

## REPLY

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Professor Marichal seems to have misunderstood the thesis of my article. A careful reading will show that it was not my purpose to deny the importance of native entrepreneurs, but simply to point out that they were a minority and to examine some possible causes of this situation. The word *predominance* was used in the title not by accident but in its dictionary sense of holding advantage in number or quantity. This characteristic, which I ascribed to foreign overseas traders in nineteenth-century Latin America, is not contradicted by the evidence presented by Professor Marichal.

Professor Marichal has cited a number of outstanding Argentine and Mexican native entrepreneurs and mentioned instances in which native businessmen were found, in his words, in "substantial number" or in "good number," or where they "continued to play an important part." But the presence of outstanding native business figures and situations in which natives were numerous hardly contradicts my contention that foreign overseas traders were numerically predominant in most Latin American nations in the nineteenth century. My article also mentions outstanding Latin American businessmen and cites a number of circumstances in which natives were prominent or even predominant in number. What is necessary for refutation of my thesis is some type of quantitative evidence showing that native overseas traders were indeed more numerous than foreigners. Professor Marichal's commentary presents none.

In this vein, it is not particularly relevant to enumerate the pioneering business efforts of certain Argentine and Mexican natives. The same could be done for several other Latin American nations. For example, Viscount Mauá, arguably the most famous Latin American entrepreneur of the nineteenth century, founded Brazil's first railroad, installed the first gas lighting in Rio de Janeiro, helped establish under-seas cable communication with Europe, and pioneered numerous industrial enterprises.<sup>1</sup> None of this, however admirable, altered the fact of foreign numerical predominance among overseas traders or, for that matter, in large-scale business in general, in Brazil.<sup>2</sup> Similarly, Professor Marichal's revelation that the foreign firm of Manning Mackin-

tosh went bankrupt while native entrepreneur Nicanor Beístegui flourished seems equally beside the point. None of the evidence he presents comes to grips with the problem of foreign numerical predominance.

Other inferences gathered from my article by Professor Marichal are, to say the least, rather curious. A careful reading will show that nowhere does it state or even imply that foreign merchants, in the words of Professor Marichal, had a "monopoly over trade, finance, or entrepreneurial skills," or that "native merchants lacked the capital and business experience to set up banks, insurance companies, factories, and other enterprises." On the contrary, my article cites numerous circumstances and chronological periods in which native businessmen flourished or even outnumbered foreigners. Equally strange is Professor Marichal's contention that my article implies that "virtually all traders were foreigners." He should reread the statistics on foreign proportions among merchants on pages 5 and 6. Again, we should refer to the dictionary. *Predominance* does not mean *monopoly* or *near-monopoly*.

I must plead guilty to failure to insert the modifier *most* before "Latin Americans" in my statement, quoted by Professor Marichal, that "the relative absence of native overseas merchants meant that Latin Americans were excluded from a vital step toward all forms of entrepreneurship." That statement is contradicted by my own evidence. But Professor Marichal has used it quite out of the context of the rest of my article. Finally, he has questioned my definition of *foreign merchant*. In all cases, I have used the designation of contemporary observers and compilers of statistics, who commonly defined as *foreign* those who retained their alien citizenship. Failure to become citizens of the Latin American nations in which they operated, when doing so was usually easy and quick, indicates something about the attitudes of most foreign merchants.

Given the wide geographical and chronological scope and the complexity of the problem of foreign predominance among overseas traders in nineteenth-century Latin America, an article such as mine obviously can be only a preliminary inquiry. Modifications or contradictions of its findings are to be expected and would be most welcome. But it must be repeated that such corrections should be based primarily on some type of quantitative evidence. The evidence offered by Professor Marichal, although admittedly interesting in its own right, does not address the question of foreign predominance.

A comment by D. C. M. Platt, long the scourge of dependency theorists, is most welcome if perhaps also to be feared. He has raised some pertinent and difficult issues. At the same time, he too has drawn some inferences from my article that I had no intention of making. A "low level of general competence" by no means characterized Latin Americans, least of all in matters pertaining to business. The notable

Latin American entrepreneurs cited in my article are proof enough of that. Their very success throws into sharper relief the question I wished to pose: why were there not more of them? The purpose of my paper was to call attention to their relative lack and to seek reasons for it.

Professor Platt attributes failure to uncover swarms of native entrepreneurial “stakhanovites” to the relative inefficiency of researchers. This conclusion is altogether too dim a view of the quality of research in the area; others have equaled or approached the commendable efforts of Frank Safford on Colombia. The possibility still remains, of course, that similar cases of native predominance in overseas trade during the nineteenth century will be uncovered. Thus far, none have.

Latin American overseas trade varied greatly in volume from country to country. In most nations, it was admittedly small during the decades after Independence, as Professor Platt has frequently pointed out elsewhere. Its relative importance in each domestic economy, even in urban areas, cannot be determined precisely because of inadequate statistics on internal commerce. But much of the significance of overseas commerce, great or small, lay in its role in providing capital and entrepreneurial skills for later economic growth. Its practitioners, many or few, were prime sources of economic guidance for government and could exert other pressures on government policy by various means. Overseas traders were thus instrumental in determining the direction of economic growth. Patterns of economic development were set early in each nation’s history and changed later only with difficulty. It is my contention that foreign predominance among overseas traders was instrumental in helping set patterns of economic dependency.

Similarly, the question of whether in earlier or later decades of the century “governments, politicians” or “the domestic ruling class” were “well established and more fully in control” is not really relevant, as long as their policies offered no challenge to a situation of economic dependency, thanks to attitudes and patterns of economic growth set earlier. I frankly doubt that my conclusions would have raised the eyebrows of either the president of the Jockey Club or the chairman of the British Chamber of Commerce in Buenos Aires.

#### NOTES

1. On Mauá’s career, see Anyda Marchant, *Viscount Mauá and the Empire of Brazil: A Biography of Ireneo Evangelista de Sousa (1813–1889)* (Berkeley and Los Angeles: University of California Press, 1965); and Alberto de Faria, *Mauá—Ireneo Evangelista de Souza, Barão e Visconde de Mauá, 1813–1889*, 2nd ed. (São Paulo: Editora Nacional, 1933).
2. Eugene W. Ridings, “Business, Nationality, and Dependency in Late-Nineteenth-Century Brazil,” *Journal of Latin American Studies* 14, pt.1 (May 1982):55–96.