanding the fact that the dissolution of the White Star company was merely a private matter—and an extremely profitable one for those who were so fortunate as to be among its shareholders—the affair created the wildest excitement throughout Great Britain, and the company was roundly denounced for surrendering its ships by those who had not a dollar at stake. In this country it killed the shipping bill absolutely as far as the present congress is concerned. The shipping bill had passed the senate with an ease which