

Factors Affecting British Investment in Southern South America as Seen by British Travellers and Observers, 1817-1855 | Chatham Hale Forbes | 1948 | Stanford Univ., 1948

Historic sentiment, fear of American ambition, the need to protect British markets: together they led Britain to propose a compromise. Other countries felt the same. In his forthcoming book, *The Empire's New Clothes: the Myth of the Commonwealth*, Murphy argues that Britain didn't mastermind the growth of the modern Commonwealth as part of a grand geopolitical strategy. But how much does the Commonwealth affect the lives of the people behind these statistics? Hardly at all. Perhaps this would include countries in south Asia, Africa or the Caribbean, which just as many, if not more, Britons are as deeply connected to, culturally and emotionally, as others are to Australia. The theme of this month's Commonwealth heads of government meeting is "Towards a Common Future". The continent of South America looks as if it managed to escape the attentions of the British Empire. However, this was more because the British didn't need to exert formal control over the countries and peoples of this continent. The Monroe doctrine imposed by America, served British interests quite well enough. The doctrine made it clear that the United States would not tolerate foreign meddling in the Americas. This policy meant that Britain could get all the benefits of trade and investment in South America with very little of the administrative costs. In addition, it could be reasonably said that a key factor in the desirability of investment are the transport costs and levels of infrastructure. A country may have low labour costs, but if there is then high transport costs to get the goods onto the world market, this is a drawback. Countries with access to the sea are at an advantage to landlocked countries, who will have higher costs to ship goods. The EU is seen as a signal of political and economic stability, which encourages foreign investment. Related to political stability is the level of corruption and trust in institutions, especially judiciary and the extent of law and order. 7. Commodities. One reason for foreign investment is the existence of commodities. This has been a major reason for the growth in FDI within Africa – often by Chinese firms looking for a secure supply of commodities.