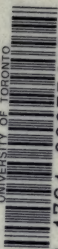


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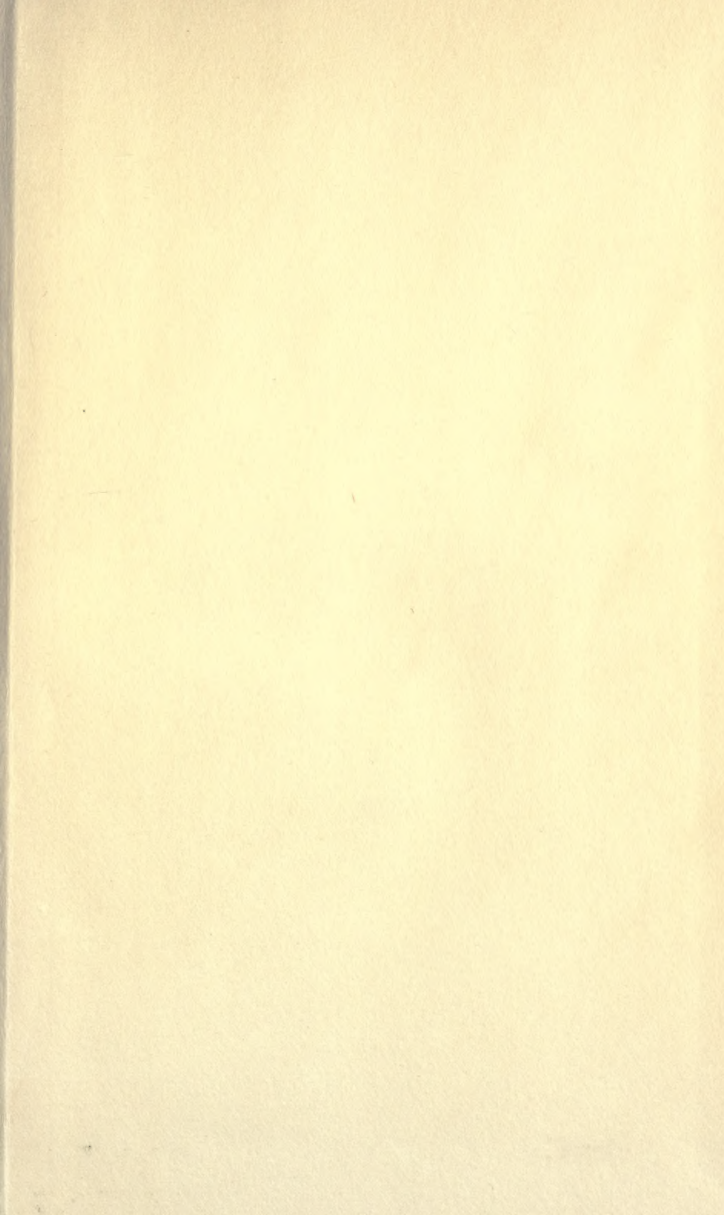


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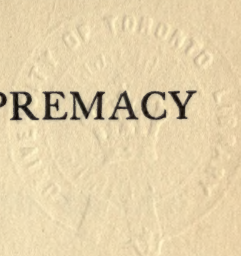
BRITISH IMPERIALISM
AND COMMERCIAL SUPREMACY

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BRITISH IMPERIALISM

AND

COMMERCIAL SUPREMACY



BY

(M.) VICTOR BÉRARD

SECRETARY OF THE "REVUE DE PARIS"

AUTHOR OF "L'EMPIRE RUSSE ET LE TSARISME," "LA POLITIQUE DU SULTAN,"
ETC.

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AUTHOR'S PREFACE TO THE ENGLISH EDITION.

JE ne voudrais ajouter que deux mots de préface à la traduction que M. H. W. Foscett veut bien présenter au public anglais de mon livre : *L'Angleterre et l'Impérialisme*.

Ecrit pour des lecteurs français, ce volume contiendra peut-être, quelques expressions un peu vives, qui pourraient choquer le lecteur anglais ou lui inspirer des doutes sur la grandeur et la réalité de mon admiration pour l'Angleterre, "mère des Parlements" et source des grandes vérités radicales.

Que l'on ne se trompe donc pas sur mes intentions. Dans ce livre j'ai combattu de toutes mes forces le radicalisme *brummagem*, constructeur d'empire et écraseur de peuples ; c'est qu'il m'a toujours paru que la mission et le profit de l'Angleterre, aussi bien que le profit et l'avenir de l'humanité, étaient ailleurs.

Penser qu'un empire à la mode allemande ou toute autre espèce de combinaison impérialiste peut rendre au commerce anglais son monopole d'autrefois me semble pur enfantillage. L'Angleterre d'aujourd'hui doit compter avec les difficultés d'aujourd'hui, comme l'Angleterre d'autrefois comptait avec les difficultés anciennes. Si l'exemple de l'Allemagne peut apprendre quelque chose aux autres peuples, ce n'est

pas que la force est un remède ; c'est au contraire que la force n'est rien, quand elle ne sait pas se plier aux calculs de la raison, aux méthodes de la science, au service de l'humanité.

Force is no remedy, disaient avec justesse les vieux radicaux. *Science is remedy*, doivent dire les néo-radicaux anglais.

V. B.

PARIS, *January*, 1906.

TRANSLATOR'S PREFACE.

THE subject with which this book deals is one of vital importance to all the civilised nations of the world.

At the present time, the antagonistic opinions of Free Trade on the one hand, and Protection, Fair Trade, Preference to the Colonies on the other, are shaking to its very foundations the economic structure on which commercial Great Britain has rested and flourished undisturbed for the past fifty years. Under these circumstances, the comprehensive survey made by M. Victor Bérard of the commercial and industrial situation of Great Britain among the leading communities of the day, must undoubtedly appeal to the intelligence of all thinking Britons. If the caustic strictures applied to the British nation by this clever French writer are wholly unmerited, the object of them can afford with lofty unconcern to continue on the even tenor of her way, but if, on the contrary, as there is every reason to fear, they are not altogether unmerited, then every opportunity should be seized for laying the truth, however unpalatable, before the British public. Every attempt made in this direction, to encourage timely and widespread reflection, must aid in discovering the remedies

capable of meeting so serious a state of affairs if it exists, or at any rate in postponing for many a long day the dreaded cataclysm. To emphasise the evident necessity for a thorough application of modern scientific methods—if modern economic problems are to be successfully solved—quite apart from the burning question as to the respective merits of Protection and Free Trade, is the sole aim of the translator in presenting an English version of *L'Angleterre et l'Impérialisme*.

H. W. F.

LONDON, *January*, 1906.

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JOSEPH CHAMBERLAIN.

CHAPTER I.

“I come to you from Birmingham, that is to say, from the city which above all others is the centre of aggressive Radicalism, from the city which has ever distinguished itself by its democratic sympathies.”—Speech of J. Chamberlain at Cardiff, 6th July, 1886.

BIRMINGHAM, capital of the Midlands and Black Country, is situated in the very heart of England. Planted as it is on the plateau which occupies the centre of the island and serves as a threshold to the Welsh mountains and the Pennine range, Birmingham is the natural point to which converge the Welsh and Scotch activities of the Irish Sea, as well as of the North Sea and Channel. The great rivers of the kingdom, the Severn, Thames and Trent, skirting the base of this plateau, wend their sluggish and winding course towards the four corners of the horizon, while Birmingham, which dominates the plain, is about equally distant from all the great seaports. Birmingham is the intersecting point of two diagonal lines, which drawn from the south-west to the north-east, on the one hand, would unite Exeter, Bristol, Derby, Leeds and Newcastle, and from the south-east to the north-west, on the other, London, Liverpool, Manchester and Glasgow.

In the course of history, the districts situated on the diagonal line running from south-west to north-east have not played any very important part; from the waters of the Exe to the borders of the Tyne, the same undulating plain with its substrata of limestone and chalk, the same verdant green, the same cultivation, crops and population meet the gaze of the observer; and the history has been the same tale all through of the invading onslaught of maritime peoples.

From south-east to north-west, on the other hand, the island is as if divided between two natures and two nations. On the one side, eastwards, there is the flat country of the Thames and the Trent, meadows reeking with mist, swampy districts bordering on rivers' mouths; in a word, the plain of agriculture and burly peasants. On the other westwards, is a confined space of sand and bog, a few roadsteads eating their way into marsh-land, and, dominating the sea, bleak mountains, deserted valleys and meagre flocks. For ten centuries the fertility of the plain attracted conquerors from without—Romans, Danes, Saxons and Normans. For a like period, the mountains served as a refuge to all the conquered natives—Gaels, Picts and Welsh.

The Norman conquest, after effecting the submission of the entire plain, and imposing on the population Norman laws, religion, language and feudal system, seemed to have established a firm footing in the country for all time. But the mountains and the district west of them remained unsubdued, ever predisposed to revolt. Centuries had to come and go before peace and union between the two Englands of conquerors and conquered could be placed on a sound basis. The rivalry, originally warlike, later on political, of these two peoples forms the leading theme of English history, and it was this very rivalry which first called Birmingham into existence, and then gave her her importance and fortune.

The course of events was as follows. The conquerors, ever pushing forward from the east and the south, spread continuously as far as the great forest of Arden, which, at that time extending over this marshy country, marked the frontier of conquered England; the Norman castles of Warwick, Kenilworth and Dudley maintained intact the lines of the periphery. But bands of Welshmen, with their flocks, hailing from western pastures, crossed the Severn valley and actually ventured as far as this thickly wooded land. A glade in the forest soon became a favourite meeting-place, on the boundaries of the rival spheres of influence, where, forgetting for a time their ancient feuds, Welsh and English bartered their products on mutually satisfactory terms. This was the beginning of Birmingham. At a later period the two extremities of the main street came to be known as "*Welsh Market*" and "*English Market*," a nomenclature which

exists even to this day. Here a country town, consisting of inns and taverns, of shops and sheds, giving employment to an army of skilled workers, wheel-wrights, farriers and iron-smiths, grew up and flourished. Here a large floating population were lodged, fed and supplied with manufactured goods of all kinds, utensils, weapons, saddlery, ironware, toys and cheap jewellery. By degrees, in the course of centuries, this bazaar won the custom of the world, and so inexhaustible and varied were the stocks of iron goods stored up there that the people of the seventeenth century very appropriately nicknamed it the " *world's toy shop* ".

Town and manufactures grew up side by side according as the relations between the two Englands of east and west became more cordial. The union of component parts into a single kingdom and civil peace were at length established ; from that time forth can be dated the true prosperity of Birmingham as a city. Still, up to comparatively recent times, the reconciliation imposed by force was more apparent than real. Equality between the two peoples did not exist. The precedence remained unceasingly with the England of the east. Here alone resided the entire political power. Royalty emanated from her midst ; also the House of Lords, whose representatives, sprung from aristocratic families, were the lords and masters of the conquered provinces. In like manner, the House of Commons consisted mainly of barons and members of good families, the balance being made up of representatives from a few privileged boroughs and corporations. It goes without saying that these boroughs and corporations were all situated in Norman England ; the conquered, deprived of every right and *a fortiori* of every privilege, had never been summoned to the councils of the conquerors. None the less firmly held were local administration and power through the State Church, of which the livings and bishoprics were in the gift of royalty or nobility, and, in a smaller degree, through parish councils, justices of the peace, sheriffdoms, lieutenancies, juries, etc.—all of them, without exception, instruments of exploitation in the hands of the conquering aristocracy, small or great. Here was consolidated the wealth of the land at a time when all wealth emanated from agriculture. Finally, her boroughs and towns, her farms and castles, scattered throughout the

fertile plain, were far more populous. In short, England of the east had legal right on her side with the necessary might to back it.¹

But rapid was the change which was effected in the course of last century. The western shores and valleys, till then mere wastes, with little or no population, suddenly became the site of mushroom towns. Modern industrial enterprise with the magic aid of coal caused labouring cities to literally spring into existence, and among the factories of the ever-extending suburbs crowds of humanity were speedily congregated. The *green* land of Norman England, still reposing in the peaceful enjoyment of her sunlit mists and her privileges, the plentiful England of Durham, York and Salisbury, the free and joyous England of Windsor, Merry Old England soon beheld a new nation rise up in the other half of the island. Incited by the preaching of dissenting religions and by the science of great inventors, black, wan and gloomy through constant contact with smoke and Puritan ideas, bending beneath the weight of daily misery and ages of oppression, this new England of coal was eager for white bread but still more so for revenge. Accustomed to struggle, she had been brought up in the school of patient effort. The memory of ancient spoliation had remained as fresh in her mind as the notion of her rights. Free religious meditations had inculcated in her the strict appreciation of duty. For a long time held captive in the meshes of privileges granted to a favoured population, vanquished England at length raised her head. . . . Henceforth a line drawn across the island from south to north, from the Bristol Channel to the town of Newcastle, would approximately mark the new frontier of the two peoples.

In the western half is *black* England with her capitals, Manchester and Glasgow. In a single century her enormous cities have increased three-fold, ten-fold, one hundred-fold! The population entirely composed of town folk is a curious mixture of races and religions. Here are gathered together the vanquished and outlaws of preceding centuries—Welsh, Scotch, Irish, Danes and Saxons. Each one of them taking the Bible, has carved out a religion of his own, and twenty

¹ See the admirable chapter by Ch. Seignobos in his *Histoire Politique de l'Europe Contemporaine*.

dissenting chapels have taken the place of the old Established Church. Yet this people, so diverse in opinion, have kept in view one common ideal, and more especially a community of habits. Their reflecting, phlegmatic and calculating mind, their self-control and sobriety, amounting almost to austerity, are the direct outcome of independent thinking and Puritan morality. Refined in the crucible of absolute want, they have slowly trained themselves up for the attainment of a self-chosen object—the conquest of material contentment by the unrestricted physical and mental development both of the individual and the community. For a century past, following out their programme, they have kept continuously in the vanguard of progress. They are essentially the people smart, active yet imperturbable, vigilant but unexcitable, ever on the tramp with measured tread towards the conquest of fortune and liberty.

In the eastern half is *green* England with grassy plains and the city of London for capital. But in this case the population is composed of country folk, planted here and there in the midst of fields, or grouped together in farms or small old-fashioned townships. Here, to this day, ancestral mansions nestle amid noble parks of many acres. Around the Gothic churches, dioceses and universities the official orthodoxy of the Established Church reigns supreme. A united and well-fed race here perpetuates the well-known type of thick-set John Bull, choleric and full-blooded, with beefy fist ever ready to grasp and rounded paunch to absorb, fat and plump, growing fatter and plumper all the time, bursting with tyrannical wrath or apoplectic junketings.

The dividing line between these two Englands is studded with manufacturing towns—Newcastle, Leeds, Sheffield, Cardiff—like so many frontier fortresses. In the centre, Birmingham, breaking somewhat the uniformity of the line, drives a wedge into the enemy's country; for this is the spot where the industrial volcano in ceaseless eruption is nearest to London. Nothing can depict the abject hideousness of this erstwhile forest. The once fairy scene a coal-stained people have sacked, gutted, slashed with canals, disfigured with frothy pools, wherein the glare of lurid furnace fires is spasmodically reflected. Sylvan beauties are now hidden beneath scattered débris and noisome muck,

beneath a paste of mingled earth and coal dust ; in place of what was exists to-day the Black Country.

Birmingham, as a mere clearing in the forest, was once the advanced post of the eastern section ; but Birmingham, as centre of the Black Country, has become to-day the advanced fortress of the western. Meeting-place for every descent projected against the foe, it was here, for a century past, that *black* England formed and reformed her ranks both before and after each attack against *green* England. As has said Mr. Chamberlain, Birmingham is the centre of aggressive Radicalism. For the struggle, begun one hundred years ago, has been kept up without pause or stay : political, economical and social struggle, by turns violent and moderate, but at all times unyielding and continuous ; struggle of the dispossessed against the *beati-possidentes*, offspring of the vanquished against the offspring of the conquerors ; struggle of reform against complacent conservatism ; struggle of natural rights and personal duties against inherited privileges and immunities ; permanent aggression of the western folk to obtain a radical change of the old state of things. This in short was the entire home policy of England for a century, and the source of this policy was Birmingham.

There is no occasion to look very far in order to understand the cause of Birmingham's unique position. About half-way through the seventeenth century the Midland towns had become the meeting-place of dissenters and innovators. Presbyterians, Baptists, Unitarians, Quakers, Methodists, Arians, all dissenters and nonconformists, all equally opposed to the tenets of the Established Church, had their respective places of worship as well as the Catholics and the Jews. The apostles of new faiths, *viz.*, the followers of Wesley, Whitfield and Priestley, had won over numerous adherents in the city, whilst the creators and controllers of new forces, engineers and chemists, the same Priestley, Watt and Matthew Boulton, made Birmingham their home. Boulton (1728-1809) formed a society of friends—the *Lunar Society*, which met every full moon—consisting of preachers and inventors, and in this way the two currents of free examination and scientific application were fused together for the service of the people and the reform of the community. In the beginning the people, without really understanding, tolerated these new ideas. In the tavern *The*

Leicester Arms the songs of J. Freeth, written "in behalf of the Sons of Independence and Lovers of Liberty," could be daily heard. But then came the French Revolution, and the celebration by the society of Boulton of the second anniversary of the destruction of the Bastille; this was too much for popular chauvinism, which promptly turned against these admirers of the foreigner; and so, piously, to the accompanying cries of "*King and Church for ever,*" the good people went and sacked Priestley's house and the dissenting places of worship (1791).

This passing storm did not discourage Birmingham's reformers. Still they derived benefit from the lesson, hard though it was. The excesses of the French Revolution aroused the general indignation. Conservative prejudice, veneration for the old order of things, and, above all, respect of the old constitution, swayed English hearts more than ever. The reformers of Birmingham were clever enough to understand that no human force could possibly struggle against these sentiments, so they followed an entirely different line of tactics to that adopted by the good people of Manchester. The latter exasperated John Bull by the exhibition of tricolour flags and their revolutionary cry, "*Liberté ou la mort!*" The former made a point of declaring, in and out of season, their unswerving fidelity to the old constitution.

Seeing that the fidelity in question committed to nothing all this protesting and proclaiming might well be sincere. No man living had ever seen the constitution which all venerated, for the very good reason that no written constitution was in existence. Only the grand outlines showed up in a vague sort of way through the haze of centuries past and gone; and as for details, they were just what they chose to imagine them. "Have you a sincere veneration for the constitution of England as founded on the three estates of King, Lords and Commons?" demanded the reformers of Birmingham of their catechumens, and adding immediately: "Do you recognise the necessity of parliamentary reform? Are you quite convinced of the obligation to strive for this great object only by constitutional and legal means?" For these reforming politicians, then, King, Lords and Commons, constituted the general form of the structure which might not be touched: their one aim was to change one small detail, *viz.*, the organisation of the Commons, which the people of the East had from

early times imagined after their own fashion, but which could no longer satisfy the progressive conceptions of the West. For it was clear that if this detail were once rectified a complete reform would result : only let a certain number of seats in the Commons be taken away from the East who held them all, and transferred to the West who had none at all, and the old order of things would by that fact be completely subverted.

The West understood the wisdom of these tactics, and accordingly ranged themselves behind Birmingham in one gigantic political union "to recover the liberty, happiness and prosperity of this country". In this way was organised out of the chaos of revolutionary tendencies the legal party of the West, *i.e.*, the English Radical party (1812-1830). But it is a known fact that in principle the Radical party had been in existence long ere this. Lecky is quite right when he gives 1769 "as the true date of the birth of English Radicalism : in this decisive year, for the first time, a serious effort was made to reform and control Parliament by pressure from without, in making members of Parliament the subordinates of their constituents". In a few words this gives the exact definition of English Radicalism ; it was nothing more than the pressure of outcast and disinherited England exercised upon the other England, comfortably secured behind the privileges and immunities, and this pressure could only be exercised by the subversion of the *rôles* between electors and elected.

For whether Whigs or Tories, neither of the parties of old England considered themselves the servants but the hereditary masters, or at the very least, the traditional guardians of the people. The two parties held the same views as to the theory and practice of government, which they based upon the same notion of immunities and privileges and in the name of the same "legal rights". These legal rights consisted of those hereditary and traditional rights which, although not reduced to any precise definition, were such as had been created by the contract of 1688 between a rejuvenated Royalty and a restored Parliament. This contract was only of advantage to England of the Conquest whom alone it bound. "Maintain" the immunities of the conquerors was the sole object in view. "I will maintain" was the device of the King as it was the law of Parliament.

All politicians proclaimed their undying adherence to the "maintenance" of this contract which, very indifferently formulated, was capable of diverse interpretations, of which two at least had secured numerous followings. On the one hand were the Tories, who posed as the humble servants of the royal privileges, and in the name and under the cover of the royal prerogative, maintained their own privileges as lords and powerful noblemen. On the other hand were the Whigs, who set themselves up as defenders of parliamentary privileges—they spoke of liberties—making use of them to secure the "maintenance" of their own privileges as members of the higher middle class and smaller nobility. We Frenchmen have always been under the impression that the Tories were the unyielding upholders of exploded truths and aristocratic privilege, whilst in the Whigs we have ever recognised the advocates of the people and seekers after improvement. As a matter of fact both were equally "maintainers" of the old order of things, and the Whigs by no means the less aristocratic of the two.

The political party of new England, the Radical party, began to raise its voice in the name of the people and in behalf of "natural rights". To them contracts more or less fictive or traditional were of no concern. What they claimed was a recognition of material and obvious interests, the undoubted right of all to bread and contentment. Still, they saw nothing incompatible with their claims in the parallel existence of privileges and legal rights; but they would not admit, without vigorous protest, the existence of so much starvation and misery—this was the period of the great industrial crises and the terrible famines of the West (1829-30). Nor would they entertain for a moment that such misery and starvation were beyond the power of human ingenuity to alleviate or even to stamp out entirely. "Parliamentary institutions after all," said they, "are but the application of the common thought to the management of common affairs; a Parliament, therefore, cannot be recruited without taking into account common interests, and all institutions should be directed towards one unique object—the improvement of the material life of all, assurance of the material happiness and prosperity of all."

These new articles of faith, which sprang into being dur-

ing the eighteenth century, were undoubtedly indebted to the Radical theorists of the early nineteenth century, philosophers of the Utilitarian school, Bentham, the two Mills and their disciples for the eventual precision and systemisation they attained. But it was the people of Birmingham who, from 1815 to 1830, formulated a political catechism and put forward the programme of the West. It was they who founded their *Political Union* with the object "to reform the House of Commons, to ensure a real and effective representation of the middle and lower classes, to exercise influence over parliamentary elections, and secure the return of suitable men to reconquer or defend the rights of the working classes, and to alleviate national distress". With the principles they formulated also the method—everything by constitutional and legal means, nothing by violence: no ringing of the tocsin, no resort to armed force. "Our gallant neighbours, the French, have accomplished a glorious Revolution behind barricades cemented with the best of their blood. We want no barricades. Without effusion of blood, without anarchy, without violating the law, we will achieve the most glorious reform ever recorded in the annals of history." On one of its seals the Union took for device, *Peace, Law, Order*, and on another, *Liberty, Unity, Prosperity*.

With the instrument of action forged by the people of Birmingham in their hand, the entire West set to work, and in a few years imposed on the East the grand reform of 1832. By a redistribution of the parliamentary seats and regulation of the conditions under which elections were to be held throughout the kingdom, this reform broke, once and for all, the exclusive rights of *green* England and entitled at the same time *black* England to a representation of 100 members. Up to now the old families of the higher and lower nobility had enjoyed the monopoly of Parliament; in practice, the nobles had peopled the Commons with younger sons or complacent protégés. From henceforth the people really exercised an influence over the elections, an influence which ever increased in strength and scope. The two other electoral reforms of 1867 and 1884 completed the triumph of the people by giving them almost absolute control. But the date 1832 was the real starting point of this new era and the Union of Birmingham the actual source.

Once a footing obtained in the House, the West took the

lead in asserting the requirements of industry and trade. External and internal improvement, political and social modification were accomplished without violence, for the West remained faithful to the teachings of the Political Union. But the brunt of the campaign was borne by the Scotch, the Welsh and the coast inhabitants of the western sea, of Manchester and Glasgow. For a time Birmingham lost her place as militant leader of the movement. She maintained her reputation as the sacred capital of all dissenters, and continued to supply the Radical army with wise counselors and venerable beards. In her name John Bright, as her representative, repeated to two successive generations the now time-worn adages: "No violence. Force is no remedy." In her name, with a burning eloquence which ever fell on heedless ears, he registered his protest against all wars, against the Crimean War, the China War, the Afghan War, the Zulu War, to which, however, it is only fair to say the desires and the appetites of the West were not wholly indifferent.

But it was Manchester and the Manchester school which gave the word of command, where, in Free Trade Hall, the leaders of the people sat at the feet of Cobden, the seer. The divine emissary seemed to have chosen Manchester more than any other centre for making known the law of these latter times. Dogmatically to all the peoples of the earth the oracle of Manchester announced the eternal truth—If it is desired to open up the way of happiness to all, there must be no more barriers between peoples: freedom of speech, of trade, of action, in a word, unshackled liberty must in future be the guiding star by which conflicting interests can alone be propitiated. Within the kingdom John Bull, with a more or less good grace, accepted the new gospel and conceded all the different liberties demanded by the West—religious liberty, liberty of local administration, liberty of meeting and association, absolute liberty of trade; in fifty years (1830-1880) England of the Middle Ages, so hopelessly entangled in the meshes of feudal restrictions, actually became the freest of all States.

Without also John Bull was constrained to enter into the pay of Manchester. It seemed as though some private pact had been concluded between them. "John," said Manchester, "as you are so fat and big and brutal, and seem only fitted for the delights of the table or the horrors of war, we

are going to propose to you a division of labour. I will work for both of us and maintain you. You shall visit the utmost ends of the earth. You shall eat your fill and you shall fight for us. Only first take care that your extravagant acts do not cost me too dear, that your exploits do not trouble my religious convictions or my commercial sense of honour, otherwise I shall have to disavow you." And so during fifty years the pact continued to the great advantage of both the contracting parties. John Bull did the fighting and satisfied his appetite to his heart's content; Manchester laboured and spun and piled up bales of cotton and sacks of money. Their united efforts influenced the development of the world, as they had already done that of the kingdom, and all to provide for the needs of the people of the West. In every direction, customs, tariffs and barriers were either abolished or lowered; the stubborn will or influence of ubiquitous John Bull overthrew all obstacles. When these common efforts appeared to have at length achieved their object, when prosperous labour and an abundant and free life seemed guaranteed to *black* England for all time, Manchester could allow herself a well-earned rest and Cobden, greatest of all prophets, fall asleep in the fulness of years.

It was then that Joseph Chamberlain appeared on the scene to restore to Birmingham her lost position and lead the people to the true promised land. For the narrow limits of Great Britain could no longer contain their ambitious aspirations; beyond the plains and seas of *green* England their gaze was now steadfastly fixed on imperial horizons looming portentous in the distance. Joseph Chamberlain had, in fact, indicated to them the magnificent grapes which his friend, Charles Dilke, once brought back from Greater Britain, and they, inspired by his eloquence, followed in his wake the road leading to the attainment of this better land. In the van, prophet and real master of the time, personification of all their latest hopes and ambitions, the most beloved and best hated of contemporary statesmen, he is the great *Joe*, whom friends and foes alike designate by this name at once familiar and tender. To him John Bull entrusted the direction of his empire as Minister of the Colonies; and in return, he, Joseph Chamberlain, has devoted every effort to the moulding of an empire suitable to the new needs of the Radicals of Birmingham.

JOSEPH CHAMBERLAIN.

CHAPTER II.

“ I have been attacked with incredible bitterness. It has been said that I am influenced by personal spite and by interested animosity. I make no complaint when our honourable colleagues of Ireland so paint things ; that is their habitual method of discussion, . . . but I ask my honourable friends, whose opinion I have the misfortune not to share, if it is really necessary to impute the lowest motives to a public man, when, on the face of it, there are perfectly honourable reasons which explain his conduct. . . . The accusation of inconsistency troubles me little. For a statesman, absolute consistency is not, I believe, a necessary virtue, and I would admit that it is frequently the duty of a statesman to change his opinions when circumstances have changed. But, in reality, I have always held the language which I hold to-day.”—Speech of J. Chamberlain in the House of Commons, 1st June, 1886.

Chorus of Liberal Members : Traitor ! Traitor ! Turncoat !

Chorus of Irish Members : Judas ! Judas !

JOSEPH CHAMBERLAIN'S career, the course of which has been marked by much unevenness and many backward twistings and turnings, appears at first sight somewhat disconcerting, and his opponents contend that he has been the most inconsistent man in the world. In a small volume entitled “ *Before Joseph came into Egypt* ” they have made a collection from his early speeches of passages which seem in absolute contradiction with his present-day language. On a first reading, the contrasts are in fact distinctly irreconcilable. Before going into Egypt, Mr. Chamberlain said to the electors of Sheffield :—

“ *The Times* calls me advanced Liberal, and I shall ever be proud of being an advanced Liberal, if by that is meant that I shall use every opportunity and all my strength to advance my Liberalism, and not, as so many do nowadays, all my Liberalism to advance my influence.”¹

¹ 1st June, 1874.

He said to the people of Birmingham :—

“ I fear that the depression of trade which is beginning to be very evident is likely to grow worse and worse, and bad trade means lower wages and shorter work. It means, unhappily, want for many of the poor, and if that time should come upon you when meat grows dearer—and it is dear enough already—and when wages are scarce to buy it, then you may remember that Lord Derby himself has said that the production of the land might be doubled if sufficient capital were invested in it. Now, if Lord Derby be right—and I base my statement on his—there is a trade untouched at present in our midst which would return to the wealth of England £250,000,000 per annum, which would give employment to I know not how many families of the working classes. And that trade we might win, not by colonising African deserts, not by conciliating barbarous potentates with slavery circulars, not by exporting civilisation in chests of opium, nor by forcing it upon ignorant people at the bayonet’s point, but by freeing the land of England from the trammels of a bygone age.”¹

He said to the Commons :—

“ Turkey, urged by Her Majesty’s Government, was bankrupt ; it was stripped of its provinces, it had lost millions of lives. We had ourselves lost ten million pounds, when the country could hardly bear it, and trade was paralysed. Such a state of things had been brought about that Her Majesty’s Government told us it was absolutely necessary to enter upon these new and extraordinary obligations. England, no doubt, could afford to have her fling and spend ten millions to gratify the vulgar patriotism of music halls.

“ This new Imperialism has already infected the minds and judgments of many of those to whom are delegated the power of this country in distant lands, and unless this spirit be either by Parliament or by the people at large severely and sternly suppressed, I can see no limit to the responsibility cast upon this country, and no end to the dangers and perhaps disasters which may befall it.”²

And when Lord Randolph Churchill, the apostle of this

¹ 27th June, 1876.

² 1st August, 1878 ; 27th March, 1879.

Imperialism, attempted to win over the moderate Liberals to his party, Mr. Chamberlain declared :—

“ I do not think there are any of us who will be tempted to desert our own cause and our own party in order to make a new alliance with that heterogeneous combination which styles itself the constitutional party and which includes within its ranks Free Traders and Protectionists, Ulster Orangemen and English Roman Catholics, licensed victuallers and Established Churchmen, Tory Democrats and fossil reactionaries—who unite their discordant voices in order to form a mutual protection society for assuring to each of its members peace, privilege and power.”¹

But Mr. Chamberlain went into Egypt, and, according to common opinion, came back entirely changed. After having overthrown the Government of Mr. Gladstone, “ who will go down to posterity,” said he once, “ as the greatest man of his time, great by his eloquence, great by his skill, great by his perseverance, great by his talent for construction, but greater still by his lofty character and the high tone which he introduced into our public life,”² he became the colleague of Lord Salisbury, whom he had once called “ the most immoral of politicians ”.³ He became also the ally of the Tories whom he had previously described as “ *the old stupid party* ”.⁴ He is found on the side of the Lords against whom he had hurled his dissentient rancour and democratic hate : “ I have an old account to settle with them, and I give you my word I shall never forget it. . . . We have been a peer-ridden nation quite long enough.”⁵ He is found on the side of Church and Beer, with the mass of the very clergy whom he had once described as “ being ever opposed to all development of liberty and all political and social reform,” and with the manufacturers of alcohol, “ poisoners of the people ”.⁶ In the universities, at whose senile prejudices and gossipings he had unsparingly railed, he now, as honorary rector, gives vent to high-sounding phrases on patriotism and imperial ambition. . . .⁷

¹ Warrington, 8th September, 1885. ² Birmingham, 4th June, 1885.

³ Ironbridge, 14th October, 1885. ⁴ Denbigh, 20th October, 1884.

⁵ Birmingham, 8th and 25th January, 1880.

⁶ Glasgow, 15th September, 1885.

⁷ Glasgow, 3rd November, 1897. “ Patriotism,” an address to the students on . . . his installation as Lord Rector.

Still, on reflection, it does seem possible to admit that this man has never changed :—

“ I came here fifteen years ago,” said he to the electors of Hanley, “ and denounced the House of Lords, and I come here this evening to sound its praise, from which some people conclude that I am the most inconsistent man in the world. I reply that the circumstances have changed, not I.”¹ And he is right, he has, perhaps, never changed. As he appeared in the House of Commons in 1876, so does he still appear at present. He is well over sixty years of age, but after more than a quarter of a century’s public life, and after being a member of several governments, people still continue to consider him a young man, almost a beginner, the coming man. Nothing in his physiognomy, his gestures, his speech or his person has altered. The slim frame maintains all its pristine erectness, the gait, somewhat stiff and jerky, is just as alert as ever. Beneath abundant hair, which shows no signs as yet of time’s ravages, the bony face with broad unwrinkled brow and long spare cheeks retains all the healthy colouring of youth approaching manhood. Clean shaven, no traitorous beard is there to mark the age of this man perennially young.

His friends recognise in him a strong likeness to Pitt, the other great commoner. Caricatures often depict him as one of the lesser carnivora : as jaguar, panther or fox, with elongated profile, an eye completely round, nose as though scenting the breeze, mouth, if anything, malicious, and body somewhat wasted. Amongst his qualities are fertility of invention, endurance, rapidity of movement, and the grim ardour whether of the hunter or the hunted, pursued by the overwhelming pack, but ever disdainful of the yelping hounds so long as they are not on his back. When hard pressed the speed of his headlong course does not lessen the effectiveness of his vicious snap or incisive tooth ; an adversary, weaker than he, never forgets a bite from his dread jaws. Tracked now and again to his lair at Birmingham, he has never yet failed to come out of the ordeal unscathed, by some ingenious tactic of his own conception. His external appearance changes not, whilst his son, who seeks to imitate

¹ 12th July, 1895.

him in every detail, same clean-shaven face, same aggressive carriage, same eye-glass, same orchid in button-hole, actually looks the older of the two.

In like manner, there is just as little change in the inner man. Thirty years of stress and storm have raged around him without causing rupture or strain of any sort. His desire to be master in Birmingham, in the Capital and beyond the seas is as strong as on the opening day of his political career, more convinced than ever that this exalted position is his due for the greater welfare of his people and humanity at large. On the threshold of old age, his confidence in self and in the efficacy of his indefatigable effort remains unabated. He is perhaps conscious of certain defects and shortcomings. He feels how much his early education was inadequate and limited in scope; how great an ignorance of ancient and distant things is hidden beneath all the appearances of the well-informed man, and what a living personification he is of business England, so empirical, illiterate and disdainful of all knowledge which is not the fruit of personal experience. He is, then, probably conscious of his shortcomings; but, without ever avowing them, he never loses an opportunity of redressing or, at the very least, palliating or concealing them beneath an imperturbable assurance, an exterior correct and cold, the individuality of which is invariably accentuated by the habitual use of monocle and orchid, in this case the outward and visible signs of the gentleman. Behind this monocle he considers men and situations, and, with unerring perception, never fails to find the joint wherein to insert the pliant and keen edge of his will. It is a set principle with him to rely only on his own personal experience, and to spare no pains for enriching and extending it; ¹ to trust only to his own decision, and to recoil before no responsibility, even at the risk of engaging the destiny of the empire or the world; finally, at over sixty years of age to preserve intact the enthusiastic, practical, imaginative and calculating ambition of youth, the force of character, vigour of action and unconquerable aptitude

¹ Travels in Sweden, to study the temperance system of Gothenburg; in Ireland, Russia, Egypt, the United States, Canada, to see for myself the condition of the country . . . to consult local opinion . . . to devote my holiday to the consideration of these questions on the spot . . . to make an impartial inquiry.—Speeches, *passim*.

for work—in short, to remain the coming man. No doubt at such a price many a statesman would consider the charge of inconsistency a not unduly heavy weight to support.

“I have never changed,” said he; “I remain a true and old Radical, a disciple of Cobden and John Bright, a man of Manchester¹ and Sheffield.” And he is right, in appearance at any rate, “on the surface,” as he says. For friends and adversaries alike agree in recognising that Joseph Chamberlain is Birmingham and Birmingham Chamberlain.² The one has made the other. He is not Brummagem. But before coming into this world he must have been of Birmingham; and if London was the scene of his birth and early years (1836-1854), some good fairy must have conducted him to Birmingham before the contaminating taint of the outside had had time to work any permanent effect.³ When at eighteen years of age he came to take a position in the manufacturing enterprise of his uncle Nettlefold, he had not inhaled the noxious atmosphere of public schools and universities. On sane doctrines he brought to bear the influence of an unprejudiced mind and unfettered intelligence. Birmingham gave him, in the business of screws, an instrument of fortune which, in rather less than twenty years (1854-1873), made him independent and powerful. But in return he gave to Birmingham the monopoly of this business, and this monopoly was for a long while one of the principal factors of the common prosperity.

Then the town of Birmingham took him up, still unkown, possessed of no great culture or apparent merit and without official backing. Her debating societies formed him, her libraries and clubs afforded him the means of instruction, her School Board initiated him in the mysteries of budgets and the handling of local affairs. From town councillor he became mayor, and for three years he could truly consider himself absolute though accountable master in all town matters

¹ Greenwich, 30th July, 1889.

² Lord R. Churchill citing Dixon, member for Birmingham: “In fact, it seems as if the terms of J. Chamberlain and Birmingham were become synonymous”.

³ Speech of J. Chamberlain to the jewellers of Birmingham, Jan., 1894: “I first saw the light in London, but I am thankful for my fate which brought me very quickly to Birmingham”.

(1873-1876). For his part, as he proclaimed in 1891 amidst the plaudits of his people, he took over in the Birmingham of 1873 a giant village of some 400,000 persons, which had sprung up pell-mell, prematurely and miserably, a mass of bricks and timber, an insalubrious and stuffy maze with bad lighting and indifferent water supply, a medley of factories and workmen's houses, of which the monotonous rows were unrelieved by any edifices or parks. In three years he made of Birmingham a noble town, pierced with well-kept broad avenues, freed for ever from chronic epidemics and monopolistic companies, lighting carried out by municipal enterprise, public fountains and swimming baths, a town provided with every popular comfort—public baths at minimum charges, schools, gardens, monuments, collections, libraries and museums open to all. In short, by his initiative Birmingham became the real capital of Radicalism, equipped in every way "for the instruction, health, recreation, well-being and amusement of the working people". Yet in no wise did these changes jeopardise the financial future. For successive years of prosperity had been the happy lot of her citizens. Birmingham had made her fortune.

Then his people chose him as their member, and literally imposed him on Parliament (1876). His election created almost a scandal in the English parliamentary world, whose members, unlike our deputies in France, were not recruited among provincial mayors and the big-wigs of the country parish. Self-made men and parvenus as yet had no entry there. An historic name or university degree were still looked upon as essential requirements for a political career. Whigs and Tories alike made no attempt to conceal their scorn for this intruding demagogue, this Republican atheist, whom, in their mind's eye, they pictured in red cap, carmagnole and wooden clogs.¹ But Birmingham had transformed him into the correct and elegant gentleman, the fashionable Republican who could on occasion, and quite as well as another, kiss the hand of the Princess of Wales; Birmingham had also taught him the use of the orchid and monocle. From his very first speech in the House he imposed on all these M.P.'s the choice of his people, his sober and clear-cut phrases render-

¹ See the caricatures in the *Review of Reviews*, 15th August, 1895.

ing the demands of the old Brummagen Radicalism acceptable and even sympathetic.

With the people of *black* England for audience, he undoubtedly could, and can still if necessary, adopt the orthodox tone and gesture habitual to Radicals. For it is the Radicals who have implanted in English public life the system of big popular demonstrations, meetings, monster processions and equally monster petitions, and at times also declarations somewhat monstrous. Of a truth this line of action had been forced upon them. Before all things they had to give confidence to their people in making them properly understand the importance of their party and claims. At the same time, they had to intimidate their opponents by noisy shouting and excessive demands in order, in the long run, to obtain a little. "It is ever the same story," he said himself; "Conservatism always remains deaf and dumb so long as it has not been thoroughly frightened."¹ He has, therefore, himself also resorted to the old methods of Radicalism. He has menaced the Lords, "who neither toil nor spin, who live by the labours of others"; the Church, "which consumes the substance of the poor," and, to a certain extent, the entire structure of the governmental machine. He has compared the realm to the bee-hive—at the summit the queen, whom all honour and respect; beneath her the parasitic drones; and beneath them the busy and patient bees who, during the fine months, consent to keep the parasites, but make a clean sweep of them on the approach of winter.² He has proclaimed his unqualified respect for natural rights and his admiration for French theories of equality. In 1870 he even presided at a series of banquets to celebrate the dawn of the Third Republic, and ventured the prophecy that the end of the century would usher in the establishment of a like republic at Westminster. He has promised the peasant his three acres and a cow; the labourers the four F's: Free School, Free Labour, Free Land, Free Church; and to all in general universal manhood suffrage, old age pensions, and calm contentment in a land of milk and honey. He has been lavish with many other promises also—graduated taxation, separation of Church and State, breaking up of large landed

¹ Birmingham, 26th November, 1883.

² Hanley, 7th October, 1881.

properties, triennial Parliaments, abolition of the game laws, laical and free education, eternal peace and abstention from all pacific or warlike conquest.¹

But in both Englands, *black* or *green*, these tactics have never deceived anyone, neither the people who applauded nor the "old stupid party," who seized the occasion to ventilate their scandalised feelings. French simplicity has alone been taken in by these vapourings, assuming that the man who gave public utterance to his respect or sympathy for French things and personalities could never become a second Crispi. For we Frenchmen are too apt to think that the Radicalism and Radicals of other countries are entirely similar to our own; we forget that English Radicalism dates from the time of our good Louis XV., and that English Radicals hardly owe us anything, except, perhaps, convenient means for exciting, by our example, the claims of the people, or frighten into submission, by our example also, the resistance of the aristocracy. Let us be under no misapprehensions. Joseph Chamberlain, even when apparently speaking our language, has never been one of us. His Radicalism is of essentially English, or at any rate Anglo-Saxon growth; if he has ever borrowed anything from abroad, it is only from the Anglo-Saxons of America. On 27th June, 1876, he said to his people:—

"Well, gentlemen, I suppose that my programme is Radical and that its chance of success in this Parliament or in any other is little likely so long as it has not been pushed by the vigorous insistence of the people of this country. But, Radical as it is, this programme is not in the least revolutionary. To ensure a better representation for the people, encourage temperance, bring about a reign of instruction, do away with obstacles to political progress and social union, procure food and comfort for the millions of our citizens, these, I think, are the constitutional aims which we shall pursue by constitutional methods. . . . There is nothing in this programme which has not already been realised in our possessions beyond the seas, our Anglo-Saxon possessions in America or in Australia. You know that over there we have lands wherein liberty, happiness, material prosperity, comfort

¹ Programme of 1885.

and intellectual culture are more equally distributed than in any other corner of the world. Gentlemen, we are told that England is the paradise of the rich man ; let it not be tolerated that she become the purgatory of the poor."

His opponents, however, are quite wrong when they pretend that he has systematically desired to "Americanise" the theory and practice of government. From the very outset he protested :—

"The more one studies foreign systems, the more do they appear ill-suited to ourselves. The differences of race and history, the influences of the present and past, prevent any political organisation from working in the same manner in dissimilar countries, even when they are as little dissimilar as the United States and Great Britain."¹

He has never failed to repudiate revolutionary tendencies, expressing his confidence "in the capacity of a wise government founded on the representation of the entire people, to add something to the sum of human happiness". Without dreaming of a violent suppression of the existing order of things, he has always favoured "the construction of a co-operative society with a view to creating a nobler, wider, happier, better life for all the citizens, especially the poorest".²

He is a constructive Radical.

"For there are at least two kinds of Radicalism. There is constructive Radicalism which seeks by practical legislation to raise the condition, improve the moral and intellectual standard of the labouring classes. There is also noisy Radicalism which is far too occupied with impossible ideals to think of reasonable and practical legislation."³

Between these two Radicalisms the choice of Joseph Chamberlain has never wavered. "He is a practical man, and he seeks to improve not to upset the government."⁴ Nor is he wanting in due respect to the old constitution taken as a whole. "The people would disdainfully repel any attempt to overthrow our old constitution."⁵ There is merely the one little detail of the Commons which requires incessant improvement :—

¹ *Fortnightly Review*, xxiv., p. 723.

² Ipswich, 14th January, 1885.

³ Birmingham, 2nd July, 1886.

⁴ Leeds, 22nd January, 1879 ; Birmingham, 17th July, 1889.

⁵ Liverpool, 25th October, 1881.

“We are governed by the Crown, Lords and Commons. With regard to the royal prerogative, I will content myself by saying that any attempt to extend its scope would only lead to a counter effort for its limitation. Of the Lords, I will say nothing; there are people who pretend that the time is come for revising the situation and the rôle of the House of Lords. For myself, I venture to say that the urgent question, the initial question for any true reformer, is the reform of the House of Commons.”¹

Joseph Chamberlain's constant aim and will has been to reform the Commons by placing them under the more immediate control of the people through the extension of the franchise to every member of the community. If ever the Commons were to become the supreme dispensator of popular rights, which no one to-day thinks of denying, as opposed to privileges which no one thinks of entirely suppressing, the legislation emanating from such a body would then be perfect and to the greatest advantage of the general welfare. For legislation does not merely consist in rational and everlasting recital of the rights and duties of each one. On the contrary it is the experimental and temporary conciliation of aristocratic privileges on the one hand with popular demands on the other, of natural rights with legal rights.² The object of all legislation should be to moderate the colliding effect of these two adverse and absolutely irreconcilable forces, and, above all, to prevent the crushing of the one by the brutal expansion of the other; all law is essentially “the security of the weak against the strong, . . . the safeguard of the few against the many”.³ The duty of a Radical statesman, as servant of the people, is undoubtedly to put forward without respite popular programmes, to formulate each day some new demand, to attempt daily the suppression or disestablishment of some ancient privilege; and no fears as to

¹ Dundee, 14th February, 1889.

² Liverpool, 25th October, 1881: “It is now the law. It is to-day in actual operation. It may not be perfect. I am not here to say that experience may not show that it also in turn may be capable of and require amendment. But I say we have a right to demand that that experience should be given to us.”

³ Birmingham, 29th January, 1887: “What is law? The law is the security of the weak against the strong, . . . the safeguard of the few against the many.”

the possible effects which any agitation might have on the country should deter him until the prosperity and welfare of the people has been secured. But servant also of the law, born enemy of force whatever the origin—*Force is no remedy*—the Radical's duty, as also the aim and object of all law, should be to support the oppressed against the oppressor, to defend privilege whilst unrepealed against the violence of revolutionary anarchy, and to protect rights already sanctioned against the return or undue pressure of conservative despotism.

Such is the Radicalism which Joseph Chamberlain has made the corner-stone of his creed. For having applied, in appearance at any rate, these principles with unswerving constancy, he has been called Judas by the Irish. But so long as the conquerors of Ireland, the privileged landlords, sought to stifle the cries of the people by the coercion of their friends the Tories, he was on the side of the Irish, for he abhors coercion. "I hate the coercion," was always his adage. In conjunction with the Irish he looked for legal methods to reform constitutionally the existing state of things; he became the confidant and intimate counsellor of Parnell. But when—this was the explanation he gave to his electors—Parnell and the Irish, exasperated by law's delays and constitutional necessities, resorted to the revolutionary methods of the Plan of Campaign, and claimed the right to break the constitutional, historical, irrevocable union of the three Kingdoms, he remained on the side of law and the constitution, and sacrificing, as he said, the natural preferences and obligations of friendship to his duty as a Radical, he became the greatest opponent of Parnell and Irish independence.

In like manner, with regard to the English parties, for having constantly maintained the same line of conduct as a true Radical, he is to-day saluted and ever will be with the complimentary epithet of deserter and traitor. For this point must be clearly understood. Whig and Tory, the two great political parties of old England, may have, if they like, their rules, traditions and formulas, and undying faith in the word of a leader. So, too, the citizens of old England may devote themselves body and soul, from their birth up, to the service of one or other of these two parties. But new England, according to Joseph Chamberlain, has naught to do

with these quarrels. The one preoccupation of the Radical party is the advancement of its own interests and triumphs. Insufficiently strong to realise single-handed her own hopes and aspirations and at the same time struggle successfully against the prototypes of old England, the new England of Mr. Chamberlain knows by experience that she can always count on one or other of them to stretch out a helping hand, and that the weight of her collaboration is quite sufficient to turn the scale and make her the arbiter of the situation. For the furtherance, then, of immediate interests, the Radical party is seen at one time in alliance with Whigs, at another with Tories, the temporary arrangement being religiously upheld so long as the advantages thereof remain apparent. But should the benefits obtainable from the other side appear more substantial or better assured, no hesitation is shown in deserting one party for the other. The cause of the Radical party has ever been advanced by this play of battledore and shuttlecock. Thus, the alliance with the Whigs achieved the electoral reforms of 1832, 1867, 1884. And that with the Tories resulted in Free Trade and great administrative reforms.

In the light of such principles, the direction which the political movements of Joseph Chamberlain are likely to take can be anticipated pretty accurately. When he first came to Parliament in 1876, the union of Radicals and Whigs constituted the Liberal party; he entered therefore into that party, but from the very start he left no room for doubt as to what were his real intentions:—

“I am not a Whig, and certainly not a Tory, but a Radical, . . . and I am of opinion that a party is a more or less temporary union of people with a common and important object to attain.”¹

He only considered this union as “a means, an opportunity to advance Radical legislation”.² He accepted the authority of a leader, but on condition that the leader should be of his own choosing; he was instrumental in bringing back to power Mr. Gladstone, whom the Whigs had dropped

¹ *Fortnightly Review*, xxiv., p. 726. Warrington, 8th September, 1885.

² Birmingham, 2nd July, 1886.

on account of too pronounced Radical tendencies. In like manner, he was quite agreeable to party organisation, but on condition that the political cloth should be cut according to Radical pattern. Up to that time the leader and a small coterie of distinguished followers had been in the habit of deciding everything; but Joseph Chamberlain never had any great faith in the intelligence of others "however wide it might be".¹ So he placed the leader under the control of the people by uniting all the Liberal Committees of the realm and convoking them at Birmingham to a kind of representative Liberal assembly. Before this caucus the Liberal leader had to make a statement of his projects and acts. In this way the Liberal party passed under the control of the Two Thousand of Birmingham; in other words, under the direct supervision of Joseph Chamberlain himself.² . . . On these conditions he accepted the word of command and the formulas of the party. He went about preaching the authorised programme. But on the same Liberal platforms he emitted, and that without the leader's authority, his own word of command and "Brummagem" programme. He never took the oath of allegiance to the Liberal party; but for a time (1876-1886) he annexed this party to his Radicalism and his person. During that period he worked with heart and soul for the common cause, for he knew all the while that he was furthering his people's interests and his own. Each time the Liberal party appeared on trial before the electors his was the deciding influence which brought about the final victory.

Twice successful in the elections (1880 and 1885), the Liberals desired to mark their appreciation of his services, and in order to ensure his continued support they offered him the high office and rich emoluments of First Lord of the Admiralty.³

"But I did not think," said he to his people, "that the

¹ In the Commons, 9th April, 1886.

² *Quarterly Review*, 1883, p. 276: "His caucus system is intended to overawe members of Parliament and directly interferes with the independence of constituencies and supplants parliamentary government by establishing innumerable centres of political action, whose course and policy are always to be decided by the wirepuller at the chief centre—that is, by Mr. Chamberlain at Birmingham".

³ First Lord of the Admiralty, £4,500 per annum.

proper place for a Radical was at the head of one of the great spending and war departments. I accepted a humbler employment, an employment held in least esteem by our great politicians, the Board of Trade and Home Secretary. There, at any rate, I could serve you and further our common policy.”¹

As Minister, then, he laboured for the trading community by his large committees and far-reaching inquiries into the causes for the falling-off of trade, and by his improved bankruptcy legislation; for the sea-faring folk, by his relentless attacks on greedy shipowners, who, having an eye only to the insurance money, sent forth old worn-out hulks doomed to certain perdition together with the crews which manned them; for the labouring population, by his agitation against the retailers of alcoholic liquors and by the new electoral reform of 1884. He was, in fact, the practical man and constructive Radical; the whole bent of his Radical policy being directed to reforms by current legislation, he successfully inclined the entire Cabinet towards the same path of thought. He admitted the principle of mutual concessions as the price to be paid for the alliance between Whigs and Radicals; he even complained sometimes that the Radicals, “the salt of the party,” had to make the greatest sacrifices.² In reality, he always contrived that his own concessions should be negative in scope, whilst those accorded by the Whigs should be entirely positive. It was in this way that the electoral reform of 1884 led almost to universal suffrage, which increased the Radical representation by many seats. From henceforth it was the Radicals, as pioneers of the Liberal party, who now pointed out the political road, whilst the Whigs, although giving vent to sundry murmurings and mutterings, followed more or less passively behind. When *The Times* announced the recovered power of the Whigs, and their triumph over the Radicals within the Cabinet—“You know perfectly well,” said Joseph Chamberlain to the electors of Liverpool, “that if *The Times* were correct, it is not a Minister who would be addressing you this evening.”³

The day at length came, however, when Mr. Gladstone,

¹ Birmingham, 9th June, 1886. ² Greenwich, 1st July, 1883.

³ 25th October, 1881.

followed by the main force of the Liberal party, took a road which, although, perhaps, in keeping with their principles and past, did not possess the merit of convincing Mr. Chamberlain that the course pursued would make for the happiness of his people; in spite of this fact, they persisted in their policy with regard to the Irish question, which, after all, was of no direct interest to Birmingham. Nevertheless, Joseph Chamberlain devoted himself heart and soul to the solution of this Irish problem, stinting neither his active support nor resourceful co-operation. After carefully safeguarding all Radical interests and principles, he drew up first one plan, then another, entered into negotiations with the Irish and the Orangemen, in fact, with every political party. He sketched out on paper an entirely new Ireland. But Mr. Gladstone, as the party leader and swayed by other preoccupations, paid little heed to Radical necessities, that is to say, to the interests of *black* England and the prejudices or theories of Joseph Chamberlain himself. The Home Rule Bill, if it had passed into law, would have established an independent and consequently privileged Ireland, which would have severed the legal link binding the three kingdoms together. Further, the purchase by the State of Irish land would have absorbed the money of the English people in order to endow the peasant of the sister island. The final result would have been a rupture of the old constitution and a permanent danger for *black* England, seeing that Ireland, independent and hostile, might easily have become a hotbed of civil war and vantage point for foreign disembarkation. As in duty bound Joseph Chamberlain protested, but all in vain. Mr. Gladstone remained obdurate; he had, therefore, no other alternative but to sacrifice his filial affection for the greatest of leaders, to his Radical convictions, and with heavy heart, though with the consciousness of duty accomplished, he left the Cabinet and the Liberal Alliance (1886).

For some time he still retained the hope that Liberals might return to paths of wisdom and obedience. He made overtures for a reconciliation. But the Liberals, cleft in twain by party differences, did not seize the opportunity quickly enough, and left him free to enter into another alliance. He had in fact turned to the Tories, perceiving that they were not quite the black reactionaries he had been

led to suppose. Lord Beaconsfield had already furnished them with the new formula: "What is a statesman's duty? It is to effect by pacific and constitutional means all that a revolution would accomplish by violent means."¹ After Lord Beaconsfield, another influence had continued his work:—

"I have often thought," said Joseph Chamberlain one day to his people, "that many Liberals have strangely misunderstood the character and value of Lord Randolph Churchill. I have frequently differed from him. We have frequently been in personal conflict. But I have always rendered justice to his courage, his extraordinary cleverness and his rapid appreciation of the current of public feeling. Brought up in the traditions of the old Tory school, he has freed himself from them and shown himself capable of appreciating the new forces which have grown up in government, and quite incapable of following a reactionary policy. To Tory electors he makes Liberal declarations."²

Lord Randolph Churchill well merited this word of praise. He had, as a matter of fact, held much the same position in the Tory party as Joseph Chamberlain in the Liberal. His democratic Toryism, untainted by the slightest suspicion of "black Toryism," hardly differed from Brummagem Radicalism. At bottom there lay the same utilitarian theory and the same demagogic practices. Relying no longer on the force of the Government and the ignorance of the masses for the maintenance of the king's and lords' privileges, he wanted to rest them on the love of the people, and bind them firmly to popular interests and prejudices. By every means possible he wanted the people to feel proud and happy in keeping such masters. On the other hand, men of position and title should not, according to his idea, draw into undue prominence their rights as masters, but only show themselves in the light of good shepherds, as fathers of the great family. Brought up in the school of Lord Randolph, noblemen's wives learned to greet the elector, and overwhelm him with smiles and entice him into the Conservative voting booth; the friends of Lord Randolph recognised also a new Pitt, "a Minister imposed not by the King on his People but by the People on the King".

¹ Birmingham, 7th June, 1881.

² Birmingham, 23rd December, 1886.

At the very moment when Joseph Chamberlain broke once and for all with the Whigs, Lord Randolph left the Tory Cabinet (December, 1886) and politics, only to die shortly after. The vacancy caused by his retirement was one which might be filled up and turned to good account for the good of the people, if only Tories would follow in the proper path. Joseph Chamberlain felt himself quite capable of taking the new rôle. The Liberal theories which had united him to the Whigs were by no means essential to his Radicalism.

"For fifteen years," said he, "I have been thrown into politics by my interest for social questions, and by my desire to increase the welfare of the greatest number. I turned to the Liberal party as the great instrument of progress and reform."¹

His mind was not then solely taken up with Liberal aspirations; a fact which is made abundantly clear because, in this very year of 1886, the Grand Parliamentary Commission appointed to inquire into the causes for the depression of trade had met with a nascent Protectionist party. The capitals of the Midlands—Birmingham and Sheffield—ruined and menaced by German competition, attributed the entire success of their rivals to Germany's system of protection. They demanded, accordingly, defensive measures and the construction of a *Panbritannic Zollverein* by which to group all Anglo-Saxon countries and states together in a customs union. Against the *Free Trade* of Manchester, which had been the sacred gospel of old Radicalism, the Midlands set up the new doctrine of *Fair Trade* consisting in compensating but not protective duties.²

Joseph Chamberlain was quite ready then to condemn the doctrine of *laissez faire*; ever preoccupied with the idea of promoting the welfare and needs of his dear Midlands, he

¹ Birmingham, 21st April, 1886.

² The best definition of Fair Trade was given in 1885 by the Chairman of the Birmingham Chamber of Commerce before the Grand Parliamentary Commission appointed to ascertain the causes for the depression of trade: "To give free entrance of Colonial produce into this country and to obtain free, or at least preferential entry into the Colonies for our goods, in return for England's protection or support" (*Blue Book*, C. 4715, p. 35). We shall have occasion to refer to it again further on.

saw that his object could be attained in more than one way.¹ Ever since his mayoralty of Birmingham, he had held Town Socialism in high esteem and did not attempt to conceal his weakness for State Socialism; he had even exposed "its favourable aspect" to the readers of the *North American Review*. The patriarchism of the new Tory school did not cause him a moment's fear. Frequently he had said to his people:—

"Just look at these Tories who reproached me but yesterday with my Radicalism. At present (1884-85) they steal all my ideas. Gentlemen, the Tories are in office, but the Radicals are in power. It is impossible for me to have an idea without they steal it. After the debate the other night, a member of the House of Commons came up to me and said: 'My dear fellow, pray be careful what you say, for if you were to speak disrespectfully of the Ten Commandments, I believe that Balfour would bring in a bill to repeal them'. These people in Tory livery carry on the Radical business."²

It was quite easy then for him to find a place and continue his Radical programme among the Tories of the new school. Moreover, it was his duty to take this place. Even at the price of making a few apparent concessions and of having calumny and insult heaped on his head, he owed it to his party and to his people to push home the pressure of *black* England on all that remained of old England. After the reform of 1832, the control of the people had practically been imposed on all English life, on the social, political, commercial and even intellectual. There only remained two or three strongholds in the hands of the old conquerors, and, from without, these strongholds appeared impregnable. First of all, the State Church, against which, even now, an open attack hardly seems feasible. Secondly, the drawing-rooms and the Foreign Office. John Bull still retained for himself the conversation of ambassadors and the smile of duchesses. Even the inhabitants of *black* England themselves still recognised that John alone possessed the breadth of shoulder, stateliness of deportment, freshness of complexion, rotundity of calf and size of fist to wear in fitting manner official cockades and lacings, and hold the reins of His Britannic Majesty's heavy coach.

¹Glasgow, 13th February, 1889.

²Hackney, 24th July, 1885.

The envious rivals of Joseph Chamberlain reproach him for having conquered the smiles of duchesses and having climbed on the box seat, like some brisk and slim footman, side by side with burly John Bull. But he has in truth only forced the door of drawing-rooms and aristocratic clubs in order to implant his own people there. To-day the jewellers of Birmingham, their wives and daughters, discuss, play tennis, or take tea with the high society of Mayfair. If Joseph Chamberlain has mounted up there alongside old John, he has merely done so in order to gently pull the reins and gradually change the course of the old coach and direct it imperceptibly towards the Radical roads of Imperialism and Protection. At present the people of the two Englands are ready to declare that the good folk from the West, in spite of their spareness of figure, might very well become exceedingly clever coachmen. These admirable results were achieved in ten or twelve years (1887-99) without any sacrifice whatever either on the part of the people or of Joseph Chamberlain.

For in appearance, at any rate, he has sacrificed nothing, repudiated nothing, neither his name nor his theories. In the first place he only agreed to an alliance with the Tories on condition that they should change their name and state. The Whigs, united with Radicals, became Liberals since liberty was the common aim of the new party. The Tories, united with Radicals, have had to take the name of Unionists, because the integrity of the State, the Union of the three kingdoms, had to be defended against the attacks of the separatist Home Rulers—the Union “without which there will be no longer any trade for the employer nor wages for the employed”.¹

In addition the Tories have had to resign their obscurantist traditions. Lord Salisbury, “who thinks,” said Joseph Chamberlain, in 1877, “that ignorance should be encouraged,”² actually proposed the most democratic law of popular instruction ever placed on the statute book. They have had to forego their exclusive monopoly as great landed proprietors and, by a law of allotments, prepare for the advent of small landowners. Finally, they have had to subject their will to the control of the people and direct their whole policy

¹ Unionist Programme of 1895.

² *Fortnightly Review*, 1877, p. 75.

to the interests of the people, the pursuit of the popular welfare and the establishment of an empire calculated to restore the fortune of the Midlands.

To establish the control of the people, the old Radical machine, the caucus, was absolutely unsuitable. Quite in keeping with the nature of the Liberal party and Whig practice, the proceeding by public deliberation and free discussion could not be made to fit in with the necessities of the Unionist party nor with the habitual methods of the Tories. Union implies discipline, consequently central authority and minimum of discussion; besides, the Tories have always preferred drawing-room and cabinet consultations to popular meetings. Unfortunately, Joseph Chamberlain could not introduce all his people into the cabinet and Unionist saloons. But he gained admittance for himself, as representative of the people, and for the friends of the people, *i.e.*, his own personal friends. Once admitted he demanded for the people, that is to say for himself, the lion's share. In July, 1895, the following offices in the new Administration were held by Joseph Chamberlain and his supporters: Colonial Secretary (£5,000); First Lord of the Admiralty (£4,500); Lord President of the Council (£2,000); Chancellor of the Duchy of Lancaster (£2,000); Under Secretary of the Home Office (£1,500); Financial Secretary for War (£1,500); Under Secretary for the Colonies (£1,500); Solicitor-General (£6,000). Thus the Radical element was well provided for, and, to crown all, J. Austen Chamberlain was made Civil Lord of the Admiralty (£1,000), at the age of thirty. Tories of the older school were scandalised, and one of their number raised a grumbling protest:—

“If he had consulted with the ‘old men who stood before Solomon,’ they would have advised him as the old men did Rehoboam; they would have said, ‘Be kind to this people, speak good words to them, and they will be thy servants for ever’. But the right hon. gentleman had gone to the young men of Birmingham at the Colonial Office and they had given him some bad advice, and so he came down without explanation, without apology, without reason, and said with Rehoboam, ‘My little finger shall be thicker than my father’s loins; my father chastised you with whips, but I will chastise you with scorpions’ . . . The House must

remember that there was a programme before it, that this Government was pledged to a policy of constructive legislation made in Birmingham and adopted in Manchester. When Joseph was first brought into the Government of Egypt, he too adopted a policy of construction, and it was interesting to see how he worked it out. The first thing he did was to bring in all his brethren and plant them down in the land of Egypt and 'in the best of the land,' the land of Goschen. And the second care of Joseph was to deprive the Egyptians themselves of all their money, of all their cattle, and of all their land, and finally of their own liberty, and make them servants, slaves, bondsmen of Pharaoh, which meant, of course, Joseph."¹

Once again Joseph Chamberlain seems to have subjected his so-called allies to his own Radicalism. The Liberal party had been for him and his people "the grand instrument of peace and progress"; this formula, which formerly found a place in all his speeches, was no empty word, for from the mayoralty of Birmingham he had himself progressed to the Cabinet. *Peace, Law, Order* proclaimed the old Political Union on one of its seals; *Liberty, Unity, Prosperity* on another. Joseph Chamberlain's latest efforts are merely directed to the fulfilment of the second part of the old Brummagem programme. He is labouring to-day for union and prosperity, as formerly he worked for liberty and peace in a Liberal Cabinet as President of the Board of Trade. After half a century of reform, social peace and political liberty seem to him assured, at any rate for some time. But the internal union between the three kingdoms is menaced, and exterior unity is not yet established between the component parts of the Empire. Again, prosperity seems in danger both within and without; after fifty years of extraordinary good fortune, the trade and industry of *black* England appear to be in jeopardy. On all sides terrible competitors spring up—Germans, Japanese and Americans; the fall of old empires and the continuous extension of the system of protection amongst the nations close one by one Britain's best outlets. In her distress, as is her wont, *black* England appeals to her Radical chiefs, praying them to

¹T. Gibson Bowles, in the House of Commons, 13th April, 1896. Mr. Goschen, Liberal-Unionist, was First Lord of the Admiralty at this time.

fulfil their mission as legislators, *i.e.*, "to ascertain the causes of this evil, and, if possible, eradicate them by adequate legislation for the greatest happiness of the greatest number".¹ In answer to the appeal Joseph Chamberlain set his hand to the task and, as usual, discovered the remedy in an alliance, the alliance of all Anglo-Saxon countries, the "Panbritannic" federation.

But this part of his work is only really comprehensible in the light of study on the spot as to the state of industry in the Black Country and the position of trade at Liverpool. Still, in spite of the apparent inconsistency of his methods, there is no denying the admirable unity of his career, so entirely devoted to the interests of Birmingham and the furthering of his own ambitions. "The same journey can be accomplished by water, road or rail," said he one day. Radical, Liberal or Unionist, his gaze has ever been fixed on the same object—the welfare of his people. Three principal stages have marked his political journeyings: Municipal (1870-1876), National (1876-1887), Imperial (to-day).

¹ Birmingham, 7th June, 1881.

JOSEPH CHAMBERLAIN.

CHAPTER III.

“All men are undoubtedly qualified to commit crime. Only enlightened men are qualified to make laws against crime. The less well-informed a man is the more prone is he to separate his own interest from that of his neighbour. The more a man is enlightened, the more he distinctly perceives the union of his own personal interest with the general interest.”—Bentham, *Principles of Penal Law*, 111-12.

JOSEPH CHAMBERLAIN is not then the inconsistent and fickle politician his adversaries try to make out. His language has ever been that of a Radical; throughout his career he has remained *à la lettre* the man of Birmingham. As he himself has said, it is futile to credit his conduct with the basest motives; *on the surface* perfectly honourable reasons can be found in plenty. In view of his actual popularity, it seems as if these *surface* reasons are quite satisfactory to the English public. But we Frenchmen like to ascertain the spirit underlying words and the intentions hidden behind acts. Thus, amongst Radicals of the old school, we were accustomed to find the dissenting spirit and the philosophical spirit going hand in hand.

We thought we saw in the school of dissenters an English Radicalism which had assimilated certain gospel truths and spoke with heartfelt conviction of charity and peace. The Radicals offered peace with good-will to all men. On principle they dismissed all thought of war from their mind, however great the promise of gain might be. They protested against all appeals to the sword even in cases where its use might be considered excusable; they were convinced that a people, like an individual, may be wounded by the too frequent flourishing of the sabre. They tried to alleviate suffering, which in any case they respected, and they never poured vinegar into the wounds of the injured. Face to face with a crucified Ireland, they would have had tears in their eyes and efficacious pity

in their hearts, and not merely arid calculations on the questions of money and rights. Never would they have proffered to the dying the ironical sponge of gall. When one of Ireland's martyrs, a prisoner for having defended his people, preferred to remain half-naked rather than put on a convict's livery, they would never have thought of raising a laugh out of the spectacle :—

“Mr. O'Brien thinks it degrading to put on prison uniform. I am sure, gentlemen, that you do not know this uniform (laughter). As for myself, I know it, having had some experience of prisons, that is to say, in my capacity of inspecting them (great laughter), and I can assure you that this uniform is not degrading in the least, but on the contrary, is more comfortable and becoming than much of the clothing of the working classes.”¹

Radicals of the old school were capable of entertaining feelings of love for many of their fellows, and of friendship for a few. They remained faithful to these friendships, or if, now and again, humanity and human things being fragile, their friendships could not stand the strain, they, at any rate, respected the secrets and memories of them. They did not produce, on the slightest provocation, letters and papers to the detriment of their erstwhile friends, now their opponents. They would not have read before the House of Commons the letters of Parnell and Gladstone. They would not have made public sport of the intimate effusions and confidences of John Morley. The intercourse of friendship in their estimation was subject to quite another code of rules than that of ordinary commercial intercourse; their friends were not merely partners or temporary correspondents whose letters an everyday business precaution demands should be copied and retained. Thus, when appeal was made to the union of hearts, they had no difficulty in understanding; they did not reply that “those are only vague generalities and sonorous phrases which mean nothing and lead to nothing”.² They did not think that all sentiment was absurd, especially when it had been disin-

¹ Dundee, 14th February, 1889.

² Bradford, 19th September, 1888: “We are promised if we will put Mr. Gladstone back into office that there will be a union of hearts! A union of hearts! I want you to examine that phrase carefully.”

terested and fatal; they would never have scoffed at the sentiment which conducted the Girondins to the scaffold.¹ In short, the old Radicalism seemed permeated with the tender teachings of the Gospel. It had not visited America and come back with the Judaical respect for legal right. "The Americans will not tolerate any sentimental consideration whatever to obstruct the course of the law, sanctioned by the majority of the nation through its constitutional representatives."²

And we were also accustomed to find in English Radicalism the spirit and teaching of philosophers. English philosophy, experimental and utilitarian, did undoubtedly train the old Radicals to calculate forces and respect facts. But English philosophy taught them also the utter worthlessness of personal experience unless confirmed by the experience of all, and likewise the immorality of personal calculation unless compatible with the interests of all. And by "all" humanity as a whole was meant. Bentham and his disciples proclaimed themselves citizens of the world and not of Birmingham only. Their Radicalism was humanitarian and not Brummagem. They invented the word *international*; they would not have understood the word *unionist*. The language they spoke was a human language; in their English they mingled words and notions from other nations. Their philanthropy knew no boundaries. Still, they were good patriots; but, in their eyes, aggressive chauvinism was a monstrosity of the present or a lingering blemish of the past. As early as 1789, Bentham, hailing the advent of universal peace, laid down his *Principles of International Law* for the fast-approaching day "when a world-citizen should prepare the universal international code".³

They had an absolute horror of all violent solutions; they preached the temporary respect of established privileges. But if they respected the privileges of others, they did not think of conquering or founding any for themselves. They believed with Payne, "that a lord loses nothing in becoming a man, but that a man loses everything in becoming a lord". If they had commenced life as manufacturers of screws, in a

¹ Bradford, 19th September, 1888.

² Birmingham, 19th April, 1888.

³ Bentham, Bowring Edition, VII., p. 537.

town where every one had the right to manufacture them also, they would never have employed every means in their power—means which, no doubt, the law permits and the commercial code of honour approves, but which their conscience would have disapproved—to create for themselves a monopoly, and found their fortune on the misery of the many. Never could the satirical, though faithful, pen of the caricaturist have portrayed them smiling before a looking-glass and saying to themselves: “You, Chamberlain, are a monopolist”.¹

They laboured for the whole community; they proclaimed the solidarity of the entire human race. And this solidarity, unlimited by frontiers, was no less unlimited by time or death; solidarity, as they understood it, was identified with all generations, past and future. They would not admit that the service of present interests should engage or compromise the interests of the future. They would never have admitted that in politics “the only law is for each generation to resolve its own problems and carry out its own reforms, the only duty to heal the question of the moment”.² They looked beyond towards the eternal problems, the immutable duties and questions which outlive all passing interests. For the well-being of all was no doubt their proximate aim; but the study of the past had taught them that this well-being is not everything, and that a great people does not live by bread alone. One of their number, Grote, after thirty years passed in business, consecrating the remainder of his life to the glorification of the Athenian people, wrote his *History of Greece* to demonstrate to his people that a true democracy should encourage the pursuit of the useful freed from all unhealthy eagerness, of the beautiful without undue dilettantism, of the good without fanaticism, of the true without intolerance. . . . These words, which Grote, after Pericles, repeated to his people, would be looked for in vain in the four or five volumes of Joseph Chamberlain’s speeches. All that will be found there are a few exact quotations from the Bible or Shakespeare which can be supplied by any good dictionary or concordance.

¹ *Review of Reviews*, 1896, Supplement, p. 51.

² Birmingham, 7th June, 1881.

“That was the time,” says the *New Review*,¹ “when the Radical party had a brain. It was the time of the Mills, the Grotes, the Radical philosophers who, without appearing in parliamentary debates or on electoral platforms, none the less indicated the route. The Radical party represented something more than a mere heterogeneous coalition of interests, for it had a theory of the State.” The theorists in their monastic retreats, in the midst of books and memoirs, led, like Bentham, a monastic life. There they built up and strengthened their belief in principles, their confidence somewhat *naïve*—but yet how much more sane than present-day barrenness!—in the reason and honesty of men, their undying faith in human perfectibility, and their hope in the speedy advent of a better future. With such religious tenets they could raise mountains; for, by their disinterestedness, they could effect the conversion of the world. No seekers of cheap advertisement or shoddy popularity, they, nevertheless, remained in contact with public affairs and the leaders of the people, who respectfully took from them the word of command. Francis Place (1771-1854), the great Radical organiser, came each day to consult him whom he called “his dear old father,” *viz.*, Bentham; he, at any rate, had no lofty scorn for philosophers, nor was he actuated by the ideas which the Napoleon of Birmingham predicates to-day.²

On their side the politicians carried on the daily work, and, to the best of their ability, served the interests of the moment. But when the master, Bentham, or his disciples submitted to them some moral programme or scruple of justice, when they preached some generous idea or human duty, the party never thought of accusing its thinkers “of betraying the national duty and washing their hands, like Pilate, of national responsibilities.”³ The Chamberlainties reply to-day:—

“Think you we are going to compromise the State to please a band of philosophers? The Empire was not constructed by philosophers; we will not therefore allow philosophers to overturn that Empire. You come and tell us: ‘Perish, England, but let us be virtuous!’ Your exhortation to suicide is

¹ 1895, p. 117. ² Leeds, 22nd January, 1879.

³ Birmingham, 23rd January, 1889.

hidden beneath an exhortation to virtue. . . . Think not to convince us. You will be beaten. You will, at any rate, have the consolation of recognising that only a democracy has wings large enough to shelter and cover with impunity the preachers of subversive doctrines.”¹

These Radicals of the old school were all men of thought and men of heart, as well as men of action and character; they were not merely business men who passed their time in holding the public scales of privileges and rights, in provoking, whenever occasion offered, a fresh weighing, in order to pocket the profit. They sought not to promote by turns progress or prosperity, liberty or union. They never dissociated these notions. For them no union was possible without liberty, nor prosperity durable without effort towards progress. Within the country their objective was to enlighten John Bull, and not flatter or dupe him; without, to proffer the hand of fellowship, of peace and liberty to all peoples and to all men. That is what we Frenchmen, to whom Bentham gave the flattering name of citizens of the world, thought was the essential programme of English Radicalism, and sufficiently explains why at first glance we have failed to recognise in this man of Birmingham an English Radical. Still, for all that, he is the real *leader* of new England.

¹ *National Review*, 1894.

IMPERIALISM.

CHAPTER I.

“I have to propose to you the toast of the evening, ‘Commerce and the Empire,’ and, gentlemen, although this is a toast of infinite scope which appeals to our imagination as well as to our material interest, I hope to observe in my remarks upon it the brevity of which the compounder of the toast has set me an example. He has found it possible to put before you a toast of this magnitude in what practically amounts to two words. Succinct as he has been, he might have been still briefer, for I believe that the toast of the Empire would have carried with it all that is meant by Commerce and the Empire, because, gentlemen, the Empire, to parody a celebrated expression, is Commerce.”—J. Chamberlain, at the Congress of Chambers of Commerce, 10th June, 1896.

To thoroughly understand the power of Mr. Chamberlain, it is necessary to consider the most important phenomenon of recent history in England, *viz.*, the widespread diffusion of the Imperial sentiment among the British people. For a time it was quite a moot point whether *Imperialism* exercised any real influence over the English heart and mind. To-day there is no doubt; Imperialism is all-triumphant. No longer confined for public expression to the popular song of the music halls, Imperialism now figures on a far larger stage, the stage of the world. The South African tragedy is but the first act of the play, and, although the development of the plot has not been so rapid as expected, its further action is likely to extend far beyond the limits of Africa. Imperialism has for object the two Anglo-Saxon hemispheres, the world-wide “Panbritannic” Empire. After the breakdown of Panslavism and Panlatinism and whilst Pangermanism is slumbering, Panbritannism looms ahead fully prepared to pilot the destinies of the United Kingdom and threaten those of the universe.

This question is indeed a serious matter for the whole world.

Found an English or rather Anglo-Saxon Empire—Britain is the recognised term—which should embrace all the Britons of the world, in other words, all English-speaking individuals and communities; tack India on to Canada, Australia to Egypt, the United States to the Cape; out of these scattered pieces fashion an Imperial mantle for the old mother country; federate republics and monarchies, self-governing states and vassal colonies, free peoples and dependent or subject multitudes; by a slender but infrangible thread cause English will, at all hours of the day, to pass from one to the other and English force to display its might throughout the length and breadth of the world; in short, reconstruct, on an enlarged plane, with two-thirds of white humanity, an Empire comparable to that of the Romans; such an Imperialism as that is a positive menace to the entire world. For practically ten years now the Imperial idea seems to have overcome all resistance in England.

Looking backward, the rapidity of this triumph is certainly calculated to cause surprise.¹ In this ancient, reasonable, calculating and conservative England, where new ideas make such slow headway, thirty short years have sufficed to make the paradoxical proposition of a mere scholar the commonly accepted opinion. [It was in 1868 that Charles Dilke, fresh from the University, first enunciated his dream of "Greater Britain," which was received with much shrugging of shoulders throughout the three kingdoms.] At that time England almost entirely shared the ideas of Goldwin Smith. The general opinion prevalent seemed to be that sooner or later the Colonies must surely separate from the mother country, and that, before long, the United States of Canada and Australia, etc., would follow the example of America. This future did not disturb in any wise the calm placidity of the country, which even seemed sometimes to pray for this happy consummation. The preoccupation of so many affairs so far away from the centre, the guardianship of so many millions of heterogeneous populations, appeared to the *elite* of the politicians and thinkers a somewhat heavy load to bear. They thought there was hardly sufficient time avail-

¹ See *Journal of the Royal Colonial Institute*, vol. xxiv., part iii., "British Federation, its Rise and Progress".

able for the successful conduct of their own affairs. Their grand dream was to give to the world the example of an enlightened and virtuous nation, great by wealth and great by force, but greater still by respect for justice and the esteem of humanity.

To-day the nation turns away with scorn from the small though devoted band of Little Englanders. The people's ambition is for a "Greater Britain," ever greater in its ambitions and monopolies, growing not merely by its own force and wealth, but by the oppression, ruin and envy of the human race, for an Imperial Britain to exploit the modern world as once did Imperial Rome.

All the living forces of the nation contributed their quota to the expansion of this grandiose idea. [Naturally enough the ambitious and aggressive conception of Charles Dilke appealed to the egoism and brutal pride of reactionary England. All the lords, therefore, without distinction of party, united to encourage the spread of the new idea, and even he who passed for leader of the Liberals, and at times called himself Radical, Lord Rosebery himself, became, in 1884, the soul of the Imperial Federation League.] But more than any others, the counsellors of feudal England, the Tories, perceived in this nationalist crusade a convenient means whereby to divert once again the rising tide of democracy to their own ends; their then chief, Lord Beaconsfield, undertook in 1872 to direct the appetites of Liberal or Socialist Radicalism towards the outside world. This very infatuation of the "old stupid party" should have put labouring England on its guard, the possible ill-will of which was in fact most skilfully anticipated. Journalists and professors with Imperialistic leanings; the Froudes and Seeleys¹ wrapped round their middle-age conception a brave display of tinsel quite modern in appearance; they plastered it over with a philosophical and moral covering, and above all with a jargon entirely doctrinaire; thanks to their efforts, Imperialism became the latest philosophy of history and almost the last dogma of religion

In the first place, Seeley taught his Cambridge audience that indefinite expansion is the sole explanation and the sole

¹ J. R. Seeley, *The Expansion of England*; J. A. Froude, *Oceana, or England and her Colonies*.

motive power of all English history, in fact the sole *raison d'être* of the English people. By order of the same destiny which set the descendants of Romulus on the forward march and conducted them to the limits of the antique world, the modern universe, its seas, its continents, its people and towns are the domain promised by the oracles and sibyls to the energy of the British people. Let others pride themselves on their love for the small local fatherland, on their dreams of art or virtuous life! To merit the name of Englishman, there can be only one dream, *viz.*, Empire—

Tu regere imperio populos, Romane, memento.

Then followed Froude, who pointed out to his readers this Oceanic Empire, dreamed of by J. Harrington as far back as the seventeenth century, prepared by the Clives and Hastingses during two centuries of struggle and strain, defended against Napoleon and the assaults of revolutionary France, and finally rendered secure by the courage and fraternal affection of all Anglo-Saxons: this Oceana he showed rising from the surge and casting her shadow on the threshold of the new century. Inevitable reward of British virtue and valour, natural efflorescence of the time-stricken but ever vigorous tree, naught could prevail against her, neither the force of the elements nor envy of rivals, not even the folly of her servants nor the indifference of her children. No matter whether the people of the earth or their politicians wish it or no, Oceana will be, nay, is already, visible on the distant horizon. None are so blind as those who will not see!

The disciples of Seeley and Froude found a sympathetic auditory in the psalm-singing, Bible-reading people. Cromwell's soldiers, labouring under the conviction that they were the children of God, had treated Ireland as did the Hebrews the land of the Amalekites. What more worthy instrument of this justice could the God of Armies employ to-day? The God who once bestowed Canaan on the tribes of Israel in order that His worship and His law might be forever preserved in a pure sanctuary; the God who, from century to century, set up and threw down empires, Who let loose the scourge of wars and of conquerors, exterminated whole towns and peoples in order to prove to Himself and the world at large the justice of His severity, this self-same

God, from the very outset, designated the tribes of Albion as His latest missionaries; they are to dominate the universe in order that this den of suffering and crime may become the promised land of happiness and virtue. Imperialism is the form He wishes His worship to take; *Rule Britannia* is merely the most modern of His psalms.

With sword in the right hand and the Bible on the heart, Imperialism was presented to the crowd by two apostles of unequal genius but equivalent *savoir faire*. The first, a great poet, the most prolific creator of beings, types and words that England has known since Shakespeare, became the appointed songster, the poet laureate of Empire; and wherever penetrated the works of Rudyard Kipling—that is to say, among the one hundred or one hundred and twenty millions of Anglo-Saxons scattered throughout the world—a mighty stream arose which swept away everything, men, women, peoples, middle classes, noblemen, hearts, consciences, bodies and souls. The limpid or murky waters roll along in mad precipitation towards Oceana, this realm of dreams, reflecting all the time some portion of this Empire which flashes in the light. Every reader of Kipling must perforce descend with him the flowing tide of his verse or tales. Out of his abundant store he can let loose words to make every ear tingle and illumine every brain; in him, the gift of tongues seems to have been renewed as if by miracle. Turn and turn about, he resorts to every idiom of Anglo-Saxon humanity, slang, jargon and galimatias, everywhere he obtains a hearing from London to Calcutta, from Sydney to New York, from the legislature to taverns, barracks, bars, churches and docks.

And each one of his words, beneath the transparent varnish of civilisation which covers our barbarity, is calculated to awaken the brutal temperament of the race and set vibrating some old idea or passion of the Imperial instinct; he tickles the pride of force, vanity of riches and the hypocrisy of virtue, encourages the spirit of adventure, the fanaticism of the national mission, and the conviction of Anglo-Saxon superiority, stirs up the hatred or contempt of other races, converting to his Imperialism the soul of each and every of his readers. Each one of his works renders to this Empire, which was thought to be so distant, so scattered, so difficult to unite or

even to know, a present and tangible form ; at one time he sings of India with her river, mountain and jungle populations ; at another, of the snows and lakes of Canada, or of Soudan's burning sands and parched undergrowth ; or of the blue mountains and roadsteads of South Africa. In the brain of this man the Empire is already a living actuality ; and Kipling, by means of his writings, inculcates the same conviction in the brain of his readers.

The other *manager* of Imperialism, although not gifted with the same genius, has been none the less an efficient apostle. For it was Joseph Chamberlain, whom we know already, most practical of men, who actually launched the Imperial affair. Of Imperialism he made a positive business wherein he attempted to interest not only Great Britain but even "Greater Britain". It was his preaching which recruited the best troops. If the aristocracy responded to the first appeal of Sir Charles Dilke beneath the banner of the *Imperial Federation League*, and if the man in the street intoxicated by the stirring strains of Rudyard Kipling only joined issue quite latterly under the oriflamme of Saint Jingo, trading England has none the less supplied, between the years 1885 and 1895, the main force of the Imperialistic army under the respective standards of the *Empire Trade League*, the *Imperial Institute of Colonies and India*, the *Association of Chambers of Commerce*.

From this source spring the actual power and popularity of Joseph Chamberlain. As ardent apostle of this new faith, the man of Birmingham has become the man of England. For fifteen years he has gone about in the three kingdoms, as well as in the United States and Canada, preaching the Panbritannic gospel. He claims to have received an enthusiastic welcome wherever he went. "I was perhaps doubly worthy of this welcome, both for my faith in the Empire, and my faith in the English race. Yes, I believe in this race, the greatest governing race the world has ever seen, in this Anglo-Saxon race, so proud, tenacious, self-confident and determined, this race which neither climate nor change can degenerate, which will infallibly be the predominant force of future history and universal civilisation. . . . And I believe in the future of this world-wide Empire, of which no Englishman can speak without a feeling of

enthusiasm."¹ His preaching was ardent. Only converted to the new religion somewhat late in the day, he had all the zeal of a neophyte. During his Liberal Ministries he admits himself that although not adhering entirely to the Manchester principle, "Peace at any price," he was practically agreed with Gladstone and his lieutenants as to the urgency, multiplicity, difficulty of internal reforms and how necessary it was to complete Democratic England before thinking of an Imperial England.² Still his old friend John Bright used to say that this young man was the only Tory in the Cabinet, a saying which has now become the unanimous cry of his adversaries. But *Jingoism* and *Imperialism*, as he understands them, are not identical nor even comparable. As a matter of fact, Jingoism was of Tory origin, whilst Imperialism is Radical. At the start Jingoism was nothing more than the overbearing explosion of John Bull's wrath. The expression, and the thing which the word expresses, obtained currency during the last Balkan War, when the Russian victories snatched from John Bull the Constantinople *estate* which had been one of his pet playthings for upwards of half a century. John, beaten and annoyed, dared not risk an open struggle; but, in order to cover the retreat of his fleet which penetrated the Bosphorus, he resorted to the music halls to celebrate his own valour and invincible might. Then appeared the hymn of Saint Jingo:—

We don't want to fight, but, by Jingo,³ if we do

We've got the ships, we've got the men, we've got the money too.

The actual outcome of these brave words is not difficult to divine. Similar stupidities in honour of the grand artilleryman of Metz are frequently chanted with frenzied fervour by our young students on the boulevards. Jingoism, mere patriotic rodomontade, was quite satisfied when Beaconsfield brought back from Berlin "peace with honour". Joseph Chamberlain and his Imperialists openly proclaim "war with profit" as the dearest of their desires.

Their Imperialism is Radical, that is to say, before aught

¹ London, 11th November, 1895.

² Birmingham, 22nd January, 1894.

³ The origin of this word is obscure; it is probably an oath in common usage amongst the Irish.

else, utilitarian. Still this particular Radical programme, like all other Radical programmes, is in no wise precluded from having all the orthodox paraphernalia of high-sounding principles and fine sentiments. On his own showing, Joseph Chamberlain exposes himself quite readily to the charge of being a sentimentalist.¹ He lingers with simple tenderness over the mild sovereignty of the Crown,² and the love which the sons of the common fatherland should have for each other. As Dissenter and Puritan he knows how to appeal on occasion to moral and religious convictions:—

“But the British Empire is not confined to the self-governing colonies and the United Kingdom. It includes a much greater area, a much more numerous population in tropical climes, where no considerable European settlement is possible, and where the native population must always vastly outnumber the white inhabitants; and in these cases also the same change has come over the Imperial idea. Here also the sense of possession has given place to a different sentiment—the sense of obligation. We feel now that our rule over these territories can only be justified if we can show that it adds to the happiness and prosperity of the people—and I maintain that our rule does, and has, brought security and peace and comparative prosperity to countries that never knew these blessings before. In carrying out this work of civilisation we are fulfilling what I believe to be our national mission.”³

Thus spoke Joshua to the people of God on approaching the walls of Makkedah: “And they took Makkedah and smote it with the edge of the sword, and the king thereof he utterly destroyed, them, and all the souls that were therein.”⁴

As politician he sees through men and their foibles. He knows the exaggerated pride of his people which *will* be champion of the present or past world in all things. He has, therefore, learnt a few words of Latin to speak to them

¹ Devonshire Club, 9th April, 1888.

² “The mild Sovereignty of the Queen.” Celebrated speech, Toronto, 30th December, 1887.

³ Royal Colonial Institute, 31st March, 1897; Birmingham, 24th March, 1890.

⁴ Joshua x. 28.

of this *Pax Britannica* whose splendour shall eclipse the "Roman Peace"; and if some day we must pass away as so many Empires have done before us, at any rate we shall have left monuments of our passage across the world. Just as the Romans have left their roads to testify to their intelligence and courage, so we shall leave our railways and works of communication accomplished for the eternal profit of peoples under the shadow of our Imperial sceptre.¹ Such is the language which Joseph Chamberlain addresses to the jewellers of Birmingham.

For the young communities across the seas, whether American or Australian, he makes use of other arguments: "To all these peoples, young or old, we can say, our part is your part; your ancestors have knelt before our ancient shrines, they sleep in our old cemeteries, they have played their part also in our political, literary and artistic history. You have behind you thousands of years of glorious traditions. Preserve ever green the memory of your ancient family abode."²

But nobility, glory, ancestors at the crusades, leadership of the world, divine mission, moral obligations, love of family, etc., all such expressions are but vain music, and like one of those noisy orchestras without which no Radical electoral platform is complete. At the time when John Morley took him in hand and gave him a rapid sketch of the grand lines of history, Joseph Chamberlain was thoroughly convinced that no known race policy by itself has ever given any definite result. Russia, who first invented it, only found therein a new pretext for strengthening her old orthodox policy, for constructing a new façade to her ancient religious edifice. If Panslavism seemed to succeed for a time, to orthodoxy was due all the credit. But as soon as Russian maladroitness uncoupled the two unequal forces and turned Bulgaria in the name of Panslavism against the Greek though orthodox patriarch, the triumphal march towards Sophia was arrested definitively. Germany then became the great field for experiment, where in order to bring about unity and consummate the Empire, the most realistic of policies had to appeal to

¹ Birmingham, 13th November, 1896; House of Commons, 20th March, 1893.

² Toronto, 30th December, 1887; Philadelphia, 29th February, 1888.

quite other forces than race nationalism. Thus foreign Prussia, half Slav, half German, succeeded in grouping Germans around commercial interests first of all. Joseph Chamberlain frequently invokes the example of the Zollverein, to be followed by Liberal principles afterwards. Panbritan- nism then is in need of an internal motor. Community of language and race can only be the wire, more or less stretched, more or less strong, which shall transmit—the comparison is Mr. Chamberlain's¹—an enormous force to the uttermost confines of the world. But to generate this force a machine is necessary, for simple movements of sympathy and pride are insufficient in all Anglo-Saxon countries; the true source of force is invariably self-interest.

“There is a word,” said Joseph Chamberlain, “which I hesitate to pronounce, so much do I fear, having almost arrived at the term of my career, to compromise my good name for practical statesmanship. I am told on all sides that my Imperial Federation scheme is a vain dream. If this dream has imposed itself on all the English-speaking races scattered throughout the world, the reason is that it appeals not only to the highest sentiments of patriotism but also to all our material interests. The unity of the Empire is commended to us by sentiment, but it is imposed on us by interest. The first duty of our statesmen is to establish this union for ever on the basis of material interest. . . .”²

Joseph Chamberlain became an Imperialist from the day on which he discovered that the Empire was essentially necessary to the interests of his people. He worked like Lord Rosebery for the glory of pegging out claims for posterity; ³ but first and foremost he worked for the profit of Birmingham and the Midlands.

“To-day no one contests any longer the enormous advantage of a unified Empire, keeping for ourselves the benefit of trade which at the present time is actually a benefit to foreigners. Believe me, the loss of our domination would weigh first of all on the working classes of this country. We should see chronic misery let loose. England would no

¹ London, 6th November, 1895.

² London, 6th November, 1895; London, 9th June, 1896.

³ Speech given in the House of Commons, 20th March, 1893.

longer be able to feed her enormous population. . . . For experience shows us that trade follows the flag."¹

Herein lies the principle which constitutes his Imperialism as the crowning point of the Radical work by this latest adaptation of the entire governmental structure to the needs of manufacturing England.

To the merchants, manufacturers, great companies, chambers of commerce and shipping, to the England of iron, coal and textiles — hunted from the old European countries by Protection, harassed in the oriental countries by the competition of Germans, Belgians, Japanese and Hindus dissatisfied with the present, anxious for the future—to all these Joseph Chamberlain holds out the promise of an Empire organised on the lines of a customs union, where Anglo-Saxon productions alone shall find a free market, from which foreign merchandise shall be excluded by a system of differential duties, or even, if necessary, a protective tariff.

The Empire thus constituted will form a gigantic co-operative society of production and consumption, out of which England will derive the lion's share of advantage. To capitalists, the Stock Exchange and banking classes he offers the Imperial guarantee for the loans contracted with them by the Colonies. For the Empire is to guarantee all its members. But Colonies such as Tasmania, Queensland or New Zealand are on the verge of bankruptcy. In Tasmania 43 per cent., in New Zealand 38 per cent., in Queensland 36 per cent. of the annual revenue is required for the service of the public debt.² This Colonial paper will surely fall to the gutter tomorrow if its value is not upheld by the Imperial signature.

Joseph Chamberlain holds forth similar promises to all the heterogeneous speculators who have risked their own money or that of others in Cape or Australian railways, in tramways, lighting enterprises or other Colonial undertakings. He promises that the Empire shall redeem at greatly enhanced figures the privileges of great companies: Borneo, Nigeria, Rhodesia, East Africa, etc. In brief, to financial and business England Imperialism as understood by Joseph

¹ London, 9th June, 1896; Birmingham, 22nd January, 1894; Devonshire Club, 9th April, 1888.

² *Blue Book*, C. 8608.

Chamberlain appears as a providential benefactor, the necessary saviour. "The situation of England," says the *National Review*, "renders the establishment of Empire obligatory; for England must be in the van of nations and lead humanity, or else renounce not only her domain but even her independence." Such is the conviction at the present time of mercantile England, of the majority of them at any rate; but Joseph Chamberlain in sooth has not inculcated in them this conviction. In this particular case, as in all others, he has only been the mouthpiece of Birmingham.

IMPERIALISM.

CHAPTER II.

“What is wanted for Uganda is what Birmingham has got—an improvement scheme. What we want is to give to this country the means of communication by a railway from the coast which would bring to that population—which is more intelligent than the ordinary populations in the heart of Africa—our iron, and our clothes, and our cotton, and even our jewellery, because I believe the savages are not at all insensible to the delights of personal adornment.”—J. Chamberlain, to the *Relief Association* of Birmingham, 22nd January, 1894.

FROM Worcester to Barnsley and from Northampton to Stoke, the Midlands may be said to extend over the eight or nine counties of Worcestershire, Northamptonshire, Shropshire, Staffordshire, Leicestershire, Derbyshire, Nottinghamshire and Yorkshire (West Riding). Birmingham in the south, Sheffield in the north, are the two capitals of this district. From one end to the other, the face of the land is covered with a continuous sequence of black towns and smoke-be-grimed factories. For this is the realm of coal and iron, the country of metals and the non-textile industries. Within this space of 16,000 square miles, some 20,078 factories and 20,490 workshops have raised their lofty chimneys, dug their deep pits, kindled their furnaces and subjugated more than 800,000 human beings to mechanical labour. To feed and enrich the 7,000,000 of population confined within these relatively narrow limits,¹ the soil furnishes hardly anything beyond potter's clay, minerals and coal. The outside world must provide all the other requirements.

And unceasingly new suburbs grow around and prolong afar the limits of the old towns. New factories spring up from among a mass of scorïæ and cinders. New chimneys rise alongside heaps of débris. The thick and murky atmosphere, lit up with the lurid glare of flames, spreads outwards

¹ These figures are taken from *Blue Book*, C. 8965, “*Annual Report on Factories and Workshops*, for the year 1897”.

and ever outwards into the surrounding country. Without respite the industrial volcano stays not its triumphal progress eastwards, pushing its streams of slag and reeking pools as far as River Thames. At each new forward step, a fresh gang of humanity must be shovelled into the monster's gaping jaws. In one single year (1895-1896), in the sole county of Warwickshire, 600 new workshops or factories opened their portals (6,679 in 1896 as against 6,056 in 1895), whilst the total of the labouring serfs rose from 159,488 to 182,302. That is to say, 23,000 additional slaves were bound to the galleys bench or thrown into the mining pit, to the teeth of machinery, to wheels, to furnaces and obscurity. What with smashed heads, broken backs, arms torn off, legs or hands crushed, one year's work will yield, on the average, 300 corpses and 2,500 maimed.

All the iron, copper and other metal factories, as well as those connected with wood, leather, glass and clay, can be found side by side; everything that must needs pass under hammer or through furnace is worked up here. Some of these industries, nevertheless, are grouped. Thus Stafford enjoys the monopoly of locks. Stoke, centre of the Potteries, is the town of earthenware and china, Sheffield of knives, Coventry of bicycles. But more often than not, industries most dissimilar in nature have grown up indiscriminately side by side. Birmingham, for instance, has united almost all of them within her perimeter. For more than a century (1750-1880), beating copper and iron, soldering gold and silver, melting glass, turning wood, stitching leather, Birmingham has inundated the entire world with tools, machines, arms, screws, nails, waggons, toys, buttons, pins and feathers, not to mention jewellery, saddlery and furniture. She became the bazaar of the world, and boasted that she could count amongst her customers all the civilised and savage peoples of the universe.

On her own showing, the world would have been reduced to sore straits if she had closed her counting-houses without warning:—

“The Arab sheik eats his *pilaf* with a spoon from Birmingham. The Egyptian pasha takes his cup of sherbet on a Birmingham waiter, lights his harem with candelabra and crystals from Birmingham, and nails to the wooden partitions

of his yacht knick-knacks from Birmingham on masy paper also from Birmingham. To feed and defend himself the Redskin uses a gun from Birmingham, the luxurious Hindu orders plate and lamps for table and drawing-room. To the plains of South America, for the swift-riding horsemen Birmingham despatches spurs, stirrup-leathers, and burnished buttons; to the Colonies, for native planters, hatchets for cutting sugar cane, vats and presses. The musing German needs a Birmingham strike-a-light for his eternal pipe, and the emigrant cooks his humble repast in a Birmingham saucepan on a stove from Birmingham; the name of a Birmingham manufacturer is even graven on the tin boxes which conserve his luxuries. . . ."¹

Birmingham was then at the zenith of her fortune. A century of laborious effort had conducted her, first to wealth and then to the summit of the commercial world. Then she swelled with gratified pride. She believed her reign eternal, and Joseph Chamberlain, who was her mayor from 1873 to 1876, tickled her feelings of vanity. She transformed her narrow streets and brick factories into marble palaces, statues and colonnades. And yet no prophet or seer, seeing through the deceptive veil of present success, was found to raise a warning note against the fool's paradise in which Birmingham was living, no one proffered the language which Ezekiel once employed to caution the Birmingham of his day:—

“In the time, O Tyrus, when thou shalt be broken by the seas in the depths of the waters, thy merchandise, and all thy company in the midst shall fall. . . . The merchants among the people shall hiss at thee; thou shalt be a terror, and never shalt be any more.”²

The apogee was attained in 1873. Fifteen years had hardly passed when the Midlands commenced their lamentations. Before the Grand Commission of Inquiry³ appointed to ascertain the causes for the decline of British commerce (1885-1886), delegates from Birmingham appeared 28th October, 1885.⁴

¹ Elihu Burritt, *Walks in the Black Country*.

² Ezekiel xxvii. 34-36.

³ The Reports of the Commission have been published in five enormous *Blue Books*, C. 4621, 4715 (I. and II.), 4797 and 4893.

⁴ *Blue Book*, C. 4715, p. 32 and following pages.

“We are being ruined. We work as hard now as ever but without profit. We are being crushed by English, and more especially foreign competition. In the past we supplied the entire world with arms. Governments and private individuals always used to apply to us. America and Russia gave us orders for hundreds of thousands of revolvers and muskets, and we armed the huntsmen of the entire world. To-day the greater proportion of these governments manufacture for themselves, and America has popularised her arms from Springfield and Winchester; in fact, America obtained the orders for the Carlist and Turkish Wars. With regard to fowling-pieces our well-to-do customers remain faithful, and we still continue to supply all fancy weapons. But Belgium has deprived us of all the rest. Even in England, the barrels of ordinary guns are bought from the Belgians, who do not make so well but sell cheaper and embellish their wares; hence their success with nations who prefer appearance, lightness and fantasy; all the Latin countries purchase their supplies to-day from Belgium.

“We used to enjoy a monopoly for screws and nails. Protective tariffs have closed the civilised markets to us, whilst English competition has deprived us of the Colonies and their markets. Cardiff and Middlesborough are not weighted with our charges for transport. As if all this were not enough, foreign industries have come and given us the knock-down blow. Under the shelter of tariffs, Germany and America have developed their factories, and making their profit out of home sales, the Germans throw the surplus on our markets at absurdly low prices. Time was when the Asiatic and Oceanian East purchased our nails. To-day German nails actually compete here on our own market of Birmingham. Buttons, which we used to sell to the whole of Europe, now come to us from Germany instead. German iron wire is now sold in our Birmingham shops. Inferior Belgian glass has completely ousted our crystal wares. Our lamp merchants have large stocks on hand and can find no market at any price. We once had a large demand for ruolz and silver-plated goods; we had even engaged French artists to come over and we worked upon their designs. The Germans have copied our models. The Americans have invented others, of deplorable taste, but which succeed very

well, as their cost is almost *nil.* . . . For machinery, pumps, steam machines, etc., how can we compete successfully against maritime towns, which use the same coal, the same iron, the same copper as we do, but have not the same heavy railway transport to contend with? Certain of our leading houses have seriously thought of removing. Our great screw manufacturers, Messrs. Nettlefold & Co., talk of coming down to the sea. The most important metal manufacturers of England, Messrs. Elliot & Co., calculate that at Newport or Cardiff the struggle could still be successfully carried on against American competition. In short, of all our industries, jewelry alone remains prosperous, the transport charges being of no account."

"And what remedy do you see for this state of things?"

"One only: Commercial union with our Colonies. A Customs Union comparable to the German Zollverein should be established between them and the home country. All internal customs between one Colony and another, and between the Colonies and the home country, should be suppressed and a system of external customs established against foreign productions. Thus, we should grant to the Colonies the monopoly of our market for their raw articles, and they would give us the monopoly of their markets for our manufactures."¹

The delegates from Sheffield follow on after those from Birmingham, and the Commissioners ask their President:—

"Is the trade of your town on the decline?"

"It is simply disastrous. We have lost our steel trade, and other trades are falling away; the big firms which used to manufacture rails have closed their doors, and manufacturers of window glass talk of following their example. The Germans export their glass to our town, and their steel rails, axle-trees, waggon wheels, etc., drive out our productions from the Italian and Spanish markets. . . . In the United Kingdom it can be said that the interests of Sheffield are closely allied to the interests of the agricultural classes which purchase our implements, forks, spades, mattocks, etc., our agricultural machines, and our cutlery. Seeing that the peasant no longer earns anything and that the number of peasants is continuously on the wane, we have no customers left in

¹Depositions of Messrs. W. Lord and H. Muller, delegates of the Birmingham Chamber of Commerce.

this country. The ruin of our agriculture by importations from America, India, Russia and other countries is only too evident. I know it by my travellers, who, in Scotland as in England, pass through the agricultural districts and repeat the same story of complaint from all sides. Further, official statistics prove it to us; every year the superficies of land under seed is on the decrease; since 1870 more than 1,500,000 acres of cereal land have been given over to pasturage; farm rents are no longer paid; the peasant living on his capital restrains his consumption. . . . Outside the country, the United States were our chief customer. But from a purely agricultural country they have desired to become manufacturing also, and their protective tariff has admitted of the establishment of factories. To-day this market is closed to us. Twenty years ago I had a magnificent trade there. I employed an agent to whom I paid £400 per annum to keep a store, and he did an enormous line of business for me. To-day all that is ended; I do not do sixpennyworth of business with Americans now. . . . I had a trade of considerable importance with Canada; only five or six years ago my trade there amounted to thousands of pounds sterling; but Canada has also imposed duties, so that the total of my business does not amount to £1000 per year. . . . France has doubled her tariff, and, in the village of Wadsley where I live, near Sheffield, distress is rampant. We used to manufacture for the French market large quantities of a knife known to the trade as *flat back*. I left for business in good time Monday last; before leaving my wife said to me: 'Many families are in such a state of distress! Will you allow me to make some soup for the entire village?' . . . The Russians have closed their market to us; in some years my brother sold them as much as £400,000 worth of steel rails; to-day they are manufacturing for themselves. . . . In our Colonies, foreign competition, customs duties and bad crops act in the same way against us. In New South Wales I used to sell five or six hundred dozen of silver-plated covers per month; I have not sold a dozen this year."

"You have spoken of German competition; do you see any causes for their success?"

"A great number. German boats accept seven shillings

per ton for the west coast of South America ; London ship-owners ask us twenty shillings. It has been, therefore, greatly to our advantage to pass by Hamburg. Germany has taken the road of our markets, the address of our customers, and, seeing our profits, has falsified our marks. She has sent her knives everywhere bearing the mark of Sheffield. She has even pirated the names of our manufacturers so that German knives are sold in the United States under the names of our best houses : *Martin Brothers, Cook Brothers, Elmwood Cutlery Co., Irvine Co.* Sometimes she has simply made use of a distortion ; the Maltese Cross and Star with the name *Rodgers* is one of the marks most asked for by our customers beyond the seas ; German knives are put on the market with *two* Maltese Crosses and the name *Rotgens*. . . . Westphalian Germany has the great advantage over us of water transport on the Rhine to the sea. Railway rates are simply ruining us. Those of our factories which manufactured heavy articles, rails, axle-trees, armour plates, have been compelled to quit the Midlands and get down to the coast. Some of our firms have transplanted their works to Middlesborough on the North Sea, or to Workington on the Irish Sea. The others have turned their attention to the manufacture of lighter articles, especially to cutlery. . . . Naturally, over-production has been the result, followed by insufficient demand for labour. Our workmen have emigrated to the United States in large numbers, and so it comes about that American cutlery has been actually perfected by our own labouring men. Americans, having the same coal, the same iron, and the same labour as ourselves, have been enabled to beat us without difficulty, thanks to their protective tariff. Another cause : Germans have the great advantage over us of technical education. Besides which, they are sober and travel the world over. They have swarmed to this country in shoals. They have inundated us with counterfeit goods. In the City of London I know firms that, ten years ago, supplied the Colonies and foreign countries with English articles, and who to-day only send out cheap German goods. All these goods bear the mark *Sheffield* stamped on them. The consumer soon discovers that he has been deceived in the quality ; but it is we whom he accuses, and, when he has had two or three experiences of a like nature, he does not want anything more

from us ; he applies directly to Germans or Americans who then offer him articles of good quality."

"And do you see a possible remedy?"

"To make good the loss of the American market, which once gave us a livelihood, we ought to have the Colonial market. I believe the only means of assisting us would be to federate the home country and our Colonies, the *régime* of Free Trade to exist as between the members, and that of reciprocity with the rest of the world. That would be a difficult undertaking perhaps ; I do not even know whether it is realisable, but it appears to us necessary."¹

These declarations were made before the Commission of Inquiry by the delegates from Sheffield and Birmingham towards the end of 1885. In 1886 Joseph Chamberlain, being still a member of the Liberal party, began to offer a clandestine opposition to the projects of his leader, Mr. Gladstone, in regard to the Irish question, which was of absolutely no importance to the Midlands. The settled conviction as to the necessity of Imperialism had laid hold of him body and soul. He had always been the friend of Sir Charles Dilke, who had raised the first cry of Greater Britain. As partner in the firm of Nettlefold, he was admirably placed to follow day by day the decline of trade. The Liberals remaining infatuated with their Home Rule campaign, Joseph Chamberlain took leave of his old allies and founded the Unionist party, the immediate object of which was to defend the union of the three kingdoms, but with the ulterior aim of bringing about the eventual union of the Empire. In 1887 he was sent by his new friends, the Tories, then in power, to America, to settle the everlasting squabble between American and Canadian fishermen. In a sojourn which extended over a considerable length of time, he preached the new doctrine of the Midlands :—

"Your tariffs," said he to the Americans and Canadians, "are much too high. Believe me, sooner or later you will have to demolish this Chinese wall which you have thrown up between yourselves and the trade of the world, and re-

¹Depositions of Messrs. C. Belk, J. D. Ellis, R. Holmshaw, S. Osborne, etc., master cutlers, Presidents or Members of the Sheffield Chamber of Commerce, *Blue Book*, C. 4715, pp. 5, 74, 88, 102, etc.

establish the true *régime* of good understanding, unlimited reciprocity between all the English-speaking peoples. You are wrong to treat us like a foreign and rival nation. As for myself, I absolutely refuse the title of foreigner in America, and I share the opinion of that diplomatist who, in the presence of the Prince of Wales, divided humanity into three classes—the English, the Americans and the foreigners. I confess my utter stupefaction when I hear certain expressions in the mouth of people who pride themselves on the purity of their descent and of their English speech, and who attribute to English policy a maliciousness, a duplicity, a love of the arbitrary, which only exists in their unhealthy imagination.”¹

It does not appear that his preaching among the Anglo-Saxon kith and kin beyond the seas brought in many converts; neither Canada nor the United States have as yet lowered their tariff walls. But, on his return to England, he continued the pursuit of his convictions, and on a soil better prepared the seed once sown grew apace. The crisis in the Midlands only went from bad to worse. In spite of a few spasmodic returns of fortune, the prosperous days of 1870-1873 seemed, and seem still, past recall.

From 1860 to 1873 the United Kingdom's exports of iron and steel showed a continuous annual increase:—²

EXPORTS OF IRON AND STEEL.

1860.	1865.	1870.	1871.	1872.	1873.
13,6	15,4	24	26,4	35,9	37,7

(In millions of pounds sterling.)

High-water mark was reached in the year 1873 with upwards of £37,000,000; since that time the decline has been incessant. Some subsequent years, though relatively good, have never approached even approximately this prosperous year, and they have been more than counteracted by years of disaster; thus, the years 1882 and 1891, with their exportations of some £31,000,000, have had by way of contrast the year 1885 with some £21,000,000, and 1894 with barely £19,000,000. For manufactured articles such as ironmongery

¹ Toronto, 30th December, 1887; Philadelphia, 29th February, 1888.

² Figures taken from *Statistical Abstracts*.

and cutlery, glass, china, etc., there is the same story of decline or stagnation to record :—¹

EXPORTS OF SUNDRY MANUFACTURES.

	1872.	1877.	1882.	1887.	1892.	1897.
Ironmongery	5	3,3	4,1	2,9	2,1	2,1
Glass	1,1	0,8	1	1	0,8	1
Earthenware and china	2,1	1,8	2,3	1,9	2	1,9

(In millions of pounds sterling.)

Certain industries seem condemned to absolute extinction in the near future. In 1873 the exports of clocks and watches amounted to £180,000 and the rise was both continuous and steady up to 1883—about £320,000; to-day the sum total of this trade barely amounts to £80,000. In 1873 arms were exported to an amount of some £5,500,000, but in 1897 this figure fell away to £4,000,000, and in 1894 the total trade hardly amounted to £2,500,000. What are the paltry £2,000,000 of ironmongery and cutlery in 1897 compared with the £5,000,000 of 1873?

The future does not seem to augur a more satisfactory state of things. From all quarters of the globe pessimistic reports from Consuls and Ambassadors arrive with monotonous regularity at the Foreign Office. Europe is in the hands of the Germans. From Archangel to Bilbao and from Cherbourg to Odessa all the Consuls give vent to the same lamentations.

“This place,” says the Consul of Cherbourg, “is entirely supplied with German hardware and toys. The surrounding country is practically dependent on English trade; steamboats cross the channel between Cherbourg and Southampton several times during the week and leave here laden with chickens, butter, eggs and potatoes. In spite of this fact, the shopkeepers purchase next to nothing from England. When I asked the director of the grand bazaar what was the reason for this state of things, he replied, ‘by placing in my hands articles of wood and earthenware made in Germany according to model given by himself, and of a size suitable to the taste of the population, with views of Cherbourg and scenes from Norman history.’”²

¹ Figures taken from *Annual Statements of the Trade*.

² *Annual Series*, 1897, No. 2035.

“The treaty of commerce of February 10th, 1894,” write the Consuls in Russia, “has handed over this country to German trade. In 1896 it was almost double our own, and the gap between the two sets of figures is ever widening. Our own are not yet actually on the wane; there has ever been a tendency to increase followed by declines after good years; those of Germany are continuously progressive:—

	1893.	1894.	1895.	1896.
German trade . . .	100	142	175	190
English trade . . .	111	128	113	111

All the hardware and smaller machines are of German fabrication.”¹

“Formerly,” says the Consul of Milan, “all articles of iron and machines of all kinds came to us from England. Today Swiss and German machines arrive by the St. Gothard; the shops are entirely stocked with Austrian and German goods. In the sea towns the English articles can still be seen. Swiss and German competition has not yet reached Leghorn. But German vessels are beginning to call. In addition, protective tariffs have permitted home industry to start manufacturing in the neighbourhood of the seaports; coal and minerals are reasonable in price and Italian labour is both plentiful and cheap. The popularity of national wares increases from day to day in this young nation, patriotic even to chauvinism. *The decline of English trade will undoubtedly continue beyond all hope of recovery.*”²

“Our trade in Norway,” says the Consul of Christiania, “falls away incessantly. Germany now enjoys here the lion’s share. German agents, engineers and foremen stump the country, display their machines, and set them working. Commercial agents have established in the towns quite a number of large dépôts with branches all over the country. Besides, it is possible that home manufactures will become more active, thanks to new creations of force by means of

¹ *Annual Series*, No. 1998.

² *Ibid.*, Nos. 1882, 1886.

waterfalls. A great effort would have to be made to recover lost ground in this country.”¹

“The Greek market,” says the Consul of the Piræus, “is not in a flourishing condition since the last political crisis. England once had the monopoly. But the decline of our commerce dates from twenty years ago; it has been more rapid during these latter years, and all tends to show that it is permanent. German and Belgian machines, German and Austrian hardware, German papers, take the place of our goods. Our articles are copied or counterfeited and are undersold by as much as from 15 per cent. to 50 per cent. without any apparent difference of quality or finish. German coal for gas-making purposes at Athens, and German coke for the metallurgical needs of Laurium, are just beginning to obtain a footing. The French, in whose hands are these two enterprises, give them the preference.”²

From Sweden, Roumania and Portugal the same sinister predictions come to upset English opinion still further. The very people who live by England and English money actually transfer this same money to Belgium or Germany. Since 1861 Bilbao is practically an English town. This place lives solely out of its iron ores, which English companies raise from the mines, which English vessels transport to the factories of England; out of six million tons which the mines produced in 1897, nearly four million tons were taken by the English.³ The Consul of Bilbao writes:—

“Up to 1892 we had the monopoly of this place. Our products still come here, but to a less and less extent, and some have already completely disappeared. German wares are generally preferred. They are cheaper; they are, above all, more suitable to local needs; commercial agents come from Germany to make inquiries on the spot. Among English goods no longer finding favour in our bazaars are enamelled kitchen utensils made of iron, which used to come from West Bromwich and have now been replaced by articles of Belgian, Austrian and Swiss origin. Iron and brass bedsteads, tin utensils, hardware, nails, chains, iron wire, etc., are now manufactured on the spot since the establishment of the pro-

¹ *Annual Series*, No. 2013. ² *Ibid.*, No. 1895.

³ The exact figures are 5,636,295 and 3,887,248 tons.

pective régime. French tools and German brushes command a preference. One of our principal glass merchants told me that he obtains all his supplies from Belgium. Belgian glass is considerably cheaper, and even the inferior qualities are better and much whiter. English is no longer imported except when specifically ordered.”¹

By way of contrast to this evidence of British decline, the reports of the British Consuls in Germany paint in glowing colours the prosperity of that country :—

“The year 1897 has proved a magnificent success for Germany. Progress in the entire field of industry has been maintained, and the net result may be summed up in three words: ‘all chimneys smoking,’ and not only the chimneys of the factories, but also those of the citizen, the peasant and the workman. Germany has already had a series of good years. Perhaps she has never been better able to appreciate the solid basis on which her success is founded. In 1896 there was the fear of a possible set-back in this period of general over-production; these fears have given place to the hope of unlimited development. The figures speak for themselves. From 1889 to 1896 importations of raw articles rose from £88,375,000 to £94,300,000, whilst those of manufactured goods fell from £49,635,000 to £46,960,000. On the other hand, exportations of raw articles rose from £33,245,000 to £38,660,000, and that of manufactured goods from £104,935,000 to 115,060,000. Progress was particularly marked in all industries connected with iron. In ten years the home production has risen, without any set-back, more than two million tons :—

Year.	Millions of Tons.	Year.	Millions of Tons.
1888	4,33	1894	5,38
1890	4,65	1896	6,37
1892	4,93	1897	6,82

“The home industry has been forced to purchase twice as much raw material from abroad (iron and steel importations in 1893, 286,000 tons; 1897, 564,000 tons). The exports show a slight diminution on account of the enormous home

¹ *Annual Series*, Nos. 1885 and 2073, 23rd April, 1898.

demand. The industrial equipment of the Empire and the huge works of each of the States have absorbed the production ; the State railways of Prussia alone have absorbed one million tons of rails in a single line. . . . But this decrease is merely temporary, for everything points to the extraordinary economic progress accomplished by Germany during the last twenty-five years, and the gigantic effort of this country to arrive at the head of the industrial movement and overcome all rivals.”¹

But danger does not only threaten on the German horizon ; another enemy, after having successfully conquered the other oceans, is beginning to appear in European waters. Agricultural America is the inventor of the best machines and implements for modern agriculture. In the Baltic Sea and in the Black Sea, at Riga, at Stockholm, at Odessa, American machines are preferred ; German industry alone, by reason of its cheap articles, has been able to maintain the struggle.² American bicycles and sewing machines have driven similar English productions from Germany, Italy and France. At Barcelona the Americans have tendered for the laying of electric trams, and their watches are sold in all the European bazaars. But they seek to monopolise all the Americas, Asia and the entire Pacific world. Their manufactures have already conquered the American shores of both oceans. To-day all the intervening ports, from New York to Buenos Ayres and from San Francisco to Chili, receive their machines and tools. German and Belgian competition had already compromised the monopoly which was once enjoyed by Sheffield and Birmingham in the South American continent.

“In Chili,” writes the Consul of Valparaiso, “the first blow was dealt to our trade by the International Exhibition held at Santiago, in 1875, under the auspices of the Germans, French and Belgians. At that time we supplied 41 per cent. of the total imports into the country ; the ensuing year we had no more than 37 per cent., and each year has shown a further shrinkage ever since. German machines, German clocks and watches, have monopolised the market. From 1880 onwards, American wares became an economic

¹ *Annual Series*, No. 2122.

² *Ibid.*, No. 1862.

factor in the situation ; to-day all agricultural machines and implements arrive here from the United States. German cutlery with English marks is on show in all the shop windows. American saws are much preferred. We continue to lose ground ; Belgian iron wire and American nails are considered superior to ours. The greater part of the hardware trade is in the hands of the Germans. But the efforts of the Americans are making themselves increasingly felt. Chicago firms have sent their agents to study our market.”¹

“In Peru,” says the Consul of Callao, “English trade in other articles is still prosperous. But as for implements we are rapidly losing our once dominant position. American implements, on account of their finish and cheapness, are held in higher esteem than ours to-day. Ploughs come exclusively from the United States ; it seems as though the English manufacturer cannot or will not supply the model asked for. Iron sheets are American. English locks, too heavy and too dear, and of an obsolete type, have been replaced by the German, American, or French locks.”²

“America has swallowed up the Mexican trade. One by one English houses withdraw. Brazil, once upon a time a big and good customer, now rejects English articles. Earthenware and glass are of German origin, lamps of Belgian, needles and sewing machines of German ; the United States have appeared on the scene with jewelry and agricultural machinery ; they seem ready to lose, in the first instance, all the money necessary in order to obtain the eventual monopoly. Argentina, the pet financial sphere of the Stock Exchange and English banks, has for some time past had cause to remark the influx of German capitalists and German enterprise ; the tramways are in German hands. Nails, iron wire, posts and rails arrive from Belgium and Germany. In the big bazaars of Buenos Ayres, German agents offer German cutlery with English marks at absurdly low prices. The Americans next appear on the scene. Their mowing and reaping machines are already preferred on account of their light weight and cheapness. Other successes are sure to follow.”³

¹ *Miscellaneous Series*, Nos. 34 and 61 ; *Annual Series*, No. 1991.

² *Ibid.*, No. 1866. ³ *Ibid.*, Nos. 1870, 1911, 1839, 2044, etc.

In short, the whole of South and Central America seem as though they must be indissolubly tied to the industrial centres of Pittsburg and Chicago. But what will be the eventual destiny of the Pacific market if the interoceanic canal is ever cut, so that the productions of Pennsylvania may be transported over a continuous waterway by the Mississippi and the seas to Japan, China and Australia? Without even awaiting the opening of the canal, what will be the future of the far Eastern market when the Americans have at length effectively occupied the Philippines? Already great efforts seem to have been put forth in order to find customers for American iron in Asiatic Oceania, and even as far as South Africa. A regular "Transpacific" mercantile service has been established which has passed almost unnoticed.

"*The Northern Pacific Steamship Co.*," writes the Consul of Portland (Oregon), "has established headquarters at the American port of Tacoma and founded a considerable Transpacific traffic, which is principally fed by raw or manufactured iron exported from America and articles taken by way of exchange, *viz.*, Chinese rice, Japanese silks, African wheat and Australian wool. Other American companies, the *Pacific Mail*, *Pacific Coast*, etc., have their headquarters at San Francisco, and do a similar trade. The Japanese companies of Kobe and Yokohama, especially the *Nippon Yusen Kaisha*, complete this network of trade routes, and by this means American irons find their way into China, Japan, Australia and even the Cape."¹

"The American surplus production," writes the English Consul of Tokio, "has flooded our market with nails, rails, locomotives, which are sold at ridiculously low prices with fixed intent to destroy local prejudice, which has a preference for European articles. Our English articles still occupy the first rank; but latterly American and German shipping companies have opened up an important trade with the coast of California. The United States have a great advantage over us on account of proximity, and more particularly on account of their export of raw articles. They will change their iron and manufactures against the silk and rice, which they come and fetch; they are to-day Japan's largest customers."²

¹ *Annual Series*, No. 1935.

² *Blue Book*, C. 8449, pp. 334, 345, 349, etc.

“To the Chinese market America began by exporting petroleum and wheat. They, in fact, still remain the two principal articles of export. But others follow in their train. In 1895 machinery accounted for £13,000, and for £26,000 in 1897. Implements and saws, nails and hardware, have grown five-fold in two years. Present figures give no idea of what this trade is destined to become. Americans reckon on the China market growing rapidly into one of their best customers for all these articles. Their success in Japan proves that, so far as rails, locomotives and railway materials are concerned, they can beat all comers.”¹

In Australia American tools have held the market since 1889. Surgical instruments commence to find favour, and already they have the reputation of being better finished; musical instruments, watches, clocks, wire, nails, iron tubes, arrive from London, but they are merely German or American articles re-exported from England. As for hardware and toys, the Americans have earned a reputation for skilful and conscientious work. Germans can only compete with them by copying their models.”²

“In 1895 American exports to South Africa amounted to £1,000,000, the progress having been continuous since 1892. In 1896 they were doubled, and exceeded £2,000,000. Enormous quantities of bicycles, furniture and agricultural plant are sent there: old-fashioned agricultural machines which are obsolete in America find there a satisfactory outlet. Cargoes are of the most varied description, *viz.*, hardware, locks, door and window frames, pig iron and cast iron, etc. The Cape has a large demand for vehicles, tables, chairs, tools, etc.”³

From America the Consuls sound a note of warning as to the formidable organisation which, sooner or later, will throw rails, billets, machines, raw and manufactured metals on the markets of the world at extremely low prices. On the confines of Lake Superior a second Bilbao is growing up, the ores of which, excessively pure in quality, found in huge deposits in surface-beds upon a gravel soil, are worked by steam shovels of the most approved type. One of these

¹ *Miscellaneous Series*, No. 440; *Annual Series*, Nos. 1935 and 1937.

² *Miscellaneous Series*, No. 455.

³ *Annual Series*, No. 1921; *Blue Book*, C. 8449, p. 231 and following.

shovels in twenty-five days raised and loaded on waggons no less than 250,000 tons of ore. The transport of these ores by river, lake and canal to the coal-fields of Pennsylvania present no difficulty. The ore, transformed into pig iron and manufactured iron, is once again conveyed by a system of rivers and canals to New York and New Orleans. These internal waterways have reduced to a minimum the cost of transport. Their development has been continuous. In 1896 the Sault-Sainte-Marie Canal, between Lakes Superior and Huron, passed no fewer than 19,000 ships, carrying 17,000,000 tons of merchandise, which is double the tonnage through the Suez Canal. The river Détroit, between Lakes Huron and Erie, shows an annual movement of 30,000,000 tons, being equal to that of the Thames below London Bridge. With a view to obtaining the best result from these natural advantages, a clique of financial giants have founded one of those stupendous trusts which practically control all business enterprise in America. By the union of their millions Rockefeller and Carnegie, the "kings" of petroleum and steel respectively, aim at the simplification of transport, the establishment of new foundries and the conquest of the entire world through the monopoly of steel and iron.

Truthful or exaggerated, these consular reports have undoubtedly exercised a great influence over English opinion. Published by the Government at popular prices, supplied to all chambers of commerce and public libraries, analysed in the once monthly, now weekly *Journal of the Board of Trade*, reproduced in the daily newspapers, summed up in the publications of the chambers of commerce and in the weekly magazines, compared and commented upon in the grand reviews by means of articles with alarming titles, e.g., "How we are Beaten," "The Decline of our Commerce," "Foreign Competition," amplified in pamphlets, the success of which has ever been on the increase—such, for instance, as the celebrated *Made in Germany*, E. G. Williams—these reports have become perhaps the leading factor in English politics in the course of the last ten years. To them reference must be made in order to completely understand the political change which has come over one-half of Great Britain.

If the Midlands have followed Joseph Chamberlain in his alliance with the Tories, and have remained faithful to that

Remains to be seen whether the platform

alliance during all these years, the sole reason is that Imperial Unionism has never ceased to adopt their doctrines and aims. No other explanation is necessary to account for the success of Mr. Chamberlain at the last general election; not only was he nominated himself, but he secured at the same time fifteen parliamentary seats in the Midlands for his friends and family; he is, in fact, lord and master of Birmingham, West Bromwich, Aston Manor, Worcester, Dudley, Handsworth, Lichfield, etc.; he is, so to speak, the uncrowned king of the West Midlands by the grace of the popular elections.¹ Nor is there any other explanation to account for the choice of office made by himself in the Unionist Cabinet. Previously the Ministry of the Colonies was considered a post of quite second-rate importance wherein the younger aspirants to political fame served their apprenticeship in order to become eligible for the highest offices of State. He accepted this Ministry because the interests of the Midlands had been entrusted to his safe keeping:—

“A few weeks ago (January, 1896) England appeared to stand alone in the world, surrounded by jealous competitors and by altogether unexpected hostility. We had to recognise that our success itself, however legitimate, was imputed to us as a crime; that our love of peace was taken as a sign of weakness, and that our indifference to foreign criticism was construed into an invitation to insult us. The prospect of our discomfiture was regarded with hardly disguised satisfaction by our competitors, who at the same time must have been forced to own that we alone held our possessions throughout the world in trust for all, and that we admit them to our markets as fully as we do our own subjects. I regret that such a feeling should exist, and that we should be forced to acknowledge its existence; but, as it does exist, I rejoice that it found expression. No better service was ever done to this nation, for it has enabled us to show, in face of all, that while we are resolute to fulfil our obligations we are equally determined to maintain our rights.”²

“Imperial defence is largely a matter of ways and means, and ways and means are dependent upon the fiscal and other

¹ *Review of Reviews*, August, 1892, p. 107.

² Speech of J. Chamberlain, London, 21st January, 1896.

commercial arrangements you may make; and, therefore, the conclusion at which I arrive is this—that if the people of this country and the people of the Colonies mean what they have been saying, and if they intend to approach this question of Imperial unity in a practical spirit, they must approach it on its commercial side. . . . We have a great example before us in the creation of the German Empire. How was that brought about? You all recollect that, in the first instance, it commenced with the union of two of the States, which now form part of that great Empire, in a commercial *Zollverein*. They attached the other States gradually—were joined by them for commercial purposes. A Council, a Reichsrath, was formed to deal with those commercial questions. Gradually in their discussions national objects and political interests were introduced, and so, from starting as it did on a purely commercial basis and for commercial interests, it developed until it became a bond of unity and the foundation of the German Empire.”¹

“It appears to me that there are only three lines of procedure which have been suggested, or which can be suggested, to accomplish this great object. The first of these is a proposal that the Colonies should abandon their own fiscal system and should adopt ours. That is a proposal which is supported by the *Cobden Club*, by extreme, or, perhaps, I ought to say, by orthodox Free Traders; and there is no doubt a great deal to be said for it. I do not deny that possibly it might be for all concerned the best solution. At the same time I am bound to point out that that would not bring about commercial union in the sense in which we have generally understood the word, because that would be in the direction of cosmopolitan union, but would offer no particular advantage to the trade of the Empire as such. But what is to my mind a much more fatal objection is the fact that, speaking generally, the Colonies will not adopt this proposal. . . . I pass on, then, to the second proposal which has been laid before a similar congress to this, and which found expression at the great conference at Ottawa a year or two ago, that is, a proposal which has been favoured by some of our principal Colonies, and which has been advocated with great

¹ Speech of J. Chamberlain, London, 25th March, 1896.

force and eloquence by leading colonists. It is the very reverse, in spirit at any rate, of the proposal I have just been considering, for whereas the first proposal requires that the Colonies should abandon their system in favour of ours, this proposal requires that we should abandon our system in favour of theirs, and it is in effect that, while the Colonies should be left absolutely free to impose what protective duties they please both on foreign countries and upon British commerce, they should be required to make a small discrimination in favour of British trade, in return for which we are expected to change our whole system and impose duties on food and raw material. Well, I express again my opinion when I say that there is not the slightest chance that in any reasonable time this country, or the Parliament of this country, would adopt so one-sided an arrangement. The foreign trade of this country is so large, and the foreign trade of the Colonies is comparatively so small, that I do not believe that the working classes of this country would consent to make a revolutionary change for what they would think to be an infinitesimal gain. . . . We have, therefore, if we are to make any progress at all, to seek a third course—a course in which there shall be a give and take on both sides. I admit that, if I understand it rightly, I find the germs of such a proposal in a resolution which is to be submitted to you on behalf of the Toronto Board of Trade. That resolution I understand to be one for the creation of a British Zollverein or Customs Union, and would establish at once free trade throughout the British Empire, but would leave the separate contracting parties free to make their own arrangements with regard to duties on foreign goods, except that this is an essential condition of the proposal—that Great Britain shall consent to place moderate duties on certain articles which are of large production in the Colonies. Now, if I have rightly understood it, these articles would comprise corn, meat, wool and sugar, and perhaps other articles of enormous consumption in this country, which are at present largely produced in the Colonies, and which might, under such an arrangement, be wholly produced in the Colonies, and wholly produced by British labour. On the other hand, as I have said, the Colonies, while maintaining their duties upon foreign importations, would agree to a free interchange

of commodities with the rest of the Empire, and would cease to place protective duties on any product of British labour. I say that such a proposal as that might commend itself even to an orthodox Free Trader. It would be the greatest advance that Free Trade has ever made since it was first advocated by Mr. Cobden, since it would extend its doctrine permanently to more than 300,000,000 of the human race, and to communities, many of which are the most prosperous, the most thriving and the most rapidly increasing in the world; and, on the other hand, it would open up to the Colonies an almost unlimited market for their agricultural and other productions.”¹

Mr. Chamberlain, as is quite apparent, makes use of cautious language when speaking of Free Trade which, with its fifty years of proved success, is implanted in the English nation just as firmly as an article of religious belief. The very word throws, as it were, a magic spell over its auditory, and, in order to dispel the charm, the people of Birmingham have been compelled to invent a counterfeit expression; not daring to call themselves Protectionists outright (the word would grate too harshly on English ears) they have put into circulation such expressions as “*Fair Trade*” or “*Fair Trader*,” which conceal in their folds international Free Trade, Reciprocity, and even Protection, pure and simple, according to the audience addressed. At bottom, it is Birmingham’s protest against the tenets of Manchester, the revolt of the Midlands against Lancashire, the repudiation of Free Trade, “which has undoubtedly produced magnificent results within the country, but has never found favour outside it, for we see that the Colonies have never shown the slightest inclination in this direction,² and that foreign countries turn away therefrom more and more”. The good old times of Free Trade and peace are gone; the salvation of the Midlands must be sought elsewhere. The creation of Empire is the only means by which the life of the Midlands can be preserved, for they must have new markets. Markets! Markets! This is the leading toast proposed at the dinners of the Sheffield and Birmingham Chambers of Commerce. “Candidates at the elections would

¹ Speech of J. Chamberlain, London, 9th June, 1896.

² London, 9th June, 1896.

only have to walk the streets as sandwichmen with the words printed in big type—‘*Markets, new markets*’—in order to obtain a substantial majority of votes.”¹

The loss of old markets or, at any rate, the keenness of modern competition in them have no doubt been a great factor in England’s policy throughout the African continent, and the cause of dramatic events which have filled the pages of current history.

¹ Sheffield Chamber of Commerce, Annual Meeting, 30th January, 1896.

IMPERIALISM.

CHAPTER III.

“The principal factor to help German competition is the *conservatism* of our English manufacturers and merchants, who cannot or will not conform to the wishes and tastes of their customers.”—Report of the Consul of Panama, *Annual Series*, No. 1950.

“If English commerce wants to regain lost ground, it must give up, once and for all, this *insular conservatism* to which our manufacturers seem bound.”—Report of the Consul of Riga, *Annual Series*, No. 1901.

THE time is one to two o'clock in the afternoon and the scene one of Birmingham's principal clubs. The dining-room, with its chimney-pieces of black marble, is still empty. But the massive tables of mahogany and the heavy chairs of the same wood with their horse-hair stuffing are ready. A large Turkey carpet and two big coke fires set off the immaculate whiteness of the damasked tablecloths; on either side of the large plates, sets of knives, both large and small, of shining forks and spoons, the whole completed by groups of crystal wine-glasses and countless bottles and jars of pickles, await the arrival of *ces Messieurs*.

Ces Messieurs got up this morning about nine o'clock. They have come to town, to their offices, from the outlying suburbs, for they no longer live in town. That was good enough for their fathers, who were only poor artisans, little better than operatives. Along the roads of Hagley and Moseley far from factory and the horny-handed sons of toil, *ces Messieurs* have planted their villas in the midst of flowering gardens. Every one of these dwellings bears a name as is only fit and proper for the residences of noble owners. Here are their families and conservatories, for they pride themselves on their horticultural knowledge ever since J. Chamberlain became celebrated for his collection of orchids. Holland also once became enamoured of tulips, and she lost her commerce.

Ces Messieurs have come to town, some by tram but the greater part in their *coupés*. In 1860 there were not in the whole of Birmingham more than three private carriages ; to-day everybody possesses one. Some few on foot have strolled to business. The sunlit fog, this October morning, deadening sound and softening light, has lulled to rest dull care and undue haste. And this very fog differs from that of bygone days. These humid and icy clouds, which render man so brutal and active withal,¹ have been, so to speak, tamed and humanised. They still burst in the sudden rage of storm or in the long monotony of drizzling mist ; but their humours and tyranny avail nought against waterproof plaids and stout boots. The smoke-hued fog, more amenable than formerly, serves but to temper summer heat and winter cold, to mask somewhat nooks of misery and sorrow, to veil the flight of hours and days ; a gentle repose now reigns beneath the monotony of this erstwhile forbidding climate, grown mild to-day, thanks to the thousand and one inventions of mankind.

Nothing strikes Americans more than the mildness, the humanity of this English land. According to them these characteristics constitute one of the most important factors in the present situation.² In this country of fresh air, say they, no excess of heat or cold stop for one hour the national games and sports ; these people *will* not be tied down to the reading-room or study. The Englishman's life is an outdoor one ; he becomes an athlete, a soldier, sailor, traveller, or colonist. But he is hardly ever a *savant*, and science is necessary for the requirements of modern industry. He lays in enormous stores of physical force, but he does not enlarge the customary field of his thoughts. As he lives to-day so he lived yesterday, so lived his fathers before him ; his occupations, once adopted, change not, and they are subordinated to sports and games.

He has become the Roman of modern times, the sober and law-abiding citizen, the vigorous and conquering man. But he remains ignorant, and incapable, perhaps, of adapting himself to these new times ; above all, he guards jealously

¹ H. Taine, *History of English Literature*, i., pp. 7, 8.

² Price-Collier, *Forum*, December, 1894.

his old-time usages. Beneath the half-transparent veil of fog and mist his years come and go almost unnoticed, so imperceptibly do the seasons blend, free from the violent transitions of oppressive heat to rigorous cold. When the Dutch, after centuries of struggle with nature and mankind, had finally fashioned the land, the heavens, the waters, to their whims and tastes; when out of prehistoric marshes they had called into being the rich, cleanly and comfortable Holland of the seventeenth century, they fell asleep a little under the soothing influence of their warming stoves and pipes, and sought in their alliance with England just what the English are seeking to-day in their alliance with America—a pillow for their digestions. William III. realised for Holland what J. Chamberlain is hoping to-day for his dear Midlands.

Without hurry, then, *ces Messieurs* arrive at their offices. Along the Hagley Road, with its border of red-brick façades, they pass by the continuous verdure of little gardens, grassy lawns and evergreen foliage of fir, ivy, laurel and holly. The denuded branches of some stray birch betray, perhaps, the presence of autumn and the fast-approaching end of the year; *ces Messieurs* have begun to think that the Brighton season is about to open and that they will go there to catch a glimpse of the duchesses that Mr. Chamberlain knows for them. . . . All along the way, the fronts of the villas remind them of this old England of which they are now members. Their fathers were Radicals and lived in the present with an undying hate for the past of oppression, with an utter contempt of useless caste distinctions and an absolute confidence in unfettered labour and effort. *Ces Messieurs* are Unionists, and the privileges of these well-to-do middle-class citizens and monopolists are founded on the ancient privileges, heritage of Church and nobility. The distinguishing feature of the freshly-built façades are pointed bays and embattled gables and towers; the windows have their cross-bars of stone, whilst the perpendicular ornamentations of the neo-gothic style make their residences exact and ridiculous copies of the ancient manor-house. *Ces Messieurs* have a passion for these old things. This morning, under the romanesque arch of his shop, near huge joints suspended between the mullions, the burly butcher, swollen and ruddy, exhibits his pride at being an Englishman of "old England".

Ces Messieurs are now seated at their desks where the morning letters are awaiting them. Some communications from distant correspondents cause no little ill-humour. An ironmonger of the Hawaii Islands complains that, after nine months' delay, he has not received the bolts required for Government work: ¹ these people of the antipodes are always in such a hurry! They seem to be of opinion we have nothing better to do than to think of them all the time!

"Your saws," writes a shopman from the Bahamas, "are too dear and too old. You only send me models quite useless in this market. Indifferently tied up in gray paper, your articles get rusty on the voyage and make a very poor show in my window. Your American competitors are in the habit of sending me their locks packed in neat cardboard or wooden boxes which tempt the customers and spare me much trouble and loss."² Boxes for locks! Since Birmingham existed, has ever such a thing been known? These niggers from the Bahamas are really very simple if they think we are going to change our old-established habits for them. "I return you your lamps," writes a consignee of Trinidad. "We have no further sale for oil lamps. American petrol brings also American lamps, which are more handy, less heavy, more novel in shape and varied than yours are."³ To please these half-breds, it seems we must change our models and invent some new thing each morning! "There is nothing more to do in this country," writes a commercial traveller on a visit to the Cape. "American or German clocks and watches, made by machinery, sell almost for nothing. With their carved tops and painted cases they present a much more artistic appearance than ours do. Aluminium bronze and oxidised iron give to American watches a certain mark of distinction, and the somewhat showy faces please this peasant and mining people."⁴ Utter rubbish! Never will an old Birmingham house lower the standard of English manufactures! If these Boers cannot appreciate the difference so much the worse for them!

In order to throw off their ill-humour *ces Messieurs* now pick up their newspapers. In the first column, as is usual, the *Birmingham Daily Post* chants the glory of Mr. Chamber-

¹ *Annual Series*, No. 1900.

² *Blue Book*, C. 8449, p. 131.

³ *Blue Book*, C. 8449, p. 95.

⁴ *Ibid.*, C. 8449, p. 237.

lain ; the indefatigable Minister of the Colonies is working for his dear Midlands. For a Christmas present, he is going to give them penny postage throughout the Empire. The letters costing less, there will surely follow a flood of fresh orders. Mr. Chamberlain has also collected a store of information as to foreign competition in the Colonies. In an enormous *Blue Book*¹ of 600 pages, the replies of governors, and the practical advice deducted therefrom, are published :—

“ In all new countries, where the chances of damage and loss are more numerous, emigrants with small fortunes generally prefer articles cheap in price and attractive to the eye. It must not be lost sight of that where our houses and farms are isolated every implement, lock, or machine should be capable of being mounted or placed in position by anyone, easy of repair by means of machine-made pieces, both interchangeable and identical. Recourse must be had then to the latest simplifications, to the latest mechanical and chemical improvements (pp. 7 and 8). . . . In Ceylon, English pottery and china no longer have any sale ; repeated complaints are made as to the conservatism of our manufacturers and their disinclination to make any change in their models (p. 271). At Hong-Kong, complaints are made that the English manufacturer does not know how to adapt himself to the needs of the country and that he clings to old sizes and qualities, old colours, old weights, old shapes and styles (p. 330). . . . Australians buy German pianos ; English pianos belong to the style and tone of forty years ago (p. 411). . . . In Victoria, French articles are preferred ; English articles eternally the same, with no change for forty years, have wearied the public (p. 429).”

Change ! Always change ! Surely, Joseph Chamberlain is speaking without his book ! Does he not know full well, however, that the obligation to discuss with the labourers' associations places great and serious obstacles in the way of change, or any introduction of new machinery, new processes, etc. ? What constitutes the force of Americans and Germans, so think *ces Messieurs*, is the hold they have over their workmen, through the Government in the one case and money in the other.

¹ C. 8449 : *Trade of the British Empire and Foreign Competition.*

English industry is killed by the continuous interference and revolt of the *Trades Unions*. An employer of labour has no longer any freedom in his own undertaking. The moment he desires to modify any clause in the labour contract, the hours, the wages, process or machinery—in order to meet foreign competition—the labour associations immediately step in and frequently command a strike.¹ . . . When Joseph Chamberlain has done away with outside nuisances, he will have to think of how best to deal with internal embarrassments. The prosperity of the Kingdom and the grandeur of the Empire are not compatible with these mutinies and ever-growing demands. After six months of struggle the Welsh coal owners have brought their men to reason; with a little firmness all the others might be reduced in like manner.

Thus think *ces Messieurs* whilst refolding their *Daily Post*, and they take the *Financial News*. Good news: the Transvaal mines continue to rise; the Klondyke affair promises well. *Ces Messieurs* calculate their gains; in six or seven years "Kaffirs" have quintupled in value. There is business that pays! No need to make strenuous efforts to please a nigger of the Antilles, or a Boer of South Africa, nor to become a shopman in order to make a few pounds, and that by giving six months' credit. Evidently big business is the thing. Henceforth it is utter folly for anyone to waste his life behind a counter or a grill in order to sell several packets of saws or a few gross of rivets. The business is played out owing to these German and American shopkeepers who are quite satisfied with an insignificant retail trade and ridiculously inadequate profits.

The *Financial News* devotes two or three columns to *Companies Limited*. *Ces Messieurs* are shareholders in twelve or fifteen of these companies, the number of which has increased tenfold during the last twenty years. To-day as soon as a commercial or industrial undertaking seems to be prosperous, a promoter approaches the proprietor or principal owner and makes a proposal for its conversion into a limited liability company. A calculation is made of the actual or prospective profits on which is based the real or potential value of the capital to be subscribed. The promoter buys

¹ *Second Report on Depression of Trade*, p. 33.

the whole and pays the vendor as to one-half in cash, as to the other in shares of the future company; on him now devolve, by means of the press, meetings, visits and advertisements, the task of launching the shares on the public and finding the necessary funds. The public makes no difficulty in subscribing; the denomination of the shares is £10, £5, £1, as the case may be. Every one desires to take a ticket in the lottery. For it is nothing more than a lottery which all know. If success corresponds to the promises held forth, the example of the Transvaal is there to indicate the possibility of eventual and enormous profits; if the speculation fails, there only remains to debit profit and loss account with the deficiency. The fact of having subscribed to a limited company engages neither the name nor responsibility of the shareholders or directors; the company is limited, *i.e.*, the responsibility is limited; in case of a "wind-up" it is well understood that the creditors can claim nothing beyond the registered capital of the company.

Formerly the industry and commerce of Birmingham were in the hands of small capitalists. Thanks to long apprenticeship and daily experience, they thoroughly knew the smallest details of their craft, and in addition sought and never failed to discover some new improvement, simplification, economy or idea. Acquainted also with the needs, the tastes and the seasons of the diverse markets they were at pains to satisfy this or that customer, to keep him by concessions in times of difficulty, to pull him up again in times of prosperity, to bring him back in case of infidelity. To-day all Birmingham is in limited companies from grocery to banking, from pharmacy to millinery; more especially is this so in the case of manufactories and commission houses. Less individual responsibility is desired implying a proportionate loss of zeal. The general cry is for fewer chances of loss and greater profits, even at the risk of lowering the standard of work accomplished. Commerce and industry in some sort resemble the French State; an army of salaried officials and "quill-drivers" work therein without spirit, indifferently led by a too numerous and costly directorate. Board meetings and shareholders' meetings at which perhaps some hazy notion as to the financial position is gleaned, are but rarely held and that in a perfunctory manner.

Nothing, I think, has contributed more than the system of limited companies to this "insular conservatism" of which the English Consuls complain. For these soulless undertakings never vary the pace of their mechanical tread from year's end to year's end. The company machine once erected no one any longer takes the pains to improve it in case of defect, to replace it in case of wear and tear, nor even to inspect the speed and the resulting return from it. The machine goes on by the motive force already acquired. What was manufactured twenty years ago is still manufactured to-day, oil lamps when everybody is employing petrol, and wigs when only false teeth are required. With a lack of intelligence, remarkable for its persistence and regularity, articles are continuously thrown upon the market, not wanted to-day but which might have a ready sale to-morrow, or productions urgently required yesterday, but which to-day have no demand; to all this must be added the short-sighted retention of old models and a still older scale of prices.

The natural result is useless charges and much friction, a minimum of return for a maximum of expenditure. The subscribed capital on which interest has to be paid is hardly ever the sum best calculated to bring about the efficient working of the enterprise. Invariably the promoter and original proprietors make a most handsome provision for themselves; both out of the purchase money and organisation of the company the appeasing of their enormous appetite costs far more to the undertaking than the demands of those who have supplied the actual money to work it; for instance, a bicycle tube factory acquired from the owner for the sum of £1,000 is resold to the public for £18,000. The profits must be sufficient to cover the interest on this bloated capital! And so the order is given to manufacture and manufacture; a very numerous staff is engaged, for only big business is desired; the small customer out of whom Birmingham lived in the palmy days is now considered beneath contempt and neglect; the entire field of the small orders is left to Germans and Americans, who eventually succeed in carrying off the large business also.¹

¹ *Blue Book*, C. 8499, p. 8; *Annual Series*, No. 1863. In China German cutlery is brought from Singapore, and German toys are flooding the market of Hong-Kong. British firms will not sell in sufficiently small

The capital diverted by these lotteries is no longer available for the needs of the humble artisan. . . . In another form, it is the plague, afflicting the French savings which only flow into the channel of the State Rentes and other official enterprises. Should the unknown proprietor of some new affair require a few thousand pounds he will not find a lender, however good the prospects of success may be; but should Lipton (Birmingham's Boucicaut) ask for £2,000,000, the public will immediately offer £50,000,000.

The recent trial of the notorious promoter, Hooley, has clearly demonstrated to what extent England is honeycombed with this evil!¹ but Birmingham and her humbler industries have been or will be the first to suffer. Nowhere has the taste for this kind of speculation been more popular. But nowhere had the ground been better prepared for the sowing of this pernicious seed. The preceding generation had already strangled the small manufacturers by founding, as did J. Chamberlain, a few large houses, who, after a vital struggle, secured the absolute monopoly of buttons and screws. At any rate, this generation of conquerors had a taste for action and effective command, and were intimately acquainted with the business and its anxieties. The present generation, offspring of these monopolists, adopting the tone of lordly masters, ordering from on high and directing from afar, only looks to live on inherited privileges. The alliance with noble lords has not been brought about with impunity. This generation, Unionist in politics, has also become Unionist in business, and Birmingham is today the capital of their commercial Unionism.

From all parts of the kingdom, and even from abroad, promoters flocked, bringing in their train a swarm of speculators, lawyers and accountants, birds of prey who are always to be found hovering round and about commercial organisms and defunct businesses, who give the finishing stroke to the dying ones. Birmingham has become the prey

quantities. German and Chinese firms will book an order for a few pence. (Also *Annual Series*, Nos. 1864, 1882, etc.)

¹ See *Engineering* of 18th November, 1898, where the speech of Lord Russell, Lord Chief Justice, on disasters of limited companies is reported. He estimates at £28,000,000 sterling the capital lost therein during the last seven years.

of these promoters. They have installed themselves in her industries, her offices, and in the life of her private citizens; they would even like to lay their greedy claws on the town itself, on her municipal affairs. One of them, arrived but yesterday from Germany or Austria, like our great Cornelius Herz, is already a candidate for the municipal elections—first step to the House of Commons. . . . *Ces Messieurs* will vote for this recently naturalised German baron because he is titled, because he has dubbed himself Unionist and Imperialist; it is easy to understand now why *ces Messieurs* are for the formation of this gigantic company "England & Sons, Ltd.," of which Joseph Chamberlain is the promoter, the profits from which think they will do away with the necessity of working hereafter.

Ces Messieurs now fold their newspapers, give a few instructions, sign some letters, then at one o'clock precisely they wend their way to the club. The weather is less inviting, the muddy street is dull and cold. But at the club the soothing warmth of the fire, the flickering rays of which hover playfully over the soft Turkey carpet, holds them immediately. They sit down to the tables in excellent humour; they are in no hurry, so linger on. Their fathers were satisfied with ale and cold beef, and took their lunch standing up at the first convenient bar. But *ces Messieurs* must have the choicest wines of France and California. Champagne with armorial bearings on the labels, claret from the Comte de Ravez's or the Marquis de Barsac's vineyards, wines for the "nobility," like the long cigars they will smoke presently. Their lunch consumes four times the time and money that their fathers allowed for the same purpose. The sum expended on one of these sumptuous repasts would suffice to pay the plain meal of five Germans, and if the American is equally extravagant in this respect, he at least supplies five times the amount of work.¹

After lunch the cigar and a game of billiards detain them still. Then there is a meeting of shareholders where they will learn that such and such a limited company is going to

¹ *Second Report on Depression of Trade*, p. 84. The frugality which is necessary to bring up our labour to foreign labour, is the dispensing with many of the luxuries which our artisans of recent years have been in the habit of enjoying.

suspend business, or has not earned the expected profit. The directors propose a scheme of liquidation or reconstruction of capital. Before arriving at this point the company has been allowed to vegetate for several years, promises of dividend have been held out to shareholders which have never been fulfilled. With a view to tempting the customer and so maintaining the turnover, successive offers of fresh concessions have been made which have jeopardised the capital and created a perfect muddle of prices, deceptive balance sheets have concealed first the decline and then the discomfiture of the business. To-day the brink of the abyss, which no one would see before, is now well in sight.

Limited companies have produced yet another unfortunate result. By the exaggerated promise held out for the future and the raising of false hopes they have lulled to rest the vigilance of all alike, and so have obscured the vision of impending danger. Time and again they have repeated that the crisis is of a merely temporary nature and that only a little more courage is required to weather the storm. . . . And so matters have gone on without further comment. . . . To-morrow the accountants will pounce upon the corpse. It is a factory which closes its door, or a commercial house which disappears, replaced the day after to-morrow by two houses in Germany and America. . . . Such is the abridged history of the bicycle industry in the Midlands. It was proudly claimed that the bicycle trade was entirely in the hands of this country; the exports amounted in 1893 to £1,040,000, in 1894 to £1,200,000, in 1895 to £1,360,000, in 1896 to £1,840,000; hundreds of companies were founded and continued to manufacture, although the English machines, on account of their weight and cost, were being everywhere replaced by the American.¹ In 1897 exports declined to £1,400,000, in 1898 they fell to nothing. ¶ Coventry, which had become a veritable bicycle factory, was in the space of a few short months absolutely ruined, the entire population had to turn out into the streets, workless, foodless. ¶

Between four and five o'clock *ces Messieurs* put in a fresh appearance at their offices. Towards five P.M. they once more take the Hagley Road, *en route* for their homes and con-

¹ *Annual Series*, Nos. 2122, 1983, etc.

servatories and the pleasant distraction of their various hobbies. For everyone has a favourite pursuit—it is the fashion,—some are orchid enthusiasts, others philatelists, whilst others are collectors of rare Ruskin and Carlyle editions—not for reading but for showing. The greater number of them still train themselves for some game or sport, billiards, tennis, boxing, etc. ; every day they devote some hours to the purpose. There are some also who are preparing themselves for public speaking and the debating societies—this was how J. Chamberlain began ; it was from the Edgbaston Debating Society that he set out on the path of fortune now so well known to all. These hobbies and trainings become for most the important affair of life. The disinterested culture of muscle diverts their attention from the vital interests of commerce and industry. For, in their opinion, to be a good business man is nothing. But to become a champion at rackets or billiards, now that can establish a man, and make him almost the equal of a nobleman ! This is no new thing ; two centuries ago M. Jourdain¹ took dancing and fencing lessons. M. Jourdain also received instruction from a professor of philosophy and a master of music ; he prided himself on being the protector of the arts and sciences. At the entrance of their Municipal Museum *ces Messieurs* have had deeply cut in the marble the following words : *By the gain of Industry we promote Art.* They are promoters of Art and Science in the same way as they are promoters of business. They give their money sometimes, but never their attention and care.

The Germans and Americans, wiser in their generation, have reversed the formula, for it is by art that they promote their industry. Thus it is that their industry, without let or hindrance, is carried along the ever-advancing stream of progress, improvement and refinement, never unprepared for the fray, always obedient to the dictates of the latest advancements. Conservatism is ruining Birmingham. This Brummagem capital still hopes that after the present crisis has passed away, the prosperous days of 1873 will come

¹ Principal character in Molière's comedy, *Le Bourgeois Gentilhomme*. M. Jourdain, a wealthy parvenu merchant, desirous of removing the traces of his humble origin and of acquiring the manner of a veritable *gentilhomme*, employs an army of professors to instruct him, and becomes the laughing-stock and dupe of everybody.

back as a matter of course, or that the magic wand of J. Chamberlain will perform this miracle, quite oblivious to the teachings of her own history, and the patient efforts of science and virtue, during an entire century which preceded the profitable years from 1860 to 1873. For this ancient prosperity was due to no freak of fortune and no mere chance can restore that prosperous condition. It was by virtue of her thinkers, by the study of her inventors, by the intense labour of her sons that Birmingham attained to the topmost rung of fortune in the days gone by. She was Radical then, Radical in mind and not in name only, ever on the look-out for some innovation, always striving after some new form of progress. She had revolutionised modern industry; it was in her factories of Soho that Watt and Boulton *subjected* steam and William Murdoch (1754-1839) invented gas. The first to apply, on a large scale, to the manufacture of iron the processes of *puddling*, she became all-powerful by the combined forces of iron and coal. Then, in the matter of details, hardly a day passed without her small employers conceiving some improvement, invention, simplification or change. She had won the world's custom by adapting herself to the needs of the modern world. She was the leader in the van of the working peoples, and not in the train of parasite lords. She did not seek to exploit the neighbour for the advantage of her sloth; her work benefited the universe at large.

Since that time Birmingham has lost sight of the world's progress. Far-reaching inventions have come into being without her and against her. Had she known of the new processes and uses of steel, her old supremacy might have returned to her. Electricity with all the brass fittings and the thousand small objects required in its manufactures and use might have provided her factories with ample work for years to come. Petroleum, new methods of lighting and locomotion, solicited her inventors. . . . All this she was ignorant of, because, diverting her gaze from the present, she had become infatuated with the worn-out things of the past. . . . She was formerly the great dissenter and indefatigable worker, relying only on her own judgment, living for and up to her own ideals. To-day she believes in the word of those amiable orators whom the Unionists have made their leaders in the House of Commons,

In order to live in the company of lords and in the service of false gods she has deserted the cult of progress, her Lord and Master. And when Joseph Chamberlain proposes that she should construct for her indolence a domestic and reposeful dwelling-house, she forgets the words of the book which was once the mainspring of her life: "Except the Lord build the house, their labour is but lost that build it".

Page 91. For further information concerning Liverpool see page 296.

ERRATA.

- Page 107, line 14, *for* "Black Goree" *read* "Back Goree".
" 111, " 1, " "Council" *read* "Board".
" 133, " 4, " "Jesse Collins" *read* "Jesse Collings".
" 141, " 8, " "G. Watt" *read* "J. Watt".
" 141, " 9, " "R. Peel" *read* "Sir Robert Peel".



PROTECTION.

CHAPTER I.

“ All information tends to prove in unmistakable fashion the gradual displacement of trade at the expense of England and to the advantage of the foreigner. . . . At the actual moment the phenomenon is already so marked that people may well be taken by surprise ! It would even be difficult of belief were there not so many incontestable authorities to prove its existence.”—English Chamber of Commerce, Trinidad, *Blue Book*, C. 8449, p. 183.

FROM Birmingham to Liverpool a stretch of undulating plains, ninety-five miles in extent, separates the central coal-fields from the low-lying, marshy coast-line northwards. At first the horror of the Black Country reigns supreme, with its stagnant pools, coal mire, and skies shrouded in pitchy darkness. Parallel to the reeking canals countless lines of railway pursue their winding path, and along the embankments, composed of ashes and débris of all kinds, long trains of waggons appear and disappear amid the shores and stays of mines and chimneys. As far as Wolverhampton an endless chain of factories and blast-furnaces couple the manufacturing towns of West Bromwich and Wednesbury, Bilston and Willenhall. The suburbs of one working centre are welded to those of the succeeding one by dreary wastes of rubbish. A stunted humanity bent double in the exacting service of machines, a nature sicklied o'er and stifling under the evacuations of mine and furnace, perhaps nowhere in the world is the cost of our modern civilisation in the debasement of men and things more apparent than here.

The factories of Crewe once passed, the coal districts come abruptly to an end ; a pleasing country covered with green trees, hedges, orchards, meadows and gentle slopes trending away to the maritime plain now greet the eye. The

sea seems already near ; the briny breezes clear the lungs of the foul exhalations of coal. Beneath the still shroud of mist, amidst the well-watered fields of emerald green, flocks of sheep, flights of crows and magpies, sleepy cows, here rustic maids hoeing a corner of their kitchen garden, there a ploughman behind his share guiding the massive team, all these visions are calculated to chase from the mind those other visions of slavery and death. At this picture thoughts are not unnaturally carried back to the time when this kindly life of ease and independence was the common lot of Merry Old England, which could still be mistress of the world without having to make herself the servant of humanity.

In this fertile plain, half-way betwixt the English hills and the mountains of Wales, stands the city of Chester. On the banks of the Dee with their fringe of willows, in the centre of verdant pastures, rise ramparts and lofty towers, spires of churches, pointed gable ends and arcaded streets ; the encircling walls, crumbling away little by little, still keep watch over timber-framed façades and cathedral of red sandstone. Fortress and peasant town, religious town also, paying no heed to the sea, only keeping watchful vigil against surprise by Welsh brigands who now and again fell upon her like an avalanche from mountain fastnesses, Chester drew her existence from flocks and herds and agriculture. Hard by two roadsteads, both of them long and wide, eating into the very heart of the country, had never been able to awaken any ambition. Quite satisfied with her river port, to which smacks and tide arrived with laggard gait, she left to Bristol the perils and prizes of the slave trade ; she only exploited her roadsteads for what their fishing grounds and salt marshes would yield, fish for her days of fasting and salt for her hams and cheeses. And so these roadsteads remained during long years choked up with silt deposited by the tidal currents along the coast ; the more northern one in particular, strangled by its narrow inlet, was nothing more than a vast swamp, a verdant *pool*, haunt of sea birds called *livers*.

Rising out of this realm of marsh on the borders of the inlet itself, a rocky hillock from early times crowned with a fortress defended the fishing and salt industries against attacks from the open sea. This was the castle of Liverpool, at the

foot of which soon grew up a scanty fishing population whose contribution to the royal fleet in 1313 consisted of one small bark and six men. The Irish early made a habit of putting in here; to pay for their cargoes of salt they brought in exchange their yarns of flax and hemp, which the peasants of neighbouring plains on the banks of the Weaver, *i.e.*, the river of Weavers, worked up into cloth. Gradually other customers, first of all the fishermen of the Isle of Man, then the herring fishers of the North Sea, came, also in quest of salt. At the beginning of the sixteenth century, the village, enriched by this traffic, possessed its church nestling under the shade of the royal castle; the Earl of Derby owned here a stone house. Twelve small boats constituted the fleet. Liverpool then thought herself indeed prosperous. At the end of the century, bemoaning her decadence, she invoked the goodwill of the King in aid of "the poor decayed town of Liverpool". Then, during a period of one hundred years, revolutions and civil wars are rampant in the land, and when with the disappearance of the Stuarts, England of the Middle Ages disappears for ever, Liverpool enters upon a new lease of life contemporaneously with the birth of modern England; for each progressive step of this free England is marked by similar progress of the commercial town.

In 1709 Liverpool can boast of eighty-four vessels with a total tonnage of 6,000 tons. By this time she had created her first dock and basin encircled with quays and warehouses. Bristol, however, is still the grand port of the kingdom, the great emporium for Colonial products and foreign merchandise. During the entire eighteenth century Bristol, in fact, remains the Nantes of England, irrevocably committed to the dissimilar trades of spices and niggers. Still Liverpool does make a half-hearted attempt to gain a footing in the same commerce. With cargoes of earthenware from Staffordshire, of knives, tools and beads from the Midlands, of linens from the plains and woollens from the hills, she barter them on the coast of Africa for niggers, who in turn are exchanged against sugar and rum in the West Indies. But already yielding to certain qualms of conscience she turns her attention by preference towards the new-born trades of Canada and America. Now that Dissenters, Quakers, Anabaptists,

Catholics and Jews have made Liverpool their abode, it is hardly surprising that she should become the centre of new ideas ; henceforth she raises her voice against the Slave Trade as unworthy of honest men, and confines her activity to new products, coffee, tea, tobacco, indigo, etc.

But it is the substitution of American cotton for Irish flax which marks the true starting point of Liverpool's fortune and that of the surrounding districts. It is then that the weaving peasantry from the neighbouring plains collect in industrial towns and the growth of Manchester begins. The abolition of the Slave Trade in 1806 was a death-blow to Bristol as a serious competitor, and Liverpool, by means of cotton, became England's leading port.

According as cotton conquers first the United Kingdom and then the world, so Liverpool conquers the commercial monopoly of the kingdom, and of the world also. The docks of Liverpool and the workshops of Lancashire increase and multiply as the arrivals of cotton, on which they both depend, become more and more abundant. The first bales arrived about 1760, and already in 1770 Liverpool is able to make the proud boast that she is England's principal port, or, at any rate, second to none. The progress of cotton importation and manufacture, however, is greatly retarded so long as the operation of ginning can only be performed by manual nigger labour ; the population of Liverpool at this period hardly exceeds 50,000 to 60,000 inhabitants. But in 1792, by E. Whitney's invention of the ginning machine, the importations of cotton into England increase by leaps and bounds : 100,000 bales in 1801 ; 326,000 in 1811 ; 490,000 in 1821 ; 900,000 in 1831 ; 1,344,000 in 1841 ; 1,900,000 in 1851 ; 3,035,000 in 1861 ; 4,405,000 in 1871.

The import figures of cotton into England show continuous rise up to the year 1872, reaching high-water mark with 1,800 million pounds weight. Then, after a ten years' period of set-back or stagnation, the figures once more rise to 1,800 million pounds in 1881. Another period of recoil and recovery is followed by an increase to 2,000 million pounds in 1889-1891. Since then the swing of the pendulum has oscillated towards this figure of 1,800 million pounds which would seem to be the definitive maximum. Following a similar curve, the population of Liverpool has increased, then fallen

away : 77,000 inhabitants in 1800 ; 205,000 in 1831 ; 225,000 in 1841 ; 376,000 in 1851 ; 444,000 in 1861 ; 494,000 in 1871 ; 553,000 in 1881. Up to this point the progression is continuous. But the census of 1891 reveals a mean annual decrease of 6 per cent. on the figures of 1881, so that the population only amounts to 517,000.

This symptom of decay, however, is not admitted ; a loud cry is raised that Liverpool's population having been depleted by emigration to the villages of the periphery, these latter should also be included in the central town so that there may be a " Greater Liverpool," as there is already a " Greater London " and as there will be some day a " Greater Britain ". Accordingly, Walton, West Derby, Wavertree, Toxteth, etc., are annexed. Since 1895 " Greater Liverpool " has a population of 630,000 persons, the Earl of Derby being the first Lord Mayor of this union. It is to be remarked that mayors of London and York are no longer solely entitled to the prefix " lord " ; ever since industrials and merchants passed over to the Unionist camp, they have obtained for the mayors of their good towns of Birmingham, Glasgow, Manchester, Liverpool, etc., the added title of " lord ".

Cotton, which made Liverpool and Manchester, exercised an immediate influence over the entire kingdom, and, in one way or another, transformed England and all her conditions of life as well. In the field of politics, Radicalism sprang into being ; in that of business, Free Trade. On the one hand, by the constant demand for an ever-increasing number of labourers, populous towns rose from the desolate wastes of marsh and plain as if by magic, and thus millions of partisans, wedded to Radical ideas, secured ascendancy for dissenting England of the West. On the other, it became a fixed principle that labour should be as economical as possible—" as soon as we see 5 per cent. for our money we immediately construct new factories," say the people of Manchester to-day¹—and that consequently cheap living for the workers and the abolition of taxation on all raw articles and food stuffs must be held absolutely essential for the success of the modern cotton industry. In good years (1822 and 1835), English agriculture supplied wheat at 40s. and 45s. per imperial quar-

¹ *Blue Book*, C. 8963, p. 24.

ter; in bad years (1816-1817 and 1818) 85s. and 95s., and in war times at 120s. to 125s. (1801 to 1812).¹ In order to maintain the revenues of the landed interest, it was found necessary to arrest foreign competition; accordingly the "kings" of the land, supreme in the sphere of agriculture, as in that of politics, had hedged in the United Kingdom with a system of high protective barriers. The first aim of the cotton interest was to overthrow the "corn laws" and open wide the ports of England to all sources of production. In 1846 the final victory was won, and henceforth from every quarter of the globe food stuffs poured in abundantly, thanks to Free Trade. Wheat and flour arrived from the Continent, from Russia, America, India, Argentina, in thousands of tons: 600,000 tons in 1851, 1,850,000 tons in 1861, 2,200,000 tons in 1871, 3,500,000 tons in 1881, 4,500,000 tons in 1891, 5,350,000 tons in 1895, 4,400,000 tons in 1897.² Other articles of subsistence, cereals, meat, butter, milk, eggs, etc., came in immense quantities from France, Germany, Denmark and America. For the feeding of her teeming population England pays away throughout the world millions of pounds sterling.

	1857.	1867.	1877.	1887.	1897.
Cereals	19·3	41	63	48	53
Butter	2	5·85	9·54	11·88	18·40
Eggs	0·31	0·98	2·47	3·08	4·35
Cattle and sheep	1·7	4	5·9	6	11·3
Bacon and hams	1·6	2	8·3	10·3	14·5
Meat	0·06	0·97	4·1	4	9·5
Fish	9·29	0·49	1·64	2	3·42
Tea	4·6	10	12·48	9·78	10·4
Coffee	1·72	4·36	7·76	4·24	3·58
Sugar	15·5	12·8	27	17	16·5
Wines	4·08	4·83	7·13	5·46	6·03
Fruit	2	2·30	6	7·25	10·54
Cheese	0·97	2·55	4·77	4·51	5·88

(Millions of pounds sterling.)

Whilst the operative lived cheaply and in plenty, the tiller of the soil ceased to obtain a living wage. When the

¹ Board of Agriculture: *Agricultural Returns for 1898*, p. 120 and following pages.

² For all these and the following figures, see *Statistical Abstract*.

imperial quarter fell to 30s. and even to 22s. (1894) the cultivation of land under cereals became no longer practicable. Still the population of Great Britain went on increasing; from 28,000,000 persons in 1857, it rose to 30,000,000 in 1867, to 33,500,000 in 1877, to 37,000,000 in 1887, to 39,000,000 in 1897. The superficies in actual exploitation or occupied expanded in proportion. Formerly, the activity of man only engrossed one-half of the total surface, *i.e.*, scarcely 30,000,000 acres out of 56,000,000, the bog lands, mountains, and worthless pasturage accounting for the rest. To-day 3,000,000 acres have, in addition, been utilised, although agriculture is no gainer by the extension. Particularly in the last thirty years (end of War of Secession) cereals have lost ground annually; out of 9·5 million acres under cultivation in 1867, there hardly remained 7·5 millions in 1897. In all directions agricultural lands have retreated before the advance of pasture lands—which from 11 million acres in 1867 passed to 16·5 millions in 1897—shooting estates, parks, cottages, towns and their suburbs. The only exceptions to this evolutionary process are the eastern counties, the ancient stronghold of feudalism, which obstinately persist in growing wheat till ruin sooner or later forces them to desist.¹

Pasturage is still able to give a living in certain regions. Flocks of sheep are always to be seen in Kent, Sussex, Northumberland and the mountainous counties. The county of Yorkshire and the grassy plains near big cities continue

	1857.	1867.	1877.	1887.	1897.
Cattle . . .	92	177	201	295	618
Sheep . . .	177	539	874	971	611

(Thousands of head.)

successfully the breeding of cattle. But the constant arrivals of live stock, of tinned or frozen meats from America, Australia and Argentina, are gradually reducing the profits of the home trade to vanishing point:—

¹ *Blue Book*, C. 8540: "Report into . . . the Agricultural Depression".

IMPORTATIONS CONSUMED IN THE UNITED KINGDOM.

(Lbs. per head of the population.)

	1882.	1888.	1892.	1897.
Bacon and hams	8·87	11·44	14·10	17·95
Beef	2·14	2·55	6·70	8·83
Mutton	0·60	2·36	4·99	8·97
Pork	0·88	1·26	0·98	1·58
Miscellaneous meats	1·69	1·38	2·10	1·72

Cape and Australian wools inundate the market: 130,000,000 pounds (weight) in 1857; 233,000,000 in 1867; 409,000,000 in 1877; 577,000,000 in 1887; 743,000,000 in 1892; 740,000,000 in 1897. Within the last thirty years the number of home cattle has increased though somewhat slowly—5,000,000 in 1867; 6,500,000 in 1897, after having been 7,000,000 in 1892—but the total number of sheep shows a tendency to fall away: 29,000,000 in 1867; 26,500,000 in 1897, after having been 24,000,000 in 1882.

Starting from the shores of the Irish Channel, industry, gaining ground foot by foot, has driven back cultivation to the confines of the North Sea. With the exception of the strip of country which would fall on the eastern side of a line drawn from York to London, agricultural England has everywhere given way to factories and their dependencies. The green island, once the land of sheep and country gentlemen, is now transformed into one big industrial and trading city; from her soil she obtains naught else but coal and ores, whilst from foreign fields she imports almost all the necessaries of life, food for her people, raw articles for her machines. Seeing that the increase of population combined with the abandonment of agriculture was calculated to multiply very considerably the numbers of unemployed, the only course open was to create new industries within the country, and outside it to find fresh supplies of raw articles and new outlets for increased production. Great Britain being, in fact, nothing more than one great industrial town, the whole world has become, so to speak, a suburban country district, which, in return for providing the food of this enormous city, takes by way of payment the articles she manufactures.

ENGLISH TRADE.—IMPORTATIONS.¹

	1896.	1897.	1898.	1899.
Live stock	10,438	11,380	10,385	9,515
Food stuffs	172,568	178,341	193,730	195,524
Metals	20,492	21,265	21,852	28,263
Raw materials for textiles	74,757	70,263	71,268	65,683
Minerals	47,241	52,085	52,226	56,666
Manufactured products	81,379	85,038	87,076	91,293
Total	441,808	451,238	470,378	485,075

(In thousands of pounds sterling.)

ENGLISH TRADE.—EXPORTATIONS.

	1896.	1897.	1898.	1899.
Food stuffs	11,684	12,138	12,104	12,568
Raw materials	17,687	20,140	21,076	26,581
Yarns and cloths	105,329	96,618	94,508	99,454
Metals and machinery	50,563	50,769	51,136	59,963
Clothing	10,474	9,878	9,577	9,554
Coal	12,156	16,654	18,135	23,105
Total	240,145	234,350	233,359	264,660

(In thousands of pounds sterling.)

All along the line for a quarter of a century, between 1857 and 1872, the imports and exports increased by leaps and bounds.

	1857.	1862.	1867.	1872.
Imports	187	225	275	354
Exports	146	166	225	314

(Millions of pounds sterling.)

Then came, as it were, a break in this concurrent increase, and, whilst imports continued to rise, the figure for exports went on decreasing or remained stationary.

¹ Extract from the *Monthly Record* of the Manchester Chamber of Commerce.

	1872.	1877.	1882.	1887.	1892.	1897.
Imports . . .	354	394	413	362	423	451
Exports . . .	314	252	306	281	291	294

(Millions of pounds sterling.)

The progress of this phenomenon becomes still more apparent if comparison be made between the totals of exports and imports and the figures of population. Up to 1872, imports and exports per head of the population showed the same ascending scale :—

	1856.	1860.	1864.	1868.	1872.
Imports . . .	6·3	7·7	9·5	9·12	11·2
Exports . . .	4·2	4·14	5·8	5·17	8

(Pounds and shillings.)

In 1872 this concurrent rise is arrested ; for a short while imports still maintain their upward movement and then oscillate in the neighbourhood of the maximum attained ; the exports decrease or remain stationary :—

	1872.	1876.	1880.	1884.	1888.	1892.	1896.
Imports . . .	11·2	11·6	11·17	10·16	11·10	11·2	11·3
Exports . . .	8	6	6·8	6·9	6·7	5·19	6·1

(Pounds and shillings.)

But in these export figures English articles and products only are included ; the diminution would be still more striking if Colonial or foreign articles and products were also taken into account. Formerly, not satisfied with importing for herself alone and exporting her own products, England became the intermediary of all peoples. Situated on the threshold of the Atlantic system, she not unnaturally became the connecting link or starting point for all transactions between Europe and the rest of the world. To England converged her stream of merchantmen laden with every kind of raw material from all parts—from Africa, America and Asia—and

on her fell the task of their final distribution amongst the countries of Europe. To England also came every kind of European product, and on her likewise fell the office of shipping them to all the countries of the universe. Already supreme in coal and industry, she now became supreme in trade also. Up to 1872 her marine charges and commissions grew *pari passu* with her industrial progress; in millions of pounds sterling she re-exported to the outer world Colonial or foreign merchandise and products. Up to 1872-1873 the figures of her total exports are ever on the rise:—

	1856.	1860.	1864.	1868.	1872.
Total exports . . .	139	164	212	227	314

(Millions of pounds sterling.)

Yet once again does the year 1872 seem to have marked a definite maximum, followed by diminution or stagnation. Apart from two exceptional years (1889 and 1890, £315,000,000 and £328,000,000 respectively; the Paris Universal Exhibition is perhaps the cause; 1899 is also in the same case) the figures of 1872 are never again reached or exceeded except in 1899:—

1876.	1880.	1884.	1888.	1892.	1896.	1897.	1898.	1899.
256	286	295	298	291	296	294	294	329

(Millions of pounds sterling.)

And if once again the average per head of the population is taken the figures in reference to these total exports work out as under:—

1857.	1867.	1873.	1883.	1893.	1897.
11·17	16·10	21·4	20·11	17·14	18·14

(Pounds and shillings.)

In 1872 England was the undisputed mistress of the world's trade. To-day she has to count with rivals who, once her customers, are probably destined to attain to her own gigantic proportions, or even exceed them. Opposite the great English house, German competition has gained a firm footing on the Continent. Another dangerous rival has grown and prospered on the American Continent. Germany came on the scene about 1880. The cannon which disturbed the waters of Cuba and the Philippines were but the signal of the Yankee giant's entry also. For fifteen years Germany and the United States have continued along parallel lines.

Tributaries once of England and France, they first of all set to work to make themselves self-sufficing, *i.e.*, they laid the foundations of their industry behind protective tariffs. Then these pent-up forces, having reached the summit of the protective lock-gates, suddenly deluge the world, and whilst English and French products lose ground or remain stationary, German and American products forcibly win for themselves a large share of the world's trade.¹

EXPORTS OF MANUFACTURED PRODUCTS.

	Great Britain.	France.	Germany.	United States.
1881	234	75	88	24
1885	213	65	90	31
1889	248	77	105	29
1891	247	77	102	35
1893	218	70	100	33
1895	225	76	109	38

(In millions of pounds sterling.)

And if an average is desired the subjoined table is appropriate:—

ANNUAL MEAN FOR QUINQUENNIAL PERIODS.

	1880-84.	1891-95.	Total.	Per Cent.
Great Britain . . .	236	226	- 10	- 4.40
France	73	73		
Germany	93	101	+ 8	+ 8.6
America	26	35	+ 9	+ 34.6

For the transport and exportation of their merchandise Germans and Americans began by employing the English broker. When England ceased to be the world's sole provider, she nevertheless retained her position as the world's sole intermediary for some few years longer. Then Germany made up her mind to foster her commerce as she had done her manufactures. Under shelter of the same protective barriers, she set to work, and already the results of her efforts are making themselves felt. The official statistics clearly

¹ Figures taken from the *Blue Book*, C. 8332; memorandum on the comparative statistics, etc.

indicate the progressive increase in the quantity of German goods transhipped in English ports for world-destinations up to the year 1872 and from that date a continuous falling off.

VALUE OF MERCHANDISE TRANSHIPPED.

	Country of Origin.				
	Germany.	Belgium.	Holland.	France.	United States.
1857 . . .	203	244	319	3007	42
1862 . . .	495	630	695	2269	79
1867 . . .	945	787	950	2847	70
1872 . . .	2379	1203	1688	5366	374
1877 . . .	1675	604	701	3895	682
1882 . . .	1870	576	756	4663	491
1887 . . .	1636	581	514	2971	1105
1892 . . .	1024	357	560	4282	808
1897 . . .	768	551	842	3829	981

(Thousands of pounds sterling.)

Thus it can be seen with what regularity the figures concerning Germany and her two commercial appendages, Belgium and Holland, have fallen away. Nor is this all, for the money total of English marine charges is considerably reduced also. The figures in 1872 amounted to £14,000,000 sterling; in 1897 they amounted to no more than £10,000,000 or £11,000,000.

When, therefore, British trade and industry complain, when they turn a regretful gaze to those prosperous years which followed the Franco-German war, *viz.*, 1872 and 1873, the eternal grumblings as to depression of trade do not seem altogether unfounded or even exaggerated. It really appears as if England attained the supreme height of her fortune in 1872. However this may be, during the last quarter of a century she has continuously been on the decline.

PROTECTION.

CHAPTER II.

“The opening of the Suez Canal has diminished our profits and entirely changed our commerce. It has deprived us of the situation as warehousemen which used to be ours. In my opinion the world would have been happier and better without this canal. I know I lay myself open to the charge of being a reactionary. But under any circumstances, our maritime interests would have been in a better position to-day. . . .”—Parliamentary Inquiry as to the Depression of Trade, *Blue Book*, C. 4797, pp. 106 and 123.

WHAT is the caprice or what the deep-seated reasons which have caused the nations to turn away from the road leading to the British bazaar? For everything had been done to attract and retain them, to make the road easy and keep all doors wide open; everywhere a finger-post announced in type most legible “*Entry free*”. It was cotton which had imposed this commercial policy. Every kind of merchandise, whether foreign or British, receives the same treatment, with the exception of a few articles of no great importance—alcohols, wines, coffee, chocolate, tobacco, plate, etc.; no other goods entered inwards or outwards are subject to taxation. “*Let everything pass*” was the decree emanating from Manchester, and all England, taking no heed of the origin of their purchases, regarded only the price and quality. In like manner, whether foreigner or Englishman, every man enjoyed the same rights and the same liberty. No need for naturalisation. Germans or Frenchmen, if pursuing their calling in the kingdom, were considered *ipso facto* members of the commercial community; they took part in the local elections and in the local assemblies on which trade depends; they had only to express the desire and they became Britishers without formality, held in the same esteem as the oldest citizen. Never was the least word of hate ever proffered against the foreigner. Greeks in London, Germans in Manchester, Jews disseminated throughout the country had managed to engross a not inconsiderable portion

of business enterprise. But so long as they conformed to the laws of the land and paid the taxes they enjoyed the same consideration as the indigenous citizen. Never as yet had those senseless remarks been heard to which the chauvinism of the decaying classes ever give vent at the expense of foreigners domiciled in the country. The grandson of a Jew, under the name of Lord Beaconsfield, actually rose to be leader of the aristocratic party, whilst Lord Rosebery, son-in-law of the Rothschilds, became the democratic leader. "*All is well*" say the people of Manchester; consequently each and everyone is judged according to his works without regard to intentions or beliefs. Now and again, but how rarely! social conventions or religious prejudice caused friction to the free expansion of ideas and of men. As a general rule this Christian and conservative people tolerated all the doctrines and all the sects. In good as in bad fortune the same hospitality was extended to revolutionaries as to kings in exile, to French princes as to Russian anarchists.

With all material or moral barriers removed, the greatest pains had been taken to provide for the convenience of all peoples outside the island. To facilitate entry into Britain's great industrial midst, two doorways—one facing east, the other west—had been constructed, the former looking on Europe, the latter on the world, *viz.*, the port of London and the port of Liverpool. For London, situated on the wide and deep estuary of the Thames, nature had already accomplished more than half the task. But in the case of Liverpool the creative genius of mankind had everything to do. At this spot all that nature had provided was a watery waste, a channel excessively narrow and clogged with sandy shoals. By the labour of man the channel was dredged out, while for miles the muddy banks were confined within granite quays, and huge basins of stone were sunk in this bog land. Without respite, for a century or more, the initial work has been continuously improved upon in order to keep pace with the most exacting requirements of world-wide trade. During the seventeenth century two or three basins of very modest proportions had sufficed to deal adequately with the traffic, but on the arrival of cotton the very reverse was the case. To make room for the new commodity two large basins, the *Queen's Dock* and the *King's Dock*, were dug (1788-1796). Then,

according as cotton was supplemented by arrivals of timber, wheat, tobacco, coal, wool, etc., raw articles or manufactured products, additional accommodation was provided for them in the shape of new docks.

Both banks of the channel were bordered with these refuges, all alike in their general disposition, their closed basins encircled with quays and warehouses differing only from one another in the matter of dimensions and depth. At Birkenhead, situated on the left bank, as at Liverpool on the right, these basins form one interminable succession of granite walls extending over a distance of eight miles. The superficies of calm and deep water available at all states of the tide for vessels of every tonnage would cover very nearly 2000 acres, whilst the quays attached thereto offer to all nations of the world and to every kind of produce the premises which suit them, and the services which they require. Around the *Canada Dock*, with 1300 yards of quays, immense esplanades and innumerable steam cranes await the timber from Canada and Norway (£3,260,000 sterling in 1897). To facilitate the disembarkation of cattle arriving from both Americas (£5,500,000), an endless number of gang-boards are provided from which a skilfully-devised system of passages leads to the slaughter-houses of *Wallasey* and the *Alfred Dock*; one year with another 300,000 cattle and a like number of sheep are landed here. Accumulations of salted or frozen meat, bacon, fish, butter, cheese, sugar, are to be seen pretty well everywhere mingled pell-mell with fruits and drugs, oranges, tobacco, india-rubber, palm oil, rice, petroleum, ores, wool, leather and skins. Here are mountains of groceries and colossal piles of provisions sufficient to feed several million persons. Huge machines with untiring diligence heap up or disperse these hoards of merchandise, raising them from ships' holds or loading them on the waggons. *Princes Dock* seems like some gigantic counter where thousands of human ants with feverish energy empty little by little the carcase of iron monsters.

Apart from this promiscuity, wheat, more susceptible to external conditions, has necessitated the erection of special buildings with walls, ceilings and floors of cement. Around *Wellington Dock* these buildings of six or seven stories, resting on granite arcades, cover 12 acres of ground with cemented

floors. . . . But supreme in importance is cotton. The presence of cotton is felt everywhere; in the air where its flocks float like some imperceptible haze and mingle in confusion with foam-flecked waves; on the quays which are clad at all seasons in a garb of scudding white. The principal centre of cotton is the *George's* and *Princes Docks*, but almost every basin is more or less invaded. For the needs of cotton the quays are backed with streets of warehouses built on the mainland. Everywhere and at every hour of the day innumerable bales circulate whether in waggon or cart, whether attached to hoisting pulley or lying in the hold of barge. Two whole districts are impregnated with cotton's faint odour or everlasting flock, whilst the quarter known as *Black Goree* is one huge conglomeration of cotton warehouses. For there, behind the double row of maritime buildings which border the Mersey, a world of warehouses, offices, counting-houses and agencies, seven stories high, raise their mass of bricks and mortar. To this triple and quadruple line of land docks rises each morning the human tide which, by the evening, flows to other quarters of the town or to the neighbouring villages.

In the centre of the town, two Exchanges open their portals to the two sources of common prosperity, corn and cotton, *Corn Exchange*, *Cotton Exchange*. Once upon a time, following the ancient custom of Mediterranean commerce, merchants and customers met to discuss their business in the open air on the *Flags* at the foot of Nelson's statue. But Liverpool, too subject to the frequent visitations of ocean mists, has since thought better to lodge her world's commerce in a befitting palace, copying for the purpose our historic Louvre; here can be seen, in fact, the same paved courtyard, somewhat sombre and severe, the same façades of columns and pilasters, the same pavilions of heavy aspect, the same gloomy majesty. In this palace the sanctuary most frequented by countless busy men is the *News Room*, of which a certain Jesuit basilica at Rennes is, perhaps, alone capable of giving an adequate idea; in both are to be found the same brilliant display of costliness, the same profusion of polished stone and gilded columns, of rare materials and solid wealth. Along the walls are suspended the gospels and canons of modern times—directories, bundles of newspapers in every

language, telegrams which, at every minute during business hours, record the beat of the pulse of humanity. Daily, for six hours, an uninterrupted stream of faithful worshippers repeat a short prayer before the announcements of vessels overdue or arrived, or pass a moment of pious meditation before price-lists of wool and corn.

To successfully divert to Liverpool's port the different trade currents of the world, electric wires, both aerial and submarine, lines of underground railway and ocean-going ships were multiplied apace, so that no other port seemed capable of competing with so complete a system of commercial accessories. Six railway companies, occupied in the distribution of provisions and raw materials throughout the length and breadth of the kingdom as well as in the collection of manufactured goods, have spread out their branches far and wide and brought up their lines to the waterside. Liverpool was the first to adopt steam and rail and thereby revolutionise the accustomed groove of land traffic. For the lumbering stage-coach which took two long days to reach London, for the cart which not infrequently became mud-bound on the main road to Manchester, she substituted, in 1830, the locomotive and railway waggon. In spite of the jeremiads of the clergy who hurled anathemas against this criminal exposure of human life, in spite of the keepers of landowners and peasants' forks, her engineers constructed the first locomotive railway to Manchester, for the Stockton line was merely a horse tramway. To this initiative, so fruitful in results, Liverpool's fortune was due, initiative which was of immense profit to the entire kingdom, to humanity at large, and, during fifty years, more especially as was only just, to its author. Liverpool stretched out her enveloping tentacles over the whole land. A submarine tunnel now unites the two shores; an overhead railway runs parallel to the dock frontage which can be traversed from end to end any hour of the day. . . . Strings of waggons run into the sidings of the *Wellington* and *Nelson Docks*, straight from the coalfields of Yorkshire and Lancashire. Along the quay enormous cranes are there to pick up, one by one, these waggons, and, amidst a clatter of chains, to hurl their contents into the gaping chasm of ships' holds. What fairy tales might not Ulysses have recounted had he come in contact

with such Lestrygons and Cyclops ! All is push and hurry ; streams of trucks bring cotton piece goods, soaps and chemical products from Lancashire, alkali, salt and soda from Cheshire, woollens from Yorkshire, earthenware and china from Stoke, ironmongery, tools, machinery, saddlery, cutlery, girders, furniture, glass and crystals from the Midlands.

The most marvellous mercantile marine the world has ever known performs on the ocean the same office of collection and distribution. Liverpool, initiator of this system of transport, was the first to apply steam to navigation, the first to construct big liners of wood and iron. As early as 1815 her steam craft plied up and down the Mersey ; from 1820 onwards her tiny steamboats maintained a regular service with Ireland. Later, the success of her *Great Western* culminated in the application of steam to oceanic navigation. The first grand Transatlantic vessel set out from her docks in 1838. . . . Unceasingly Liverpool has increased the size of her vessels ; to-day the United Kingdom possesses forty-five vessels of more than 4000 tons ; of this number thirty-three belong to Liverpool alone.¹ Her mercantile marine exceeds two thousand unities (2108), of which the tonnage amounts to 2,074,928 tons. On the other hand, London can boast of 2735 vessels, with a tonnage of 1,600,000 tons. But included in the latter's total are small coasting vessels, nearly six hundred (571) sailing barques and more than four hundred (427) steamboats of less than fifty tons ; Liverpool's figures comprise only one hundred of both descriptions (105 and 110). As regards the grand oceanic navigation, the equipment of Liverpool is unique in the world :—

Sailing and Steam Vessels.	Liverpool.	London.
Less than 100 tons . . .	815	1374
From 100 to 1000 tons . . .	493	649
From 1000 to 2000 tons . . .	439	480
From 2000 to 4000 tons . . .	338	172
From 4000 and above . . .	33	—

It did not seem possible then that Liverpool could ever be surpassed. Her proud boast was that " she was England's

¹ Figures taken from *Blue Book*, C. 8884 ; *Annual Statement of Navigation*.

greatest port and consequently of the world". By her continuous efforts she had well merited her premier position. Although politically allied to the "old stupid party"—she has always sent Tory representatives to Parliament—she had remained the faithful servant of progress and zealous upholder of the principle of democratic labour. She had left no stone unturned, so it seemed, to remain for ever the commercial capital of the Atlantic system, which then appeared as destined to remain the centre of the civilised world. . . . And yet Liverpool, for twenty years past, seems to be gradually declining towards decay. Already, in 1885 and 1886, at the time of the great inquiry as to the commercial crisis before the Parliamentary Commission, certain of her delegates did not conceal their fears:—

"Since 1875," stated an ex-chairman of her Chamber of Commerce, "we have been traversing a period of crisis. It is quite certain that the development of continental ports has deprived us of an immense part of our commerce. We have lost a certain proportion of the carrying trade which was formerly reserved to us. The natural tendency of things has been to suppress more and more our brokerage and establish direct relations with all the quarters of the globe. The opening of the Suez Canal developed these relations to an extraordinary extent. England is not the entrepôt she was before. The figure of our carrying trade has ceased to grow as it had done during the last twenty years. In the meantime continental industry developed, and from Australia and India there came to the continental factories considerable orders for rails which Belgians and Germans were able to deliver cheaper and more rapidly than our factories. Our vessels still transport the merchandise; but we have now to go and load at the port of origin, and, in order to compete successfully with local rates of freight we have to carry them by the shortest route, without touching at our own ports.

"For this kind of trade a large number of small companies formed in our own country under the financial system of limited liability ruined rates in the first place and their shareholders afterwards. Freights fell to nothing, according as these companies launched out blindly into construction and speculation. Our tonnage soon exceeded all reason and demand. Our port is now crowded with idle ships. I am a

member of the Dock Council and every month we draw up a list of unoccupied tonnage. Only three weeks ago (2nd April, 1886) one-third of the total tonnage in our port had no customers. It must be stated, however, that two or three of our Transatlantic liners, *City of Rome*, *America*, *Etruria*, were in port where they habitually pass the winter.

“Continental nations have caused us further prejudice by the bounty system which France inaugurated, Italy copied, and Germany is about to adopt in aid of the mercantile marine. In France it does not appear that these bounties have made the fortune of the *Messageries* and the *Transatlantiques*. I believe we shall always beat the French companies. But Germany has just voted subsidies for two lines, one to China and Australia, the other to America. For some years past German industrial products have undoubtedly taken the place of English products in many of the markets. Our exports are on the wane. There is cause to fear that German industrial progress will be followed by commercial progress also.”¹

But in 1885 many of those who complained of the crisis in Liverpool still thought it was due to temporary causes:—

“It is quite certain,” replied the Chamber of Commerce to the same Parliamentary Commission, “that from 1870 to 1875 our trade was on the whole more prosperous than from 1880 to 1885. But it is possible that two causes may have brought this about—the bad harvests which have been so general during the latter years throughout the entire world and the excessive construction of new ships; for the effect of limited companies has been to encourage undue speculation. . . . We do not think the crisis, which, moreover, has been greatly exaggerated by public outcry, can be greatly prolonged. From 1865 to 1870 and from 1871 to 1875 we had very profitable years. From 1875 to 1880 we received somewhat more than interest for our capital. From 1881 to 1885 we only just obtained this interest. But it would be quite erroneous to say that from 1875 to 1885 we suffered heavy losses or that our capital has really undergone a serious diminution of income. The crisis began with the rainy summers of 1875 and 1876 and reached its climax during the epizootic years

¹ *Blue Book*, C. 4797, p. 155 and following.

of 1883 and 1884. The ruined peasant tightened his purse strings. . . . But these causes cannot endure for ever.”¹

These hopes have not been realised. In 1896 the *Liverpool Daily Post* drew up a sheet showing the figures for the last twenty years. To this newspaper the decline seemed undeniable. In 1871 Liverpool was incontestably the leading port of England and of the world. Her traffic movement exceeded 8,000,000 tons. London came next with 7,500,000. Other English ports certainly showed appreciable signs of activity, *i.e.*, Cardiff and Swansea for minerals and steam coal; Sunderland, Newcastle and Shields for gas coal. As for imports, London was quite the leading port. But Liverpool was supreme so far as exports were concerned; all manufactured products of the kingdom found their principal outlet on the Mersey. Since that year of 1871 Liverpool's tonnage has not decreased; on the contrary, if account be taken of the gross figures only, a continuous augmentation of the figures must be acknowledged:—

Liverpool.	1876.	1886.	1890.	1893.	1896.	1897.
Inwards . . .	4494	5017	5782	5251	5643	5845
Outwards . . .	4454	4714	5159	4588	5239	5415
Total . . .	8948	9731	10941	9839	10882	11260

(Thousands of tons.)

But these are gross figures only wherein no distinction is made between vessels in cargo and in ballast. Still, taking these figures as a basis, Liverpool to-day is far behind London:—

London.	1876.	1886.	1890.	1893.	1896.	1897.
Inwards . . .	5288	6810	7708	7782	8893	9110
Outwards . . .	4264	5215	5772	5635	6588	6686
Total . . .	9552	12025	13480	13417	15481	15726

(Thousands of tons.)

¹ *Blue Book*, C. 4621, p. 91 and following.

And along all the British coasts, more especially on the east and south, other ports which formerly hardly counted have been opened or developed. Apart from the huge coal and mineral ports of the Severn (Cardiff, Swansea, Newport, 16,000,000 tons), and the Tyne (Newcastle, Sunderland, Shields, 11,000,000 tons), which have ever gone on growing in importance, such old sea towns as Gloucester, Bristol, etc., have shown signs of recovering their ancient position. More striking still is the growth of new entrepôts, such as Southampton, Hull, etc., to meet the needs of modern commerce which during the last quarter of a century has experienced two great trade revolutions.

And, in fact, the last twenty years have seen the upheaval of the commercial world by two great revolutions—the *piercing of the Isthmus of Suez and the rise of Germany*.

Before the cutting of the Isthmus opened up a direct route between India, China, Australia and Europe, trade was entirely Transatlantic; for the Atlantic was the sole practical means of communication between Europe and the rest of the world. Liverpool on the Atlantic sea-board served as the pontoon which carried the imports and the exports of the whole of Europe; behind this pontoon England enjoyed the monopoly of business enterprises. The Isthmus once pierced created or revived a Mediterranean trade, which was no longer under the necessity of using England as an entrepôt. Trade could now load or unload its merchandise in the Mediterranean itself, at Odessa, Trieste, Genoa, Marseilles and Barcelona:—

“It is entirely due to the canal,” so the shipowners of Liverpool stated to the Parliamentary Commission of 1885-1886,¹ “that we have seen direct communication established between China or our Indian possessions and Mediterranean ports for certain kinds of traffic which used always to pass through our hands. Take, for instance, tea. Formerly we held bills of lading for enormous quantities of tea, shipped in China, brought to England, and re-exported to Russia, to St. Petersburg. For some years past now I have not seen a single one of these bills of lading. But I know that enormous cargoes of tea arrive direct from Ceylon and China to Odessa.

¹ *Blue Book*, C. 4797, p. 104 and following.

Take another example, silk. In previous years my transactions with the markets of India, particularly with Burhanpur, were both important and frequent. The raw silk was brought in English bottoms to the United Kingdom. London was then the great centre for silks, which were eventually re-exported to the Continent, to Lyons and Milan. For the last three or four years these silks no longer come to us; they are landed at Venice or Marseilles, which are now the ports of distribution for the Continent. Cotton is another case in point. In the old days, Liverpool received raw cotton from all the cotton fields of the world for all the factories of Europe. To-day Russian, Turkish, Italian and Spanish industries obtain their supplies from India direct, thanks to the canal, and are no longer in need of our services. . . .”

“Then you are of opinion that the opening of the canal has caused considerable injury to the maritime interests of this country?”

“Assuredly. The Cape route was entirely to our advantage. As the voyage was a very long one, numerous and stoutly built vessels, which we alone possessed, were an absolute necessity. To-day the most insignificant French or Austrian company, with a fleet few in numbers and mediocre in quality, can compete seriously with our ships. We once had the monopoly. The canal has rendered competition possible. In addition, bounties in aid of navigation instituted by the French and Italian Governments have favoured this competition, and at the same time foreign companies have improved the class of their vessels. . . .”

Such were the opinions held in the year 1885. Nevertheless, thanks to her coal and the undoubted superiority of her equipment, thanks also to old-established customs and relations, to prejudices and preferences in her favour, England maintained the greater part of this new Trans-Mediterranean traffic. But it did not at all follow that Liverpool was to profit thereby. London and her advance port Southampton were nearer, easier of access, better situated also for the distribution of imported merchandise, whether destined to remain in the kingdom or to be re-exported abroad. Liverpool, then, still maintained her position as the great Transatlantic port; but London and Southampton became the great Trans-Mediterranean ports. From that time forth spheres of traffic

were created. The two Americas still fall within the domain of Liverpool.¹

Trade with	Liverpool.		London.		United Kingdom.	
	Out-wards.	In-wards.	Out-wards.	In-wards.	Out-wards.	In-wards.
Canada	498	556	160	414	1631	2061
United States	2450	2943	1021	1352	6143	7162
Central America . . .	204	47	31	5	436	89
South America (except Argentine)	410	296	68	67	1517	594

(Thousands of tons.)

London and Southampton serve the Asiatic world and Oceania by the Mediterranean route :—

Trade with	London and Southampton.		Liverpool.		United Kingdom.	
	Out-wards.	In-wards.	Out-wards.	In-wards.	Out-wards.	In-wards.
India	360	850	266	122	1531	1145
Australia	629	771	76	8	887	816
China	39	74	1	1	74	75
Japan	70	90	12	1	80	100

(Thousands of tons.)

The two spheres are not absolutely distinct. For instance, the Argentine Transatlantic service shows a marked preference for the port of London, to which centre it brings 446,000 tons, and takes back 18,030 tons; Liverpool receives from that quarter of the globe only 220,000 tons, but sends there 135,000 tons. Inversely, Mediterranean Egypt shows a greater liking for Liverpool, which imports 142,214 tons and exports 108,396 tons, whilst the figures for London are respectively 51,939 and 18,092 tons. Several other Mediterranean countries divide their traffic almost equally between the two ports. But in general if Liverpool is the great exporter

¹ Figures taken from *Blue Book*, C. 8884; *Annual Statement of Navigation*.

of English articles and products, London, on the other hand, is the principal importer and exporter of foreign products and articles. The statistics of the Annual Statement of Trade demonstrate this point quite clearly in tables representing millions of pounds sterling:—

EXPORTS OF ENGLISH PRODUCTS.

	1872.	1882.	1887.	1892.	1897.
Total	256	241	221	227	234
Liverpool	100	91	91·4	90	76·9
London	53	58·5	46	44	49·8
Hull, Grimsby and Goole	43	30·4	28·4	28·2	31·6
Glasgow	10·8	14	12·7	13	13·3
Southampton	8·9	7·7	6·7	6·9	9·1

EXPORTS OF FOREIGN AND COLONIAL PRODUCTS.

	1882.	1887.	1892.	1897.
Total	65	59	64	59
London	39·8	35	37·8	32·8
Liverpool	11·6	11	13·1	13·5
Hull, Grimsby and Goole	4·2	6·8	5·8	5·8
Folkestone, Dover and Newhaven	4·9	3·6	3·5	2·3
Southampton	1·5	0·8	0·8	2·4

IMPORTS OF FOREIGN AND COLONIAL PRODUCTS.

	1872.	1882.	1887.	1892.	1897.
Total	354	413	362	423	451
London	124	142·5	129·4	144	151
Liverpool	105·5	112·3	92·4	109	101·9
Hull, Grimsby and Goole	21	27·5	28·8	35·7	39·8
Dover, Folkestone and Newhaven	16·6	23·4	24·2	28·2	34·6
Southampton	10·8	9·2	6·7	8·2	11·2
Bristol	7	7·8	7·5	9·7	10
Harwich	2	8·8	12·5	16·3	18·4

London, the English Channel and the North Sea ports are becoming yearly more and more serious rivals for Liverpool. The *Liverpool Daily Post* drew up the subjoined table in 1896:—

United Kingdom.		Liverpool.	
1875. Imports	373	105 = 28·1 per cent.	
Exports	223	79 = 33·5 per cent.	
Total	596	184 = 31 per cent.	
1895. Imports	416	95 = 22·9 per cent.	
Exports	225	78 = 34·5 per cent.	
Total	641	173 = 26·9 per cent.	

In 1875, 31 per cent. of English trade passed through Liverpool; in 1897, hardly 27 per cent., that is to say, a net loss of 4·1 per cent., which, taking the figures on the basis of 1895, would give an annual loss in pounds sterling of £26,000,000. Nor, in this matter, must the years 1875 and 1895 be considered as in any way exceptional, because the imports into Liverpool have shown a continuous decrease for the last twenty years.

IMPORTS (in millions of pounds sterling).

United Kingdom.		Liverpool.	
1875-79	375	98 = 26·17 per cent.	
1880-85	401	107 = 26·26 per cent.	
1886-89	381	97 = 25·72 per cent.	
1890-92	426	110 = 25·97 per cent.	

The evidence is there to prove that the port of Liverpool is on the downward path. The decline is slow, but none the less relentless. On the contrary, all the other groups of ports, if they are not making actual progress, at any rate maintain their position. The ports of the United Kingdom can be divided into a certain number of natural groups. Thus Liverpool and Manchester, Barrow, Fleetwood, form the Liverpool and Mersey group; Bristol, Gloucester, Newport, Cardiff and Swansea, the Severn group; Southampton, Newhaven, Folkestone, Dover and Harwich, the London group; whilst the remaining ports at the mouths of the Humber, Wear, Tees and Tyne form the eastern group. By the adoption of these groupings, statistics demonstrate

that the Mersey group alone has suffered serious loss as regards imports:—

	1875.	1889.	1892.	1895.
Mersey	105	112	111	101
Severn	12	16	17	16
London	171	197	196	203
Eastern group	33	49	56	47
Other ports	49	51	42	47

(Millions of pounds sterling.)

As for exports, since the year 1889 the loss has been more or less generally distributed amongst all the ports, for the simple fact that the number of buyers and the amount of their orders have been on the wane:—

	1875.	1889.	1892.	1895.
Mersey	80	102	90	87
Severn	5	13	14	12
London	74	65	59	62
Eastern group	45	41	37	39
Other ports	18	26	25	24

(Millions of pounds sterling.)

The fall in the amount of exports throughout the United Kingdom, the progressive growth of imports especially in the eastern districts—for London, Harwich, Hull and the North Sea entrepôts are the ports which have shown the greatest development—these two phenomena bring English trade authorities to think that their origin can practically be traced back to one and the same source, *viz.*, the awakening of Germany. Abroad German articles increasingly tempt England's hitherto undisputed customers; at home German boats and German produce augment day by day the tonnage of England's eastern ports. It is to Germany that the impoverishment of English industry is due; it is likewise Germany which has compelled English trade to veer completely round in the short space of twenty years. Formerly England, displaying her commercial front to an agricultural Europe, set her gaze on the Atlantic. To-day England has returned to the North Sea to face a Europe, and especially a Germany,

which, once a customer, now dares to enter the lists of trade and industry. On the continental periphery of this North Sea, at the estuaries of the rivers, from the Scheldt to the Elbe, four great German ports, Antwerp, Rotterdam, Bremen and Hamburg, have been reopened which, whether under the Belgian, Dutch or Hanseatic flag, are in reality German exporting and importing centres. By means of the streams which prolong them into the very heart of the Continent, these ports have attracted all the products of Eastern and Central Europe, and received in return the outside supplies necessary to its peoples and industries. Between Europe and the rest of the world the English intermediary has been dispensed with little by little. Imports and exports now thread the English Channel without touching at the English quays. For twenty years past Germany and Belgium have been passing through the same far-reaching evolution which, from 1830 to 1850, transformed agricultural England into an industrial and trading city. Germany more especially from being essentially a land power, has lately displayed the greatest interest in maritime affairs.

On the 20th December, 1897, the British commercial attaché despatched a long report from Berlin dealing with the maritime interests of the German Empire:—¹

“During the past twenty-six years Germany has put forth giant efforts in every direction. The establishment of productive industries has provided work for an ever-increasing population which, from 1872 to 1897, has augmented by 30 per cent.—41,000,000 persons in 1872, to-day 53,000,000. The establishment of a flourishing commerce has permitted this population to aspire to a higher and higher standard of living. This commerce has increased 60 per cent. in the last twenty years. The traffic of German ports taken as a whole has increased 124 per cent.; but this average figure hardly conveys the entire significance of the increase. For the traffic with England and the Mediterranean has hardly augmented more than 60 per cent. because it was already very important. But in certain seas previously unknown to German trade, the increase has been far more considerable—128 per cent. for North America, 475 per cent. for Australia,

¹ Foreign Office, *Miscellaneous Series*, No. 443.

480 per cent. for the East and West Indies. Hamburg is the centre. It will suffice to give the average figures for the last twenty years in millions of pounds sterling:—

	1871-80.	1881-90.	1891-95.	1896.
Imports . . .	43·7	52·3	78	85·7
Exports . . .	29·9	49	63·4	72

But all the other ports have, though in a lesser degree, followed the same course, and their total movement in millions of tons passed from 12·7 for the period 1873-1875 to 14·3 for the period 1876-1880; to 18·3 for 1881-1885; to 23·2 for 1886-1890; to 29·7 for 1891-1895; to 31 for 1896-1897. In the above tonnages the German flag has played an increasingly important part year by year.

	Vessels of all kinds.		Steamers only.	
	Number in Thousands.	Tonnage in Millions.	Number in Thousands.	Tonnage in Millions.
1873. German . .	60·3	6·0	7·6	2·6
Foreign . . .	34·3	6·4	9·5	3·8
1884. German . .	89·4	10·1	26·4	7·0
Foreign . . .	31·1	10·3	15·8	8·4
1895. German . .	97·4	15·9	49·4	13·3
Foreign . . .	36·5	14·5	21·0	12·8

Hamburg¹ has turned her attention to the over-sea trade, which now amounts to many millions of marks. In 1847 the Hamburg-American Line was founded, with an initial capital of £23,250; in 1858 the Nord-Deutscher Lloyd; in 1870 the Hamburg-South American Line. But it was from 1885 and onwards that capital flowed in so freely and that the new companies grew to such an extent. To-day nine companies, with a total capital of £4,800,000, overrun all the seas. The tonnage of entries into Hamburg has increased tenfold during the half century.

¹ Cf. *Annual Series*, Nos. 1934 and 2104, "Trade of Hamburg".

	Tons.		Tons.
1850	547,947	1890	5,202,825
1870	1,389,789	1894	6,228,821
1880	2,766,806	1897	6,708,070

Hamburg, at the gates of the Baltic Lake, is now become for Germany, the Scandinavian countries and Russia the great emporium of raw articles and principal purveyor of manufactured products—in fact, the Liverpool of north-eastern Europe. The Elbe waterway puts her in easy touch with the woollen and cotton manufacturing centres of Silesia and Saxony. Formerly Germany looked to London and Liverpool for her raw or semi-raw articles and for the manufactured products of these two textile industries; Hamburg imported from England raw wool, raw cotton, yarns and cloths in great quantities. Each year finds her more and more independent.

“In 1897,” writes the English Consul, “the total imports of raw textile materials were somewhat less; but Great Britain’s share in this trade suffered a serious diminution; out of £11,000,000 sterling in 1897, as against £12,000,000 sterling in 1896, our quota only amounted to £1,800,000 instead of £2,500,000 as in 1896. In the different kinds of yarns we have maintained our monopoly. But Germany is reducing her orders and becomes more and more self-sufficing; instead of £4,500,000 as in 1896, Hamburg only took from us, in 1897, £4,000,000 worth of yarn. Our tissues are also losing this market, being replaced by the home article. Our cloths and cotton piece-goods only account for £2,500,000 in the imports of Hamburg, which to-day exports £8,000,000 worth of cotton, woollen, silk and linen goods.”¹

Hamburg is essentially a revictualling centre. Here flows every kind of food stuff—European grain, American meat and Colonial grocery. This port supplies one-half of Germany

¹ See *Board of Trade Journal*, December, 1898: “Swedish imports from Hamburg amounted to 40,000,000 marks in 1896, to 57,000,000 in 1897, of which 22,000,000 were for coffee, between 4,000,000 and 5,000,000 for preserved meats, and between 5,000,000 and 6,000,000 for cotton, skins, saltpetre, etc.”

with tobacco, and two-thirds of Europe with coffee. As for cocoa—in 1895, 30,800,000 lbs.; in 1896, 35,200,000 lbs.; in 1897, 41,800,000 lbs. American bacon and Russian wheat stay here on their way to the Baltic and North Sea ports.¹ But not merely content with attracting the food stuffs of the world, Hamburg is in a position to distribute throughout the globe certain agricultural products from the great German plain. For this marvellous Germany, in spite of her feverish construction of factories and rapid multiplication of cities, has been able to keep her fields and develop agriculture. Saxony, Mecklenburg and the kingdom of Prussia are covered with thousands of acres of beetroot and potatoes. Owing to this circumstance Hamburg has become the chief port for alcohol and sugar.² Alcohol has been the means of introducing her trade among all the barbarian tribes from Africa to the Malays. Her sugar traffic has established a footing among all civilised nations. Nine great steamboat companies have partitioned the world, *viz.*, three for North, Central and South America; two for the East and West Coasts of Africa; one for the Levant; one for Australia; one for India; and the last for China. Without exception these companies in 1897 declared satisfactory dividends to their shareholders. The greatest of them all, the Hamburg-American Line, with a capital of £3,500,000, paid 6 per cent. net; others, 6½ per cent. and 7½ per cent.; several, 12 per cent. The Hamburg-Calcutta Company was the only one to complain, on account of the bad crops and epidemics in India.³

In addition to sugar and alcohol, other agricultural industries supply Hamburg with export freights—butter, cheese, eggs for England, beer for the rest of the world. The time was when English pale ale was all the rage in both hemispheres. For ten years past the English consular reports announce that this is so no longer. In all parts of the world, from Chili to China, from the Mediterranean to the Pacific, German lager beer and Pilsener, which Hamburg obtains from Bohemia, or manufactures herself for export, are now all the rage. Fifteen breweries with a joint capital

¹ *Miscellaneous Series*, No. 482: "Trade of Hamburg in Yarns and Tissues".

² *Ibid.*, No. 452: "Agriculture in Germany".

³ *Annual Series*, No. 2104.

of £1,000,000, erected on her quays, turn out annually several hundred million quarts; the exports in 1889 amounted to nearly 22,000,000 quarts. If the figures of that year have not since been equalled, pale ale, at any rate, has not in any way made up for lost ground. A few of Hamburg's customers, France, for instance, have closed their ports or have set up plant of their own. Elsewhere, *e.g.*, United States, export has grown—2,000,000 quarts in 1895, 2,700,000 in 1896, 3,000,000 in 1897.¹

Hamburg, owing to the great distance which separates her from the coal and metal centres, is as yet neither a great landing place for minerals nor a shipping port of any importance for coal and iron. But she is destined to become so. A complete system of internal canals is already projected or commenced; these canals will bring her into direct contact with the coal-fields of Silesia on the one hand, and the Black Country of Westphalia on the other. What railways did for England, canals will accomplish for Germany; industrial enterprise will ere long spread over the *Central Lands*, the Midlands. In the glass and china trades Berlin and Meissen are already formidable rivals of Birmingham and the *Potteries*. The export of all kinds of glass, hollow glass, plate glass, bottles and recipients of all kinds has doubled during the past ten years. The export of china has quadrupled in twenty years. . . . The day will come when from the Rhine to the Vistula, swarms of barges will bring down to the quays of Hamburg the products of an expanding industry and an ever-improving agriculture. From the depths of Poland, Bohemia and Thuringia merchandise will find its way down to Hamburg; the canal transport service may even cross the watershed and recruit customers on the Mediterranean system of rivers, on the Danube and the Theiss, and perhaps even push on to the Black Sea. From the Baltic and the North Sea to the Mediterranean, Hamburg, centre of the Germanic world, will become the great port of Central Europe, the Venice of the North, which with her two subordinates, Bremen and Stettin, in the North Sea and Baltic respectively, will then have completed their exploration of the world. Already they are to be met with throughout

¹ *Miscellaneous Series*, No. 485: "Beer at Hamburg".

Asia : Vladivostok is a Germanic port, India and Burmah are being assailed ; and as to the Suez Canal, the Germans occupy the first place after England.¹ On the accomplishment of this evolution, what will become of the forsaken entrepôts of London and Liverpool ?²

Whilst awaiting this future, which can already be foreseen, Germany has created for her iron and coal another great river emporium facing the English shore. The Rhine with its hundreds of miles of navigable stream has grown from Mannheim to Rotterdam into a gigantic port, an almost uninterrupted line of docks and wharves. Thanks to the Rhenish waterway, Germany is now beginning to encroach upon customers who once looked only to England for supplies of coal and iron. Formerly Cardiff and Newcastle, both sea-board centres, poured into the ports of the German Empire the coal required for boilers and gas retorts. Westphalia only sufficed for the needs of the neighbouring factories. To-day, Westphalian coals actually arrive in the London market and compete with Newcastle coals, and are also being gradually stocked in the leading ports of the North Sea and the Baltic,³ at Hamburg, Lübeck, Wismar, Kiel, to the detriment of English trade. In the last forty years the Westphalian production has increased tenfold :—

	Tons.		Tons.
1860	4,490,066	1892	36,853,502
1870	11,570,556	1894	40,613,073
1880	22,495,204	1896	44,893,304
1890	35,469,290	1897	48,423,787

Again, deliveries of Westphalian coal to Hamburg have increased fourfold in fifteen years and bid well to attain the level of English deliveries :—⁴

¹ *Board of Trade Journal*, Dec., 1898 : "Twenty years ago the German flag only accounted for 1 per cent. of the traffic through the canal, but to-day it amounts to 10·7 per cent., and the largest ships that go through the canal are German".

² *Miscellaneous Series*, No. 345 : "Inland Waterways of Germany".

³ *Miscellaneous Series*, No. 454 : "Coal of the Rhenish Provinces".

⁴ *Board of Trade Journal*, 25th January, 1900.

Hamburg.	English Coal.	Westphalian Coal.
	Tons.	Tons.
1880	1,025,550	338,910
1884	1,025,500	548,730
1888	1,365,000	627,890
1892	1,615,600	903,185
1896	1,797,000	1,410,810
1898	2,055,000	1,652,150
1899	2,420,130	1,645,800

In the same way English iron was once in full possession of the German market. The English Midlands supplied Germany with manufactured articles of all kinds, machines, implements, tools, hardware, etc. The coast districts of Yorkshire, Cumberland and Northumberland furnished her with pig iron, cast iron, steel. Thanks to the Rhenish waterway, the Black Country of Westphalia is to-day actually nearer the sea and the home or outside markets than the English Black Country. A Birmingham and Sheffield, situated in the heart of the land, are at the mercy of arbitrary railway rates. A Düsseldorf, Essen, Barmen, Elberfeld, on the contrary, possess wharves constructed on the banks of this great river thoroughfare. It is a well-established fact—the enormous difference there is between the cost of land and water carriage and what an effect the same difference of cost has on the price of articles of such small value in comparison to their bulk and weight. Besides, German iron, under cover of protective tariffs, made headway against English iron first of all in the markets of the Empire and then in those of the world. The smaller objects, especially those of ironmongery and toys on which the German has expended so much scientific ingenuity and artistic patience, have gradually won their way in all the markets. The English consular reports have called attention to this conquest throughout Europe and also in markets so distant and widely apart as South America and the English Colonies. The Midlands have been more than half ruined by this new competition.

Owing to the natural abundance of coal and minerals England has, however, been able to maintain her European monopoly so far as raw iron is concerned; just as by reason of her splendid ship-building yards on the Clyde she seems

likely for long years to come to keep for herself the monopoly of marine construction and so reserve to her factories an enormous consumption of iron. But who can say for how many years this monopoly will last? Modern Germany is now focussing her attention on naval construction just as she did twenty years ago on every kind of industrial enterprise, and as she did ten years ago on over-sea trade. To achieve the conquest of this new industrial field she is resorting to the same tactics which, introduced or revived by her, have already succeeded so well. Such is the way, at any rate, in which a very large number of British merchants regard the matter.

PROTECTION.

CHAPTER III.

“Mr. Chamberlain’s despatch to the Governors of the Colonies marks an important date in the economic history of this country. It is the first official abandonment of the doctrine of *laissez faire*. It is also the first official proof that the danger of foreign competition is taken into serious consideration by Her Majesty’s Government.”—*Chamber of Commerce Journal Blue Book*, C. 8432, p. 1.

THIS death struggle, thinks trading England to-day, viewed from on high and afar and ranging over all the world’s markets clearly demonstrates that it is not merely German trade and commerce which are grappling with English commerce and trade. The struggle is rather one of two opposing systems of life; of two economic gospels, the one contemporaneous with barbarous times, the other indicating the *régime* by which, seemingly, civilisation should in future be guided; the liberty of Manchester on the one hand, the militarism of the Hohenzollerns on the other. “Wealth and happiness are only acquired by individual effort, and prosperity is the gift of liberty,” preached the people of Manchester. “In our commercial struggles, Colbertism, weapon of centuries past and gone, would handicap our movements as would a knight’s cuirass in modern warfare.” And yet, in spite of Manchester, a restored Colbertism seems to have raised a colossal structure, the solidity and durability of which can admit of no doubt. Through this Colbertism old Hanseatic Germany seems to have taken a new lease of life; trade has returned to ancient and long-forsaken channels; industries have sprung into existence and prosperity on a soil which knew them not before.

For, according to trading England, this sudden growth of modern Germany cannot possibly be due to the simple play of natural forces. It seems as though some conscious and all-pervading will power must have successively prepared and

selected the different stones of the edifice. In the first place this will power, by ordaining a new system of education, has effected a complete transformation in this people of philosophers, jurists and pedants. Over the length and breadth of the country utilitarian instruction has been organised and provided in the shape of technical and commercial schools, laboratories and fields for agricultural experiments. This once pedantic people whose chief delight consisted in poring over musty manuscripts now prefers to experiment with alembics, burn fingers with acids or stain hands with dyes. The beautiful, though unpractical, dead languages, Greek, Hebrew, Sanskrit, were yesterday their pet pastime; to-day they have learned to murder every modern language and patois under the sun. Instead of indulging in some pleasant dream, seen through the curling wreaths of smoke issuing from long German pipes, they are now up and doing in obedience to some higher command and studying all the different methods of action. From time immemorial Germany had been a land of soldiers and ploughmen, but having once assimilated modern methods of scientific agriculture and skilled warfare, her force and revenue immediately advanced with prodigious strides. In the olden days, between two campaigns, the peasant would hang his sabre to the hook and at each returning winter lead a life of tranquil ease near the upturned plough. "Thou shalt work the year through," spake the voice of the Master. And to bend his people to task and toil the Master made use of all means from gentle suasion to compulsive force.

By a system of customs he shut out products from without and compelled the country to become self-sufficing. "Thou shalt soil thy tongue no more with the talk and wines of nations," spake once more the Master, "nor shalt thou wear their clothing nor make use of their implements." And the people were constrained to forge, weave, sew, turn wood and iron, work in mines, kindle furnaces, bend the neck beneath the yoke of machines. To set a good example the Master himself henceforth only used national products. As war was then his great occupation and preoccupation, as, moreover, his requirements of arms, equipments and provision for his men, of saddlery, harness and vehicles for his horses, were insatiable, he inculcated in his people the industrial arts of

war. They had to convert molten iron into cannon, to weave and cut out wool into uniforms, to stitch leather and to tin foods. Germany became a gigantic military supply stores, executing first of all the orders of the Master, part of which in course of time the Master despatched abroad. For it was by permission or rather by command of the Master that Germany supplied the weapons of war to one half of Europe; in a single decisive trial of strength the Master undertook to prove the superiority of his factories and products to the civilised globe; by the war of 1870 Westphalia of Krupp renown became the world's arsenal.

Then the Empire stood for peace; the Master turned his attention to pacific conquests. One simple word and he seemed to turn his people round; once more Germany's heavy chariot wheels were set in motion. In the first place, the Master gave heed to the organisation of the country; railways, roads and canals. In the course of a few years Germany possessed her necessary complement of men and machines; she manufactured cast or wire-drawn rails, rivets, bolts and sleepers, constructed waggons and locomotives. Amid a sea of steam jets and a noisy clanking of chains, long trains of waggons wound their way from shore to mountain. A second spell of youth seemed to galvanise Germany's aged frame into a new life of activity. This good old Germany, whose food once consisted of the traditional beer and black bread, and only on very special occasions of such luxuries as bacon and potatoes, felt rise in her irresistible desires for a more generous mode of living. Anxious to satisfy at once that which her scantily filled purse could not afford, she resorted to the most rapid and economical means for achieving her object. In the space of a few short years she accustomed the tastes of her people to a kind of cheap class goods which, although they did not in any way equal the solidity and quality of English and French made articles, at any rate reproduced the external veneer.

As soon as her own most pressing desires were satisfied, the Master perceived that these showy though cheap goods would surely find favour among the other nations also aspiring to a higher level of living. Accordingly he launched Germany's commercial bark on the markets of the world. Not satisfied with encouraging by voice and gesture, he

pointed out the way himself to foreign countries, to uncivilised and desert lands, and in the name of trade made colonial conquests, set on foot consular inquiries. On the niggers of Africa he imposed the alcohol of Hamburg, and deftly slipped the German card between the fingers of civilised peoples. He also took upon himself to vaunt throughout the world the productions of his people, and at the same time to inform them fully as to the needs and preferences of the various nations. By the reports of his delegates abroad, by his consular missions, by the permanent or temporary exhibitions of his commercial museums, by his many collections of old and new models he became the recognised business counsellor within the country; he taught his people the kind of goods from cotton and silk wares to hardware, bottles and toys, etc., which would satisfy the varying tastes of the world's diverse nationalities. He took in hand the railways which, henceforth as State undertakings, organised the business of transport with a view to the reduction of freights. He fostered the growth of big syndicates and constituted himself mediator and arbiter between them to bring about mutual concessions and even reciprocal sacrifice.

Abroad he accomplished even more. Taking advantage of his real force and prestige, founded to a certain extent on dread, he imposed his merchandise on friends and protégés alike, on old empires prone to fear, and young nations not yet grown to strength. Whilst the mainspring of England's foreign policy worked on the principle of the "open door" and unfettered competition, the Master, not satisfied with fending foreign competition by means of the Custom House, encouraged national labour by the granting of bounties to industries, shipping lines and every kind of new enterprise. In short, he played his part in the work of the nation, and never tired of dipping his hand into the State pocket. Never did he remain a simple spectator, nor would he accept the rôle of idle king, which English doctrines have imposed on the sovereign. In the sphere of economics as of politics or war, he was determined to be the chief *de facto* as well as *de jure*. In peace time as in war time, the German State seemed to command, while the English State was content to reign.

Such is the appearance of things from the outside and such the light in which most Englishmen regard them at the present time. And so uneasiness has laid hold of the island realm. What an utter contradiction of all that a half-century had believed to be the truth and law! On the field of commerce an army looms which seems to apply the methods of military tactics to economic manœuvres!

As far back as 1885, England was puzzled by the problem which she endeavoured to elucidate by opening her grand inquiry as to the reasons underlying the decline of commerce.¹ We have already seen how a party came into existence which proclaimed the example of Germany as decisive:—

“The commercial struggle,” say the ironmongers of the Midlands, “is no longer possible unless the tenets of Manchester be renounced and the weapons adopted by our neighbours take their place. In truth, Imperial federation and protectionist Zollverein have achieved the grandeur of Germany. What we need is an Anglo-Saxon Empire and a protective tariff. Let us then bind our Colonies to us as Empire and tariffs have welded together the petty German States; let us erect a Greater Britain by the same methods which have created a Greater Germany. Then let us foster English labour within and without; let Englishmen in future only consume the grain, the cotton, the wool, and above all the iron of Anglo-Saxonia! *International Free Trade* is ruining us; let us establish a system of *Anglo-Saxon Fair Trade*.”

At first this Imperialistic doctrine found but few adherents in the rest of the realm. Nevertheless, in 1885, the east coast traders, a very large proportion of whose business was with Germany, began to hold the same views. Hull, like Sheffield and Birmingham, demanded an Empire and a tariff:—

“We are in need,” said her business men, “of commercial treaties and a series of legislative measures which would place the English manufacturer on *fair* terms; we need no special arrangements with our Colonies and possessions for the creation of a British Zollverein.”

The *Fair Terms* of Hull may be considered the counterpart of the *Fair Trade* of the Midlands. Nothing however

¹ *Blue Book*, Depression of Trade, C. 4621, 4715, 4893.

came of the demand. The Manchester faith was still too deeply embedded in the nation's mind. The Chamber of American Commerce at Liverpool well interpreted the sentiments of the majority :—

“ Liberty is the basis on which any trading question should be treated. Legislative measures having for object the artificial stimulation of trade are not worthy of confidence. Restriction or pressure of any sort can only end in disaster. Happily for us the State has hitherto abstained from meddling. Leave commerce, whose only need is peace and security, to work out its own salvation.”

The Committee of Inquiry in 1885, in their final report, also remained true to these principles.¹ They recommended no radical change in the existing relationship between trade and the State. They even went so far as to dissuade the State from in any way promoting commerce or giving any business counsel through the intermediary of its Consuls or Colonial Governors.

But the Midlands did not lose heart, and they sought elsewhere the support which trading and industrial interests had refused to accord. In France at this same period, owing to their want of prosperity, certain industries, especially that of cotton, forsaking the cause of Free Trade, entered into an alliance with the agrarians in order to revive the ancient principles of authority and protection and let loose a perfect tempest of mystical hypocrisy and demagogic chauvinism which they styled, in all probability ironically, the reign “ of new thought ”. In England the same tactics were pursued with absolute impunity, for English agriculture, writhing under the oppression of Manchester doctrines during the past half century, was only too glad to have an opportunity of shaking off the chafing yoke. Before the Commission of 1885, the agricultural associations had already formulated their demands :—

“ At the rate which things are moving, impending ruin stares the farmer and landed proprietor in the face, whilst for the labourers the only alternative to misery is emigration. *If land is to be cultivated import duties must be imposed.*”²

Birmingham proceeded to take a kindly interest in the lot

¹ *Blue Book*, C. 4715, pp. 389 and 410. ² *Ibid.*, C. 4715, p. 427.

of the unfortunate peasants, and declared through the mouth of her prophet that the fortune of industry was henceforth closely bound up with that of agriculture. Mr. Chamberlain and his *fidus Achates*, Jesse Collins, their eyes brimming over with patriotic tears, began to lament over the ruin of the peasant and disappearance of the valiant yeomen and noble-hearted squires whose force and courage had once been the corner-stone of English might.

“ We have to secure an improvement in the condition of the agricultural labourers. I prefer consideration of the interests of the agricultural labourers ; the English peasant and the Scottish tenant should have their turn.”

Such was the latest cry heard at every street corner.¹ This class, threatened with extinction, must be saved at all costs, and a fair profit restored to the soil in order that this same soil may go on providing the State with valiant citizens. Hence the origin of Unionism—that is to say, the alliance between the new Radicalism of the Midlands and the new Toryism of the agricultural counties, between the half-ruined hardware manufacturers and the landowners desirous of enriching themselves, alliance which was to assure, at the expense of the State, the fortune of the one and the other and lead new England into the ways of Imperialism and Protection.

The allies affixed the seal of their understanding at the expense of Ireland, then they marched forward to the conquest of power. To achieve their object ten years of strenuous effort was necessary, for from 1885 to 1895 old Liberal England succeeded in warding off every attack. Trade remained faithful ; the magic word of Free Trade still managed to carry the votes of the mass. . . . But all the while the prolonged crisis was slowly undermining the convictions. Even in 1890 language could be heard to which the Chambers of certain shipping lines had given vent in halting tones :—

“ Undoubtedly, Free Trade is most desirable ; it is the best *régime*, provided it be effective and that our neighbours do not seek, after having suppressed it in their own country, to try and vitiate it here. Of course Free Trade must not be suppressed, but it might be improved upon so as to counteract the effect of all attempts to tamper with its normal play.

¹ *Liberal Union Club*, 14th June, 1887 ; Birmingham, 28th May, 1888.

Since France and Germany have granted bounties in aid of shipping and the export of certain products, England ought to render nugatory this artificial competition by imposing countervailing duties on all foreign mercantile marines and products in receipt of them.”¹

This last phase of the movement is clearly a kind of compromise between the *Fair Trade* of Birmingham and the *Free Trade* of Manchester; it is the doctrine of *Free Trade* improved upon by substituting for it that of *Freer Trade*. From 1890 onwards, the Chambers of Commerce rally to this latest development and even their general Association is converted. To make assurance doubly sure, the all-powerful committee of this Association take offices facing Parliament which they desire to influence and control. Both at the annual meetings held in London and the different congresses in the large towns of the realm, the Association demands the support of the State on behalf of Trade. In the first place, the only question agitated for is diplomatic support in connection with the information collected by Consuls or relating to foreign and Colonial tariffs. But, little by little, Imperialism impregnates the discussions. At each parliamentary election from 1885 to 1895, the commercial centres return Unionist candidates by larger and larger majorities. The Association turns to Birmingham's prophet, to Mr. Chamberlain, whom all the Midlands look to for salvation, demanding either an Imperial Federation in view of the trading interests of the Empire,² or commercial union between the Colonies and the mother country;³ Empire or Zollverein. To encourage to the best of its power this idea of Imperial Federation, the Association summons periodically to congresses delegates from the Chambers of Commerce representing the whole Empire.

At the first Congress, held in 1886, the Chamber of London indicated the main object of the meeting by formally proposing as a resolution “That the Colonial governments be immediately consulted as to the best means for realising Imperial Federation”; but in face of the general indifference, Free Trade still continued to hold its own. At the second Congress, in 1892, another effort is made, but yet again

¹ *Blue Book*, C. 4797, p. 229 and following.

² Meetings in London and Hull, March and September, 1889.

³ Meetings at Middlesborough, September, 1897.

“ The old-time prejudices of Free Trade as opposed to Protection and attachment to mere words seemingly once more obscured the pressing need for union. Lord Farrer actually went so far as to say that it would be improper even to reopen discussion on the merits of Free Trade principles.”¹ “ Nevertheless, as practical men, whose chief concern was with the world as it is and not with vain principles and empty phrases,”² the Congress ended by enunciating the opinion that commercial union on the basis of Freer Trade would certainly assure the prosperity of the Empire. The third Congress, in 1896, saw the triumph of Fair Trade and of “ new England ”. The Unionists, called back to power by the elections of 1895, left the development of this triumph in the hands of Mr. Chamberlain, who undertook that the Empire should be established and shaped to the needs of commerce : “ Empire is trade, good trade ”.

For the promotion of *Fair Trade* therefore a federated Empire must be created on the lines of the German Empire. Unfortunately, the rapid and brutal methods employed by Prussia cannot be applied in this case. Violent annexations are, of course, quite out of the question. Time, patience and gentle suasion are alone calculated to obtain the consent of the Colonies to federation, but before the consummation of any such scheme much preparatory work would be necessary. Prior to the grand Imperial Federation, other sub-federations must first of all be brought about in order to weld the existing Colonial atoms into several concrete organisms. Already, by means of federation, all the North American Colonies have united under one *régime* and are now known as the Dominion of Canada ; the Dominion of Africa and the Dominion of Oceania have yet to be realised through the federation of the South African and Australian Colonies. . . . After lengthy discussion, Australian unity has been achieved, and in order that the work may be quite complete the annexation of the other Oceanic Colonies only is necessary. But the Dominion of Africa does not augur so well ; an Africander nation is there whose one dream is separation. . . . Hence the Transvaal

¹ Meetings in London and Newport, March and September, 1892.

² Meetings at Middlesborough, September, 1897 : Speech of Mr. Boulton.

War to stamp out once and for all these anti-Imperialistic aspirations.

But the accomplishment of this programme must of necessity take much time, and, in the meanwhile, trade is languishing and the Chambers bemoan with greater insistence the unwelcome fact. As the main remedy cannot be applied for some years, Mr. Chamberlain borrows certain specifics, taken out of the German book for immediate application. He places British commerce in the keeping of Colonial Governors and Consuls with the strong recommendation that they should watch over it with the same zest as that displayed for German trade by the Consuls and Governors of the great Emperor:—

“Inform us as to the conditions, the ways and customs, the needs and desires of the countries to which you are appointed. Send us long reports for our newspapers and plenty of samples for our commercial museums. Address all the information you can glean to the authorities at home.”

Then Mr. Chamberlain incites the trading community to range themselves around the *Imperial Institute*, kind of federal agency, the London centre of all claims and demands, and destined to become the general advising office in all matters of trade and industry for the whole Empire. And if this private establishment should prove insufficient, it will always be possible to organise an official service with books of reference and glass cases of samples for the enlightenment of the public. A Parliamentary Commission is nominated, “which will seek the best means of bringing to the knowledge of national commerce the information gathered by our Consuls, commercial attachés and officials in the Empire or abroad, and any other means of pointing out the way to further profit and development”.¹

The inquiry is held. Within the kingdom every Chamber of Commerce is unanimous in approval. At last a Minister is come who lives in the reality of the day, is not troubled with the worn-out dogmas and prejudices of *laissez faire* and is going to compel officials to work usefully! The Association of the Chambers of Commerce celebrate the glory of Mr. Chamberlain; opinion hails in him the true

¹ *Blue Book*, C. 8963 (1898).

leader of new England. One after another, the delegates from the Midlands before the Commission of Inquiry, with complacent joy anticipate the happy results which such an initiative cannot fail to produce. But when the representatives of Manchester come before the Commissioners quite a different note is struck:—

“All these pretended remedies are nothing more than madness. Private enterprise cannot possibly be replaced by a common or State organisation. Officials can only give us vague information and counsels of no practical scope. It is for us, as manufacturers, to ascertain the needs of our customers. All the consular reports in the world will not enable us to erect one single factory in Lancashire. A Consul can have but a very mediocre experience in matters of trade, and his advice if followed can only cause mortifications. English trade has been built up by individual enterprise alone, without State aid. Moreover the Manchester Chamber of Commerce has held aloof from the Associated Chambers of Commerce, although she has not refused her co-operation from time to time. Manchester business men are of opinion that each one should rely on his personal efforts to improve his own business and methods, to lower cost and increase the number of customers, and not take notice of what other people do by copying blindly foreign methods and adding to the burdens of all by multiplying the number of officials and the *rôle* of the State.”¹

The language held by Manchester finds an echo within the country, and even to a greater degree without; for English Consuls push their inquiries abroad amongst the British residents. The Consul of Rio de Janeiro writes:—

“Moved by the general complaints as to the decline of our trade, I have asked our colony of English merchants and commission agents if, in their opinion, the addition of an information bureau to my Consulate would develop our business with Brazil. Their reply is: ‘We thank you very much for the interest you are taking in our affairs. But the development of English trade—you must accept our opinion for what it is worth—is a question which should be studied in England and not here. We merchants go to the houses

¹ *Blue Book*, C. 8963, p. 18 and following.

which serve us best, the most expeditiously and at the lowest price. The development of English trade depends entirely on the inclination and aptitude of our manufacturers to comply with these three conditions and anticipate their competitors. We cannot help thinking that a minute inquiry in England would certainly lead to the discovery of efficacious remedies. To develop British trade, the change must commence at the other end, in England, and not at this end, here.' ”

Words of wisdom, which the promoters of new England would do well to meditate over ! England is not perhaps in want of an Empire. The example of Germany, which will be examined later on, is possibly inadequately understood, and the example of Spain is an eloquent testimony of what can happen to a Colonial Empire which is exploited for the sole benefit of the mother country. For it is a form of Spanish exploitation which is concealed beneath the words of Fair Trade and Commercial Union : already the Cheshire salt makers are asking that the Indian Government be prevented from manufacturing salt.¹ England, like several other countries, has need of internal reform, reform of politics and especially of inclinations, reform of ideas and especially of habits. . . . But of these matters the Unionists and Mr. Chamberlain, their leader, allied with the “old stupid party,” are perhaps not good judges. Let us look, then, to others for a reliable plan of necessary reforms, to that veritable source of all reforms, to the metropolis of true Radicalism —Manchester.

¹ *Blue Book*, C. 4621, p. 997.

FREE TRADE.

CHAPTER I.

“ Our Chamber of Commerce remains outside party politics ; but the Free Trade *régime*, one of the most glorious parts of our national heritage, stood also, and should ever continue to stand, outside the discussions of party. Bound by history to the names of the great men who founded this *régime*, our Chamber should continue eternally faithful to their memory. Still this duty would be nothing if, more clearly to-day than ever, we did not see in Free Trade a vital necessity, an Imperial necessity for England and her world-wide Empire.”—Annual meeting of the Chamber of Commerce, Manchester, Speech of the Chairman, Mr. R. Barclay, 1st February, 1899.

MANCHESTER, 600,000 inhabitants ; Salford, 200,000 ; Stockport, 60,000 or 70,000 ; Bolton, 130,000 ; Oldham, 140,000 ; Rochdale, 80,000 ; Blackburn, 120,000 ; Preston, 100,000 ; and yet fifteen other cities, Warrington, Leigh, Worsley, Bury, Burnley, Accrington, Middleton, etc., with populations of 20,000, 30,000 or 40,000 cover the county of Lancashire with a human agglomeration rather exceeding in numbers that of London. Between the shores of the Irish Sea and the neighbouring heights of the Pennine range, a circle sixty miles in circumference, drawn round this marshy, badly drained corner of England, would encompass a population of 4,000,000 persons. From Liverpool to Manchester, the Chat Moss, a peat bog thirty feet deep and twelve miles wide, once came very nearly to opposing an insurmountable barrier to the onward march of the locomotive.

The melancholy and blackness of this Lancashire even exceed the horror of the Black Country. The ground, churned into a muddy paste of mingled coal and rust, bristles, between the crowded lines of bricks and mortar, with heaps of iron

dross and scrap, with accumulations of brick and coke dusts, with chimneys in ruins, and frames of disused machines. Cinders, scorixæ, refuse, filings and slags dispersed broadcast over the entire surface of the land tumble into brackish ponds, into canals plated over with films of grease and froth, into murky and sluggish streams. Over this confusion of land and waters, the atmosphere, black with soot, and thick with mist, spreads an oppressive mantle which almost deadens the hum of loom and screech of locomotive. High up, the flaming torches of blast furnaces alone pierce the gloom flickering beneath the continuous drip of briny showers; Oh, Holy Light of the Sun, that rejoicest the hearts of gods and men!

It is for the service of cotton that for a century past this marshland trembles under the tread of human crowds. It is for cotton that these hundreds of towns and thousands of factories have been constructed. At present the spindles and looms provide occupation for 416,000 operatives. The tissues made of mixed materials give employment to 20,000 others, who prepare the wool and silk. These 440,000 weavers and spinners form the nucleus of Lancashire's great industrial army. To these must be added the 23,000 founders or metal-smiths who construct or repair the machinery; 15,000 carpenters or wood-turners for houses, cases and tools; 18,000 dressers or chemists; 53,000 printers or dyers; 122,000 engineers or stokers. Also, beneath ground, 65,000 miners, and at the pit's mouth, 15,000 sorters or loaders for the needs of boilers and blast furnaces. Also, 23,000 persons engaged in providing for the feeding of the people; 24,000 cutters and seamstresses; 27,000 paper manufacturers for packing, folding and correspondence. In addition to these factories or workshops, to these mines or quarries and the 990,000 human toilers who find employment therein, about 100,000 men find employment in the transporting of goods by rail and barge to the sea-board. Whilst on office stools behind the grilled counters are seated some 60,000 clerks.

The whole comprises a permanent army of some 1,300,000 simple workers, the rank and file, without counting the managing heads and professional classes—engineers, capitalists, merchants, speculators, directors, politicians, men of pen, science and law, etc.; and the less distinguished occupations

—butchers, bakers, restaurant keepers, retailers, pawnbrokers, etc.; and the crawling crowd of loiterers, old men, women and children, drunkards and incapables. To provide for the third category is the Royal Infirmary, oldest of Manchester's great buildings; this edifice, towards which all roads lead, is a kind of palace or Pantheon built in the Ionic style, and, before its monumental façade, the county of Lancashire has raised statues to the honour of her heroes—Wellington, G. Watt, Dalton (the celebrated chemist), and R. Peel the Minister of Free Trade.

Nor is this all, cotton has also annexed both silk and wool, and bursting through Lancashire boundaries has conquered entire districts north, south and east. Northwards the busy throng of men and forest of chimneys, pushing their aggressions to the hills of the Pennine range, flow over the eastern slopes which border the great plain of York; around Leeds, Bradford and Halifax more than 3000 factories, engaged in cotton and wool enterprises, give occupation to 250,000 weavers and spinners and to 100,000 others employed in auxiliary trades; half the West Riding and its population of 2,500,000 persons earn a living by spindle and loom. Southwards the invasion, less important and more sporadic, has traversed Cheshire and the Midlands through Macclesfield, Hyde, Glossop and Derby as far as the green country of Nottingham and Leicester. Here cotton and silk in alliance have brought about the construction of some 1500 factories between the Irish Sea and the plain of the river Trent, and provided employment for 120,000 workers.¹

Each corps of this great army has its own centre. Oldham and Bolton are at the head of the spinning and weaving cotton industries respectively, Leeds and Bradford the woollen, Macclesfield the silk, and Nottingham the hosiery, etc. But Manchester is in supreme command; her Chamber of Commerce can truly say that the Exchange of Manchester, with its 8000 subscribers, represents the vital interests of more than 7,000,000 men.² High above the marshy puddles, half hidden amid the smoke of toiling cities, and dominating cinder-strewn hills, masts of ships, and naked shafts of

¹ For these figures see *Blue Book*, C. 8955, "Annual Return of Factories and Workshops".

² Manchester Chamber of Commerce, *Monthly Record*, February, 1899.

soaring chimneys, the dome and campanile of this enormous exchange appear as though they were the central pillars of the gloomy heavens—not unlike the basilicas or thermæ of ancient Roman towns. For the sight of Manchester's Exchange carries back the mind involuntarily to the monuments of Imperial Rome, to the thermæ of a Caracalla or a Diocletian, erected at the cost of a world's tears and sufferings; the same vastness of design, the same display of surpassing wealth; the same domes, the same brick vaultings high-perched on giant columns, the same adornment of precious materials, of gold, mosaic and marble. But in this case the glitter of gold is tarnished by smoke, and the rich ornamentations dark with soot; the single hall, arched over by the dome, eighty feet high, encloses a space of 40,000 square feet, where a busy and excited throng wages the livelong day and every day a desperate struggle of prices. Beneath the huge clock marking the flight of seconds and the barometer which with conspicuous vibrations registers the slightest change of wind, a verse taken from Proverbs is graven: "A good name is rather to be chosen than great riches, and loving favour rather than silver and gold" (Prov. xxii. 1). For a century past, without faltering, Lancashire has remained true to this device. Certainly the pursuit of riches has not been neglected; but to acquire them, the double duty of maintaining in the eyes of the world a great and good repute, and of filling to the brim the hearts of nations from the well-springs of "loving favour" through the cult of Free Trade, has ever been religiously observed with all the fixity of an article of faith.

Like the Cathedral, which is seen hard by the ancient chapel, this Exchange sprang into being near Free Trade Hall, on the very spot where, in 1819, at the bidding of aristocracy, troops of hussars and valiant yeomen pitted against the populace executed the massacre of Peterloo. On this field of martyrs Manchester first held her meetings of the League against the Corn Laws; later, the victory won, Free Trade Hall, true sanctuary of a new worship, was erected with vast lecture and debating hall capable of seating 6000 auditors at one time. From this place emanated for a century a new gospel. For after the colourless reaction of 1815, Manchester fell back upon the eternal protestation of dissenting England

and the recent proclamation of revolutionary France, thus completing the one by the other. But, apostle of reason and not of dogma, she made no appeal to imagination, credulity or passions; she did not speak in the name of authorities or mysterious hopes by which the people had been duped hitherto; she did not attempt to tickle the ears of humanity with the intoxicating music of high-sounding phrases. What she did ask was that people should consider in common their vital interests, should meditate in common, if only for a minute, over the priceless worth and necessities of their present life, and, for their common affairs, should be guided by principles the genuineness of which should be demonstrated by the common advantage accruing to all.

Let each, in his inner conscience, rest his belief in a God of bounty, and his hopes in another life of eternity and happiness! To such an One Protestant Manchester saw no possible objection. But, dissenter, she insisted that each should have the right to regulate his faith and hopes in his own way; the conduct and policy of the community, said she, should have but one object—consideration for the actual existence of all, and but one rule, the happiness of the greatest number. Now, the work of each individual alone can render the present life possible for all; alone universal peace can render it tolerable for the greatest number; and alone liberty can render it profitable and good. It is by the union of these three blessings, *work, peace and liberty*, that a people lives humanely and contentedly.

To Manchester and the Manchester School these were no dogmatic truths, heritage of tradition, or teachings from the Bible, nor were they mere oratorical formulas, born of exuberant eloquence. Of a truth, French rationalism and evangelical charity had influenced to a certain extent the growth of this new gospel. But, and above all, that which constituted its penetrating and lasting force was the outcome of long years of daily experience; for a century Lancashire's ordinary life had been one long and living illustration of the doctrine. Manchester could not obliterate from her memory what Lancashire still was in the middle of the eighteenth century. Beneath the sullen sky, an ungrateful soil, inhospitable coast and boggy wastes had served no better purpose than for the intermittent passage of armed forces.

From the Romans to the Stuarts warlike bands, whether from the North or from the South, had marched through the district. Each halting place marked a fortress or battlefield, this one dating from some Roman camp, *e.g.*, Manchester, Lancaster, etc. ; that one not much older than a generation, *e.g.*, Preston, 1715. On the desolate shores a few wretched fishermen's huts ; inland, some scattered fortresses and houses of middle-class citizens and nobles ; in all, a few paltry thousands of poor inhabitants. As yet, nature had not succeeded in making aught else of this deserted land.

On two occasions, in the fourteenth and sixteenth centuries (1331 and 1585), weavers, hunted from Flanders by the fury of sea or persecution of Catholicism, did try to transplant their industry here ; on the banks of the Weaver, *i.e.*, the river of Weavers, the sound of spinning wheels and looms did for awhile awaken these solitudes. But the raw materials necessary to the manufacture, Irish hemp and flax, the wools of Yorkshire, Wales, Scotland and the Midlands, were far off, scarce and, for the most part, worked up on the spot for the meagre needs of the locality. A new fibre, the cotton of Cyprus and Smyrna, might have given those light textures, which India began to export in 1621 and fashionable London to adopt in the reign of Charles II. But at the instigation of the woollen manufacturers of the Midlands parliamentary legislation was introduced to drive away this foreign intruder, which was ruining the national industry of wool (1666-1678). The Midlands, then¹ as now, protested that they could no longer live if some check were not placed on this foreign competition. Already defenders of "good business," *i.e.*, of their monopoly, they were also as now Unionists two centuries before Mr. Chamberlain ; for already they insisted on the union of the three kingdoms for the oppression of Ireland, and such force did they bring to bear on the lords, spiritual and temporal, to remonstrate with His Majesty—"that Ireland could not continue exporting woollen articles without endangering the national prosperity"—that

¹ Pamphlets belonging to that period seem as if they had been written but yesterday, such, for instance, as the one entitled *The Ancient Trades Decayed and Repaired Again*, containing phrases conceived in the following strain : "The trade is very much hindered by our own people, who do wear many foreign commodities, instead of our own".

in September, 1698, a duty of 20 per cent. was put on all Irish woollen products, which resulted in the complete ruin of the Irish industry.

Towards the middle of the eighteenth century, new Lancashire begins to set forth on her path of progress. The cotton industry was as yet non-existent in Europe; India was the sole source from which calico and Madras stuffs could be obtained. The methods employed in spinning and weaving were still of the most rudimentary nature, no advance having been made in this field for centuries. For her tissues made of mixed materials England imported several thousand bales of raw cotton from Turkey and the Antilles; up to 1748 the weight of 2,000,000 lb. was never exceeded. But in 1738, John Kay, a weaver of Bury, invented his *flying shuttle*, and doubled the capacity of the loom. This individual effort avails nothing so long as the established system of manufacture will not adopt or is unaware of the new machine, and the spinners make no parallel effort. For the looms are short of yarn, and the weaver must each morning knock at the door of four or five spinners before obtaining his day's requirements. Still, the importation of cotton tends to rise somewhat. But in 1764 J. Hargreaves, another weaver of Blackburn, discovers the *spinning jenny* by which the supply of yarn is easily capable of keeping pace with the increased consumption of the new looms. Other workers, J. Wyatt, R. Arkwright, improve this jenny; Crompton transforms it and eventually produces the *mule jenny*, which is ere long completed by the *water frame* (1770-1780). Weaving is now at fault, and cannot consume quickly enough the greatly accelerated production of yarn. Once again it is clearly demonstrated—a lesson which Lancashire will never forget—that the ingenuity and effort of one-half the community avail naught without the co-operating assistance of the other. Cartwright, by his invention of the *power loom*, re-establishes equilibrium, and henceforth the requisite relation between spinning and weaving is satisfactorily attained.

Water and steam now combine to aid the work of man. In chemistry the processes of Berthollet, in mechanics the cylinders of Bell increase tenfold the possibilities of the dyeing and printing departments. By the end of the eighteenth

century the industry as it stands to-day is founded. The 2,000,000 lb. of cotton imported in 1743 rise to 5,000,000 lb. with the jenny of Hargreaves, to 7,000,000 lb. with the jenny of Crompton, to 18,000,000 lb. with the improvements of R. Arkwright, and to 24,000,000 lb. with the advent of Cartwright's loom. In the meantime the Mississippi plains are given over to the cultivation of cotton, whilst E. Whitney invents his machine for facilitating the separation of cotton from its seeds. In 1800 the importation of cotton exceeds 50,000,000 lb. Lancashire becomes rapidly covered with factories, Liverpool constructs her "King and Queen Docks". The population of Manchester increases from 10,000 inhabitants (1720) to 94,000 (1800).

Out of this English Far West a new society arises, which for still feudal England remains a subject of surprise only equal to that felt by the *bourgeois* in presence of the Far West of America. There, for the first time since the days of our first parents, manual labour is not cursed and the artisan is actually held in repute. There, for the first time since the fall of Athens, an entire people, without being irreligious, recognise that success is solely dependent on the work of men, and not on those occult influences to which humanity has been so ready to attribute its good or bad fortune. At present this people see the folly and injury caused by old religious and feudal prejudices. No more will they say, as for centuries Christendom has so often repeated: "Consider the lilies of the field, how they grow; they toil not, neither do they spin; yet Solomon in all his glory was not arrayed like one of these". They know that man must spin and weave to live. No more will they go on repeating like the lords of bygone days, "Lion's heart and white hands". They know full well that every man of plunder and leisure lives at the expense of the community. Manchester, then, proclaims that the most virtuous and honourable man is he who lives as Arkwright did, who used to rise at five o'clock in the morning and remain at his task till late in the evening, who from early youth was yoked to machines for earning his daily bread, who, in later years, applied himself to the study of books in order to improve his imperfect orthography, winning the title of baronet by the sweat of his brow, and, as baronet, still continuing to improve his looms,

and first to apply steam to his industry. The time of saints and nobles is past and gone; the esteem of Lancashire goes forth to those who labour and innovate, to those who improve the conditions of this present life.

But then surges on the Continental horizon one of those geniuses whom the admiration of the crowd proclaims great on account of the ills they cause; for twenty years, thanks to Napoleon, Lancashire must die of hunger in the midst of her now idle looms. The imperial quarter of corn, which cost 40s. in 1786 and 43s. in 1792, now rises to 78s. in 1796, to 113s. in 1800, to 119s. in 1801, to 126s. in 1812; for twenty years the mean price exceeds 87s. The yarns and cloths accumulate in the warehouses; the Continental markets are closed by the blockade; the over-sea markets are not yet opened; armaments deprive commerce of ships and men; for the war, each spring, there is new pressure placed on every energy and resource, just as there is a pressgang for sailors. . . . War! Never will Lancashire forget the amount of calamity and hunger contained in this one short word of three letters. In 1811 throughout the length and breadth of the kingdom 1,400,000 indigents—one-fifteenth of the population—resort to begging the bread which work no longer can give them; hunted from the parishes and the estates of landed proprietors, despised by all, these poor wretches are driven like so many bewildered sheep towards the prison of bounty, the workhouse. Their children are taken from them, given or sold as apprentices to some exploiter of misery, or thrown as ship-boys into the rough and tumble life of the fleet. From henceforth Manchester realises that not only is war a crime which the Lord has expressly forbidden, but also a stupidity, which interests of vital import should at once prevent; a folly the material disasters of which remain long after the restoration of peace, and are as nothing compared with other and still graver consequences.

For these struggles of a nation with outside nationalities are always accompanied by harsh servitude within. The effect of war is to bring into undue prominence useless castes and old prejudices at the expense of the labouring classes and new ideas. "Are we not your traditional chiefs and defenders?" say they to the people. "Should not the flock

obey the shepherds that the wolf may do no harm?" With antiquated metaphors which the people only half understand, in the name of ancient traditions, these shepherds live on the flock which they shear and flay. . . . When twenty years of strife and misery have at length overcome the Napoleonic might, when peace seems likely to lead Lancashire once more into prosperous paths, the landlords and valiant yeomen, defenders of "Good Old England," appear on the scene. For thirty years they successfully bar the way (1815-46). To prevent any possible recurrence of the revolutionary movement or foreign peril, the England of 1815 freely subjects her will to these champions of national tradition. But these supposed champions, direct descendants of the feudal system, depend for their living entirely on their farms and lands; the quiet possession of their estates must therefore be guaranteed to them for ever by maintaining the old laws of inheritance, as also must the total of their farm rents by the suppression of foreign competition. For it must follow that if land can never be broken up and acquired, the working peoples will go on paying *ad infinitum* high rents to these parasites. Moreover, any improvement effected by the peasant to house and farm, by the workman to factory and town, during the period covered by lease, everything, both land and buildings, will in the end revert to the useless landlord, who will have, nevertheless, received a handsome rent all the time arising from the labour of others. Also, for the benefit of yeoman and country squire, the labourer must subtract a considerable proportion of his daily wage in order that the price obtainable for home-grown wheat may admit of the continued payment of these high rents; and also the Corn Law prohibits all foreign wheat importations so long as the imperial quarter is not worth 100s.

The war ended, dearth and starvation still hold sway. In 1817 the price of corn is 96s.; in 1825, 68s.; in 1839, 70s.; for a period of thirty years the people are in a state of semi-starvation. When they complain the guardians of the past throw the blame on the new inventions. "In the good old days," say they, "England was rightly called 'Merry Old England'; but these new-fangled machines of production have destroyed all this happiness." And so they set the people on to demolish these very machines which might have

been their salvation. Nevertheless, little by little, they begin to understand the veritable cause of the disease. Accordingly, they demand their bread and rights and a life of greater liberty under a less costly government. The answer to these claims was the "massacre of Peterloo"; but the blood so shed rendered immense service to the popular cause.

Lancashire is at length convinced that labour and peace alone cannot bring about the consummation of her desires, that individual efforts of the present are of no avail, if the collective tyranny of the past is to remain. In future nothing must hinder the adoption of every new form of energy and useful inventions. The most paternal tyranny is more onerous than the most unbridled license. The black-handed sons of toil who drive all the other machines must have control of the parliamentary machine also. In the name of "natural rights" Lancashire is disposed to adopt revolutionary tactics. Frequently French formulas are heard — "*Liberty or Death!*" — "*Equality of Representation or Death!*" The red bonnet is freely donned. The workpeople, slinging a blanket—their only property—over their shoulder, set out for London. From 1820 to 1830 England is on the verge of a revolution. But on the way the politicians of the Midlands intercept these "blanket marchers" and point out to them the only true way to pacific reform.

Then between Lancashire and the Midlands an alliance of political union is struck, which is to remain unshaken for more than half a century (1830-1885), and to further, without respite, the Radical programme of labour, peace and liberty. To Manchester is due the doctrine, to Birmingham the methods. Ere long labour, liberty and prosperity work in beneficent conjunction; the new England triples her fortune and population; each worker lives in peace under the shelter of factory and lofty chimney. At the first shock the mass of past traditions has trembled from top to bottom, then crumbled away little by little. Liberty of thought, liberty of worship, liberty of commerce and liberty of life—a Liberal England has everywhere replaced the England of conquest and feudalism. Electoral reform (1832) marks the first stage, the abolition of the Corn Laws (1846) the second. From 1846 to 1885 this *régime* of Free Trade widens and deepens, so that,

without distinction of religion or nationality, all workers freely interchange speech, ideas, labour and merchandise. The entire English people become a convert to the gospel of labour and peace; common experience establishes Free Trade as the foundation of all English policy and morality. "It is absolutely immoral," said Lord Farrer at the Congress of the Chambers of Commerce, "to make the principles of Free Trade a subject of discussion." In 1885 the egoism of the Midlands, disturbing this harmonious accord, replace the Liberal alliance by Conservative Unionism. But Lancashire is no renegade to her original faith. The Chambers of Commerce, one after the other, break away to ally themselves in one gigantic Association for the service of Imperialism and Fair Trade. Alone the Chambers of Commerce of Manchester, Liverpool and Glasgow abstain for long years from any act of compromise.

Finally, in December, 1898, solicited on all sides, the Chamber of Manchester consents to enter into the Association on the understanding that it will in no way support Protectionist demands, and with the further stipulation that "this adhesion should not curtail its most complete and unlimited liberty". Free Trade declarations are reaffirmed:—

"To-day more than ever we see that for England and her world-wide Empire Free Trade is an Imperial necessity. In the midst of international competitions for unappropriated territories, by what has England ever distinguished herself if not by this fact that everywhere within her boundaries the commerce of each nationality is placed on exactly the same footing as her own? No one will deny that this policy of the open door has made the grandeur of England and her possessions. As to the folly of the contrary policy, what a lesson at this very hour does the example of Spain and also of France offer to the world! If France would only consider that not one of her Colonies is self-sufficient, that all are a yearly charge on the home budget for a sum exceeding perhaps the total amount of commerce effected between them and the mother country; if France would consider the fate of the Spanish Empire, perhaps she would see to what end her actual policy must of necessity conduct her. . . . This is not the moment to multiply the arguments in favour of Free Trade. But it was necessary to state precisely the

situation of our Chamber in this respect. When the theories of Manchester are understood to mean Free Trade and only Free Trade, nobody here thinks of repudiating this heritage, and our Chamber as Chamber guards this theory. The patriotism of individuals is in no wise involved by this attitude. We are all of us proud of the national glories and of this Empire unrivalled in history. But we are also all of opinion that the responsibilities are tremendous, and that it would be necessary to assure and consolidate it before dreaming of further extensions.”¹

¹ Manchester Chamber of Commerce, *Monthly Record*, February, 1899.

FREE TRADE.

CHAPTER II.

“Competition gives the first place to the ablest man, that is to say, to the best division of labour and the strictest economy. When our rivals succeed, we imitate them and in this way maintain our commerce. Twenty years ago, we transformed our entire system of business not only for manufacturing but above all for distributing our wares. Business changes and it is necessary to change with it. We have been constrained to modify our methods incessantly. It is this constant and individual enterprise which has made our fortune, which alone can preserve it.”—Reply of the Chamber of Manchester to the Parliamentary Commission of Inquiry, 1886, *Blue Book*, C. 4715, p. 476.

To which should credence be given? To the Midlands, who declare England ruined by Free Trade, or to Lancashire, who holds that the same Free Trade is the essential condition of national prosperity? “Look at our iron industries,” says the Midlands, “which, beaten by the similar industries of Protectionist countries, can no longer live without Protection,” and “Look at my textile industry,” replies Lancashire, “which, subjected to still keener competition by these very same countries, loses nothing of its vitality.”

Up to about 1850, Lancashire, by keeping for her own exclusive benefit the secret of her inventions as well as the operatives and machines engaged in the industry, maintained by this means her monopoly of the cotton trade. For precisely the same reason both civilised Europe and primitive communities were her customers. Yarns and tissues in millions of yards (570 miles) and thousands of pounds (1,000,000) lb. were exported to all the markets of the world. But the figures of 1850 are there to prove that civilised Europe was already showing a tendency to throw off the yoke. The Continent, especially Germany, had tried as early as 1784 to entice away some of Lancashire's skilled hands and machine makers; and several Acts of Parliament inflicted severe penalties in cases of export of men or betrayal of secrets. With the advent of Free Trade, Lancashire

assumed the right to establish outside the country any factories which might be considered as serving a useful end, and it was actually Englishmen who, between 1840 and 1850, founded the cotton industry in Germany, France and Belgium ; on the Continent the original factories and their English names (Waddington) have been handed on from father to son.

From 1850 to 1860 the Continent shakes off little by little its dependence on England, and as at this epoch the Mediterranean wars (Crimea and Italy) close the markets of Italy and the Levant, Lancashire passes through a difficult period. But she does not neglect to perfect her machines. The *self-acting mule* of Roberts renders spinning almost automatic. By the expenditure and renewed efforts of Cartwright and the discovery of Bullough, weaving attains a like level of efficiency through the *new power loom* which is universally adopted between the years 1840 and 1850. To make up for the loss of European markets Lancashire turns to America, India and China which now become her principal outlets. Later, peace restored in the Black Sea and Italy, the Mediterranean markets are re-opened. Other markets of Europe also open their doors to English merchandise due principally to the Franco-English treaty of commerce (1860) signed by no less a person than Cobden himself, which for twenty years (1860-1880) leaves Free Trade theories unchallenged throughout almost the entire Continent. Lancashire enjoys an unparalleled prosperity ; these are the "halcyon days" of which old men still speak.

Suddenly the War of Secession, from 1861 to 1864, brings in its train the great "cotton famine". Ever since the end of the eighteenth century the raw article had been almost exclusively supplied by the United States. The Levant, which was at one time the sole source of supply, had given way, first of all to the Antilles and then to the States of the Mississippi, which, acquiring the monopoly towards 1800, kept it up to the time of the bad crops in 1846 and 1847. Thereupon Lancashire requests the East India Company and Parliament to develop the cotton fields in India. But the satisfactory crops of succeeding years cause these demands to be forgotten until the "great cotton famine" which, commencing with the Civil War between North and South towards the end of 1861, rages throughout the entire year of 1862, and, although less severe in 1863 and 1864, is not

terminated until the end of 1865. If Lancashire had ever forgotten the lessons of 1800 to 1815, this War of Secession would have completely cured her of bellicose ideas. In the United Kingdom, out of 500,000 weavers and spinners, 250,000 in 1862, 200,000 in 1863, 130,000 in 1864, and 100,000 in 1865 remain without employment. The others, put on half-time, are also dependent on public charity; 50,000 in 1861, 485,000 in 1862, 300,000 in 1863, 130,000 in 1864, and more than 100,000 in 1865. If mention is ever now made of war, Lancashire knows exactly what only one week would cost. Her operatives lost £170,000 per week in 1862, and some £28,000,000 or £32,000,000 during these four or five terrible years. As for the employers, their loss must have been upwards of £60,000,000.¹ After this the world can entertain few doubts as to the absolute sincerity of their pacific sentiments.

In order to make good the failure of the American supply, every possible corner of the world was ransacked for cotton, Turkey, South America, especially Egypt, where Mehemet Ali had planted the first fields, and finally India. From that time forth Lancashire was never quite so dependent on the United States. But drawing her annual requirements from the fields of the world, she was more dependent on the world; to-day any naval war whatever would flood the streets of her towns with hundreds of thousands of unemployed. To Lancashire the universal peace of the seas is absolutely essential, for from all the seas, from the Mediterranean, the Indian Ocean, the Pacific and Atlantic, the merchantmen arrive laden with cargoes of raw cotton for her spindles² and, at the same

¹ Th. Ellison, *Cotton Trade*, p. 96.

² The subjoined figures refer to the imports of raw cotton in millions of pounds:—

Year.	United States.	Egypt.	India.	Central and South America.	Total.
1860	1115	43	204	185	1390
1865	135	176	445	113	978
1870	716	143	341	71	1339
1875	841	163	385	84	1492
1880	1224	152	207	34	1628
1885	1050	177	145	43	1425
1890	1316	181	238	38	1793
1895	1394	284	51	23	1757
1896	1394	273	66	18	1754
1897	1380	274	42	25	1724

time, grain for her men, and carry back yarns and cloths in exchange. One week's war, and famine would reign in the country.

The American supply of cotton recovered, Lancashire did not immediately recover her prosperity of the "halycon days," which is sufficient to account for her having since become somewhat of a grumbler. Before the Parliamentary Commission in 1886, one of the cotton magnates drew up a balance of the latter years:—

"The situation of our commerce is very different to what it once was. Formerly our leading houses gave instructions to their travellers to sell yarn at 4d. or 5d. per lb. above the price for raw cotton, and cloths at 4d. or 5d. above that of yarn. Profits were obtained without great trouble at that time, but since then they have singularly diminished. The American War was not the only factor in the cost of raw cotton; the wide fluctuations in values discouraged the more timorous spirits, whilst, on the contrary, the more adventurous were incited to wild speculation; the closing of certain factories, the failure of others, even after the war, prove that a very severe crisis was ruling during the years 1867, 1868 and 1869. But in 1869 the cotton trade began to offer fewer risks, and the Franco-German War was a stroke of good fortune; the raw article fell in price proportionately to the fall in the amount of Continental orders. For a time Continental competition disappeared both on the English market and in the rest of the world. Enterprise became the fashion, and for some years business activity prevailed with most advantageous results. Then came the years 1877, 1878, 1879, which were less good; foreign competition began to be more active. The autumn of 1879 marked a recovery, and in 1880 many people hoped for a return of good times. But after 1881 trade became worse day by day, and the year 1885 was the most ruinous we have had since the American War."¹

Foreign competition has played but a small part in these bad years. It was revolutions, wars, famines, pestilence, cyclones which from 1878 to 1885, by ravaging the consuming countries, Turkey, India, China, or Japan, diminished their power to absorb and, as a consequence, discouraged the

¹ *Blue Book*, C. 4715.

enterprise of the Lancashire men ; the two worst years, 1878 and 1879, were the direct consequence of the Russo-Turkish War. But the intervals between these disasters bring for the world years of peace and good crops, and are immediately reflected in Lancashire's exports, which rise to a level never yet attained. More and more the prosperity of Lancashire becomes dependent on universal peace and general well-being. From 1885 to 1895 satisfactory and disappointing years alternate according as the general state of humanity is more or less prosperous or unfortunate.

In 1885 the year's trading on account of the fall of Khar-toum, the Roumelian Revolution, the Servo-Bulgarian War, etc., was most unsatisfactory ; hardly in fact £58,000,000 sterling ; " since the great cotton famine we have seen nothing like it," stated the Association of Bleachers.¹ The unemployed struggle with the police in the streets of Manchester (May, 1886). The business year of 1890, thanks to the retirement of Prince Bismarck, grand instigator and preacher of wars, and also to three successive years of peace, is quite successful. Then the revolutions of Brazil, the Argentine Republic and Chili (November, 1890—August, 1892) and the Russian famine (1891) bring about a continuous fall from 1891 to 1893 ; £63,000,000, £57,000,000 and £56,000,000. After 1893, China-Japanese War, Jewish expulsions from Russia, Armenian massacres, Cretan and Arab revolts, Transvaal and Abyssinian complications, Indian and Russian famines—the exports only amount to £57,000,000 in 1893, to £54,400,000 in 1895, to £59,000,000 in 1896. The year 1897, the Jubilee Year, was the most disastrous for Lancashire since the War of Secession ; £4,000,000 of tissues and manufactures, £10,000,000 of yarn, these are only the same export figures as for the year 1864, but with a population practically double in 1897 ! In this year 1897, Imperialistic ambition is the cause of the Afridi and Matabele Wars, and, by their reaction on the general position, of Russian encroachments in China, French in Madagascar and American in Cuba, etc. Besides which, Imperialistic egoism, in order to complete in all tranquillity the slow digestion of Egypt, raises not a finger to stop the Turko-Greek War, nor the Cretan and Armenian mass-

¹ *Blue Book*, C. 4021, p. 105.

acres. To all these misfortunes must be added the Russian famine, the Hindu plague and Argentine penury.

Still, amidst the ups and downs of fortune, Lancashire continues the same life of labour and strenuous effort. Moreover, the "word 'depression' does not accurately describe the general course of the cotton trade".¹ The figures exist to verify the correctness of this statement. In any attempt to estimate profits, let us leave out of count the enormous stocks of cotton goods piled up in the warehouses, and the ordinary home consumption of the British public (no certain figure is obtainable; but the annual consumption of a population of some 40,000,000 must obviously be enormous). Let us place opposite one another the total amount of raw cotton imports and the exports only of manufactured cottons, *i.e.*, yarns and cloths, for the period of 1860-1897; the difference between the two columns will give the greater part, still a part only, of Lancashire's gross profits. Now, it appears that these gross profits have not decreased during the period, quite the contrary.

Average of Years.	Value of Raw Cotton.			Value of Exports.		Gross Profit. Exports only.
	Import.	Re-export.	Consumption.	Yarns.	Cotton Goods.	
1860-64	48,000	13,690	34,310	8,500	39,120	13,310
1865-69	59,328	14,787	44,541	13,542	53,782	22,983
1870-74	53,596	8,482	45,114	15,370	59,832	30,088
1875-79	38,310	4,578	33,731	12,654	55,043	33,965
1880-84	44,258	5,493	39,065	12,850	62,878	36,663
1885-89	40,080	5,114	34,966	11,620	58,240	34,894
1890-94	38,074	4,470	33,604	10,140	58,110	34,246
1896	36,272	3,571	33,701	10,044	59,309	35,652
1897	32,192	4,316	27,879	9,939	54,043	36,103

(In millions of pounds sterling.)

The consumption of raw cotton in Lancashire, far from diminishing, has not only been maintained but has shown considerable increases up to 1892.

WEIGHT OF COTTON CONSUMED.

	1867.	1872.	1877.	1882.	1887.	1892.
Millions of pounds (lbs.) . . .	912	1135	1185	1519	1498	1812

¹ *Blue Book*, C. 4621, p. 101.

If from 1892 to 1897 consumption has had a set-back, the temporary causes of this decrease must not be sought for outside the United Kingdom. "Foreign competition," so says Lancashire, "is not answerable for a tenth part of our losses." Changes of fashion are mainly responsible for the altered state of affairs; cotton is no longer so widely popular amongst the classes as in the past; gentlemen now wear more costly articles made from flax, hemp, wool or silk. To-day the existing fashions are a complete contradiction of the revolution which took place towards the middle of the seventeenth century, when, on the first appearance of printed calicoes from India, Daniel Defoe stigmatised "the general folly for cotton and the persons of quality who clothe themselves like their chambermaids, and even the Queen, who wears apparel only fit for the common crowd". Manchester had clearly stated in reply to the Commissioners of 1886 :—

"Amongst the causes of the actual crisis, first and foremost is the lack of national consumption for cotton manufactures. In 1871 this consumption amounted to £22,000,000 sterling, and the figure stands no higher than £18,000,000 to-day. Imports of foreign manufactures have risen from £1,500,000 sterling to nearly £3,300,000. These foreign goods are not preferred in our towns on account of their extra quality or low price, but on account of some minor originalities which distinguish them from our national articles. A certain calico printed in Germany obtained a large sale due to a tobacco-coloured foundation which distinguished it from our better and cheaper articles. Shopkeepers insisted on stocking this calico, because being in relatively small quantity it was consequently not to be found amongst all their rival competitors. In a few weeks' time we produced the same tobacco-coloured cotton, but the season was already far advanced and the fashion had almost passed away."¹

But Lancashire does not lose heart. This crisis is no worse than many others, and no doubt an issue will be found by the same road and the same methods. As a century ago, so to-day, Lancashire only asks to be allowed to work in her

¹ *Blue Book*, C. 4715, p. 368. Cf. p. 166 : "There has been a greater falling off in the home trade and the home trade was more profitable; our competitors attacked the cream of the better-class trade".

own way and accomplish her own salvation ; she only requests the Government to give her peace. When the philanthropists of Fair Trade make her offers of assistance, her reply has never varied :—

“The less legislation interferes with our trade the more solid will be the basis of our prosperity. There is no doubt that, now and again, we do suffer from over-production. It is not that we produce more than the world can consume, but we produce more than the world can really pay for. What, then, is important is to reduce to the lowest possible limit our prices and the cost of production. The depression has never affected our articles of speciality, and, wherever occurring, it has always been checked by the rapid adoption of new manufactures and the adaptation of old trades to new sources of demand.”¹

Rapid and ceaseless adoption of new methods, indefatigable pursuit of innovations and improvements, incessant adaptation of old organisms to new needs, such is the commercial policy which, ever faithful to her Radical traditions, Lancashire has followed for twenty years. She has kept intact, too, the ideal of the early Radicals : she places her only hope in tendering service to the whole of humanity, her only force in seeking to comply with the desires of all. “All legislative interference in the field of trade,” says she in reply to the Parliamentary Commissioners, “is, as a general rule, to be avoided. If, however, the Government would aid us, let them develop the already existing markets, especially those of India, by the construction of railways and the execution of other works calculated to promote the happiness of His Majesty’s subjects in that dependency.”² The Imperialists go about repeating that trade follows the flag. Manchester knows that her trade has only followed the British flag when that flag was true to its traditions. “Wherever the English colours float,” says she, “the first principle of our Government should be that no human life is too insignificant for consideration, and that all human suffering shall be alleviated as far as possible.”³

¹ *Blue Book*, C. 4621, pp. 105 and 89 ; C. 4715, p. 426.

² *Ibid.*, C. 4621, p. 109.

³ Annual Meeting of Manchester Chamber of Commerce, February, 1897, speech of the Chairman : “Our rulers had long determined that

It is by this fidelity to the principles and methods of Radicalism that Manchester has preserved her trade.

As a matter of fact, all is changed in the trade of Lancashire; customers, productions and the methods of distribution. In 1872 it can be said that the whole world still depended on England for manufactured cottons. Manchester being in a position to pick and choose only accepted that business which was nearest at hand and most profitable. Thus she paid particular attention to the Continent, Turkey, United States and India, *i.e.*, the European countries and Anglo-Saxon lands, or those under the English sway and influence. Of the £80,000,000 sterling which represented the total export figure of yarns, cloths and manufactures in 1872, no less than £52,000,000 were taken by Europe and the Mediterranean countries.

Such was the result of European Free Trade during the period 1860 to 1876, when the entire commercial fabric was subverted by the offensive return of Protectionism. After Austria, that ancient fortress of reaction, had given the signal of tariffs in 1877 and 1879, military Germany and Russia were not slow to follow suit (1879 and 1882); then the new seed germinated in France, in short, throughout the Continent there was not a country great or small, Italy, Spain, Portugal, Switzerland or Greece, which did not insist on erecting a wall of Custom House eccentricities. English-made cotton goods were driven out of Europe for the sole object of enriching a few groups of cotton manufacturers, who, moreover, in Italy as in France, in Russia as in Portugal, were English. For Lancashire, no longer able to place her wares on the Continent because of protective tariffs, placed her capital, engineers and foremen there instead, so that in this indirect manner the greater part of the profits arising from Protectionism actually returned to the very country against which the tariffs were directed. The English consular reports signalise the ubiquitous presence of Lancashire enterprise in Germany, Rouen, the Vosges, Barcelona, Malaga, Oporto, but more especially in Russia, Poland and Italy where labour is both abundant and cheap, and the nature of the climate such as to promote a large consumption of cotton.

wherever the British flag flies, there human life should be valued, and human suffering as far as possible relieved".

As far back as 1885, English capital, no longer able to work at a profit in North Italy (Milan, Florence, Turin), comes down to the sea-coast where ships laden with coal and raw cotton can find berthing facilities, and establishes round Genoa, Pisa and Naples cotton-manufacturing centres under the direction of *experienced men from Lancashire*.¹

But the results of these tariffs and of this emigration make themselves felt. During the period from 1872 to 1892 the exports of cotton wares to Germany, which in 1872 was Lancashire's best customer, to Holland, which by Rotterdam was one of the principal ports of access to the German market, are marked by a continuous falling away.²

	1872.	1877.	1882.	1887.	1892.
Germany . . .	6·2	4·4	3·3	2·9	2·4
Holland . . .	2·5	2·6	2·3	2·2	2·2

(Millions of pounds sterling.)

In 1892 German commerce is created ; the rates of freight to any world port are one-half, sometimes only one-third of those exacted at Liverpool, Hull or London. For England's big shipowners and dock magnates are also Unionists in their way ; they are united in rings and in their grasp squeeze the national industries. Manchester then finds it to her advantage to accept the services of Hamburg, which becomes the intermediary between Lancashire and the rest of the world ; in this way the exports of cotton to Hamburg show an immediate increase. Holland, which only imports for her own requirements or those of her Colonies, maintains, on the contrary, the amount of her orders :—

	1892.	1894.	1896.	1897.
Germany . . .	2·4	2·4	3·2	3·6
Holland . . .	2·2	2·5	2·1	2·3

(Millions of pounds sterling.)

¹ *Blue Book*, C. 4621, p. 34 ; C. 4712, pp. 140 and 154 ; *Annual Series*, Nos. 1860, 1867, 1891, etc.

² For these and the following figures, see *Annual Statements of the Trade*.

To France and other Latin countries continuous falling off:—

	1872.	1882.	1887.	1892.	1897.
France . . .	3	1·9	1·3	1·1	0·8
Italy . . .	2	1·8	1·9	0·7	0·3
Portugal . . .	1	0·6	0·7	0·3	0·3

(Millions of pounds sterling.)

Very soon the Continental cotton manufacturers, refusing to be confined within the limits of their own home markets, proceed to extend the sphere of their operations. For the headlong scramble after Colonies, which strikes practically the whole of Europe with madness, the cotton manufacturers must bear the chief responsibility. When they cannot enlist the State in the service of their affairs, they awaken national prejudices and tastes in the hearts of their compatriots abroad. Both from Africa and America, English-made cotton goods are repelled by Latin or German Colonies and communities:—

“Portuguese cotton wares,” writes the English Consul of London, “close the market to the bales of Manchester which must pay a duty of 250 reis, or 1s. per kilogram. The colony exists for the sole benefit of a few home manufacturers who reap all the profit. Since 1871 it is estimated that the diminution of English cottons to this port amounts to 3,740,000 lb. which would have had to pay £51,000 to the Custom House. . . .” “The manufacturers of this kingdom,” writes the Consul of Lisbon, “have been working night and day to meet their African orders; shirts for the niggers, which used to come from England, are to-day made in Portugal.”¹

“In South America,” writes the Consul of Monte Video and La Plata, “Spanish and Italian emigration has transplanted the tastes and habits of those countries. Ten years ago Italian cotton goods were not so much as mentioned; to-day they are conquering the markets by means of their gaudy colours and their conformity to the wishes of the immigrant.”²

Deprived of Europe and her Colonies, Lancashire now

¹ *Annual Series*, Nos. 1949 and 1927.

² *Ibid.*, Nos. 1908 and 1839.

turns her attention to the Americans, and, for several years, finds in those markets remunerative business. But the plague of Protectionism soon spreads to this Continent also. The United States are the first to erect a tariff wall. As producers of raw cotton and owners of coal-fields, with an inexhaustible supply of men and iron, the United States might easily have dominated the cotton trade fifty years ago. However this may be, their textile industries both in Massachusetts and the other Northern States remain at first in a languishing condition, being surrounded and somewhat stifled by rival industries, especially those connected with petroleum and metals, which absorb an enormous quantity of labour and raise the rate of wages very considerably. Owing to this fact English cottons, in spite of the tariff, are able, in the first instance, to keep the major part of their customers. But when the rush of emigration and enterprise, like a great wave, starting from the Atlantic Ocean and carrying everything before it to the Far West, has once reached the Rocky Mountains, an eddy, so to speak, is produced before this stupendous obstacle of nature and, from North to South, the backwater pours down the entire length of the rivers and the Alleghany Mountains towards the still unexplored coal-fields and unused waterfalls, towards the reservoirs of wealth, natural forces and black labour lying dormant in the plains of the South.

Formerly the agricultural South depended for an existence on the cultivation of the sugar cane and the cotton plant. Between this region and the North there had always remained, ever since the Civil War, a kind of military zone, sparsely peopled. It is in this military zone, in Virginia and later in Carolina, that the new cotton-manufacturing industry springs into being. Gradually the industry spreads, and ere long some of the Southern States actually desert the cultivation of cotton for the looms. The cotton-growing lands, which formerly bordered the Atlantic, and had Charlestown as their principal outlet, gradually withdraw westwards across the Mississippi, and invade Texas which now becomes the leading cotton-producing State. Henceforth the cotton planters' domain faces the Gulf of Mexico between the two great shipping ports of Galveston and Mobile. The Atlantic States, on the other hand, adopt industry in which they

enjoy every advantage, abundance of raw cotton and coloured labour, coal-fields and waterfalls, handy ports and navigable rivers. The subjoined table drawn up by the Consul of New Orleans¹ clearly shows the growth of the industrial South :—

	Factories.	Capital in Millions of Pounds.	Operatives.
1870	554	1,085	4,411
1880	915	1,713	8,404
1890	2,152	4,573	23,504
1896	2,246	9,422	38,812

Once again *Lancashire men* are to the front in filling the higher positions in this newly enrolled industrial army. For some time the full complement of foremen and other subordinate officials is difficult to obtain. But the egoism of the English Unionists soon makes good the deficiency for the double injury of Lancashire. Up to this time, Manchester possessed, in the Levant, a large number of customers and factors who, during a half century, had been in the habit of importing her yarns for the supply of the local looms, and her textiles for distribution throughout the Turkish Empire, in Transcaucasia, in Persia, even as far as the Indian Ocean and Turkestan. With Turk and Russian, Arab and Persian these Armenian intermediaries carried on a remunerative trade for the great advantage of English producers, with never-failing honesty and fidelity. In return they naturally looked to England for effective protection under the guarantee of the Cyprus Convention, which, in fact, Liberal England had upheld for a period of twenty years. But when the Sultan took it into his head to massacre the Armenians, Imperialistic England, fearing to awaken certain awkward promises touching the evacuation of Egypt, found it convenient to forget her promise. In this conjuncture indeed the voice of the grand old Liberalism was not silent; but how could the Midlands weigh extermination of an entire people in the scales when the ambitious construction of the Cape to Cairo Railway was in question? Lancashire loses

¹ *Annual Series*, No. 2030.

her salesmen; and so it is that to-day the Turkish Customs are congested with English wares owing to lack of distributing agents.¹ At the same time, the survivors of the Armenian massacres seek an asylum in America, and there these traditional weavers, these skilled workers, sober, thrifty and supple, who for generations had remained tranquilly seated beneath the sheds of oriental bazaars, now supply the one element still wanting to ensure the success of the American spinning and weaving industries.²

It was in this way that Manchester has lost or will lose her customers in the United States. In addition, Mexico and Brazil have adopted similar Protectionist measures, under cover of which cotton industries have sprung into existence. And as if these blows of fortune were not sufficient, German and Italian competition has to be reckoned with in the South American Republics, where the Italian and German element is so much in evidence.³ Since 1872 Manchester has seen her trade fall away continuously in both the Americas. Her total of business in these markets is still considerable, but, with the exception of Mexico and Argentina, she knows full well that this outlet will eventually be closed to her.

EXPORTS TO THE AMERICAS.

	1872.	1882.	1892.	1895.	1897.
United States . . .	5·3	3·8	2·7	2·1	2·6
Mexico	0·3	0·8	0·5	0·7	0·5
Colombia	1·8	0·5	0·6	0·8	0·7
Chili	1·2	0·6	1·4	1·1	0·8
Brazil	3·5	3	3·4	2·7	1·8
Argentina	1·3	1·3	1·9	1·9	1·2

(Millions of pounds sterling.)

Ejected or hunted from the Western hemisphere, Manchester now directs her gaze towards the kingdoms of the North and the ancient empires of the East; Copenhagen becomes one of her emporiums and the Baltic the object of her serious attention. From 1870 to 1890, Denmark, the Scandinavian kingdoms and Russia gradually increase the

¹ Manchester Chamber of Commerce, *Monthly Record*, Feb., 1899.

² *Annual Series*, Nos. 2030, 2031.

³ *Ibid.*, No. 1908; *Miscellaneous Series*, No. 364.

amount of their orders. Denmark more especially finds this commerce exceedingly beneficial; for in payment of the yarns and textiles which she receives Manchester takes her bacon, eggs and butter. Thanks to this trade, Danish agriculture is quite regenerated—bacon, £2,700,000; butter, £6,800,000; eggs, £600,000; in all, more than £10,000,000 for the year 1897. Danish exports supply Manchester's breakfast table with eggs, butter, bacon.¹ Denmark, then, remains Lancashire's faithful customer. But the consumption of this little people is necessarily limited, as also is that of the Scandinavians, who have only a small quantity of timber and fish to sell by way of exchange on the English market. Besides, this Baltic area, already invaded by German merchants, is also coveted by German industry; nevertheless Manchester is able to hold her own.²

EXPORTS OF ENGLISH COTTON MATERIALS.

	1872.	1882.	1892.	1897.
Denmark . . .	310	380	470	530
Scandinavia . . .	500	470	500	710
Baltic Russia . . .	340	610	310	340

(Thousands of pounds sterling.)

But since 1890 Russia likewise begins to slip away, both Baltic Russia and Black or Caspian Russia, plains of the west or the south and steppes of the east or north. Once again Protectionism has raised a rampart, behind which capital and engineers from every country in Europe, from France, Belgium, Germany and even Lancashire carry on an assured and most lucrative trade.³ Everywhere labour is to be had for the asking. In two distinct districts coal-fields are conveniently situated near rivers which afford waterways for the transport of raw cotton. Two cotton industrial centres are created without much difficulty. The cotton of America, brought to the Baltic and exchanged against timber, sugar, spirits and grain from the Polish and Russian plains, finds its way by the Vistula to the Black Country of Poland; Lodz,

¹ Cf. *Statistical Abstract and Blue Book*, C. 8963, p. 68.

² *Annual Series*, No. 2064; *Miscellaneous Series*, No. 434. Cf. *Annual Statement of Trade*.

³ *Annual Series*, No. 1998; cf. *Blue Book*, C. 4715, p. 161.

the centre of this district, is to-day the capital of an embryonic Lancashire, which, already meeting the requirements of the surrounding countries, triples each year the radius of its trade, and is certainly destined to conquer the entire plain, west and south, across Volhynia and Bessarabia to the confines of the Black Sea and beyond. English Consuls announce the appearance of Polish yarns and textiles in Persia.¹

BRITISH EXPORTS OF YARNS, TISSUES AND MANUFACTURES TO
TROPICAL ASIA.

	1872.	1877.	1882.	1887.
Greece	490	480	620	560
Turkey in Europe	3,100	2,300	2,700	2,000
Turkey in Asia	2,100	2,300	2,300	2,200
Roumania	400	100	510	590
Egypt	4,200	1,300	1,200	1,600
India	13,000	16,700	19,500	19,200
Straits and Java	2,250	2,940	2,870	3,000
China	6,980	5,200	4,300	6,100
Japan	1,200	1,000	1,380	1,500

(Millions of pounds sterling.)

Around Moscow another Black Country has grown by means of raw cotton brought up by river, *viz.*, the Volga. The Russian conquest of Turkestan and the construction of the Transcaspian Railway have resuscitated the cultivation of cotton along the banks of the rivers which flow into the sea of Aral and the oases of the Turkoman desert. The Caspian and Volga, thanks to an active transport service, which costs but little on account of the petroleum fuel employed, convey on their waters these Asiatic cottons in greater quantity year by year. By their means the Moscow country is now to Eastern Russia just what Lodz is to Poland and her black countries. Before many more years are passed the Russian Empire will be self-sustaining. Since 1890 Russian orders for Manchester have already fallen by one-half, from £720,000 to £400,000 in 1897. Further, by river and rail (Trans-siberian and Transcaspian), with petroleum fuel costing almost nothing, these Russian cotton wares will assuredly find their way to the Asiatic and Levantine markets. Russian military conquest is henceforth linked with commercial con-

¹ *Board of Trade Journal*, November, 1898.

quest. It is a significant fact that English Consuls and commercial travellers alike signalise the presence of Russian salesmen in Turkey, Persia, India and China, indeed at every point of the enormous domain which, from Constantinople to Peking, from Alexandria to the Philippines, Manchester had made her own.¹

For thirty years, then, tropical Asia has been Manchester's great outlet ; the innumerable humanities of the Levant and extreme East, whites, blacks and yellows, Turks, Arabs, Hindus, Chinese and Malays, who swarm and swelter beneath a scorching sun amid marshy deltas, who, the first to spin and weave cotton in the vague period of a dim and distant past, remain just as true to-day as then to their ancient traditions, wear only cotton and silken stuffs. The English manufacturers hold their sway from the Nile to the Yang-Tse : £4,000,000 to £5,000,000 are exported to the Turkish Empire ; £2,000,000 to the dominions of the Khedive ; £19,000,000 to India ; £8,000,000 to China and Japan ; £3,000,000 to Straits Settlements and Dutch Indies ; several amounts of £1,000,000 sterling to places of secondary importance, *e.g.*, Greece, Roumania, Bulgaria, Persia, etc. ; in all, a grand total for the year 1887 of more than £40,000,000. This year of 1887 marks the climax. . . . During the period of ten years which divide the war of the Balkans from the arrival of the Unionists to power, the true interests of trade and commerce are wisely administered in the prudent hands of Liberal policy. The support and reform of old empires, China and Turkey ; protection of young nationalities, Bulgaria, Greece and Roumania ; encouragement of newly-born civilisations, Japan, Siam and Egypt ; civilisation of backward peoples, Arabia, Afghanistan and Burmah ; succour of poverty-stricken communities, Persia, India and the Philippines, such are the aims of England at that time. The wealth and well-being of her customers make for the prosperity of Manchester.

After 1887 we have already had occasion to observe how

¹ *Annual Series*, No. 2008 : "The Russians are starting business in different places throughout the Province of Khorassan. It is even whispered in native circles in Meshed that the Russian Government intend to force an increased use of Russian cotton prints in Central Asia by forbidding the import of indigo into Russian territory." *Cf.* the report of Mr. S. Bell to the Royal Geographical Society.

the disasters of nature are supplemented by the misdeeds of Unionism. The ambition and monopolistic tendency of British Imperialism send a responsive vibration of covetousness throughout Europe. Ten years of violence completely upset this Eastern world. Isolated in her egoism and the jealousy of nations, menaced by general mistrust or ill-will of all, England will not or cannot look beyond herself; more than ever, she confines herself within this *splendid isolation* of which Mr. Chamberlain thought fit to make so light one day, as if for the descendants of Bentham the detestation of the human race was a thing to be proud of.¹ Abandonment of Crete and Armenia to the cynical fury of the Sultan; of Greece to Turkish force; of the Porte to the orders of Berlin; of Persia and China to the perfidies of St. Petersburg; of Corea, China, Siam and the Philippines to Japanese, Russian, French and American encroachments; result in the impairment of the Manchester trade at all points, and in the devastation of something between a quarter and a third of its extent. Whatever the war of elements and the folly of man have still left unharmed remains to be slowly undermined by yet another peril.

For a third cause of ruin menaces the future of Manchester in these regions—her most important consumers, India and Japan, have begun to spin and weave for themselves.² It is the same story over again; Lancashire men set up spindles and looms in the cotton-growing districts, where both coal and labour are to be obtained in abundance. As early as 1867 Japan, docile pupil of England, opened her first spinning establishment at Osaka. Further, private enterprise was stimulated by Government protection, which resulted in the erection of model factories. The coal of Yeso, the long and supple cotton of the entire archipelago, a countless population of skilled workmen, active and sober, a humid climate similar to that of Lancashire, have enabled Osaka to become a veritable Japanese Manchester. In 1897 4962 factories or workshops are established; 31,400 male spinners and 27,900 female spinners, 5600 male weavers and 40,000 female weavers constitute the nucleus of this

¹ "*Splendid isolation*," celebrated speech of Mr. Chamberlain, London, 21st January, 1896.

² Cf. *Review of Reviews*, March, 1894, and October, 1895; *Annual Series*, Nos. 2059, 2006, 1953, etc.

cotton army.¹ In 1851 Bombay commenced to manufacture, but this field of enterprise has more especially grown since 1870, followed, though in a far less degree, by the other capitals of the Peninsula, Calcutta and Madras. From one end of the "regour" (cotton land) to the other a crowd of factories arise, fed by the coal-fields of Berar and Vardha, and peopled by nondescript swarms of every race and colour. Between 1887 and 1898 the number of these factories and operatives has almost doubled.

	Factories.	Looms.	Spindles.	Operatives.
1887	90	16,926	2,202,602	72,590
1890	125	23,845	3,197,740	111,998
1894	143	34,161	3,711,669	139,578
1897	163	36,946	4,210,756	148,435

The figures given above are merely approximate, for the many skilled hands, isolated or in families, who, after the fashion of their ancestors, spin and weave for their own personal needs or that of the immediate neighbourhood, are not taken into account. It is practically impossible to compute the humble and independent rank and file of this great cotton army. Bombay remains the centre of this other Lancashire, with 114 factories scattered throughout the suburbs or province of the same name; Madras and Calcutta come next, though at a great distance, with ten and eleven factories respectively; the remainder are disseminated throughout the Deccan and Punjaub.² The Journal of the Board of Trade (November, 1899) gives the following figures with regard to the number of pounds avoirdupois produced:—

This industry of the Far East, in Japan and India alike, is essentially a spinning one. The labourer in this part of the world, rough and ready, ignorant and unwilling to submit to proper training, does not seem adapted to the more delicate operation of weaving on a grand scale any more than to the mechanical printing and dyeing of stuffs. Anyhow the local demand is mainly for yarns.

"The Chinaman," writes the Consul of Shanghai, "is a man who practises the most rigid economy. For him

¹ *Miscellaneous Series*, Nos. 49 and 440; *Annual Series*, No. 2109.

² *Board of Trade Journal*, April, 1899, p. 451.

avaricious parsimony is the science and single aim of his life; to save a half-penny he will not mind a whole day's work. As, therefore, he is quite able to weave his own gown out of the yarn, and to manufacture at home all the stuffs which he needs, he prefers to work and make his family work, whether for a week or a month, rather than buy cotton cloth which would cost him slightly more."¹

POUNDS AVOIRDUPOIS OF INDIAN COTTONS PRODUCED ACCORDING TO
BOARD OF TRADE RETURNS, NOVEMBER, 1899.

Locality.	Yarns.		
	1896-97.	1897-98.	1898-99.
Madras	29,319,326	32,515,445	30,728,346
Bombay	302,294,963	324,649,184	368,036,820
Bengal	42,106,993	44,806,625	45,517,686
N. W. Provinces and Oude	22,548,473	26,746,853	32,282,514
Punjaub	5,314,834	6,606,919	7,243,709
Central Provinces	17,611,811	18,334,320	18,807,910
Total, British India	419,196,400	453,659,346	502,616,985
Foreign Territory (Hyderabad assigned Dists. and Native States)	3,988,427	8,936,484	9,754,751
Grand total (lb.)	423,184,827	462,595,830	512,371,736

Locality.	Tissues.		
	1896-97.	1897-98.	1898-99.
Madras	5,285,169	5,320,781	6,126,279
Bombay	67,023,766	73,481,564	82,366,121
Bengal	282,271	63,266	58,605
N. W. Provinces and Oude	2,888,824	3,042,991	4,084,580
Punjaub	873,142	1,007,533	865,748
Central Provinces	5,061,882	5,110,292	5,156,956
Total, British India	81,415,058	88,026,427	98,658,289
Foreign Territory (Hyderabad assigned Dists. and Native States)	1,517,746	3,262,224	3,026,733
Grand total (lb.)	82,932,804	91,287,651	101,685,022

¹ *Annual Series*, No. 1944.

The Chinaman is, besides, fashion's slave, and the more the European merchant penetrates into the interior, far from the sea-coast, which is to a certain extent under the spell of Western example, the more he finds these fashions subjected to fantastic caprice and rapid change. For no comprehensible reason according to our European notions, a stuff, in the course of few weeks, is wanted by every one and quite as suddenly discarded, then desired again or banished for ever from public esteem.

"The manufacturers of Lancashire," writes from the heart of Siam the English Consul of Chieng-Hai, "send me specimens of cloths. I have shown them to our Chinese merchants, who without exception refuse them. They say they cannot order their cloths further off than Bangkok because their customers are so capricious in the matter of variety and novelty and invariably refuse stuffs even when manufactured according to their own design, if they do not arrive forthwith. A few short weeks suffice for their tastes to alter entirely; cloths ordered in England are already out of date before the departure of the steamboat bringing them, even if manufacturer and merchant have put forth the maximum of effort to avoid delay."¹ With imported yarns, on the contrary, the native weaver can follow the kaleidoscopic variations of the fashions and turn out at a day's notice an entirely new article.

But the yarns of India and Japan enjoy great advantages over those of Lancashire on account of propinquity and consequently lower freight charges and a smaller number of intermediaries, etc.; the English yarns, on the other hand, heavy, of small value and only permitting of infinitesimal profits, find the cost price tripled by the double voyage which they must make, first to Lancashire as flocks, and secondly to the extreme East as yarn. From Corea to Ceylon, Hindu and Japanese yarns are driving out the English. The import figures to China may here serve as a guide: in 1870, Lancashire sent 11,000,000 lb. to China; in 1880, 19,000,000 lb.; in 1885, 20,000,000 lb.; in 1892, the figures fell to 8,000,000 lb.; the China-Japanese war and the Indian plague caused a recovery to 9,000,000 lb. in 1896; to 11,000,000 in 1897; to 13,000,000 lb. in 1898.

¹ *Annual Series*, No. 2009.

On the opposite side of Asia towards Persia and Arabia, other and more potent factors are at work to ensure the triumph of Indian yarns. Emanating from Mussulman Bombay, these yarns have spread rapidly over all the territories of the Caliphate by means of the touching fraternity and the traditional habit of pilgrimage which make the Islamic world one and the same family. All along the sea and land itinerary of the "hadj" (pilgrimage to Mecca)—in 1896, 10,000 pilgrims set out from Bombay alone—caravans and vessels have disseminated countless Indian bales. "Arabia has become a commercial dependency of Bombay, which feeds her with her grains and clothes her with her cotton," writes the English Consul of Djeddah.¹ Hindu yarn, Mohammedan merchandise so to speak, has percolated by Mecca throughout the lands of the Prophet. The English Consuls notify the arrival of these Indian wares in the bazaars of other sacred towns; Damascus, Bagdad, etc., in the sea-ports of Asia Minor, and even up to the Black Sea. At the time when the Armenian slaughter was wiping out the Christian intermediaries of Manchester, Mohammedan yarn from Bombay was capturing the market of Turkey in Asia; it also gained a footing in the Persian Gulf, and descending the coast of Africa reached the island of Zanzibar, wafted there by the monsoon and distributed by the Arab.² In ten years the export figures have doubled, whilst textiles, on the contrary, have shown no sign of increase. Before very long the export of Indian yarns will be quite as important as that of England; even now India sells to external markets about 200,000,000 lbs. and England hardly 250,000,000 lbs.

NUMBER OF SPINDLES IN THE WORLD.³

Country.	1894.	1896.	1898.
Great Britain . . .	45,190,000	44,900,000	44,900,000
Continent . . .	27,350,000	29,350,000	31,350,000
United States . . .	15,841,000	16,841,000	17,570,000
India . . .	3,650,000	3,933,000	4,100,000
Japan . . .	650,000	800,000	1,150,000

¹ *Annual Series*, No. 2006. ² *Ibid.*, Nos. 1961, 2008, etc.

³ For these and the following figures, see *Annual Review of the Cotton Trade* (Ellison & Co.).

Manchester, then, finds competition just as keen in this Asiatic domain, once so entirely her own, as in America and Europe. In the halcyon days she was the only spinner in the world and her mills of Oldham met the requirements of the universe. At present the sound of spindles is heard the world over.

Manchester in 1800 consumed practically the whole world's output of raw cotton, and even as late as 1850 the needs of the rest of the world were not equal to her incessant requirements. From 1850 to 1870 the consumption of America and the Continent combined could do no more than rise to her proud figure. After this date the Continent forged ahead; towards 1880 Manchester was equalled, and towards 1890 outstripped by Europe. America accomplished the same feat in 1897 and 1898 respectively. Excluding India and Japan, whose consumption is enormous, but for which it is quite impossible to give a precise figure, Lancashire only consumes to-day one-fourth of the world's crops.

CONSUMPTION OF COTTON IN THE WHITE WORLD ONLY.

	Great Britain.	Continent.	America.	Total.
1842	1372	316	326	2541
1852	1878	1189	782	3849
1862 (War of Secession) .	1332	814	40	2186
1872	3335	2099	1214	6648
1882	3426	3447	2258	9131
1892	2893	3885	2596	9374
1898	3430	5006	3889	12,325

(Thousands of bales of 500 lb. each.)

But this competition of the entire world has in no way impaired the fortune or confidence of Manchester. When the Midlands complain of over-production Manchester makes reply:—

“If over-production exists at all, it is not that the sum total of goods produced is excessive, but that they are unsaleable, *i.e.*, do not satisfy the needs of humanity. For us the word over-production is without meaning so long as there remain on the surface of the globe so many wandering, unclad crowds. The best means of reaching these crowds and making for them the article they require is the ever-present

preoccupation of our thoughts. After India and China, there still remain Africa and many other humanities. The essential point is to adapt continuously our productions, to work harder and harder, and cheaper and cheaper.”¹

Manchester, then, has laboured more strenuously than ever. Formerly she only performed half the operation of transforming raw cotton into textiles. She took and spun the American flocks and sold the yarns to the world, which wove them to its fancy. This export of yarns almost sufficed for her support, or at any rate occupied a notable place in her commerce.

	1857.	1860.	1867.	1872.
Exports of yarn . . .	8·7	9·8	14·8	16·6
(Millions of pounds sterling.)				

Germany was especially one of her best customers for yarn; in 1872 she alone, either directly or through the intermediary of Rotterdam, bought £8,500,000 worth; to-day her purchases hardly amount to £80,000. Her other great consumers, Italy, India, China and Japan, have now provided for their own requirements, or seek their supplies elsewhere. Manchester had perforce to abandon the coarser kinds of yarn; she accordingly proceeded to specialise in the production of the finest thread, which, more difficult to obtain, but, at the same time, commanding a higher price, left a greater margin of profit on a palpably smaller capital involved.

So Manchester has, to a certain extent, forsaken the rudimentary industry of spinning, as being specially suited to less scientific and civilised humanities, and, consequently, within easy reach of their more backward organisation. Since 1872 her export of yarn shows no great sign of expansion, whilst the value in money is reduced by a half:—

EXPORT OF YARNS.

	1872.	1882.	1890.	1893.
Millions of pounds weight .	212	238	233	249
Millions of pounds sterling .	16·6	12·8	9·6	8·9

But the deficit in the spinning industry is more than made good by the increased figures of the weaving trade:—

¹ *Blue Book*, C. 4715, p. 144.

EXPORT OF TEXTILES.

	1860.	1870.	1880.
Millions of yards	2771	3257	4470
Millions of pounds sterling	40	53	57

On textiles the margin of profit is considerably wider. Manchester is in this way the gainer of more money without, however, increasing to any great extent the capital employed. She no longer delivers to the public unbleached cloths, but bleaches, dyes and prints them before sending out. Learned Germany, and primitive countries like Arabia, India or Persia were once the most noted for dyes and prints; in the one case, due to the scientific methods discovered in the laboratory; in the other, to traditional recipes handed down from father to son. Lancashire was not too proud to take lessons from another's book, and, finally, set up the necessary plant. When, therefore, Mr. Chamberlain proposes that commercial museums should be created at great expense to the State, or that the Consuls of His Majesty should be asked to supply plans, designs, estimates, information and advice, Manchester, through the voice of her Chamber of Commerce, makes reply:—

“Our everyday customers constitute the best of commercial museums, and any one of our foreign agents can give more circumstantial and useful information than all your Consuls put together.”¹

Ever faithful to her ancient creed, and working for the general good of the greatest number, Lancashire has taken the measure of humanity's needs and tastes. She knows the kind of cloth or the shade which will please a Chinaman or an inhabitant of Argentina; she cuts her pants to suit the length of Australian legs, for she has made the discovery that in Oceania the human leg shows a tendency to elongate.² And, selling articles more completely finished, she has seen her profits grow in proportion to the growth of her pains. Thus it is that her exports of unbleached cloths, or of simply bleached, have continuously decreased in value. But dyed and printed pieces more than make up for the deficiency:—

¹ *Blue Book*, C. 8963, p. 23 and following. ² *Ibid.*, C. 8963, p. 25.

EXPORT OF COTTON CLOTHS.

	Unbleached.	Bleached.	Dyed or Printed.
1888	20·5	13·6	18·3
1892	17·5	12	19
1896	16·7	12·5	21·8
1898	16·7	11·8	19·4

(Millions of pounds sterling.)

And this industrial transformation is by no means all that Manchester has effected; for in twenty years she has completely transformed her methods of trading, and even her manner of life.¹ Formerly, she was merely a manufacturer; the peoples of the world flocked to her emporiums in eager competition for her yarns and textiles. No need for her, at that period, to run after customers, or keep shop or display her manufactures. Her cotton magnates, important personages, were quite content to leave all brokerages and bargainings in other hands. The humble intermediaries, who performed the service of distribution throughout the world, were foreigners, for the most part Germans and Greeks. Manchester took the matter in hand, and it is estimated that to-day capital to the amount of £10,000,000 has been expended in the establishment of suitable distributing agencies. As was her wont, she learned by experience the best methods for bringing herself into touch with all points of the globe. At first she was content to send her wares on consignment here, there, and everywhere, almost at random. But experience soon proved the risks of that system. Accordingly Manchester enlisted a regular army of commercial travellers who, each having assigned to him his particular quarter of the globe for prosecuting inquiries into the needs and preferences of the customers, supplied everything that was asked for, not only cotton merchandise of all kinds, but also every English product under the sun. With a keen eye to business, she not only paid attention to the distribution of her own goods, but also

¹ For the actual commerce of Lancashire, see the curious deposition of Mr. G. Behrens before Parliamentary Committee, 1896. *Blue Book*, C. 8963, p. 27.

to that of the Midlands. The merchants of Birmingham, converted to Unionism, disdained to become the mere servants of their customers; the world, thought they, was already sufficiently honoured in making their acquaintance and ought to come and knock at their door. In this way the lords of Manchester became retailers of Birmingham and Sheffield goods, of hardware and cutlery.¹

For this new kind of life, Manchester has necessarily transformed her men. In this new England, where ignorance is the fashion and science flouted, where blind faith is held in such high esteem, Manchester has constructed schools, libraries, laboratories and scientific establishments. She has become a university city. She has created, for her own service, engineers and chemists, who make daily discoveries of some new recipe, interpreters who speak or translate every language, and, above all, an army of representatives abroad, who, by knowledge of their profession and foreign tongues have no equal in the world.² She has even transformed her country; essentially an inland town formerly, she is now a seaport. For she has obtained direct communication with the sea by means of her monster ship canal, 35 miles long, 45 yards wide and 27 feet deep, constructed in a period of seven years, 1887 to 1894, at a cost of £16,000,000. With the completion of necessary docks and basins at the two extremities of the canal, she hopes eventually to dispense with the intermediary of Liverpool, and do business direct with the world, *viz.*, raw cotton for her machines, foodstuffs for her operatives; for the needs of her daily life the canal enables her to escape the grinding exactions of the railways.³ She is even thinking of making her independence absolute by the construction of a double line of railway to the sea. She

¹ *Blue Book*, C. 8963, p. 28. Many Manchester houses distribute an enormous quantity of goods from the Midlands, both Sheffield and Birmingham metal goods; that business is as fully organised as the textile trades.

² *Blue Book*, C. 8963, p. 27.

³ Port of Manchester's tonnage (Manchester Chamber of Commerce *Monthly Record*, January, 1899):—

1894	.	.	.	.	.	925,000 tons.
1896	.	.	.	.	.	1,826,000 „
1897	.	.	.	.	.	2,065,000 „
1898	.	.	.	.	.	2,595,000 „

has made the calculation, from which it appears that the rates of freight demanded by the companies which connect her with Liverpool might easily be reduced 40 or 50 per cent. without jeopardy to the capital invested in the new enterprise. A definite decision will be taken in this matter if the existing companies are not amenable to reason.

Freeing herself little by little from the servitude of cotton, thanks to these successive metamorphoses, Lancashire is no longer so entirely exposed to the effects of a Hindu famine or the failure of an American crop; for she has diversified her occupations and resources. Her admirable Chamber of Commerce is to-day a sort of commercial parliament where every kind of question interesting Lancashire is studied in detail, so that nothing that might arrest or promote the common prosperity escapes its vigilant eye; for the Chamber, subdivided in committees, has partitioned the material and scientific worlds; thus, there is a Committee of Correspondence and Finance, a Committee of General Interest, an India Committee, China Committee, Africa Committee, Navigation Committee, Education Committee, Chemical Committee, etc. Further, for the benefit of her subscribing public, the Chamber issues every four weeks the *Monthly Record*, being a *résumé* of all the questions treated during the period; merchants can thus be seen discussing in a perfectly intelligent manner questions so dissimilar as, for instance, Belgian Customs, the floods of the Tigris, Siamese matters and the Levantine crisis, Portuguese tariffs and Bulgarian codes, the Budget of Sierra Leone and Brazilian bankruptcy. This *Monthly Record* has no equal for abundant information unless it be the *Manchester Guardian*, perhaps the best daily newspaper in the world, the best informed, the most impartial, and the most straightforward; if England were always interpreted by such trustworthy authorities as these, much of the misunderstanding which is rife in the world would, doubtless, disappear from our planet.

For, ever faithful to her past, the voice of Manchester has never ceased to defend her old belief in human solidarity, universal liberty and peace. All the howlings of Jingoism, all the proud boastings of Imperialism have not lowered the standard of her lofty ideal. Fortified by long years of experience, Manchester has kept intact her steadfast faith in a world of justice, where work must ever find its own reward

and peace its fecundity, where liberty alone can build up men and fortunes, where the well-being of the whole human community, irrespective of race, colour, language or religion, constitutes the sole firm foundation of all power and prosperity. Manchester, who knows well her own business, looks closely after her interests; but she knows that to make them sure she must also have some thought for the material and moral needs of her customers. She has learned by experience that a Roumania freed from the yoke of oppression, where the Christian can henceforth extend in peace his cornlands and sink deeper his petroleum wells, will certainly have a greater purchasing power than the wretched Danubian provinces of the Turkish Empire. She is convinced that the Bulgarian saved from massacre by her grand old Liberalism will become a better consumer according as he becomes more civilised. And when the people of the Midlands propose to her that humanity should be divided into two parts, *viz.*, on the one hand, the Anglo-Saxons who will only be loved for the chances of exploiting them, and on the other, the rest of the world who will be combated without mercy in the hope of encompassing their ruin, she calls to mind the following incident, the result of which seems to her but the foretaste of many similar experiences if this Imperialistic policy be persisted in.

Once upon a time, Ceylon, with her coffee plantations caused England to become one of the world's leading coffee markets. One year with another Ceylon exported to the British capital about £4,000,000 worth of coffee, and took in exchange British products. At that time China was the principal producer of tea, in 1872 she made sales to the English amounting to £11,000,000 sterling, and in 1875 to £12,000,000, with the proceeds of which she paid for the yarns and cotton goods supplied by Manchester. But a good Englishman does not drink coffee! Why then continue the cultivation of coffee? A good Englishman, on the other hand, does take tea, therefore why should he be dependent for his national beverage on these lying, thieving Chinese who give false weight and false quality? And so the coffee plantations are rooted up, and England loses her position in the coffee trade which passes to Hamburg. The tea shrub now takes the place of the coffee plant and England drinks nothing but this imperial nectar. To pay for English yarns and cloths,

China must part with her money, but, unfortunately, the Chinaman is avaricious and likes to keep his money, besides which depreciated silver currency is not of much account in countries with a gold standard. Accordingly the Chinaman limits his orders and begins to look about for other trade relations. And so the American comes to hand who, having need of tea, offers in exchange his manufactured articles of all kinds. China transfers to America the fruitful commercial alliance which Lancashire had once enjoyed. Long live the Empire and Imperial products! Let then hundreds of millions of Chinamen desert English trade, in order that, by way of compensation, a few paltry thousands of Cingalese may be retained!

In spite of the Midlands' cry, "Empire is commerce," Manchester is of opinion that such experiments cannot be repeated with impunity. Moreover, she has a thousand other reasons for mistrusting Imperialism. This new-fangled policy, another importation from Germany, seems to her reactionary and smacking of the Middle Ages; she thinks that the example of Germany has had a curious interpretation put upon it by this modern school of antiquated methods. She is convinced that Germany has gone on and prospered in spite of and not by Protection.¹ Behind military and Imperial violence, mere external show and uniform, she perceives the real forces which have aroused Germany from her lethargy and galvanised her into activity, and she thinks she recognises these forces, though clad in another garb, as those which she has been trying to strengthen and develop for a century past, *i.e.*, the effort of each directed to the advancement of the general good, the pursuit of what is new and best for promoting the welfare of the greatest number. The founder of German unity, beneath his white cuirassier's uniform, appears to her as the most powerful artisan of modern Radicalism. It is not, thinks she, the burnished cuirass which has made Germany's fortune; war, even legitimate, even victorious in the end, has never yet yielded any better thing than a crop of misery and sloth, and the militarism of the Hohenzollerns could only have produced enthrallment and starvation, had not the liberalism and labour of a peace-loving nation counteracted the blighting power of armed authority.

¹ *Blue Book*, C. 4715, p. 155: "Far from benefiting Germany, the import duty is actually injurious to German interests".

PANBRITANNISM.

CHAPTER I.

“We are threatened with a reactionary Parliament next session, and no doubt there are so very many men in this country who have interests worth preserving and privileges which they desire to maintain that they will make a strong effort to secure their continuance. Priest, parson and squire ; the land and the Church ; the aristocracy of birth and the plutocracy of commerce, will be banded together to stem the tide of democracy and to roll back the current of advancing popular thought. At such a time it behoves every true Liberal to bear aloft the banner of progress in the face of much temporary discouragement, and even, possibly, temporary defeat.”—J. Chamberlain to the electors of Sheffield, 1st January, 1874.

MANCHESTER remains true to Free Trade as making for peace and the greater happiness of humanity at large. On the other hand, Imperialism, Protectionist and warlike, is everywhere triumphant in the United Kingdom. In England, at any rate, resistance seems impossible. Political parties have lent a ready ear to the blast of the Imperial trumpet, or even claim the honour of having sounded the first note.¹ If the Tories have retained for device the adage of Lord Beaconsfield, *Imperium et Libertas*, the majority of Liberals follow their ancient leader, Rosebery, who, as lord and son-in-law of the Rothschilds, is doubly interested in the success of the Imperial enterprise. The small *état-major* of Mr. Chamberlain is composed of Radicals ; but the representatives of peaceful and humane England are now dead or reduced to silence. Even the *Cobden Club*, the inheritor of the great principles of Manchester, the born defender of peace at all costs, almost allows Protectionist ditties and the howlings of war to pass without a murmur. The Manchester Chamber of Commerce still proclaims its firm adherence

¹ *Review of Reviews*, August, 1897, p. 257.

to *Free Trade* as an "Imperial necessity". But after holding aloof for ten years this Chamber also finally consents to become a member of the Association of Chambers of Commerce, and, on the occasion of the discussion concerning the protection of British colonial sugars, the representative of Manchester is actually found drawing distinctions and specifying the cases where such Protection might become directly antagonistic to *Free Trade*.¹ Reduced to the same silence or powerlessness, the few remaining representatives of chivalrous and Christian England appear discouraged and vanquished, compelled to make a show of tacit or public adherence to enterprises of the worst kind.

Only outside the borders of England, in Scotland, Wales, not to mention Ireland, can the voice of protest be clearly heard. Partly out of the habit acquired as Dissenters, partly also out of a deep conviction and religious or humanitarian sentiment, but in the main out of a just appreciation of their interests, these Celtic people remain faithful to the principles of pacific Radicalism. The reason for this steadfastness of opinion is not far to seek. Cardiff coal and the shipbuilding yards of the Clyde have managed to maintain their world-wide connection, and all the strenuous competition of both hemispheres notwithstanding, no perceptible inroad has been made into their ancient monopoly. In the field of naval construction, Lloyd's statistics demonstrate that the year 1898 was the most satisfactory ever experienced by the British yards. The mercantile marine gave orders for 761 vessels of a total tonnage of 1,367,570 tons; war vessels amounted to 33 ships of 120,560 tons; never before had this figure been reached. More especially is this so in the case of mercantile marine, the figures of 1889, which up to that time had remained somewhat legendary, being actually exceeded.

BUILDING OF MERCHANTMEN.

Year.	Tons.	Year.	Tons.
1888 . . .	838,040	1895 . . .	950,967
1889 . . .	1,209,361	1896 . . .	1,159,751
1891 . . .	1,130,816	1897 . . .	952,486
1893 . . .	836,383	1898 . . .	1,367,570

¹ Manchester Chamber of Commerce *Monthly Record*, October, 1899, p. 236.

Out of the total for 1898 Scotland and the neighbouring building centres of Newcastle, Sunderland, Hartlepool and Middlesborough are answerable for about 1,200,000 tons.

England herself is the best customer of her own yards, that is incontestable; in 1898 she took 1,061,642 tons. But her Colonies and the other Anglo-Saxon countries, *i.e.*, the Empire, hardly appear in these statistics; all together, their orders only amounted to 20,000 tons. Denmark, 45,000 tons; Norway, 44,000 tons; Russia, 38,000 tons; Germany, 36,000 tons; Japan, 20,000 tons; Holland and Belgium, 26,000 and 17,000 tons respectively, form the principal outside customers of the Scotch yards. In the same way, the builders of war-vessels undoubtedly profited by the Imperialistic policy and the ever-increasing fleet; but beside the United Kingdom, whose orders amounted to 70,000 tons, there were Japan, Russia, China, Chili, Portugal, who purchased 50,000 tons.

Nor can coal be Imperialistic. In forty years the exportations have grown sixfold, each succeeding year showing an advance on its predecessor:—¹

EXPORTS OF ENGLISH COAL.				
1857.	1867.	1877.	1887.	1897.
6,821	10,565	15,420	24,460	35,354
(In thousands of tons.)				

Moreover, the gigantic and prolonged strike of Welsh miners in the years 1898 and 1899 did not in any way prejudice the total of exports as compared with 1897; for the coalfields of the United Kingdom sold abroad no less than 36,000,000 and 43,000,000 tons respectively. And out of this total the British Colonies and Anglo-Saxon countries only figure for 2,000,000 tons. The veritable empires for British coal, and more especially Scotch and Welsh, are the Baltic and North Sea—13,000,000 tons, and the Mediterranean 17,000,000 tons. For the Welsh ports of the Bristol Channel, the Scotch ports and the neighbouring English ports carry on a most important traffic; Scotland and the northern districts of England sell 10,000,000 or 11,000,000 tons to German and Slav Europe, whilst Cardiff, Newport and Swansea dispose of 12,000,000 to the Latin and Mussulman Mediterranean.²

¹ Figures taken from *Statistical Abstracts*.

² Central Committee of the Coalfields of France, *Circulaire*, No. 1714.

Scotchmen and Welshmen are not, then, to be found in the army of Imperialism. They see all too clearly what they would lose in the event of a military and exclusively national Empire being established. But, far fewer in numbers, their protestations are stifled amid the boisterous hurrahs of the Imperialistic rabble. . . . And this army, master of the situation within, goes about menacing destruction and demolition to everybody and everything which would bar the way without. Boastings and blusterings are ever in their mouth. The well-known brag of Tartarin de Tarascon, "*Qu'ils y viennent, un peu !*" is the refrain to which they habitually march: *Let them all come !* With them, from menace to execution is but a short step. At one time it is France who, being anxious to obtain a footway on the grand African route, must retire before the ravings of these madmen. At another it is the Transvaal which must be trampled upon as a fitting punishment for possessing so many gold mines. Next year it will be the turn of Russia, Germany, Venezuela, United States perhaps; for the number of those who bar the way is legion, and as long as they have breath to shout, their cry will be: "*Qu'ils y viennent !*"

However, in spite of all the enthusiasm—for the disastrous opening of the South African War cause politicians to reflect—some, and prominent men in the State too, begin to ask themselves where things are leading to. Undoubtedly to war, and the enrichment of a band of speculators; but what then? The Empire, for which all are clamouring, assumes a shape according to the ideal which each has formed of it. For the three sections of which this army of Empire, so united in appearance, is composed, *i.e.*, aristocrats, merchants, and the masses, are all bent on following their own line, and, the crossway reached, each thinks to impose his will and control the rest of the column.

The masses, as is their wont, only see in Empire the outward and visible signs, a mighty and flaming machine of war, dazzling and crushing the universe, soldiers, horses, gilded accoutrements, blare of trumpets, glittering uniforms, reviews filling Spithead with ships of war and Aldershot with cannons, and finally Britannia sitting astride the world in a glory of exploding powder and booming guns. . . . For

the aristocrats whose ease and plenty, privileges and income, are solely dependent on the maintenance of the old constitution; who, in addition, find in the constitutional spirit, *i.e.*, in the conservative prejudice of English society, a thousand and one other convenient means of exploiting the community—for these Empire can and should only be a political and constitutional machine; the aristocracy only desire the unity of the Anglo-Saxon world as their predecessors desired that of the British Kingdom, *viz.*, for the greater enhancement of their own grandeur. To-day a nobleman—and everybody knows the consideration, the complaisance, the privileges, and credit which such a title confers—a nobleman is only really a nobleman in England. At Sydney or Quebec, for instance, unless he bears one of the great names of the peerage he is just a simple citizen, nothing more. But should the Empire ever become an accomplished fact, with a Parliament sitting in London, he becomes by that fact nobleman both of the old and new worlds, and for such a consummation the simple extension of the old British Constitution to the entire world is the sole requisite. . . . With these two forms of Empire, the military or the constitutional, the merchant is not concerned. His one hope and dream is commercial monopoly; his one aim the establishment of a skilfully arranged *Zollverein*, by which foreign competitors may be expelled from the Anglo-Saxon countries and his profits doubled! Empire can, and should only be, a commercial syndicate.

Out of these three species of Empire one will have to be chosen, for a combination of the three does not seem possible. Militarism and trade do not appear capable of going hand in hand. A choice, therefore, will have to be made. Some have already done so and that publicly; amongst these select few is to be found the actual founder of the school, Sir Charles Dilke. According to this authority commercial and constitutional Empires are mere dreams and idle tales; a military Empire is alone feasible. And Sir Charles adduces weighty arguments against Imperialisms which are not cut to his pattern.

His arguments are alike material and brutal, based upon fact and figure. An Imperial constitution, says he, would undoubtedly entrust the power to an ecumenical Parliament,

wherein the States of the Empire would be represented according to their population *pro rata*. In this way the Colonies would be entitled to a representation of from 180 to 200 members, while the United Kingdom would retain the present distribution, *viz.*, 495 members for England, 72 for Scotland and 103 for Ireland. As the Motherland would have four votes to one accorded the Colonies, where would the latter find sufficient guarantees in such a Parliament? Besides, the word Parliament implies bills, legislation. Now the German Imperial Parliament enacts laws in connection with the military, commercial and diplomatic business of the Empire; the common Budgets of War, the Navy, Ways and Transport, Foreign Affairs, etc., are all dealt with by the votes of Parliament. But England alone furnishes the funds for the Navy, Army and Diplomatic Service; by what right then would the Colonies supervise the manner and amount of expenditure under these heads? If ever the Army and Diplomatic Service became really Imperial, then would be the time to think of an Imperial Parliament which, at the present moment, would be worse than useless.

Stronger still than the foregoing calculations seem to be the eternal and deep-seated reasons which make Empire and Constitution two contradictory terms; *res dissociabiles* has already remarked the historian Tacitus. Impossible to have both at the same time; a choice must be made between one or the other. For the sake of Empire Rome had to abandon her old senatorial constitution; constitutional Spain could no longer maintain the Empire of absolute Spain. In England the professional Imperialists have made no mistake. They know full well that Empire and Liberty, whatever politicians may say, are two irreconcilable terms. Froude was already considering the two alternatives, and no sooner did he set foot on board a man-of-war than he found his model for the future Oceana:—

“An ironclad under a *régime* of elective and representative principles would not be a dangerous adversary. It may be that nations would get on better if they were administered like an ironclad, according to the old order of things and the old principles of authority. Such was England once upon a time. Such, perhaps, will she become again, when, delivered from the condition in which victory in an election or in a

vote of the Commons is extolled as though it were a triumph over the enemy, she shall cease to place the national honour, national integrity, and even national interest, behind the interests of party. . . . Leaders of another type would rule in a united Oceana." Froude wrote these words under a Gladstone Government.¹ They were certainly logical. For it is evident that men and peoples, differing widely and separated from each other by thousands of miles, can only live in a state of union under the absolute authority of one master. On the threshold of Empire, as "at the landing stairs of a man-of-war which is exposed to rude assaults,"² the voice of democracy must remain silent. The only strong and durable tie between communities separated from each other by distance is the general recognition of, or even enthrallment by, a constituted authority, and the more such authority is distant the greater is the need for its envelopment in a sacrosanct and mysterious infallibility. But when a constitution holds forth the promise of liberty to various peoples, and when, moreover, public discussion inculcates in them the necessity of being free and especially of feeling that they really are free, this liberty must of necessity be within easy reach, verifiable at any moment, almost tangible. If this be not so, the day of revolt cannot be far off. For the acts of a distant Parliament will no longer appear at Sydney, for instance, as the expression of the common will, but rather at the first discordant note as the orders of a foreign master, and when an Anglo-Saxon community feels that it no longer disposes of its destiny, the example of the United States is there to indicate the remedy for such a state of affairs. . . . An Imperial Parliament would undoubtedly be the first step towards the disintegration of the Empire.

"A commercial Empire," continues Sir Charles Dilke, "supposes one of two things: either the abandonment of *Free Trade* by the mother country or relinquishment of Protection by the colonies. For, if the mother country lives under a *régime* of *Free Trade*, the colonies, without exception, have adopted the system of a thorough-going Protection. Thus, it is no uncommon thing to find an article subjected

¹ Froude, *Oceana*, Tauchnitz edition, p. 166.

² *Ibid.*

to a duty of 40 per cent. *ad valorem* in the fiscal tariffs of Australia and Canada. Articles of general necessity are very harshly treated and the most English of products are not exempt: cotton yarns 10 per cent. in Sierra Leone, 12½ per cent. in Jamaica, 25 per cent. in the Bermudas; cotton cloths 12½ per cent. in Dominica, 15 per cent. in Santa Lucia, 25 per cent. in the Bahamas, 30 per cent. in Newfoundland; earthenware and china 15 per cent. in Queensland, 20 per cent. in Victoria, Tasmania and New Zealand, iron and iron-wire 10 per cent. in almost all the Antilles, etc.”

Is there any hope that England will give up *Free Trade* so intimately identified with the democratic cause by half a century's struggle and with the common prosperity by fifty years of success? Mr. Chamberlain, till quite recently, had never dared to plead the cause of Protection. Very skilfully he had let loose the plausible cry of *Fair Trade*, hoping, no doubt, that this counterfeit would slowly gain ground and finally take the place of the expression *Free Trade*; change the words and the change in the order of things would surely follow. Notwithstanding fifteen years of perseverance, the hope has not been realised. *Free Trade* still appears to working England as a vital condition of its fortune and even its existence. Even the Chambers of Commerce when advocating the cause of prohibitive, differential or protective duties, can only do so in the name of *Free Trade*. At the autumnal meeting held in September, 1899, it is in the name of *Free Trade* that the sugar bounties in vogue on the Continent are denounced and countervailing duties demanded.

“The Continent is violating the essential principles of *Free Trade*; to tolerate such a violation would be to participate in the foul thing, and that to a greater degree than if a return were made to the exploded and detestable system of *Protection*; it would be equivalent to protecting foreign industries at the expense of national industries.”¹

If the English capitalists and middle classes speak in this strain they are certainly not influenced by sentimentality nor

¹ Autumnal Meeting of the Association of Chambers of Commerce; speech by Mr. James Glen.

by fanaticism for an idea. They realise that the smallest duties levied on commodities constituting the first necessities of life—for the theory of commercial Imperialism consists in protecting on the home market the wheat of India and Canada, the meat, wool and butter of Australia, the tea of Ceylon, the sugar of Mauritius and the Antilles—the smallest duties would be the signal either for popular riots on vague rumours of corners and approaching famine, or strikes for increased wages, the workmen having to pay duties doubled, tripled perhaps, by the manipulations of speculators. The English manufacturers and consuls alike declare that the high level of wages is already crippling the possibility of successfully competing with the foreigner.¹

Inversely, is there any hope that the Colonies can or will forsake their Protectionist régime? Now it is not merely the desire to build up home industries, based on some ambitious and remote calculation, which has led the Colonies to adopt Protection. They are influenced by the exceedingly pressing and practical necessity of balancing their budgets. Protection has something else to do besides providing for their future development; it is absolutely essential to their present and daily life. Direct taxation having been reduced to a minimum, Colonial budgets are based on the proceeds arising from the Customs. New Zealand, which, one year with another, collects some £5,000,000 sterling, draws about £2,000,000 from the Customs; Newfoundland, with a budget income of £350,000, obtains £290,000 from Customs; Canada, with a tax collection in 1896 of £7,524,368 sterling, is indebted to Customs for £4,075,331.² And yet, again, the new Australian Federation has provided for the needs of the federal budget by imposing a general duty of 15 per cent. *ad valorem*. These duties are, in a great measure, paid by English products, seeing that articles of English origin account for about 45 per cent. of the total importations into the Colonial market; in Australia, out of a total import of £65,000,000 to £70,000,000 sterling the English proportion amounts to about £30,000,000; in Canada, out of £25,000,000

¹ *Foreign Office, Miscellaneous Series, No. 34.* The British workman is, in comparison with the value of what he produces, the most expensive workman in the world.

² *Blue Book, C. 8605,* for these and the following figures.

or £28,000,000 to £8,000,000 or £10,000,000 ; and in round figures, out of the Empire's total imports of some £260,000,000 sterling, English products account for about £120,000,000. The products of the home country, then, as paying the Customs duties, actually provide the wherewithal to meet Colonial expenditure.

The entire or partial remission of Colonial taxation on articles from the home country is not within the sphere of practical politics ; the duties, whether abolished or reduced, would have to be made good from some other source of revenue, *i.e.*, from direct taxes, and it is a well-known fact how difficult it is in any country, and especially among democracies, to change an indirect tax, however heavy, into a direct tax, however light. On the other hand, to maintain the actual tariff on English products and double those on the foreign would be, not merely to hand over the monopoly of the Colonial market to the home country—and it must be remembered that monopoly implies corners, exploitation, inordinate rise in all prices—but would also expose the Colonies to the wrathful vengeance of the world in coalition. The importations *from* the home country may well suffice for all the possible needs of the Colonial market. But the exports *to* the home market only account for a small part of Colonial products. Australian wool must have a world-wide market. The United Kingdom is far from importing the total annual shearing of Australian wool and does not even consume all the wool actually imported. Australia cannot, then, by instituting a system of prohibitive import duties, run the risk of upsetting her foreign customers in spite of all her patriotic desires ; in spite of her Acts of Union for the Defence of the Empire, she must maintain the *status quo* in so far as commerce is concerned. She seems favourably disposed to a military or constitutional Empire ; she will never be able to adhere to a nationalistic Zollverein.

In connection with the commercial as with the constitutional question, certain ideals and sentiments are involved against which it would be impossible to struggle. The word "profit," the definitive aim of all trade, is capable of being very differently interpreted by nations and individuals alike, according to their age. The old nations with an illustrious past, an established glory, and endless accumulation of

beautiful things and great names, think only of profit as so much hard cash : old people also are proverbially inclined to avarice. The young nations, on the other hand, put forth all their powers to acquire industries of their own, to have their great men, too, in every branch of life, in literature, the arts, sciences and professions. They want to be self-sufficing. To them profit appears as the means by which they hope to get rid of what they call foreign exploitation. Youth has far less need of money and material satisfactions than of independence and the gratification of *amour propre*. And so the English Colonies will continue to protect the budding growth of home labour, even against the competition of the Mother Country. Protection and Colonies on the one hand, Free Trade and Mother Country on the other, seem inseparable terms in the British Empire. What then becomes of the Customs Union and the Commercial Empire ?

There only remains now for consideration the military Empire to which Sir Charles Dilke has already rallied, to which, moreover, he counsels all others to rally. The idea is simple, is easy of accomplishment, is, in fact, already half consummated. A gigantic fleet, maintained at the common expense, would constitute the kernel, to which would be added an exceedingly powerful army ; each component part of the Empire would furnish its fair quota either in men, money, or kind ; the *Act of Defence*, already concluded and renewed with the Australian Colonies, might serve as a model for future contracts. All the oceans of the world would then be bent to the omnipotent will of Anglo-Saxon might.

So much for the rose, and now for the thorns. These magnificent naval and military reviews, these roadsteads offering the spectacle of frowning ironclads, of smoke and thunder of cannon, this Solent, furrowed by torpedo boats darting here, there and everywhere, and full of iron monsters, all these things rejoice the hearts of the people who are lost in admiration, and of the aristocrats who are in command. But now and again a taxpayer stops to calculate the cost of this joy. For there are still some Englishmen left of sound and moderate sense to form committees "against the increase of armaments" and to preach abroad the con-

tradiction between the three terms: *Empire, Trade, and Armaments*.¹ The newly invented, utilitarian Jingoism of Joseph Chamberlain, say they, which is merely a second edition of the old political Jingoism of Lord Beaconsfield, which, moreover, in the short space of thirteen years, has raised the naval expenditure from £28,000,000 to some £42,000,000 sterling, is only based on the vain formula: *Trade follows the flag*. If this really be so, there should be some proportion between territorial expansion and growth of the Empire on the one hand, and the increase of trade on the other. Let us pass in review, then, the history of the last fifteen years.

At no period in its existence has the British Empire grown to such an extent; at no time has the military expenditure connected with planting the flag all over the world increased so rapidly; and yet, during these same years, the decline of trade has never been more pronounced. In 1883 the population of the Empire amounted to 305,000,000 persons, distributed over a superficies of 7,000,000 square miles; in 1897 the population amounted to 433,000,000, occupying a space of 11,000,000 square miles. Nevertheless, in spite of the increase both in population and superficies, the exports fell from £305,000,000 to £294,000,000, after having actually touched £277,000,000 and £273,000,000 in 1893 and 1894 respectively. Since 1880 the Empire has acquired: Egypt, the coast and hinterland of the Niger, the coast of Somaliland, Socotra, Panhang and other districts of the Straits Settlements, New Guinea, Bechuanaland, Zululand, East and Central Africa, Rhodesia, the Soudan, Zanzibar and Pemba, Upper Burmah, etc.; and yet the exports have fallen from £6 17s. per head of the population to £5 17s., or, in other words, a net loss of £1 per head per annum. When once the English worker and trader have properly grasped these simple figures, military Imperialism will receive short-shrift. No, trade does not follow the flag, and all the

¹Pamphlet entitled *Increased Armaments Protest Committee*. "This Committee was formally constituted to print and issue leaflets, etc., to arrange addresses, and to carry on a propaganda in any other way it may find desirable, so that an effective antidote to the Jingo, militarist and sham patriotic sentiment which at present exerts an almost unrestrained influence upon the public mind may thus be furnished."

statistics for the last fifty years go to show that England's best customers are foreign nations and not the Colonies:—

QUINQUENNIAL AVERAGES OF ENGLISH TRADE.

Years.	Imports.		Exports of English Products.	
	Foreign.	Colonial.	Foreign.	Colonial.
1855-59	76·5	23·5	68·5	31·5
1860-64	71·2	28·8	66·6	33·4
1865-69	76	24	72·4	27·6
1870-74	78	22	74·4	25·6
1875-79	77·9	22·1	66·9	33·1
1880-84	76·5	23·5	65·5	34·5
1885-89	77·1	22·9	65·0	35·0
1890-94	77·1	22·9	65·6	34·4
1895	77·1	22·9	67·9	32·1
1896	78·9	21·1	65	35
1897	79·2	20·8	66	34

The same statistics show that the occupation of a given territory by the troops of the Crown may be more advantageous to foreigners than to British subjects. For instance, in Egypt Germans and Belgians have alone really increased their trade since 1881:—

IMPORTS INTO EGYPT OF ENGLISH PRODUCTS.

1870.	1880.	1887.	1892.	1897.
8726	3060	3003	3192	4435

(Thousands of pounds sterling.)

German imports have risen from £21,000 in 1886 to £281,000 in 1896, and Belgium from £86,000 to £485,000, also in the same period.

Such, then, is the deduction to be drawn from the statistics in so far as the formula *Trade follows the flag* is concerned. Genuine patriots who have the interest of the flag at heart are beset with other misgivings. They do not always share their apprehensions with the public; but now and again a series of untoward events, or even acknowledged disasters, compel them to make an open confession. To carry the flag so far and support it, as so often happens, quite inadequately, seems to them unnecessarily venturesome. They are of opinion that a little moderation might save the flag some outrageous affronts. They cannot forget that for

ten years the flag of Gordon remained a trophy in the hands of an uncivilised horde, and that the flag of Buller for four months had to give way before peasant bands. Military Empire might indeed expose to view the real weakness of Britannia's flaming, though fragile, armour. On paper she can hold her own against any possible combination of two or even three hostile fleets. The Navy is calculated to impose upon the intelligence of those who do not know it sufficiently well by the number, power and speed of its ships. But the crews are never up to their full strength, and the officer cadres are never properly filled up. Well-informed critics go so far as to maintain that quite one-half the effectives are wanting, and that only 50 per cent. of the officers can be considered of any moral or intellectual account. As for the Army, the same state of things may be said to exist, only sensibly worse. The reverses of the South African War, which revealed in so painful a light the utter insufficiency of this arm of the national forces, came as a shock to even the most optimist Jingo. Both on sea and land recruiting by voluntary enlistment becomes increasingly difficult, in spite of the more advantageous terms offered.

If the Imperial Navy is ever to cover all the oceans with so many invincible Armadas, thousands and thousands of men would be required. Some of the Colonies, and more especially Canada, would no doubt readily offer recruits, but in all probability the greater number would prefer to commute their liability by a payment in money or kind. According to all appearances, then, the home country would have to find the bulk of the crews. Again, an Imperial Army would require a rank and file very different to the actual composition of the present Army. It is not merely a question of increasing the numbers, but of improving the quality. The existing troops, both as to officers and men, are all very well for camp parades, the policing of frontiers, or the waging of small Colonial wars, but what would they accomplish when pitted against the civilised and highly trained soldiers of a first class Continental Power?

Of a truth, if Britain ever had to defend her gigantic Empire against the covetous envy of the world, soldiers and not hirelings would be an absolute necessity, and from that time forth, so say the professionals, voluntary enlistment

would have lived its time; conscription and obligatory service would become the order of the day. Confirmed Imperialists are convinced that this day is not far distant, and so they would like to lead the country by gradual steps along the path of resignation. But the degree of resignation and the necessity for it would have to be very great to impose an innovation so contrary to the sentiment, the primordial interests, and the social state of England as at present constituted. The people, middle classes and nobility, all have very pronounced views as to the undesirability of general military service.

Sentimental or religious prejudices against the man who kills; liberal prejudices against the man who obeys passively; moral prejudices against the man in receipt of pay leading a life of sloth and inutility—the soldier, in the opinion of the ordinary middle-class Englishman, is the lowest type of official, the first of domestics; military service is either the calling of a nobleman or the asylum of ne'er-do-wells. Self-evident is the interest of trade and industry. “By the absence of obligatory service, Great Britain enjoys an immense advantage over her rivals of France and Germany, who sacrifice the best years of their labouring population to military needs.” The above remark, made by an English consul, expresses very accurately the current opinion of working England,¹ which has followed closely the effect of enforced service on neighbouring States. The skill and enterprise of French commerce has been seen to decrease in proportion to the growth of military exigencies. Obligatory service is known to be particularly harmful to the obtaining of satisfactory recruits for all manufacturing and trading pursuits. The liberal professions can be taken up at a much later period in life; an intelligent and cultivated man of twenty-five or thirty years of age can pass into the legal or medical profession with all the greater brilliance. But quickness of eye, deftness of hand, speed in calculating, offering, accepting and deciding, in a word, the business instinct can only be developed whilst organs are still supple and brains impressionable.

Industry, trade, business calling demand an early apprenticeship, and ordinarily the Englishman is put to them at a very early age. In addition, business callings exact continu-

¹ English consul at the Hague, *Miscellaneous Series*, No. 419.

ous experience. Now all these conditions are impossible of fulfilment with obligatory service; let two or three years be given up to barrack life at the psychological moment when apprenticeship ends and skilled work begins, and all will have to be begun over again when the workman or clerk returns to desk or factory. Aristocracy has its point of view also, recognising full well, by the example of Germany and France, that obligatory service invariably implies universal franchise. These two great levellers, obligatory service and universal suffrage, would soon have done with the old England of tradition, the aged constitution and all that remains of the feudal structure, where so many privileges and so-called legal rights still nestle unquestioned. Equality of military duties drags in its train other equalities. Good-bye, then, to inalienable estates, primogeniture, hereditary seats in the Upper House! Exploded for ever the respectful awe for titles, and the perquisites, great and small, which attach to them!

Nor is this all. The organ creates the function; so armaments create wars. A military Empire must each year cover itself with some dearly purchased glory, and in return for loss of men and money must rest content with laurel wreath and the satisfactions of *amour propre*. Great Britain has learned by experience that a war, however easy in appearance to wage and terminate in a short space of time, may yet be dangerously prolonged. Her latest experience has clearly proved that the fortune of arms distributes an equal share of humiliation and glory, and that defeat deprives a country of a far greater amount of prestige and even trade than any victory ever bestows. A whole reign of grandeur and prosperity, seventy years of success and glory, were effaced from the memory of a jealous humanity by the poor military display in the Transvaal war. An experience of still older date has taught her that any great war is ruinous even if her troops are not engaged, and that, should she become involved, famine stares her people in the face. For the smallest obstacle, imaginary or otherwise, which bars the way to the shipping of the world, deprives her of daily sustenance; one small torpedo-boat, a single French, German, Russian privateer, by harassing the shipping on the main trade routes, would suffice to suppress the United Kingdom's breakfast or lunch. If, in the light of official statistics, the fluctuations in the

price of corn be taken into account during the last century, it will be found that each period of general peace is marked by a considerable fall, while each period of European war is marked by sudden and sometimes fabulous rises:—

PRICE OF THE IMPERIAL QUARTER.

	Shillings.		Shillings.
1771. Peace	48	1850. Peace	40
1783. American War	54	1854 } Crimean War {	72
1788. Peace	48	1855 }	74
1795 } Revolutionary War {	75	1858. Peace	44
1796 }	78	1860. Italian War	53
1800. Marengo	113	1862 } War of Secession {	55
1803. Peace of Amiens	58	1863 }	55
1805 } Napoleonic War	89	1869. Peace	48
1809 }	97	1871. Franco-German War	56
1812 }	126	1875. Peace	45
1822. Peace	44	1877. War of the Balkans	56
1829 } Revolutions and Civil {	66	1879. Peace	43
1831 } Wars {	66	1885. Peace	32
1836. Peace	48	1890. Peace	31
1839 } Eastern Affairs	70	1895. Peace	23
1840 }	66	1898. Menaces of War	30

The English trading public recognises that the rise would be much more marked in the next war, inasmuch as the land under wheat in the United Kingdom has continuously decreased (3,600,000 acres in 1871, 2,900,000 in 1880, 2,500,000 in 1885, 2,400,000 in 1890, 1,508,000 in 1895). Thus, in the autumn of 1898, as soon as a collision appeared probable with France in connection with the Fashoda incident, the Liverpool importers in concert brought about a gradual though none the less sustained rise, in order to shelter themselves from the accusation of having cornered wheat, the price of which would have been doubled by the opening of hostilities. The Imperialists adduce elaborate calculations to prove that "the Empire can feed its own people,"¹ that India and Canada will amply suffice for the wheat and meat imported at present from the United States, Russia and Argentina; that Canada and Australia will be able to supply milk, butter, eggs and cheese at present coming from France, Holland, Denmark. But even admitting their calculations to be justified—and they are not—the Colonial products would have to keep on arriving in a regular and continuous stream—conditions quite

¹ *Nineteenth Century*, January, 1896.

impossible of realisation when a great war is raging. The United Kingdom can no longer carry on a great war, her 40,000,000 of population would be in a state of starvation before the struggle was a month old. Moreover, it would be almost too much to expect the existing population, undermined as it is by international Socialism, embittered by the high-handed practices of their employers, thoroughly instructed as to where their true interests lie, to show the same degree of civic patience and patriotic fanaticism which they displayed in the time of Napoleon. Let wheat only rise to forty shillings per imperial quarter and no Government will be sufficiently strong to withstand the onslaught of the infuriated mob. The United Kingdom is bound hand and foot in the peace of Europe on whom she depends for her daily food. . . . Then why dream of a useless army? Of what use a military Empire?

In fine, against this military Empire, Englishmen with a slight knowledge of history—and in the Radical-Liberal camp, Grote, author of *Athenian History*, ancient Radical leader, has converted not a few readers—produce yet one more argument. After Marathon and Salamis, Athens, the deliverer of the Greeks, was entreated by the Greeks of her race, *i.e.*, by the Ionians, the Anglo-Saxons of Greece, to found a Panionian Empire. The Ionians, disseminated along the coasts and in the isles of the Ægean and Ionian Seas, desired to form a union against the ever-threatening danger of Persia. Athens accepted the invitation, and the Ionic community submitted to an assessment for meeting the common expenditure. An Imperial Army and Navy were created and maintained by contributions from each in men, ships or money. The most popular method of payment was the latter. The Ionians, therefore, subsidised Athens to be their soldier. So long as the Persian danger was really imminent they paid up readily enough. But once the danger removed, the memories of heroic struggles and ancient ties of race gradually faded away. One after another, the Ionians began to murmur, and finally revolted against what they called Athenian tyranny. The Greek world, ever jealous of this "Greater Athens," formed a league to support these revolts. Less than a century after Salamis, Athens, overwhelmed by the other Greeks in coalition, with her walls and commerce a heap of ruins, began to disappear from history.

PANBRITANNISM.

CHAPTER II.

“But I should think our patriotism was dwarfed and stunted indeed if it did not embrace the Greater Britain beyond the seas; if it did not include the young and vigorous nations carrying throughout the globe the knowledge of the English tongue and the English love of liberty and law; and, gentlemen, with those feelings I refuse to think or to speak of the United States of America as a foreign nation. We are all of the same race and blood. I refuse to make any distinction between the interests of Englishmen in England, in Canada, and in the United States. We are branches of one family.”—J. Chamberlain, at Toronto, 30th December, 1897.

At the present time, it is improbable that any arguments of facts or ideas, historical memories, ratiocinations or hypotheses of politicians, statistical calculations or predictions of philosophers would change English opinion one iota. This wise and calculating people seems carried away by a wind of speculation and megalomania. The supposed necessity and the fixed determination to have an Empire are coupled with the preconceived notion that one day or another the wish will become an accomplished fact. If difficulties, or even impossibilities, are mentioned, there are no ears to hear. No heed would be taken of organic difficulties and still less of theoretical ones. ¶ Throughout its history, in all its combinations and political dreams, the English race has never paid the slightest attention to a theoretically rational organisation. This is quite sufficient to account for the spectacle of a political and social framework the organisation of which is not, so to speak, due to any human intervention, for it has grown throughout the centuries at random, like the trees, at the mercy of shifting influences and the most contradictory necessities. However irrational and incomprehensible the building, taken as a whole, may appear, to the inexperienced eye, however indiscernible in its details to the keenest sight, it exists none the less and shows every symptom of a vigorous

vitality. Therefore, why not admit that the Empire will spring into existence, grow and endure in like fashion? The organisation will certainly be automatic; no theorist can say exactly when and how the acorn becomes an oak. When the Empire shall be seen rising from the seas, learned professors will try to explain it, as if any other explanation were necessary than the natural force of things and Divine Providence, which, superior to all human weaknesses, has ever worked for the grandeur of Albion.

It is not, then, a question of reason but of faith, and so the England of to-day believes the Empire will be. Political federation, commercial syndicate, military alliance, one or other of them, or all three, or even some other alternative, what does it matter? In spite of, or perhaps by reason of, the world's envy the Anglo-Saxon Empire will succeed in uniting all those who speak the language of Shakespeare and Rudyard Kipling, all those in whose veins British blood circulates; *Pan-britannism* will govern humanity for the greater advantage of all Britons. Such is the inevitable future as it appears to the majority of most Englishmen. Away then with quibbles as to the possibilities of the future! Let us doubt no more the coming union of all Britons. For every Briton, all the Anglo-Saxons of the world are to have a place in this State, not only the Britons, sons of the great island and of the Colonies, but also the dissentient Britons—the Americans—whom a revolt once separated from the Mother Country.

Such is the will, such is the understanding of the *Pan-britannic* sentiment and theory, although the United States have to-day more Britons than England and her Colonies together. Besides, present and future necessity so demand, because the Empire cannot live unless the Yankees also are drawn within the magic circle. By themselves or even with the enthusiastic and constant support of all their Colonists, where would the English be if confronted by a European coalition? This splendid isolation of which they used to be so proud places them at the mercy of every diplomatic combination on the Continent. Italy, though not capable of giving any great assistance, is the one faithful ally in Europe. Englishmen can have no illusions as to the hostility of Germany and the hatred of Russia. Formerly they reckoned on French rancour to keep Berlin and Paris apart for a time;

but they recognised that a few Fashodas would soon efface the dying pulsations of this rancour. If, therefore, the United States ever joined this concert of enmities, for how many hours could the most gigantic fleet hold the world in check? Setting aside any question of open hostility, a merely indifferent attitude on the part of Americans would keep the United Kingdom and her Empire in perpetual dread of some coalition; this dread, perhaps, might be imaginary, but it would none the less render the possession of Empire both incomplete and precarious; still there is real cause for this fear founded as it is on just appreciation of injured interests, of ambitions and jealousies or of regret aroused throughout Europe by the spectacle of this grandeur and fortune. Without the American "cousins" it would be necessary to lead a hand-to-mouth existence at one time by affecting to make friendly advances, at another by granting concessions to the strongest or the most hostile adversaries. And even concessions would not always suffice. That was made quite clear at the beginning of the Transvaal complications. If England eventually had her hands free it was only by soliciting from President McKinley a threat or rather an ambiguous intimation in his address to the Continental Powers. Not only had German silence to be bought by the present of the Samoas, but in order to counterbalance the ill-will of the Franco-Russian alliance it was necessary to dangle before the eyes of the world the mirage of American good-will.

Therefore, a strong and durable Empire would be quite impossible without the co-operation of all Britons. Besides, even if England desired to shut out the United States from all participation in the profits and privileges of her Empire, it is hard to see how, if Canada, the Antilles, the Guianas, Honduras, etc., were commercially and politically subjected to the Empire the Americans could passively yield so large an extent of the American Continent for the exclusive advantage of this extra-American State. Not only does the *Monroe doctrine*—"America for the Americans"—seem to have become the mainspring of their foreign policy, but there are also statistics to show the enormous losses which their export trade would have to bear. In any Anglo-Saxon Zollverein the presence and effective co-operation of America is a *sine quâ*

non. This, Joseph Chamberlain, the founder of commercial Imperialism, has always foreseen.

“You are wrong,” said he to the Americans as early as 1888, “to treat us as a foreign and rival nation. As for myself, I refuse in America the title of foreigner. I feel much as a distinguished diplomatist who once told the Prince of Wales that the world was divided into three classes—Americans, Englishmen and foreigners. Believe me, sooner or later you will have to lower the Chinese wall you have raised between us and the commerce of the world, and re-establish the true *régime* of a good understanding, unlimited reciprocity, between all English-speaking peoples.”¹

In 1888 this language of Birmingham’s deputy was quite comprehensible. Up to 1872 Birmingham, Sheffield, Leeds and Manchester enjoyed an almost exclusive monopoly in America. For British hardware, steel, cotton and woollen goods the United States were the principal market ; American home industries did not exist. Foreign competition, with the exception of French silks and woollens, was infinitesimal.

ENGLISH EXPORTATIONS INTO THE UNITED STATES.²

	1868.	1870.	1872.
Iron	5391	7587	11,565
Cotton yarns	20	142	185
Textiles	2823	4130	5,152

(Thousands of pounds sterling.)

In 1872 the total importations from England into the United States reached the figure of £45,907,998 sterling. From 1872 to 1879 the general stagnation of business and serious financial crises beyond the seas diminished this total by an enormous amount :—

1873	36	|	1877	16
1875	25	|	1879	25

(Millions of pounds sterling.)

¹ Speech at Philadelphia, 29th February, 1888.

² For these and the following figures, see *Blue Book*, C. 836, 2091, 3637, 5451, 7042 and 8896.

The year 1880, with its £38,000,000 sterling, showed a marked recovery, which was even maintained up to the year 1888:—

1881	.	.	36	|	1885	.	.	31
1883	.	.	36	|	1887	.	.	40

(Millions of pounds sterling.)

These figures still fell short of the total reached for 1872 by some £6,000,000 sterling, and they were only once reached again in the year 1890. The ability to consume, however, had by no means diminished in the United States, seeing that the population had grown from 40,000,000 in 1870 to 60,000,000 in 1888, and that some industries were still practically non-existent. As a matter of fact a clever competitor had commenced to poach on English preserves. The Chambers of Commerce, without exception, throughout the United Kingdom, were already beginning to denounce German competition. It was Germany who had successfully diverted into her trade channels the £6,000,000 or £8,000,000 sterling which henceforth were missing in the English export column. Nor was this all. For after careful inspection of this column it was easy to see that a great change had taken place. Formerly England exported almost entirely her own merchandise and products. Colonial and foreign cargoes hardly entered, if at all, into her exports; barely £3,000,000 out of £31,000,000 in 1870; £5,000,000 out of £46,000,000 in 1872, and so on up to 1879, when suddenly the statistics show £5,000,000 worth of foreign products out of a total of £25,000,000; then £7,000,000 out of £38,000,000 in 1880; £9,000,000 out of £36,000,000 in 1883; £9,000,000 out of £31,000,000 in 1885; £10,000,000 out of £37,000,000 in 1886; and finally £12,000,000 out of £41,000,000 in the year 1888. All the time German articles were increasingly taking the place of similar English productions. Further, by the irony of fate the English mercantile marine actually transported these cheap goods *made in Germany*, which most of the witnesses summoned before the Parliamentary Commission of 1885 denounced with so much bitterness; the cutlers of Sheffield declared that this poor trash had ousted their own articles, and some even declared the impossibility of continuing the struggle.¹

¹ *Blue Book*, C. 4715, pp. 74, 88 and following.

The benefits which Joseph Chamberlain hoped to see accrue from Panbritannism in 1888 are clearly apparent. To enclose the United States market within the Imperial circumference, to exclude foreign articles from this Anglo-Saxon land, to add the United States and their 60,000,000 inhabitants to the preserves already earmarked for British industry and commerce, was certainly a practical idea and a good business calculation in the year 1888. But since that year things have somewhat changed. America decided to become herself an industrial country, and behind protective tariffs she has built up her factories. To-day she is no longer tributary of Europe except for wool and silk. If English exports have been more or less maintained, with a diminution nevertheless,

1889	.	.	43·8	|	1895	.	.	44
1891	.	.	41	|	1897	.	.	37
1893	.	.	35	|				

(Millions of pounds sterling.)

the figure of English products has decreased to an enormous extent, all to the advantage of foreign products transported in British bottoms:—

ENGLISH EXPORTS TO THE UNITED STATES.

	1891.	1893.	1895.	1897.
English products . . .	27·5	23·9	27·9	20·9
Foreign products . . .	13·5	11·7	16	16·6

(Millions of pounds sterling.)

These foreign products consist in the main of raw articles; india-rubber (£920,000 in 1897), raw cotton (£939,000), skins and leathers (£2,300,000), raw wool (£5,300,000), etc. For manufactured or semi-manufactured goods, America is practically self-contained. Her industrial capacity increases day by day. She has already become the greatest metallurgical power of the world. The output of her coal-pits is as important as that of the United Kingdom.

PRODUCTION OF COMBUSTIBLES.

	1867.	1877.	1887.	1892.	1897.	1898.
United States	31	60	130	179	200	219
Britain	115	150	181	203	226	220

(In millions of tons.)

In 1898 she extracted from her pits as much coal as did the entire world in 1868. In addition, American coal, after having satisfied the home market, is now beginning to take the place of British coal in the neighbouring countries. Having driven England from the Canadian market, she now sells there herself 3,153,000 tons,¹ the older country being only able to place 116,000 tons. Here are two sets of figures which Panbritannists would do well to meditate upon : exports of English coal to Canada have decreased by one-half since the year 1868,² whilst to Mexico and the two Americas the experience has been or soon will be the same. In the Pacific, from Hawaii to the Philippines, American coal is firmly implanted. American coal has even made its appearance in Europe. Selling at ever-lowering prices, this coal is bound to capture the world's custom if the "lords" of English coal obstinately persist in maintaining their article at the high level of these latter years. The United States possess coal-fields more than ten times the extent and thickness of the English fields, and they are already looking about for foreign markets, and have even commenced to invade the Mediterranean, hitherto considered England's best outlet. Cargoes have already been despatched from Philadelphia to Gibraltar, Genoa, Ancona and Venice, in many cases to satisfy the requirements of the Italian railways.³

Nor is this all. The United States possess mines and surface deposits of iron, the like of which has never been known in Great Britain. During the last thirty years the production of steel has passed from 19,000 tons to 7,402,000 tons. Their output of cast iron, which in 1871 was barely a quarter of the British, now exceeds it :—

PRODUCTION OF CAST-IRON.

	1871.	1881.	1891.	1896.	1897.
United States	1706	4144	8279	9807	10,811
United Kingdom	6627	8144	7406	8659	8,796

(In thousands of tons.)

¹ These and the preceding figures are taken from the *Report of the Central Committee of the Coal-fields of France*.

² English coal to Canada (in thousands of tons) : 216 in 1868 ; 139 in 1878 ; 92 in 1888 ; 116 in 1897.

³ *Board of Trade Journal*, 18th January, 1900.

In 1898 the American production exceeded the figure of 13,000,000 tons. But this does not represent the whole of the superiority. The United States, with their annual output of 21,000,000 to 22,000,000 tons of mined ore, are in no way dependent on other sources for the supply of their blast furnaces. England, under any circumstances, is obliged to purchase foreign ores to the extent of 5,000,000 tons. She is thus compelled to find some £4,000,000 sterling annually to satisfy the amounts due to Spain, Algeria, Italy and Sweden for her purchases of iron ore. The prices and goodwill of foreign countries do not enter at all into the calculations of the United States' manufacturers.¹ On the shores of Lake Superior, for the past ten years, they have been exploiting extensive and deep accumulations, containing at the very lowest computation 300,000,000 tons of ore, and in all probability twice that quantity. By means of lake, river and canal, this ore is within easy reach of the Pennsylvanian coal deposits. American industry is thus armed in a formidable manner when the time comes for the final and vital struggle with the British iron-founders for the supremacy of the world's markets. What still remained to Britain five years ago, that America is determined to have now. The *Journal de Liège*, a disinterested though sympathetic witness, draws the following picture of the forces against which Europe will have to compete:—²

“The appearance on the different European markets of American ores, cast irons and steels has come as a disagreeable surprise to those who were in the habit of considering the United States as a negligible quantity on account of the already excessive European production. Americans raised such an outcry when the duty on cast iron was reduced to sixteen shillings per ton, and on rails to £1 12s. per ton; they had such an innate fear of seeing European competition invade their country that hardly anyone gave a thought to the possibility of their ever seriously threatening our outside markets, and still less our home market.

“Yet, successively, we have seen iron ore from Lake Champlain, situated at a distance of 220 miles from New

¹ *Blue Book*, C. 8881, p. 320.

² Report of a Belgian engineer, Mons. P. Travenster, reproduced by the *Comité des Forges de France*, Circular 15th June, 1897.

York, supply Rhenish furnaces; we have seen two factories situated in Alabama, 250 miles from the coast, export 75,000 tons in January alone (1897); we have also seen American steel on offer in England and Belgium. At the present moment the cast iron of Alabama has penetrated into England, Germany, Belgium, Holland, Spain, Italy, Austria, India and Japan; contracts are also being negotiated in Russia, South Africa and Australia. Billets, rails manufactured at Pittsburg, separated from the nearest port by 315 miles, seem likely to follow the same path. Can it be that the Yankee giant is going to compete with the industries of the Old World for his share of the world's markets?

“Geographically, the United States are not one whit less favoured than Europe. For competition with Europe, only two groups of factories need be considered. The first, relatively of recent origin, comprises the blast-furnaces of the South, situated in Alabama, Tennessee and Virginia. An excellent moulding iron is produced here, which finds its way even to Chicago, Pittsburg and New York; exportations have also commenced; but 250 miles by rail must be traversed before the somewhat neglected port of Mobile is reached. In consequence this Southern group, in spite of many natural advantages, is being developed somewhat slowly: out of the 9·5 million tons supplied to the American furnaces only 1·5 millions came from this source.

“The second group, up to now by far the most important, is fed by the ores of Lake Superior and the coke of Connelsville and Pittsburg. The huge deposit at Connelsville, 10 feet thick, outcrops on the slopes of the hills for a distance of 45 miles, and contains at the very least 440,000,000 tons of excellent combustible. The coal raised from the galleries is emptied into the retorts, and such are the facilities for treating it that, with the miners' wages actually at eight shillings per diem, the cost of coke per ton produced is only four shillings. The 18,000 local retorts produced, in 1895, nearly 7,000,000 tons of coke. Almost the whole of this coke is used for smelting the Lake Superior iron ores, the production of which exceeded 10,000,000 tons in the years 1895 and 1896. Lake Superior is the Bilbao of America, but at least twice as productive as the Spanish deposits. In the same latitude as Paris, enormous bodies of crystalline ore are found yielding

more than 60 per cent., that is to say, comparable to the best Swedish ores. It is this ore which keeps about two-thirds of the American furnaces going.

“The coke of Connelsville is separated from the ore beds of Lake Superior by a distance of from 530 to 780 miles, as the crow flies; about the same distance separates Bilbao from the English, Belgian and German furnaces. In practice, the distance is more considerable on account of the winding route which has to be pursued. But if, on the one hand, the Bilbao ores are transported by sea, those of Lake Superior, shipped at Duluth, Ashland, Marquette on Lake Superior and at Escanaba on Lake Michigan, come also by water to the Lake Erie ports, Cleveland, Ashtabula, whence they are transhipped by rail to Pittsburg and the other consuming centres.

“The shipping industry on these American lakes, huge land-locked seas, is simply prodigious. Through the canal of Sault-Sainte-Marie, which connects Lake Superior with Lake Huron, there passed, in 1896, no less than 18,615 vessels with cargoes amounting to 16,800,000 tons; this is actually double the tonnage of the Suez Canal. The river Detroit, which flows from Lake Huron into Lake Erie, shows an annual movement of 30,000,000 tons, or appreciably superior to that of the Thames below London. The lake transits are effectively carried out by veritable merchantmen with cargo capacity for 4,000 or 5,000 tons of ore, and at a freight cost even more favourable than the European. At the height of the crisis important quantities of ore were sold for delivery Cleveland at seven shillings per ton for the phosphorous ore, and nine shillings for the Bessemer ore. It is common knowledge that the Carnegie undertaking expect shortly, by means of fresh organisation, to obtain the ore delivered Pittsburg at eight shillings per ton, which is 125 miles south of the Lake Erie ports.

“The 10,000,000 tons, extracted from the Lake Superior region, are drawn from five districts, four of which have been worked for more than ten years, whilst the fifth, the Mesabi, opened in 1892, is already producing results superior to the others, and seems likely, in the near future, to eclipse them completely. The ore agglomerations are sparsely covered with gravel, and, for the most part, worked as open mines.

It is possible to employ steam excavators, the huge shovel of which tears away at every oscillation about $3\frac{1}{2}$ cubic feet of rubble or mineral; one of these steam shovels is capable of raising and loading into the waggons 250,000 tons of ore in the short space of twenty-five ten-hour days, giving an average of 1000 tons per hour. The richest of American millionaires, Mr. Rockefeller, the 'petroleum king,' has acquired the Mesabi and has constructed a flotilla of vessels for transporting the ores to Cleveland. Mr. Carnegie, the 'steel king,' has come to an understanding with him; by employing their own vessels the Carnegie-Rockefeller Association will, perhaps, be able to obtain the ore at from six shillings to six shillings and sixpence per ton, delivered Cleveland. From Cleveland to Pittsburg there are 140 miles of rail. Rockefeller and Carnegie have constructed a direct line over which they intend to pass mineral trains composed of forty waggons with a carrying capacity of twenty-five tons each. They have guaranteed to this line, which is to be opened before the end of the year 1897, a minimum annual tonnage of 5,000,000 tons of ore for a period of twenty-five years.

"It is fortunate for old Europe that the fountains of natural gas discovered ten years ago begin to show signs of exhaustion. But the construction of a grand system of canals, from iron mines to coal-fields, and from coal-fields to New York, is merely a question of a few years; whenever these works are accomplished, Lake Superior, Cleveland and Pittsburg will be uncomfortably near the old world."

With riches and natural facilities so unparalleled the United States had taken up their position and, as early as 1897, the English press began to sound a general note of alarm. For quite a long time it has been known that by an extension of the theory of the Monroe doctrine to the field of economics, the Association of Manufacturers of Chicago had undertaken the conquest of the two Americas. But, after Canada, Central America and South America, the English Colonies, China, Japan, India, Europe, and even England herself, became in like manner the object of the covetousness and encroachments of the American metallurgists.

The following remarks are taken from a correspondence addressed from New York to the *Morning Post* in London:—¹

¹ Summarised in the *Bulletin Commercial*.

“The steamer *Sahara*, the first vessel of a new line, created to maintain a regular service between New York, Bombay and Calcutta, *via* Aden, set sail from the American port the 5th December, 1897, with a cargo of 1700 tons of steel rails. These rails, manufactured in the foundries of the Maryland Steel Company, are destined for the Indian State Railways. In answer to a question raised in the House of Commons, the Secretary of State for India, without indicating the exact price of the American rails, limited himself to stating that it was notably lower than that of the English tenders. The Americans are most unwilling to divulge their prices. And this is not merely an isolated case of orders executed in British possessions. A despatch of 2000 tons of rails is also on the way to Sydney. The rails required for the extension of the Canadian railway system are being made in the United States, hence the reduced export from England to Canada of railway material. During the first nine months of 1897 England has exported only 9177 tons of rails to Canada, as against 37,196 and 29,762 tons during the corresponding periods of 1896 and 1895. Then there is the recent despatch of cast-iron piping for water conduits, manufactured at Auniston (Alabama) for the Auckland market (New Zealand). Even during the first eight months of the year 1897, 56,000 tons of cast-iron have been sent to England. The price of cast-iron in Alabama and Tennessee is from six to ten shillings lower than that of English makes. An American authority even goes so far as to affirm that had there been no engineers' strike, the sales of American cast-iron to England would have been double. The exports of iron and steel from the United States reached for the financial years 1895-1896 and 1896-1897 £8,200,000 and £11,500,000 respectively. Again, the *Iron Age* of New York makes the statement that the firm of Riter and Couley, of Pittsburg and Allegheny, has obtained European orders to the extent of £30,000, that negotiations are being actively carried on with a view to other extensive business, and that branch houses will shortly be established in various European countries.”

The prescient observations of this English newspaper have been amply verified. The year 1898 has seen the success of American irons in all the markets of the world

including that of the United Kingdom. The same year of 1898 has witnessed the expulsion of European products from the United States. English tin-plates alone still find a few belated customers in the States of the Pacific; but doubtlessly, says the *Board of Trade Journal*, this is the last year in which our Welsh tin-plates will find a market there. The American manufacturers are now in a position to supply the whole home requirements.¹ The annual report of the American Iron and Steel Association is eloquent:—

“The exports of iron and steel and of the manufactured products of iron and steel from the United States amounted in 1898 to £17,100,000 sterling, as against £13,000,000 in 1897, and £10,000,000 in 1896; thus the increase in two years has exceeded 70 per cent. Comprised amongst the exports of 1898 are: 253,057 tons of cast iron; 291,038 tons of steel rails; 28,600 tons of pigs, blooms, and billets; 18,510 tons of steel machines; 24,195 tons of steel bars; 27,075 tons of sheets; 74,665 tons of wire; 15,735 tons of nails and tacks made out of sheets; 13,714 tons of nails and tacks made out of wire; 34,038 tons of iron and steel for building purposes. In addition, 580 locomotives have been exported.² Agricultural implements are not included in the values indicated above.

“Inversely, the importations of iron products into the United States have declined enormously. With the exception of tin-plates, the entry of which is still facilitated by a drawback, the United States receive very small quantities of European products now. In 1880 the imports of iron, raw and manufactured steel amounted to £16,700,000 sterling, and the exports to £3,100,000. In 1898 the exports reached £17,100,000, whilst the imports fell away to £2,600,000 sterling; that is to say, in eight short years the relation between exports and imports has been completely reversed.

“In 1897 and in 1898, and more especially in the early months of 1899, English iron-founders and constructors were much concerned at the ominous symptoms of formidable American competition in their own market, where hitherto they had only experienced the capricious vagaries of

¹ *Board of Trade Journal*, October, 1898.

² The ton of 1016 kilogrammes is meant.

Continental rivalry. Considerable quantities of cast iron, billets, rails, sheets, small beams, machines, steel wire, and iron piping have been shipped direct for the United Kingdom. More recently, orders have been received in the United States for forty locomotives from two of the principal English railway companies, *viz.*, the Great Northern and the Midland. Even the English Government has thought fit to order from an American house the seven-span bridge over the river Atbara in the Egyptian Soudan, measuring in all 350 yards. Rails and locomotives have been lately shipped to India and Australia. The Baldwin factories are at the moment executing an order of forty locomotives for India.

“There is no room for doubt that the United States will continue to export to the United Kingdom and the English Colonies all the above-enumerated articles and others as well. English exports, inclusive of tin-plates, to the United States, from the 1st July, 1897, to the 30th June, 1898, represent a value of £1,700,000 sterling, and the importations from America of the same products, covering the same period, to £2,600,000. If weight alone be taken into consideration, it is found that, including tin-plates, 119,189 tons were exported from England to the United States, and that the importations from America into Britain amounted to 118,232 tons. Only a few years ago the United States was Great Britain's principal customer; and now they sell in the English market as much iron and steel as they buy.

“The immediate future of this export trade is assured, whatever rise in prices there may be. Whatever happens, the United States will continue to export considerable quantities to Canada, Mexico, West Indies, and Central America. The excellent quality of American iron and steel products, the rapidity with which manufacturers execute orders, must certainly contribute to maintain this trade in every branch—rails, billets, locomotives, machines, etc. Nor is the day far distant when the United States will construct men-of-war and merchant vessels made of iron and steel for all nations. They have already made a good beginning with first-class ironclads for Russia and Japan. The general prosperity of the iron trade during the past few years has been accompanied by a general rise in prices. Exceptionally, the United States have rather inclined to lower theirs, the

effect of which has been to strengthen the American hold on those distant markets where they have obtained a footing."

For the years 1899 and 1900, the official *Board of Trade Journal* is full of similar indications. In the year 1897, the Americans poured into the United Kingdom £338,000 worth of raw iron and steel, £339,000 in 1898, and £508,000 in 1899. At Melbourne they obtained an order for 30,000 tons of steel rails; in China they succeeded in placing sixteen locomotives; to India they sent eight cargoes of machinery. The Baldwin works of Philadelphia are executing orders for 150 locomotives destined for India, the Antilles and South America. These Baldwin works, working at full pressure night and day, are capable of turning out 1000 locomotives yearly; the four largest English houses combined, Neilson, Dubs, Stewart and Kitson, cannot produce more than 720; also, whenever the order is urgent in France, Egypt, Tunis, etc., preference is given to the Americans. In South Africa the Americans sell rails, wire and piping at prices 20 per cent. cheaper than the English; their exportations to this market have almost doubled in one single year. In Uganda they obtain orders for thirty-six engines at the expense of their Scotch and English competitors. In Burmah their tender has been accepted for the construction of the Gokteik Viaduct, which will be one of the greatest in the world, 755 yards long and 320 feet high; it is estimated that 5000 tons of steel will be required for the work. Lord Kitchener's railway to Khartoum is provided with 250 American waggons. Yankee bicycles, electric trams, agricultural machinery and implements are sold in Russia, Norway, Germany and France; all these articles were once England's speciality.¹ In the month of August, 1899, there were on the American stocks fifty vessels of war, valued at £8,000,000 exclusive of the protective plates and armaments, and more than 200 merchantmen; the American shipbuilding yards are full of orders for several years to come.²

The importance of these facts is certainly calculated to give cause for reflection. Nor is the extraordinary development above mentioned merely confined to the industries of

¹ *Board of Trade Journal*, 1899, pp. 229, 605, 645, 641, 653; 1900, p. 79.

² For these and the following figures see *Annual Statements of the Trade*.

steel and iron. The United States possess the richest copper and silver mines of the present day; sooner or later they will annex the work connected with these metals also and squeeze out the similar productions of Birmingham and Sheffield. The United States contain the greatest cotton-fields of the world; their rising cotton industry is expelling little by little the yarns and textiles of Manchester, the importations of which amounted to very nearly £5,400,000 in 1872, but barely exceed £2,600,000 to-day.

EXPORTS OF ENGLISH COTTON CLOTHS INTO UNITED STATES.¹

1872.	1882.	1887.	1891.	1895.	1897.
5337	3849	2479	2457	2770	2620

(In thousands of pounds sterling.)

English woollen stuffs alone maintain a numerous custom beyond the Atlantic, and, although English exports in this line have considerably decreased since 1872, they still remain at a respectable level.

EXPORTS OF ENGLISH WOOLLEN STUFFS INTO UNITED STATES.

1872.	1882.	1887.	1891.	1895.	1897.
7036	2995	4237	3177	6853	3545

(In thousands of pounds sterling.)

The enormous shrinkage in 1882, due to a widely spread commercial crisis, the still more important increase in 1895, due to the expectation of increased taxation on foreign woollen stuffs, mark none the less clearly the slow, though continuous, decline of this business.

And now suppose an attempt be made to foresee the probable results of Panbritannism for the United Kingdom. Is it possible to imagine for one single moment that, if the idea of an Empire, a Zollverein or Federation of all the Anglo-Saxons were successfully consummated, the lion's share of the benefits and influence accruing therefrom would fall to the United Kingdom? Is it likely that London, Liverpool, Manchester, Birmingham, Sheffield, etc., would remain the political, commercial and industrial capitals of this Panbritannic Union? In the existing condition of affairs would not New York, Pittsburg, Chicago and New Orleans be the principal poles of attraction? And—without taking into con-

¹ *Board of Trade Journal*, August, p. 166.

sideration for the moment the radiating influence of democratic ideas and the depth of contempt to which old England, become reactionary and aristocratic, would soon fall in the estimation of the young and ardent Anglo-Saxon communities—what will be the position when the United States shall have at length worked out their industrial evolution and set going at full speed all their soils, all their riches, all their natural forces? As yet the United States are only in their infancy. At the foot of the western slopes of the Alleghanys, embracing two-thirds of the immense plain of the Mississippi, the gigantic coal basin has only been thoroughly opened up at three points, *viz.*, in Pennsylvania (where, in order to deal with the ores of Mesabi, the coke production was increased by 1,700,000 tons in the year 1898 alone), Western Virginia and Alabama. In course of time these three industrial centres will spread and join and constitute, from one end of the Alleghanys to the other, a distance of over 950 miles, a Black Country incalculably more extensive than any the United Kingdom has ever or can ever expect to possess. As soon as the United States have fulfilled their industrial destiny, the piercing of the Isthmus of Panama—which is merely a question of a few years—will place them just at the centre of the British Empire, at the crossing of all Anglo-Saxon trade routes, the medial halting spot between London and Calcutta, Liverpool and Sydney, equidistant from all the Britons of Europe, Asia, Africa and Australia. When this comes to pass is it likely that the United Kingdom can remain the centre and regulator of the British system and keep Anglo-Saxon communities within her orbit? The laws of gravitation rule not only the physical world. Agglomerations of humanity are drawn almost fatally by the attractive power of mass and proximity into the dependence and shade of other humanities.

With no wish to attach undue importance to historical comparisons, it does seem that the experience of the latter part of the seventeenth century furnishes here an example not altogether wanting in *à propos*. When Holland, queen of the seas, mistress of a world-wide commerce, prosperous by a century's labour and liberty, took unto herself a military master in the person of William III.; when this master in order to resist Catholic France of Louis XIV. imagined and accomplished the great Protestant Union, the "Panprotes-

tantism " of the west ; when he realised his maritime Empire by annexing the Royal Crown of England to his Dutch Crown of Stadtholder—twenty years had hardly flown by ere the influence, the riches, the commerce, the power, the entire fortune of Holland were completely lost in the dazzling rays of his too ambitious annexation. Holland disappeared ; England took her place in all the seas of the world. On reflection, perhaps, it will be considered that the comparison is applicable here in every respect : in situation, grandeur, in social, political and commercial position, Great Britain is to-day relatively to the United States what Holland was to the United Kingdom in the middle of the seventeenth century.

If it is considered fruitless or impossible to look back so far, is there any insuperable difficulty to prevent a fairly accurate estimate being made of the benefits which are likely to accrue to the United Kingdom from Panbritannism ? Would her manufacturers, weavers, metallurgists really be the greatest gainers by the creation of an Anglo-Saxon Zollverein ? What would be the use of shutting out European competition from India and Australia, if the only result would be to open still wider the door to American invasion ? What, then, is this German danger, which Joseph Chamberlain and his Imperialist followers have denounced for the past fifteen years, which they have exploited and exaggerated for the needs and maintenance of their success, compared to this American danger which they had not foreseen, which as ministers of the Imperialistic cult they are still prevented from taking into serious consideration ? "Germany," said they, and they say it still, "is robbing us of our commerce, but commerce follows the flag: therefore, let us raise the Imperial standard over the Anglo-Saxon domain." Although this method of reasoning is fundamentally inaccurate, for we know that trade does not always necessarily follow the flag, admit for a moment that it does, what will the trade of the United States become in the English Colonies and counties in the Empire of all the Anglo-Saxons if, already invading and growing under the flag of the Stars and Stripes, it hoists one day the Standard of the Empire ?

The interpretation put upon Empire by certain English Colonies already is not wanting in significance. Trinidad finds for her cocoa, and especially her sugars, a better

market in America than in England. Accordingly, Trinidad enters into negotiations with the United States for a treaty of reciprocity. This she has no right to do because the metropolis is protected by the most-favoured-nation clause. Theoretically, no economical change is introduced; but, in practice, an entirely new tariff is compiled by which the articles most supplied by the United States are the least heavily taxed, whilst the other products, in the main of British origin, are subjected to increased duties. The duty levied on cotton cloths and hardware is increased from 4 to 5 per cent. *ad valorem*; in consequence, the trade of Birmingham and Manchester with Trinidad, amounting annually to some £700,000, has to bear an additional burden of 1 per cent. On the other hand, the tax on meat, fish and wheat, of which America supplies 75 per cent., is lowered! The Chambers of Commerce in the United Kingdom protested vigorously against this arrangement.¹ In spite of the known zeal of the Secretary of the Colonies, Joseph Chamberlain himself, to whom appeal was made, it was recognised beforehand that, after the example of Barbadoes, the metropolis is absolutely powerless to correct Colonial caprice.

The Barbadoes submit for the approbation of the Crown a commercial convention which has just been concluded with the United States (May-June, 1899). This convention admits, free of duty, certain articles imported principally or entirely from America. Like Trinidad, the Barbadoes require a more remunerative and a nearer market than the metropolis for their rice, and, more especially, their sugar and molasses. In London, the English Antilles are no longer able to compete with continental sugars; in thirty years their exports have fallen in the proportion of ten to one.

EXPORTATIONS OF SUGARS AND MOLASSES FROM THE ENGLISH ANTILLES.

1871.	1881.	1891.	1895.	1896.	1897.
4430	2248	317	499	559	338

(In thousands of pounds sterling.)

The Barbadoes, then, lighten the duties on the American products which they take in exchange for their sugars. But the diminution of these taxes spoils the equilibrium of their budget, and this can only be restored by a 50 per cent. in-

¹ Manchester Chamber of Commerce *Monthly Record*, October, 1899.

crease on other articles, imported principally or almost entirely from England. The Manchester Chamber of Commerce, being informed of the matter by the naturally dissatisfied correspondents and consignees of the West Indies, addresses a protest to the Secretary of the Colonies, Joseph Chamberlain. By way of reply, the Minister makes an excuse that he has not yet in hand the actual text of the Convention, but still adds:—

“Every reduction conceded to American articles is also conceded to similar English products. Now, the Colonial legislatures are strictly within their rights in regulating their tariffs in their own way, on the sole understanding, however, that the metropolis and the other Colonies enjoy the most-favoured-nation treatment. So long as the Barbadoes do not establish differential taxation in favour of American products only, the Crown cannot intervene officially, can only offer advice, but cannot impose orders.”¹

On the hypothesis of a federation of *all* the Anglo-Saxons, which would benefit the most in the English Antilles, British commerce or the American? Some one will object, perhaps, that the Antilles, forming as they do but an infinitesimal part of the Empire, are, by their geographical situation, an exceptional case, and that, in consequence, this isolated and very special example should not be taken as a criterion for the whole. But Canada, one of the most important and essential parts of the Empire, occupies the same geographical position as the Antilles, and, ere long, will certainly occupy the same economic position. Physically and commercially Canada is already an appendage of the United States, and will become more and more so. The policy of the day, on both sides of the frontier, tends to separate one from the other. But for what length of time can any policy stand in the way of obvious and superior interests? When the completion of the new and up-to-date canal system shall have constituted New York the only natural port of the entire region of the Great Lakes, the geographical dependence of Canada will be still more marked. Further, when the industrial evolution of America, at length consummated, shall have covered the central and western corn lands, forests,

¹ Manchester Chamber of Commerce *Monthly Record*, July, 1899.

and pasturages, with lofty factory chimneys, mining shafts and industrial suburbs, then Canada, producer of wheat, timber, butter and cheese, will perform for the Black Country of the States the same service which Denmark, Holland, Norway, France render to the Black Country of Britain. To-day, Canada is the most loyal, and the most nationalist of all the English Colonies; and for good cause—the United Kingdom is her best customer:—

CANADIAN EXPORTS.¹

Year.	Britain.	America.	Other Countries.	Total.
1868	3,581	4,477	1,050	9,108
1878	7,172	4,426	1,550	13,128
1888	6,739	7,465	1,465	15,660
1898	18,613	6,872	2,500	27,985

(Thousands of pounds sterling.)

But such has not always been the state of things; on the contrary, in 1888, the United States was the principal consumer of Canadian products. The Protective tariffs of the American Union were alone responsible for the diversion of Canadian exports to the United Kingdom. Let us suppose now the Empire finally established and the Customs' barriers abolished or materially lowered as between all Anglo-Saxon countries, Canadian commerce would naturally flow once

CANADIAN EXPORTS.

Year.	Cheese.	Butter.	Timber.	Wheat.
1868	124	340	2511	457
1898	3514	409	4536	1097

(In thousands of pounds sterling.)

more in the old channel, *i.e.*, to New York, and not to London. With no Empire, the natural development of things will bring about the same result; in a few short years on the American Continent there will exist in juxtaposition a great industrial country and a great pastoral and agricultural

¹ For these figures see *The Board of Trade Journal*, November, 1899, p. 529 and following.

country. The Far West of the States will, for many a day, supply all the meat and wheat necessary for the maintenance of the eastern coal miners and metallurgists; but how about butter, milk and cheese?

Is it necessary to repeat the same demonstration for Australia and India? Very distant are these countries to-day, when to reach them the shortest route is still by Gibraltar and the Suez Canal. But will not this be much modified once the Panama Canal is opened? Dependent as they are at the present time on the metropolis for the sale of their raw articles—wool, rice, silk, etc.—will they not find a far vaster and much more regular market in the 80,000,000 or 100,000,000 Anglo-Saxons of America than in the 40,000,000 or 45,000,000 of Europe—always assuming, of course, that the conditions are equal, *viz.*, that American industry, like that of Britain, has reached its zenith? If ever the component parts of the British Empire find in the United States the principal outlet for their raw articles, does it not necessarily follow that the United States will in return supply them with a corresponding quantity of manufactured goods?

In 1888, then, the Imperialistic conception of Joseph Chamberlain might well appear a veritable *chef d'œuvre* of English policy and "constructive Radicalism". To the English mind the conception seemed Radical, at any rate in the sense of being exceedingly utilitarian. Those, however, who studied it more closely felt that this appeal to force and desire for monopoly, which paid little heed to means and ends, excluded it absolutely from the humanitarian and pacific heritage of the pioneer Radicals and their continuators, the Brights, Cobdens, Mills and Bentham's. But the crowd, which above all takes note of appearances, was caught by the false glitter of this new cult and the eloquent sermons of its high priest. Barely ten years have elapsed, and these appearances are covered with scales and cracks. This Anglo-Saxon Union, which was to ward off the German danger and restore the old prosperity to Birmingham, Sheffield, Leeds, Liverpool and the British Black Country—this Panbritannic Empire, inconceivable and impossible of creation or defence without the fraternal support of American "Britons"—is now calling into existence or assisting an American danger compared to which the German danger seems but a petty trifle;

and this apostle of constructive Radicalism, this disciple of the great dissenters who "came from Birmingham, that is to say, from the town which, above all others, is the centre of aggressive Radicalism, from the town which ever distinguished itself by its democratic sympathies,"¹ this grand patriot who sacrificed his dearest friends and abandoned his leader and party rather than allow any meddling hand to be laid on the integrity of the Fatherland, this same man, Minister of the Colonies, now appears as the chief upholder of chartered companies, the counsellor and accomplice of Jameson and other international banditti, the instrument of promoters and monopolists.

For what is only believed half probable to-day will become certain to-morrow, *i.e.*, that this Empire would merely enrich a few cliques of speculators at the expense of the Britannic community or the human race at large, and that, consequently, the working population would fall an easy prey to aristocracy and plutocracy. But to think henceforth that an immediate or lasting advantage would be assured to the masses seems already a snare and a delusion, while to continue thinking that the material and moral grandeur of Great Britain would be enhanced thereby, will be, and that before many years are out, to deliberately disregard the teachings of evidence. Let us leave alone the moral quantities which are not amenable to the calculations of weights and measures. But how not see that London, capital of Great Britain, could never be greater than a secondary town of Greater Britain, nor the great London of the nineteenth century anything more than a second Amsterdam, or, perhaps, even a Venice, a Carthage, a Tyre of the twentieth? How be so purblind as not to perceive that the people of this Greater Britain, carried away as they would be by the situation of their different domains, by the convergence of their interests, by their worship of greater success and unbounded grandeur, by their esteem of solid riches and force, by their love of immediate and rapid utility, would certainly choose some other centre for their business, pleasure and ambitions, than poor old Britain, so insignificant in size and so far off?

▲ The crowd, under the influences of passions and prejudices,

¹ J. Chamberlain, speech at Cardiff, 6th July, 1886.

ably fanned into a fever of exasperation by the present-day leaders, cannot yet pierce the pale glimmer of these probabilities; the gaze of the workers, weighed down over the daily task, is quite unable to gauge these distant horizons.¹ But is it possible that in this liberal and pacific home of the old Radical school there is no one left to raise the banner of progress in spite of temporary discouragement and defeat? Against this coalition of classes and parasitic ideas, so powerful to-day; against the apostles of force and partisans of money; against "the priest and proprietor, the land and Church, the nobility and plutocracy, all united for the one purpose of stemming the rising tide of democracy and the current of popular thought";¹ against this combination of ancient passions and low interests, will not the spirit of Manchester, still in the van of progress, once more lead her militant forces?

Now that the Boer war is concluded, and the ill-effects of the early reverses worn off, that the blessings of peace have restored some lucidity to the nation so deeply wounded in its pride, the time is come for some faithful disciple of the Bright and Cobden persuasion to draw up the actual and future balance-sheet of Imperialism, and preach anew from the text of true Radicalism. The sermon will certainly have no lack of sympathetic hearers. But in reality the sermon has already been preached. The text and arguments can be found at length in the official reports of consuls, ambassadors, governors and other Crown officers attached to the Colonies or foreign countries. We know already the reply of the English Rio de Janeiro merchants to the question, "Is our commerce losing ground?" "Of that there is no doubt," reply they. "Business England is incontestably traversing a crisis in the world, to come out of which satisfactorily she must study the best means to recover, keep and enlarge her business connection. But these means do not consist in appropriating the world to English needs; for it is not the world which has to be changed but England; to develop British trade the change must commence at the other end—in England."² There is the true text and subject of the old Radical sermon! "What can save England and conduct her surely to happiness and prosperity? Reform and still reform and ever reform.

¹ J. Chamberlain, speech cited.

² *Blue Book*, C. 4621, p. 109.

It is vain to revolutionise the kingdom and the world; reform yourselves, reform ourselves. It is puerile to stake our hopes on force and oppression. *Force is no remedy*; reform ourselves. That which is killing existing commerce, that which reduced the England of 1830 to a state of semi-starvation is this insular conservatism, denounced by all our consuls;¹ it is this insularity, this Jingoism, this nationalism which are dividing us more and more from the rest of humanity, of which Imperialism, Fair Trade and Panbritan- nism are but the latest efflorescence. Let us throw overboard this useless burden which is weighing us down, and the vessel will float as of yore. Reform ourselves. Govern- ment, society, industry, commerce, men and things; all these during the past twenty-five or thirty years England has re- fused to modify at all. Around her the world once moved and turned, but the world of to-day passes by. Reform our- selves while there is yet time. But let us not compromise our remaining strength and health by this empirical treat- ment which with blatant breath the quacks of Empire wish to sell and us to buy. Let us try once more the old remedy which for a century succeeded so well. Patiently, method- ically, quietly and without noise apply the most needed reforms. Every consul and colonial governor preaches the urgency of these reforms. In two enormous *Blue Books*,² and as if to provide weapons against itself, this Unionist Govern- ment, ally of the "Old Stupid Party" and the young monopolistic groups, has placed in our hands all the arguments of facts and figures which demonstrate the absolute necessity of political and social reform.

¹ *Annual Series*, Nos. 1901, 195, etc.

² C. 8449, Trade of the British Empire and Foreign Competition; C. 9078, Opinions of H.M. Diplomatic and Consular Officers on British Trade.

GERMAN RATIONALISM.

CHAPTER I.

“What is the greatest of our interests? Imperial commerce. . . . We have before our eyes a great example in the creation of the German Empire.”—J. Chamberlain, at the Canada Club, 25th March, 1896.

IT is the prosperity of Imperial Germany which has made the idea of English Imperialism so popular. The influence of Mr. Chamberlain arose out of the Parliamentary Commission of 1885, appointed to inquire into the reasons for the “decline of British Commerce,” decline which had caused men of business to complain so bitterly of German competition: “What was in fact Germany, industrially or financially, before Sadowa, before Sedan, before the Empire?” This is the question which Imperialists still ask themselves to-day.

“Depending on our blast-furnaces and black countries for iron and coal, on our factories for manufactured products, on our textile fabrics for clothing, on our vessels for transport, on our warehouses for spices and produce of the tropics, in short, our customer, and commercially speaking our vassal, Germany was in addition dependent on our exchanges and banks for her loans and even for her ordinary business transactions. Sadowa, Sedan and the Empire have now emancipated her. Political Greater Germany has also become Greater Germany in the fields of commerce, industry and capital. In hard and solid cash she is reaping to-day the fruits of victory. The laurel crown does not here constitute the sole advantage of Empire. This German experience is clear proof that we also need an Empire and a protective *Zollverein*.”

¶ Herein lies the entire foundation of the Imperialistic theory. ¶ But has this pretended German experience ever

been properly checked so as to establish the exact dividing line between effects and causes? Is Germany really so prosperous? And is she so prosperous because she is Imperial? Let us ask this question of the only witnesses whose opinions are above suspicion of ignorance or bias. Such witnesses are to be found in the two series of English Consular Reports, *viz.*, *Annual Series* and *Miscellaneous Series*—to English Imperialism we will oppose only British testimony—and in the two *Blue Books*, C. 8449 and 9078, wherein the Foreign and Colonial Offices have collected the opinions of ambassadors, consuls, colonial governors and other Crown officers stationed abroad or in the Colonies.

The prosperity of Germany, industrially and commercially, cannot be contested. Certain Jingoës still affect to doubt it. Mr. Chamberlain, whose theme can be invariably made to suit his auditory, who seems content if only he succeeds in arousing the passing laughter of the electors, said one day to his people of Birmingham:—

“People say that Germany is to be feared (laughter). Germany is undermining our industry. Germany is gnawing our commerce as the sea our coasts (laughter). I do not think the sea gnaws all our coasts (great laughter). If Germany were really gnawing our commerce to the extent claimed, our exports to her would surely decrease and German imports to this country increase. In 1885 the national exports of England amounted to £213,000,000 and in 1894 to £216,000,000; of Germany to £143,000,000 in 1885 and to £148,000,000 in 1894. In 1885 England exported to Germany £26,000,000 of national products and received in return £21,000,000; in 1895 you have an English exportation of £33,000,000 as against a German importation into this country of £27,000,000. Trade has grown on both sides; but the growth has amounted to £7,000,000 for England, to £6,000,000 only for Germany.”¹

Such sophisms may flatter English vanity. But more especially do they tend to kindle the flame of German emulation,² says the consul at Frankfort. Modestly the Hamburg Chamber of Commerce accepts the figures and arguments of

¹ Speech at Birmingham, 13th November, 1896.

² Consul at Frankfort, *Annual Series*, No. 2312, p. 1.

the English minister, and in its annual report incites the members to further effort:—

“The German public cannot be too much on its guard against certain English statistics, which, by systematic and deliberate exaggerations, tend to prove that German industry and commerce are driving out their English competitors from the world’s markets. In reality, the true figures are cited by the English Minister of the Colonies. Great Britain, less peopled than our Germany, is still far ahead of her. Manchester, Birmingham and Glasgow still remain the industrial capitals of Europe, and German commerce itself cannot get on without Great Britain. She has still a long start with her shipbuilding yards, her merchant marine, her network of railways, her system of great and commodious towns, and especially with her Colonial Empire which secures for her an immense market where Germany has but few customers. Let us therefore avoid all chauvinistic exaggeration and concentrate our entire energies on the furtherance of fresh progress.”¹

Germany recognises that she is not yet the equal of England. But she hopes to become so.

“A few years ago, writes the English consul at Frankfort, German opinion troubled little about the great questions of international economics. To-day the idea of a commercial policy for the conquest of the world completely holds the masses; the diffusion of this idea in the popular brain is perhaps the most striking result of the year 1898.”²

In the light of the past, this German ambition can only appear most natural. If the present inquiry be confined to the authoritative statistics of later years, her record of continuous progress is seen to be simply marvellous.

VALUE IN MILLIONS OF POUNDS STERLING.

	1889.	1893.	1895.	1897.	1898.	1899.
Imports	204	207	212	243	272	275
Exports	163	162	171	190	200	207

¹ *Annual Series*, No. 1934, p. 32; No. 1942, p. 240.

² *Ibid.*, No. 2122.

“In every branch,” adds the consul of Frankfort, “the state of affairs throughout the entire country testifies to the enormous economic progress made during the last twenty-five years. It is difficult to describe the rapidity and uniformity with which factories of all sizes have sprung into existence. Any observer who might have studied the conditions of middle-class life in Germany twenty years ago, or simpler still, any traveller who might have visited the German towns towards 1860, if he were to go back to-day would be astonished at the enormous changes. The greater part of the towns have been reconstructed on a more lavish and artistic scale; all have some new street, some new district, some big business palaces to show. In North Germany and South Germany alike there is the same outward and visible sign of gigantic effort to push ahead, the same ambition to oust competitors. The population has, in less than thirteen years, increased by 6,000,000 or 7,000,000 persons, of whom barely 1,500,000 have entered agricultural callings. The land, held for the most part by feudal proprietors, is not capable of feeding a very much greater population, whilst the ever-increasing use of agricultural machines is a positive check to increased demand for farm labour. It is commerce and industry which have maintained the remainder, commerce having provided for about 1,500,000 and industry of divers kinds for the balance of some 4,000,000. The activity of the railways, the dividends of great companies, the number of new enterprises, all indicate the same upward tendency. A table of fifty-two leading iron and coal undertakings indicate dividends as increasing from 5·45 per cent. in 1894 to 7·59 per cent. in 1895, and to 10·68 per cent. in 1898. The coal production in 1869 amounted to 35,000,000 tons; to-day it exceeds 115,000,000 tons. The output of cast-iron was only 1,500,000 tons in 1869, to-day it exceeds 9,000,000 tons. In the course of 1897, 254 companies represented a total capital of £19,000,000 as against 182 companies in 1896 with a capital of £13,000,000 and of 92 companies in 1894 with a capital of £4,500,000. German associated banks have established their position in a number of foreign places and in addition have entered into a series of very important financial operations; the visits of the German Emperor to Turkey have resulted in attracting considerable capital to enterprise in Asia Minor. I com-

menced my report on Germany for the year 1897 by saying that the period in question had been one of unprecedented success and that 'all chimneys smoking' might well be its device. The year 1898 merits the same word of praise, only still more so. Coal and minerals, factories and offices, all have been busier than ever. General confidence continues to grow. Times are changed since Professor Reuleaux, in his Report on the Philadelphian Exhibition (1876), declared that Germany could only 'produce articles of cheap and bad quality'. Without doubt, the unanimous praise of to-day is to a certain extent exaggerated, just as was Professor Reuleaux's verdict in the other direction. Still, whilst refraining from glorifying German industry at the expense of British, England may universally admit Germany's success."¹

England may universally admit Germany's success. We have here an authoritative and disinterested witness, himself on his guard and putting others on their guard against all exaggeration—one ought to be on one's guard against glorifying Germany at the expense of British industry. This gives the reply, then, to our first question, viz., "Is Germany really prosperous?" All the other English consuls speak in the same strain. The Berlin representative concludes:—

"It would be an absurdity and a deception to believe in a permanent check to German commerce or to consider this rival as an unworthy competitor of British commerce."²

Germany, then, is prosperous. Her prosperity, which may become a danger for English commerce, is of no more than twenty-five years' standing, and is actually posterior to the Empire under which it has grown up. Is Germany, then, indebted to the Empire for this prosperity? That is to say, to unity, military organisation and Protection. For these are, according to English Imperialists, the three essential characteristics of the Empire—*Imperial Federation, Imperial Defence, Fair Trade*, Constitutional Federation, Military Contribution, Protective Zollverein. The commercial attaché at Berlin, J. A. Crowe, stated before the Grand Commission of Inquiry in 1885:—³

"When Germany in 1866 became a confederated nation, she became aware that she was a nation, and she seemed also

¹ *Annual Series*, No. 2312.

² *Ibid.*, No. 2344.

³ *Blue Book*, C. 4621, p. 65.

resolved to carry out thoroughly all those things which she had not yet thought of undertaking. She desired to establish factories. She desired to make her voice heard in the commercial world as in the political. The epoch-making year of 1870 only strengthened these inclinations, which have never since ceased to influence her. German Colonial policy is merely an extended application of this same natural sentiment, which desires to prove to the world that Germany is also a great nation capable of manufacturing and exporting."

National unity has certainly brought about German prosperity. At any rate, the one has rendered the other possible, by, in the first place, permitting the population to think of it; so long as the German people were preoccupied with thoughts of Empire, other needs were relegated to the background. For sixty years, from 1804 to 1866, national unity filled the foremost place in all thoughts. The dreams and schemes of the nation did not look beyond political and military preparations. In 1870 Germany, having at length established her Empire, aspired to rekindle the flame of those other ambitions to which in times gone by she had been no stranger. Hanseatic Germany and the Free Towns, trafficking Germany, reappeared once more behind Imperial Germany. It was undoubtedly because the idea of Empire no longer absorbed her thoughts by day and night that Germany could at length return to her neglected affairs—first lesson upon which English Imperialists might do well to meditate. Further, Hanseatic Germany only reappeared at the expense of Imperial Germany. For the Pangermanic Empire is not yet an accomplished fact; all the peoples of German race and language are not yet within the ring-fence of Imperial borders. But does Germany of to-day think seriously of incorporating those still remaining outside the fence? Whoever now formulates Pangermanist claims on behalf of Greater Germany? From time to time some unitarian brought up in the school of 1848, or some doctor professor who has lost himself in abstruse conceptions of the Middle Ages or of ancient Rome. But trafficking Germany has turned aside from all this as if the life of a people could not contain commerce and Empire at the same time. What, then, signify the fine formulas of Mr. Chamberlain: "Empire is Commerce"?

National unity was no doubt a great aid to material prosperity. The national successes, the victories over Austria and France, awakened once more in the hearts of the people pride of race, the confidence in the value of each and every-one, the sure hope that henceforth nothing was impossible, the fixed determination to undertake things which disunited Germany did not or could not think of. To achieve successes in this world, be they industrial, commercial, or what not, a certain amount of self-confidence is necessary. But has England of the twentieth century really any need of self-confidence? Does not the Transvaal imbroglio prove that too much confidence is equally fatal? Is it not quite apparent that the Anglo-Saxons already possess in excess all that unity gained for Germans? Besides, unity did not really cause German prosperity; it merely made it possible. Can it be, then, that military force, another form of the Imperial dream, is the true cause?

Commercial England has the greatest distrust of militarism which for many a long day to come will render obligatory service absolutely impossible. Before allowing their distrust to be calmed by the soothing phrases of Lord Rosebery¹ and other quack Jingoese, the English working classes would do well to meditate over the example of another neighbour: they can, without referring to any very elaborate statistics, ascertain beyond all doubt that the continuous wasting away of French commerce dates from the time when France had first to bear a crushing weight of military charges in order to assure her present defence and the future of her national life. Once upon a time this commerce was both active and well distributed. What will eventually remain thereof if measures are not speedily taken to conciliate her interests with the necessities of defence? Since 1870 the German Empire has also been compelled to remain under arms for the defence of her life; but it has not concentrated every thought and ambition on preparations for and dreams of war. Germany has thought of how best to maintain the effectives of the armies of peace; and has ever been the first to reduce the extent and length of effective service. Here, again, business Germany has made her voice

¹ Speech in the House of Lords, 31st January, 1900.

heard. Possessed of the necessary funds, she has consented to pay for the requirements of her army, but, at the same time, she has strictly limited the forces, the initiatives, the wills, and, above all, the number of years of active service to be demanded. The warrior of yesterday has publicly repudiated all idea of conquest, whilst crying on the rooftops her sincere desire for peace. Up to the present she has not succeeded in convincing Europe of her pacific intentions; she has done better: she has imposed them on the will of the most militarist of Emperors. Under the direction of new Germany, Wilhelm II., this knight of force, this enthusiastic grandson of the "never-to-be-forgotten" soldier, has become the traveller-in-chief of German merchandise and German capital, a familiar figure throughout the Balkan States and the entire Levant. He must still have his royal toys—his soldiers, his cannons, his men-of-war. He must still maintain his big talk and intemperate language of the camp. Too frequently, also, must he pretend to adjust the scabbard of his great sabre. But whenever his feelings of wrath, rancour, ambition, jealousy, hatred boil over in an uncontrolled torrent of menace against England, he draws back at the last minute "on account of his Hamburg commerce," as he says.

"It is to the thirty odd years of peace," say the British consuls,¹ "that Germany owes in the first place her fortune. Peace alone has economised for her material advantage the thousands of hands which constitute her principal superiority. By excess of births she has gained on an average from 500,000 to 700,000 new workers annually, who instead of being employed as *reiters* and *landsknechts* in private or public, in civil or foreign warfare, are sent to the factories and counters." "But militarism," say certain Englishmen, "has undoubtedly facilitated the greatness of commercial Germany by inculcating in the entire nation qualities of endurance and sobriety, habits of combined effort and work in common, which are the true forces of German commerce."² Who can really say what are the conditions which inculcate this or that quality or habit, or develop them in us? Is it not much more likely that these qualities and habits, already in existence, have made the Prussian *régime* possible and have constituted its

¹ *Annual Series*, Nos. 1942, 2104 and 2312; *Miscellaneous Series*, No. 490.

² *Blue Book*, C. 4715, p. 162.

force? And if commerce, like the army, has derived advantages from them, has not new Germany brought into play other energies which militarism either compresses or suppresses? Fearlessness in enterprise, daring in calculation, confidence in personal initiative, these are the characteristics of German commerce to which the English consuls attribute the major portion of German success. Now, can it be seriously maintained that military obedience either creates or preserves these qualities of fearlessness and daring?

There still remains a conception familiar to the entire press and every shade of opinion in Great Britain—the military discipline of the nation and the military rule of the State are alone answerable for this *paternal* or *parental régime*,¹ upon which it is thought all Germany's good fortune rests. On the one hand, paternal care of Governments, paternal orders of the authorities, paternal protection of the State; on the other, filial obedience on the part of the subjects, brotherly sacrifice of conflicting interests, domestic union of all the efforts;—England readily imagines that in a single day, at the word of command and as if by magic, the great military family was transformed into a commercial family and that Authority and Protection alone have achieved the conquest of the world. It is this English imagination which has given rise to the Protectionist movement. Fair Trade claims the aid of the English State, not with a view to protect national commerce and industry, but to counterbalance the effect of the *rôle* played by the German State and so establish fair-play.²

In 1885 the Grand Parliamentary Commission appointed to inquire into the reasons for the Decline of British Commerce was beset with an overwhelming number of such demands; Birmingham, Sheffield, Liverpool, every industry and commerce in trouble, pitched complaints in the same key.³ After a year and a half's study (August, 1885, to December, 1886), and after having consulted all the Chambers of Commerce, all the chief companies, as well as economists, statisticians, consuls and commercial *attachés* stationed abroad, etc., the Commission terminated its final report:—

“The competition of Germany is becoming increasingly

¹ *Blue Book*, C. 4715, pp. 236, 252.

² *Ibid.*, p. 170. ³ *Ibid.*, C. 4715, 4797, etc.

keen. German perseverance and enterprise are felt in every quarter of the globe. They gain ground on us by means of their superior acquaintance with the markets, their desire to subordinate their own taste to that of the customer, their fixed intent to obtain a footing everywhere, and their tenacity in keeping what they have once gained."¹

No allusion whatever is made to the rôle played by the German State in all this. It was not that the Commission had not tried to detect such State interventions. "What kind of protection does the German State accord to its commerce and industry?" was the question asked of all Fair Traders. Some replied, "By its Colonial policy"; others, "By its system of State railways"; whilst others, and in greater numbers, "By its Protective tariffs".² The majority were simply content to allege the intentions and sayings of Prince Bismarck; Bismarck and the Bismarckian policy had accomplished everything; the mere name of Bismarck was quite sufficient to explain everything. The Commission was not convinced by any of these replies, and it was probably right.

And first with regard to Customs tariffs. The rise of Germany dates from the year 1870, and with the exception of certain crises, necessary corollaries of international crises, the progress of the nation has continued without interruption up to the present time. As a matter of fact, during this period of thirty years Bismarckian Protectionism was not all the time in force. As late as 1879 the Empire and Bismarck were Free Traders. The sudden change of 1879 was in nowise brought about "through any desire to assist certain branches of industry by means of tariffs and duties," so said the Chancellor in laying the case before the Reichstag.³ It was the unsatisfactory sales of the timber of Varzin, the invasion of the home market by Russian wheat, the groans of squires and of landed proprietors—in short, feudal and agricultural Germany; it was, above all, the penury of the Imperial treasury, absolutely dependent on the Customs for its necessary funds, which caused Bismarck to "assure to German production as a whole a certain sale on our market".⁴ Protection was a conception of "Little

¹ *Blue Book*, C. 4893, p. xx. ² *Ibid.*, C. 4715, p. 236. ³ *Ibid.*

⁴ For all this the reader is referred to the splendid articles published in the *Revue de Paris* by M. Charles Andler and to his book *Prince Bismarck*.

Germany". The real care ever present to the mind of Prince Bismarck was to keep intact German force, and by this means reserve to Germany every German energy. Neither commercial nor Colonial expansion ever appealed to him. Towards the end of his reign he had no alternative but to obey the irresistible inclinations of the nation. But he had in nowise provoked them, and in yielding to them he merely submitted to the inevitable. Here, as in every phase of his policy, he merely followed the national movement, the pace of which he slackened in order the better to dominate it. On his departure from the political arena industry and commerce began to shake their Protectionist shackles as being only of advantage to agrarians.

The English Free Traders, then, were quite right in stating to the commission of 1885 that Bismarckian protection was baneful to German industrial interests: "It is a notorious fact that a great many industries in Germany suffer from it. . . . So far from benefiting Germany the import duty is actually injurious to German interests."¹ Nevertheless, the Fair Traders calculate that Customs duties both assured to German manufacturers the monopoly of the home market and opened to them the conquest of outside markets, where German commerce dumped all surplus goods at a loss.² This calculation is unworthy of such good business men; the Customs levied were not high enough to admit of industrial Germany exacting a sufficient margin of profit from the home trade to compensate her, for any length of time, for losses incurred in the outside markets. In the end, however, Germany was compelled to revert almost entirely to Free Trade in order to preserve her commercial expansion.

Bismarck's successor, in 1892, laid before the Reichstag the new policy which, equidistant from Free Trade and Protection, should be, said he, an autonomous policy:—

"Now that our industry has grown, our principal pre-occupation must be to find outlets for it . . . and *obtain on the most favourable terms possible raw articles in exchange for our manufactured products*. It is by no means impossible to conclude commercial treaties. Such treaties are even the means of maintaining a fair quantum of Protection, and so avoiding

¹ *Blue Book*, C. 4715 and 4793, *passim*.

² *Ibid.*, C. 4715, pp. 155, 383.

that deplorable uncertainty which leaves to all European States, unrestrained within contractual limits, the too absolute latitude of vieing disastrously with one another in a mad course along the way of Protection."

And so treaties were concluded from 1891 to 1894; the duties on the greater part of raw articles for the industries were abolished; they were also reduced on food stuffs of prime necessity. "These are not Protectionist treaties," said a consul,¹ "their sole object is the development of exports." In vain did the Bismarckian Germany of squires and landed proprietors protest. The Government continued and continues still to favour new Germany at the expense of the old.² This policy alone has rendered possible the untrammelled flight of industrial and commercial Germany which we now behold. And henceforth this same flight will perhaps impose a still more unfettered return to the policy of *laissez-faire*. A new autonomous tariff is in course of preparation to take the place of the treaties which become obsolete in 1904. On all sides, by means of associations, inquiries and concentration of efforts and opinions, industrial Germany is preparing for a new combat with the agrarians. The Government promises to remain neutral; for the sphere of the Government is to watch over the interests of the Empire and not to take sides for any one party. Germany, then, should not be cited as an example for extolling the benefits of Protection; if Englishmen desire information on this point, the statistics of France during the last fifteen years will show much better to what a pass Protection can bring the commerce of a great country.

As the arguments concerning the effect of hostile tariffs are not very convincing, the Fair Traders accordingly allege other methods of Government action—bounties, subventions, subsidies, consular aid and Colonial policy. Every one of these allegations is open to criticism. As for bounties, German sugars alone have received them. The iron indus-

¹ *Miscellaneous Series*, No. 490, p. 9. The agricultural party are dissatisfied with the working of the tariff treaties which, they say, unfairly benefit the industrialists at their expense, by admitting foreign grains at specially low duties, in order to secure better markets abroad for industrial produce.

² *Ibid.*, p. 16.

try, left to its own resources, has none the less grown by leaps and bounds. And as for diplomatic aid, it is the wont of manufacturers in all countries to laud to the skies the magnificent consular representation of their rival and to find fault with their own. Englishmen have been no exception in this respect, and they were, perhaps, the only nation who had absolutely no cause for complaint. When the cries of the Fair Traders at length brought about, in 1896-1897, a fresh Parliamentary inquiry on the subject,¹ it was necessary, as in 1886,² to take evidence. No documents in the world, giving a detailed history of the economic movement during the last quarter of a century, are more instructive than the two series of admirable consular reports, or than the *Board of Trade Journal*, which epitomises them. "The rôle played by German consuls has been much less important than is generally supposed. The entire success must be attributed to individual or collective efforts, and not to consular assistance."³

As for Colonial policy, it was private initiative of the Godefroy of Hamburg, of the Luderitz of Bremen, of the Bleichroeder and Hausemann of Berlin, which anticipated all Government action. Once more the Imperial will had to yield to popular exigencies. "I was not born a Colonial," repeated over and over again Prince Bismarck, who, as a matter of fact, only followed in the wake of the great Colonial movement in the later period of his political career. As for the bounties to encourage shipbuilding and navigation:—

"The Government never thought of stimulating the mercantile marine until the year 1881, and no effective step was taken until towards the year 1885. The Imperial law of 1885 has been successively enlarged; nevertheless the development of German shipbuilding yards has been almost entirely due to the energetic initiative of individuals. The Imperial Government has not subventioned or aided naval construction to any very great extent, as has been the case in other countries. In short, subventions have only been granted in respect of the postal service, and the real object

¹ *Blue Book*, C. 4779. ² *Ibid.*, C. 8432, 8962 and 8963.

³ *Annual Series*, No. 1911.

of that was to form a reserve of sailors and cruisers for service in case of war.”¹

These are the opinions repeated on every page of the special reports which the Foreign Office has published in its *Miscellaneous Series*² concerning “The Maritime Interests of the German Empire,” “The Commercial Relations of Germany,” “German Colonies,” etc. The most recent, which summarises all the others, *viz.*, “Development of Commercial, Industrial, Maritime and Traffic Interests in Germany from 1870 to 1898,” thus concludes:—³

“All that German statesmen have done to aid and guide the ambition of their people can be absolutely set aside. Their splendid efforts would have failed had they not had in their hand this German people, so admirably suited to commercial enterprise, and this German characteristic which one might define in a word, ‘*thoroughness*’. In the world of affairs, this thoroughness is absolute, complete. It is undoubtedly thanks to perfection of methods in every branch of trade that Germany has risen to the first rank of commercial people. . . . In their competition with the rest of the world it is not great changes which have given them the victory, but a countless mass of small efforts and small innovations. Their industrial and commercial prosperity is the direct result of their excellent methods of education, production and distribution.”

¹ *Miscellaneous Series*, No. 419, p. 19.

² Nos. 340, 443, 474, 490.

³ *Miscellaneous Series*, No. 490, p. 7 and following.

GERMAN RATIONALISM.

CHAPTER II.

“English commerce will suffer still more severely from German competition in the course of the next five years, unless English manufacturers make up their minds to attack the Colonial and foreign markets with the energy, the good organisation, the modern weapons and the conciliatory manners adopted by the Germans.”—English Consul in the Samoas, *Annual Series*, No. 2049.

“We must go with the times. We shall not be able to compete with our rivals except by the most careful study of their methods, and by the lesson we shall obtain from those methods, if that lesson can be useful.”—English Consul at Copenhagen, *Annual Series*, No. 1920.

THE industrial and commercial success of Germany, like her military successes, is in the first place due to her system of education. In each walk of life *Science* is the prime source of German force. First to break with the old scholastic or classical teaching of dead languages and antiquities, Germany based her system of instruction on the teaching of living realities.^A

“In England,” writes the consul of Stettin,¹ “many public and private establishments have instituted a system of modern instruction on the lines of the German *Realgymnasium*. But in how many establishments is not, in fact, this modern instruction despised by the masters, and consequently by the pupils, whilst classical teaching passes for the sole education worthy of a gentleman? How many young Englishmen, on quitting school and entering some large business embracing the markets of the world, are able to speak, if not fluently, at least passably, any other language but their own? They know a little Latin, they have a suspicion of Greek, languages both exceedingly useful to clergymen and men of science, but which do not open to them either France, Germany or Spain.”

¹ *Miscellaneous Series*, No. 434.

Germany has modelled her children to the requirements of the age ; she no longer makes of them caricatures of centuries past and gone. In every town or district, whether in the field of industry, commerce, agriculture, chemistry, horology, weaving, horticulture, each member of the rising generation is taught the scientific rules of the calling which he intends to adopt as a means of living. From early childhood the future traders in any German town or State learn to speak and write all the languages of their customers : French, English, Russian, Turkish, Arabic, Spanish, Chinese, etc. The *Blue Books* are unanimous on this point.

“ There cannot be the least doubt,” writes once more the consul of Stettin,¹ “ as to the undivided attention which the German nation gives to the advantages of technical education in every branch of the arts, sciences, commerce and industry. There is never any hesitation when it is necessary to procure the means of teaching something to its young men. The equipment in this respect is such that young Germans can obtain any instruction they desire, and, in general, they are most anxious to learn, and use to full advantage that which they learn. The leading cause of our discomfiture is that Germans learn their lessons well, and never forget what they have learned.”

And this consul gives as an example the town of Stettin, where a building school has been created for architects, for land and marine engineers, as well as for foremen, masons, makers of heating systems, workmen of all kinds. This school, erected at a cost of £25,000, with an annual expenditure of nearly £5,000, is freely accessible to the entire building population of the town ; and by this means every one learns the latest improvements in his profession, so that from the simple task of mixing mortar to the more complex one of erecting wood and iron, *each learns his lesson well*. The example of Stettin is taken haphazard ; all the towns, be they large or small, can show, without exception, their technical schools, their *Polytechnicum*. Moreover, no one is ignorant of the fact either in England or elsewhere. In a fit of good faith and frankness, the *National Review*, most Imperialist and Jingo of monthly periodicals, asked the ques-

¹ *Annual Series*, No. 2064, pp. 14, 15.

tion: "Why are the Germans beating us?"¹ Dismissing all other explanations, this one alone was retained:—

"It is due to the superiority of their education over our own, both in application, in method and organisation. It is due to their standing army of scientific men."

Standing army of scientific men, no juster word could be found for new Germany. The entire nation, young and old alike, is enrolled to-day in one of the many corps of this scientific army. Each takes his rank. The laboratory, factory or library, the pen, microscope or hammer, each contributes within its circuit of action to the common work, to the pacific development of all the national riches. To the scientific pursuit of fortune Germany applies the same qualities of conscientious precision, minute research, individual disinterestedness and indomitable labour, which her learned pedants of yesterday brought to the study of the Middle Ages and antiquity. In order to attain a given object no detail is too insignificant for study, and, whatever the pains, no obstacle can prevent the eventual apprehension of the smallest trifles. In all the branches of commerce or industry which Germans have been able to absorb, their success has been invariably due to some scientific discovery; but it is no mere chance, nor even a happy instinct of genius which has conducted them to these discoveries, for their inventions have never been great in scope or remarkable for a sense of intuition.

"Germany's gradual rise in the industrial world and foreign commerce is due not so much to any great changes, improvements or alterations, but to a mass of small variations, innovations and modifications in their methods of dealing with industrial and commercial questions."²

Scientific method, i.e., patient experience and rational generalisation, is the main factor in their success.

Should anyone wish to verify this point, no more typical examples of German methods of procedure could be adduced than those relating to the industries of sugar, coal and steel. They have always commenced operations by taking lessons in

¹ *National Review*, April, 1897.

² *Miscellaneous Series*, No. 490: "There is no doubt whatever that in competing with other nations it has been rather in consequence of a mass of small innovations than by great changes that they have succeeded".—*Annual Series*, No. 1828.

the school of the leading specialists. France, as the inventor of beetroot sugar, had become the leading sugar power of the world, and in 1870 she still maintained her dominant position. But, in the meantime, Germany had decided to enter the arena, and, after closely examining and comparing the different French fields of cultivation, she satisfied herself that her own climate and soil situated near the coal districts were quite as suitable for the cultivation of the beet as northern France. But her lands are less fertile, and her climate appreciably more severe. The struggle, therefore, with the French appeared a most unequal one. In 1882, however, the French sugar makers already began to feel the pinch, and German sugars actually to find their way on the French market! The inquiry opened by the French Parliament on the subject clearly established how the Germans had been able to achieve so rapid a victory. In the course of ten years they had scientifically transformed their methods of agriculture, so that while the German beet yielded in sugar 12 per cent. of its weight, the French extraction did not exceed 7 per cent.

“The German farmer has had against him the same agricultural crisis as his brethren of the Continent and of the United Kingdom. But by means of his thorough education (the words ‘*thorough*,’ ‘*thoroughness*’ occur again and again in these consular reports), founded on science, he always forges ahead. He has learnt how to increase his crops and revenue according as prices decrease. It is science which, in all the branches of agriculture, has come to his aid; science has shown him how best to feed his cattle, grow his plants, combine his chemical manures, choose his succession of crops, etc. One of the wisest measures introduced for the progress of their agricultural science has been the foundation of agricultural teaching in all the old universities. The success of the Germans in this field, as in others, is invariably due to a *thorough training and high-class teaching*.”¹

The Germans then applied scientific methods to the beetroot. Thanks to a well-thought-out system of culture and a continuous selection they eliminated all species of the beetroot which gave the least yield of sugar. Twofold and threefold was the saving effected. On the one hand, the soil was

¹ *Miscellaneous Series*, No. 452, “Agriculture in Germany”.

less impoverished—for the impoverishment is in proportion to the dead weight produced and not to the sugar contents; on the other, considerable saving of labour not only in the beet field but in the sugar factory also. To this must be added the scientific employment of the most effective chemical manures and a very carefully selected succession of crops, by which means the quality of the beetroot is greatly improved, while in spite of the most intense culture, the soil is never exhausted. In addition, only the lower portion of the root is treated for sugar, all the rest going to the still for alcohol. Finally, notice must be taken of a chemical process for the draining off of the molasses. Twelve short years of German competition sufficed to deprive France, the initiator of the beetroot, of all benefit accruing from her discovery. The French Sugar Law of 1884 was dictated by scientific Germany, henceforth the undisputed lord of sugar and of alcohol into the bargain. For part of the beetroot goes to the still, and, as the potato is essential for the rotation of crops, chemical Germany immediately set to work and distilled that also.

Is it necessary to show how the alcohol in its turn incited the laboratories to a new and fruitful exploitation of other riches lying dormant in the national soil? It did not seem possible that German coal could ever be a serious rival to the English, Belgian, or even French. In fact, the coal beds were so far from the sea and the metalliferous deposits, and the coal itself so impure, coarse and mediocre in quality, that even in Germany they were not considered fit to supplement the coals shipped from Durham for gas-making nor those from Wales for purposes of steam. The laboratories took this coal in hand and, uniting it with alcohol, turned it into a veritable gold mine. The discovery brought about a scientific revolution in all the applied arts: pharmacy, drugs, dyes, paints, varnish, medicaments, and colours of all sorts sprang as by magic from these black stones; the world was inundated with German anilines, fuscines, alizarines, anti-pyrines, benzines, etc. With ever-increasing appetite, German chemistry proceeded to annex little by little all the kindred industries—soda, potash, chlorines, alkali, borax, quinines, glycerines, saltpetre, saccharines, oxalic and sulphuric acids, etc. Previous to 1870, France used to supply all the Continental and Mediterranean pharmacies. Under

the heading "Alkali" England exported £3,000,000 worth in 1873; the subjoined table shows to what extent this trade has shrunk since that date:—

ENGLISH EXPORTS OF ALKALI.

1873.	1883.	1893.	1895.	1897.	1898.
2929	2124	1857	1557	1279	1006

(In thousands of pounds sterling.)

It must not be lost sight of that the soda trade is in the hands of the Fair Traders of Liverpool, and that if such a closely related commerce as the tinctorial products has not passed through the same crisis¹ it must be entirely attributed to the Free Traders of Manchester, who have these industries in hand; who, relying solely on their own energy and experience, asking nothing of the State, expecting nothing from the quack remedies of the Imperialists, have successfully struggled against the Germans.²

ENGLISH EXPORTS OF TINCTORIAL PRODUCTS.

1873.	1883.	1893.	1895.	1897.	1898.
2767	3377	4450	4790	5483	5998

(In thousands of pounds sterling.)

Manchester appointed a commission to study the German Schools. She instituted a permanent Technical Instruction³ Committee. She constructed lecture halls and laboratories. In short, she put into practice the advice contained in the different consular reports. "The number of new chemical products manufactured by the Germans is almost incredible.

GERMAN EXPORTS.

	1889.	1891.	1893.	1895.	1897.
Anilines and dyes	38.4	44.3	53.2	63.2	67
Alizarine	12.5	12.9	11.7	11.6	12.4
Alkaloids and antipyrine	3.7	5.8	6.8	6.12	4.3
Aniline products	4.8	8.4	4.9	6.8	11.5
Quinine	6.9	5.7	3.8	5.9	9.3

(In millions of marks.)

Great Britain, who possesses so many facilities, should seek in the field of chemistry—the great industry of the future—

¹ Under the heading "Chemical Products and Dye Stuffs and Painters' Colours".

² *Blue Book*, C. 4797, p. 1. ³ *Ibid.*, C. 8963, p. 23.

the means whereby to compensate the diminishing figures of her textile and metallurgic industries.”¹

For the year 1889, German exports of chemical products amounted to £11,000,000 sterling; for the year 1897 to £16,000,000. “German aniline has conquered the world,” says the *Board of Trade Journal*.² By incessant improvements, Germany has constantly lowered her prices. Thus in 1898, the exports amounted in money to £2,000,000 and in weight to 7,000,000 tons; in 1897 the money amounted to £3,200,000 and the weight to 18,000,000 tons. Scientific processes alone have achieved these results: Ludwigshafen, Saarau, Dresden, Breslau, etc., have replaced the sheds and rough labourers of British industry by laboratories and chemists. Their foremen are veritable *savants* who in the year 1898 alone discovered the means of revolutionising five or six industries—sulphuric acid, ammoniac, sugarine, indigo,³ etc.

Any exposition of German progressive methods would be incomplete if their scientific conquest of modern metallurgy, machinery and hardware were omitted. England owed her fortune to iron and steam; Germany has achieved hers by steel and electricity. The entire struggle in the iron industry turns on the competition between old forces and materials and new forces and new materials. Once again Germany has only developed and popularised the discoveries of others. It was not she who invented the new process for steel making; she did not first study electric piles, currents and machines. But she appropriated them to herself:—

“Industrial prosperity,” concludes a consular report, “has grown in Germany more rapidly than in any other country chiefly due to the fact that Germans have always known how to profit by the knowledge and experience of their predecessors, and after carefully studying their pro-

¹ *Annual Series*, No. 2093.

² October 1898, p. 464.

³ *Annual Series*, No. 2344 (August, 1899). A great change seems imminent in the manufacture of sulphuric acid. The “Baden Aniline Soda Factory” has patented a most important improvement in the production. . . . There is a report of a newly discovered process in the production of ammoniac . . . a new sweetening substance, sugarine, which is said to be 500 times as sweet as sugar has been discovered. . . . Among new manufactures artificial indigo is decidedly the most important.

cesses, they almost invariably improve on them in the matter of detail.”¹

In short, that which, during the first half of the nineteenth century, the erudition of the German *Doctor Philologist* achieved for the conquest of the antique world with his minute, patient and unwearied study which never allowed a detail to pass unnoticed but yet never lost sight of the whole, all that has been transferred to the conquest of the modern world by the industry of the *Doctor Engineer*.

In the field of commerce, their efforts and scientific work have perhaps been still greater. They have introduced entirely new tactics, which, being the result of long and patient study, both theoretical and practical, the English Consuls for ten years past have advised their compatriots to meditate upon, but all to no purpose.

In the first place, Germany thoroughly equipped herself with commercial schools, both elementary, secondary and superior, so that to-day all business classes are provided for.² The State has hardly done anything in this respect. The business world, especially in Prussia, has frequently complained of this indifference. It is the business men who have insisted on the necessity of common-sense teaching. It is the efforts of the Chamber of Commerce and of the *Germanic Association for Commercial Education* which have instituted this triple-grade system of instruction for employés, small traders and heads of houses respectively. For thirty years their combined efforts have never flagged an instant. The High School of Leipzig, opened in April, 1898, is the crowning point in this movement:—

“This High School is an excellent example of German foresight which calculates the necessities of the future and tries to anticipate the probable requirements. Its aim is an entirely practical one. Educational programmes, drawn up by practical people, were discussed and sanctioned by the second Congress of Commercial Education held at Leipzig in June, 1897.”³

From top to bottom the whole field of commercial teaching

¹ *Miscellaneous Series*, No. 490, p. 30; *Annual Series*, No. 2312, p. 32, “Introduction of American Processes for Treating Leathers”.

² *Annual Series*, Nos. 1942 and 2122; *Miscellaneous Series*, No. 340.

³ *Miscellaneous Series*, No. 468, p. 1.

has been surveyed and provided for. Essentially the work of practical people, the practical side of education is ever kept in the foreground, and whilst a certain amount of attention is paid to finance, economics and administration, to law and technical matters, the maximum of effort has been concentrated on the cardinal requirements of international commerce, *viz.*, on the study of foreign languages and commercial geography.

Knowledge of foreign languages was, according to unanimous consular opinion, in the main, the chief cause of German superiority. For this knowledge, which has proved so profitable to German commerce, created at the same time that craving to sojourn in foreign lands whereby Germany has lost, and is losing still, so large a part of her living forces, by their absorption in neighbouring States. Formerly the German factory hands or farm labourers without commercial instruction were quickly lost sight of in the Latin, Slav or Anglo-Saxon communities to which they emigrated. But to-day trade has diverted this exodus of young Germans into the channel of the world's markets. First of all, for a period of ten or twelve years, especially between 1873 and 1885, swarms of clerks were to be seen flocking to the shores of Great Britain who offered to serve gratuitously in the offices of the City, Manchester and Liverpool. England gladly welcomed the advent of these willing scribes. To begin with they asked no wages at all; later they were satisfied with a salary ridiculously inadequate, in return for which, by their general knowledge of foreign tongues, they corrected in this respect the ignorance of the English business world, which never knew how to speak or write in any language but its own, and that not always correctly.

"A large proportion of the commercial knowledge in Germany of to-day," writes the same Consul of Stettin,¹ "has been acquired in England by young Germans engaged as clerks for carrying on the foreign correspondence. These clerks remain in England for some three or four years. When leaving their country they state quite openly the object they have in view: "I am going to England to learn such and such a business; I shall come back at the end of several

¹ *Annual Series*, No. 2064.

years". And they always succeed in learning just as they said. Why? Because amongst English employés not one in a thousand is capable of carrying on the foreign correspondence.

England is now reckoning up the cost. After ten or twelve years of unobtrusive study these clerks have returned to the Fatherland carrying with them the methods, secrets and business connections of commercial England; they have grasped the strength and weakness of their competitors; they know how and where to deliver their attacks. But, above all, the simple fact of their presence has brought about an immense revolution in international commerce. Up to this point, the English, as sole exporters and trade carriers of any account, had succeeded in imposing their own language on the world at large; the commercial universe, unable to get on without them, was obliged to speak English. The German clerks encouraged the foreign customers of England to correspond in their own tongue. In the name of their English principals they made offers to all peoples in their own vernacular; the result of this was that replies and orders, which up to that time had always come in English, now arrived in French, German, Spanish, Italian, Russian and even in Turkish and Arabic. So long as the German clerks were there to decipher these scrawls and reply thereto, the English principal took no heed of the change. But, the Germans once gone, export houses found themselves confronted with customers, who henceforth expected to be understood each in his native tongue. Frantic attempts were made to revert to the old order of things which existed before the arrival of the Germans, but all to no purpose. Forsaking the English merchants who could not or would not understand them, the foreign customers turned to those who could and would, that is to say, to these late clerks now become principals in Germany. They (the Germans) in turn, being in possession of all the addresses, opened up relations with the customers by means of prospectuses drawn up in the language of the recipient or through the intermediary of polyglot commercial travellers. English is no longer the sole business language. Nowadays every people claims to traffic in its own idiom. But German trade stands alone in being able to speak all the languages of the business world.

After England, the clerks enlarged the sphere of their spying explorations. On leaving school or on completing their apprenticeship, but before finally settling down to a definite calling, they habitually made a tour of Europe or the world. Everywhere the English Consul points them out as students of the needs and resources, the habits and tastes, the manias and weaknesses, the monies and credit systems of their future customers, as collectors of patterns and models which, on their return, they will show to the manufacturers of their native towns, as seeking out the most rapid and cheapest means of transport, as meditating over the different tariffs with a view to escaping or circumventing the duties, as adopting packages for lowering of freight and customs, etc. The English Consul at Stettin describes one of the associations founded by German commerce for the despatch of young men abroad.

“After 1871 Germany had every reason to believe that Europe would enjoy a long peace, and, consequently, began to dream of industrial and commercial enterprise. Accordingly, Stettin razed its walls to the ground, and nineteen of its leading business men proceeded to found an Inquiry Association for the development, or rather creation, of a Transatlantic commerce. This conception was double in origin: first, we need a better education for our young men, whether servants or masters; secondly, we need a band of emissaries to study the world’s markets and to create for us business connections.”¹

Everywhere their method has been the same: a project is formulated by a syndicate of business men, emissaries are sent forth to verify the actual value of the supposed principles, then all set to work according to a concerted and well-defined plan. Each emissary is chosen according to his aptitudes and his previous education, for no German considers himself capable of becoming a “Jack of all trades”; on the contrary, every youth in his teens applies his energy to the study of some speciality. The proof of this assertion is contained in the consular reports of the past ten years:—

“The Germans,” writes the Consul of Rio de Janeiro, “have conquered South America by a minute study of its requirements. At the present time 500 clerks are working

¹ *Miscellaneous Series*, No. 434.

in the province of Santa Catarina alone. . . .” “The Germans,” writes the Consul of Batoum, “never cease to study the laws, customs, duties, etc., of our market; their drug-stores only stock products suitable for Russian prescriptions. . . .” “It cannot be denied that the German manufacturers know the market of Guatemala much better than ourselves. Their commercial travellers stump the country, and if at first they are unsuccessful in pushing their wares, they at any rate acquire a fund of information, and thoroughly study the market. At the second attempt their pains are well rewarded. . . .” “All the commerce of Archangel is German on account of the German clerks who fill the offices along the entire coast of the White Sea. . . .” “Jerusalem is becoming quite German, thanks to the commercial travellers who come and study the needs and prices of our market; during the past ten months twenty-nine have passed through, and in the same period we have only seen four English representatives. . . .” “In China every German house has at least one agent who can speak Chinese; this is never so in the case of English houses. In Japan the young Germans arrive with a culture differing entirely from that of their English competitors. We have not the class of men who are willing to play the rôle of salesmen. . . .” “We need,” says the English Consul in the Samoas, “commercial travellers like the Germans. One of them leaves here; he has obtained orders for £2000; he continues his tour, which will last three years. At each place of call he finds a complete assortment of patterns and models suited to the tastes of the country, together with complete instructions as to marks, shapes, lengths, breadths and conditions of payment. . . .” “The Germans,” writes the Consul of Chicago, “send us expert travellers to study local tastes and designs. It is to this scientific study of the market that they owe their success.”¹

The German commercial traveller is ubiquitous. He observes, studies, compares, notes, retains everything, and reports to his firm, who forthwith put his counsels into practice by changing processes, models, colours, shapes in order to meet the desires of a given set of customers, to avoid such or such expenses or disadvantages. For instance,

¹ *Annual Series*, Nos. 1903, 1872, 1865, 1853, 1933, 1874, 1691, 1990, 2049; *Blue Book*, C. 4621, p. 34.

German houses supply Portugal with unbordered curtains on which the duty is only six shillings ; the English competitor borders his, and the duty in consequence is fifteen or sixteen shillings. Again, all brass or mother-of-pearl ornamentation is entirely absent from German clock cases destined for the Spanish market ; the French clockmaker, ignorant of the Spanish tariff, pays accordingly twelve to fifteen francs. Again, German china for the Italian market is packed without straw or wood in special waggons, the Italian duty being based on the gross weight ; English chinas pay double the amount, due to heavy packages and triple layers of paper and straw. All the world over, both in commerce and industry, experimental knowledge and constant study have achieved Germany's success ; science has ever been her main force ; in the words of an English Consul, her genius has consisted in a *long and steady perseverance*.

In spite of all that science has accomplished for Germany, the results would have been infinitely less did not the nation possess another virtue. The fundamental qualities of the race—affability, cordiality, courtesy, sociability—inculcated for a century by the moral teachings of philosophers, had given birth, under the law of duty, to a national and human solidarity. Within, it was this quality which, after having wrought the real unity of Imperial Germany, produced the admirable and fraternal co-operation of business Germany, mainly attributed by the Fair Traders to State orders, but in fact solely due to community of sentiments. Without, it was this same quality which made German merchants the attentive purveyors and obliging servants of *all* nations.

This *entente commune* has been the means of uniting the national will and effort in every town, province, state, and, finally, in the Empire itself. From it have sprung associations, small or great, which have woven the slender and pliant threads of individual energies and capacities into strong and durable cables. Against the English giant, these threads could have accomplished nothing singly, and in spite of these spider's webs Britannia would be enthroned still, immovable and unmoved, on her massive foundations. But just as may be seen amongst the monuments of Egypt battalions of human beings, like so many ants, grappling with some enormous statue, moving it and wrenching it from

prehistoric site by the union and cadence of their thousand puny efforts, so the regulated shocks of the German host have already shaken this colossal Albion. All the branches of industry, be they great or small, *viz.*, coal, iron; chemical products, sugar, borax, glycerine, toys, glass, furniture, etc., every kind of trade, *viz.*, importation, exportation, acclimatisation, colonisation, transport, warehousing, etc., have at their head a Verein for the development and protection of common interests. The consular reports are unanimous in asserting these Vereine to be amongst the most important factors of German success.¹

Stettin and its "Verein for the Development of Oversea Relations" is again a good typical example. This town, in 1870, was merely an insignificant port on the Baltic, with no other customers than its near neighbours Russia and Sweden. In 1871 nineteen notables constitute themselves a Verein, found classes for foreign languages and commercial geography, provide a library and sums of money for travelling. In 1872 the first batch of emissaries start for South America, later on others for the English and Dutch Indies, followed by others for Australia and Central America. During the last thirty years, without exception, say the jealous English, Stettin has disseminated her spies throughout the world. However this may be, she has customers and correspondents now everywhere. She has increased tenfold her foundries, cement works, brickfields, shipbuilding yards, clothing factories; she makes clothes to measure for peoples of all colours; in 1897 she exported no less than 70,000 tons of ready-made garments.²

It is clearly proved by this example—and there are many others exactly similar—that private initiative, and not Government action, has drawn together individual energies. The Fair Traders see in all this the working of military discipline and the knout of Empire. But the nation, and the nation

¹ *Miscellaneous Series*, No. 490, p. 8. Another factor that is considered to have helped the development, both of home industries and foreign trade, is the great extension in Germany of the principle of association or co-operation among the commercial classes for every kind of mercantile enterprise.

² *Annual Series*, No. 2064. The whole of this paragraph is borrowed from Report No. 434, *Miscellaneous Series*.

only, has willed all, combined all, accomplished all. The sole connecting links have been concord and comradeship; the Verein of Stettin actually provided in its articles for family outings and excursions on Sundays during the summer months. The intimate union, which, without exception, unites Germans domiciled abroad whatever their calling, can almost always be traced to the benign influence of kindred Vereine founded and maintained by reciprocal good-will alone. For the nation of Kant no other compulsion exists than that of national and social duty. No one ever shirks his task; the greatest *savants* can be seen at the head of the most industrial of laboratories, and the richest capitalists presiding over the most audacious of Vereine. Nobody ever doubts the common faith; all regard work as the first duty of the honest man. No one believes in the durability of personal prosperity unless founded on general prosperity; the small immediate profit of the individual is almost always subordinate to the more distant but greater advantage of the nation. Quite recently the English Consuls have expressed their unqualified admiration of the sacrifices to which the great Vereine of iron, coal and naval construction agreed in order to make a beginning possible and afterwards to prolong the early successes of the German building yards. Every one reduced his profit to vanishing point, whilst some went so far as to work at a loss during the initial months. Where English Rings would have outvied each other in the greediness of their monopolistic cravings, the German Vereine have shown the maximum of mutual moderation and liberality.

It is possible that, desirous of correcting the shortcomings of their own nation, these English Consuls have, quite unwittingly perhaps, shaped their views, and their expression of them, in too harsh a spirit. Still it is difficult to admit that all should have come to a common understanding to depict, after the manner of Tacitus, an ideal Germany, and when one reads their reports from 1870 onwards, the key in which they are written seems to have completely changed. Till 1880 the English Consul is optimistic and proud of being the representative of the leading commercial power of the world. Between 1880 and 1890 a certain sense of anxiety begins to pervade his writings. From 1890 the English Consul is forced to acknowledge the vigour of German com-

petition and predict the approaching success of these newcomers.

German solidarity, then, is everywhere in evidence in all the commercial questions of to-day, just as it was in the military questions of yesterday, and as it will be to-morrow in all social questions. And once again it is foreign example which Germany has meditated ; the Germany of the Vereine, by calculating and reconciling the interests of all, has done nothing more than follow up the dreams of English Radicalism ; for from the very commencement this Germany was absolutely Radical in politics.

Between the Vereine and the State or the States there has undoubtedly been an ebb and flow of actions and reactions. But the principal action has ever been exercised by the Vereine over the States and even over the Empire, and not by the Empire over the Vereine. In each confederated State, and in the Confederation itself, by influencing the votes of the electors and the decisions of the authorities, they have shaped to their own interests the entire local or general politics of the Empire. The consular report on the canals of the Empire¹ is one of the clearest indications of the relations existing between the commercial classes and the authorities. The transport industry has been completely subverted by this new system of canals. The introduction of railways made the fortune of England. The canals assure to Germany enormous saving, and consequently large annual profits, due to the difference between land and water carriage. The companies, and secondly the transporting Vereine, were the first to conceive and initiate this work. Then the towns of Hamburg and Lübeck were converted to the idea, followed by the States, and finally by the Empire itself. By this means was conceived and realised a grand and comprehensive scheme, of which the Central Canal from the Rhine to the Elbe and the Oder will be the crowning achievement. As regards land transport the States have not merely followed the counsels of the Vereine. Sometimes they have themselves become veritable Vereine. If Saxony is nothing more than a Verein of commercial education, Prussia is nothing less than a transport Verein ; she has taken in hand the work-

¹ *Miscellaneous Series*, No. 490, p. 25.

ing of her railways, not for political or strategical reasons, but "in order to satisfy the aspirations of her new industrial and commercial Empire".¹ It has always been the same thing. "We are a union of States," wrote an American Consul; "Germany is to-day a State of unions." When the Fair Traders make so much of German State aid and adaptation of politics to material interests, they forget, in spite of the name of Radicals, which Mr. Chamberlain persists in giving them, that the old original English Radicalism was also only the effort of working England to "press"—to use the stereotyped phrase—on the Government machine. Imperial Germany has only continued and applied, by other methods it is true, the Radical policy at a time when Imperial Great Britain was abandoning it.

Germany was even more Radical outside her borders. The old English Radicals, disciples of Bentham, proclaimed themselves as the enemies of force and citizens of the world. They preached to the people, as the first and fundamental conditions of happiness, the love of peace and the service of humanity. Imperial Germany, from the time of her first existence, has waged no war, has not even made a single Colonial expedition. But everywhere she was present as the friend, the collaborator, the servant. She has never attempted to impose her fashions or her preferences by means of her industries, her commerce, or even the prestige of her success; she has always bowed to the caprices of her customers. In this respect she has carried her complacency somewhat far, flattering every whim, exploiting each human weakness. Very humble have been her civilities and most obsequious her representatives. Her demonstrations and protestations have been almost too servile even towards those whom her early successes have the most sorely tried. There is not a French tourist, business man or student who has not brought back from Rhineland some souvenir, at times touching, at others clownish, of German cordiality and civility, so heavy, yet so naïve, so clumsy, yet at all times so good-natured. The aristocratic brutality of the officers apart, the foreign visitor in Germany never has cause to complain of the insufferable haughtiness, the unsympathetic stiffness and

¹ *Annual Series*, Nos. 3135 and 1815; *Miscellaneous Series*, No. 494.

disdain which the Englishman so often brings to bear in his business dealings. "The prime cause of German success," writes the English Consul at Warsaw, "is the arrogance of the English manufacturer." "The English business man," writes the Consul of Hamburg, "is still nursed in the belief that his customers are to take just what he likes, and not he to supply what they like." "The entire difference between the old English and the new German tactics can be expressed in a few words," writes the Consul of Frankfort.

"So long as England enjoyed a world-wide monopoly the customers had to accommodate themselves to English habits, English tastes, usages, measures and prices; English industry was, in fact, *anglicising* the world; the German, like the prophet, took the trouble to go to the mountain; he was at great pains to satisfy all his customers."¹

The consular reports² confirm this statement a thousand times over:—

"Our English merchants," writes the Consul of Belgrade, "take no count of the advantage to be derived from displaying the utmost consideration for customers. Germans possess the knack of pleasing by word and act; they have not adopted the rough and abrupt manners, the formal, even haughty, tone of our representatives." "The German," writes the Consul of Riga, "never loses an opportunity of pleasing his customers. He has observed that English saws are not suited to the needs of the people; so he manufactures for them according to design. He has noticed that the least nail or ornamentation of brass entails considerable wrangling and difficulty at the Customs; every atom of brass, therefore, is suppressed in his articles. For transport and terms of credit, he has humoured all the wishes of our market. His catalogues are made out in the Russian tongue, in Russian weights and money. . . ." "German tailors and clothiers," writes the Consul of Stettin, "have formed a museum of dolls and models where the costumes of every country can be seen. For each people under the sun they make the national or habitual dress of the material and colour which this or that customer prefers. German fashions are

¹ *Miscellaneous Series*, No. 340.

² *Annual Series*, Nos. 1933, 1864, 1860, 1901, 2064, 2029, 1828, etc.

never supplied unless specially asked for. No feeling of *amour propre* prevents them copying the fashions of other nations. . . .” “Would you like an example of German cleverness?” writes the Consul of Havre. “The Germans have obtained the supply of the industrial school at Elbeuf. They have furnished all the machinery at a ridiculously low price, payment of which was only asked for as a matter of form. In addition they have given, free of all charge, the products necessary for the laboratory. By this means they have won the good-will of the town, and the gift will be amply paid by the future customers consisting of the pupils educated in this school and accustomed to German articles, methods and tools. . . .” “The German,” writes the Consul of Teneriffe, “has adopted the rule of satisfying the tastes, convenience and purse of his customers. No matter if their whims appear to him uncouth, without rhyme or reason, he will adjust his manufacture to the most fantastic requirements. As for convenience, he leaves no stone unturned to spare his customer any avoidable trouble. He catalogues and invoices all his merchandise delivered free to destination, inclusive of freight and customs in the money of the importing country. The customer can never experience a disagreeable surprise as to the cost price. For terms of credit, the German will readily accord four, six or even twelve months; in difficult times, he will renew his bills. He takes care of every one’s pocket, applies the greatest pains to the least order, starts business with small transactions and small profits, lowers prices as his profits increase, and strives to furnish to each what each can afford to pay.”

Upon all the markets of the world the German article has copied the modes and too often counterfeited, “pirated” according to the English, the home models and marks (for modern Germany does not practice all the virtues). German commerce, laying itself out to all alike, has solicited, and without hesitation accepted, every kind of order small and great, profitable or otherwise; everywhere it has appealed to the many and not to the few; consequently it has had to supply much and at very low prices and to facilitate payments by means of long credit. In a word, Germany has become, in these democratic times, the big popular bazaar of the world; Birmingham is no longer the world’s universal toy shop. One

hundred years separate these two successes, but they both owe their origin to the same eternal power. "Force," said Birmingham of old, "remedies no evil," and it certainly is not the source of any good. Radical England, after having created, by the science of its great inventors, the future means of action: steam, gas, iron, railways, vessels, etc., became impregnated through the teaching of her utilitarian philosophers and dissenters with the true duties of the new humanity, with the democratic ideals of peace, justice and fraternity, and national and human solidarity. German force and discipline have, in reality, sprung from the same well-springs of inventive and pacific comradeship.

ENGLISH EMPIRICISM.

CHAPTER I.

“The first cause of our commercial reverses is, perhaps, not due to the superiority of our competitors, their methods or their wares, but, almost absolutely and undoubtedly, to the apathy and arrogance of the British manufacturer.”—English Consul at Warsaw, *Annual Series*, No. 2135.

“It is our slackness more than anything else which has handed over our customers to the Germans. We may be beaten by our own weapons, by workers who were once our students and pupils, but all this would soon disappear without any great effort if British enterprise would only give itself the trouble.”—English Consul at St. Petersburg, *Annual Series*, No. 1198.

MEDITATING over the early reverses of the South African War, the British Press¹ attributed them to two principal causes: first, want of acquaintance with the country, the men, resources, positions, roads, and even maps; secondly, want of cohesion in the army, where the soldier, recruited here, there and everywhere, fights for his meagre one shilling per day, where the officer, younger son of some noble or old county family, only seeks to satisfy the traditional point of honour and his personally sporting and amateurish conception of war. The consular reports and the *Blue Books*, in their exhaustive inquiry into the reasons for the decline of British trade and the reverses inflicted thereupon for the past twenty years by foreign competition, more especially by German arrive almost unanimously at the same conclusions:—

English Consul at Moscow.

“The great disadvantage under which we labour is the negligence of our manufacturers, who have allowed a great

¹ See *Review of Reviews*, 15th February, 1900, p. 136.

part of the business of this country to fall into German hands. If we want to keep our Russian trade, our representatives must be better educated, they must speak Russian and understand the needs and wishes of their customers. I see English commercial travellers arrive here who are conversant with no other language but English; their German colleagues know quite enough Russian to make themselves understood. Add to that the unwillingness of our manufacturers to satisfy the habits or whims of the customer; our competitors are very careful in this respect.”¹

English Consul at Christiania.

“In the first place we are too indolent. We do not take the pains to know a market, to please customers, to satisfy local needs. Our competitors employ agents speaking two or three languages. We are satisfied with the indiscriminate despatch of catalogues. I have seen catalogues arrive here in Spanish or some other tongue quite unknown to our Norwegian customers.”

English Consul at Hamburg.

“I am quite sure that German products are quite the equal of our own. But I am doubly sure that the Germans take far more pains to study and satisfy their customers. The English manufacturer always lives in the belief that his customers ought to take what he likes, not that he should supply what they desire. Unless we are prepared to fight our rivals with their own weapons, with the same method, the same spirit of enterprise and indefatigable perseverance, unless we get rid of the idea, once and for all, that we are superior to everybody else, I am much afraid that our sons will have to pay dearly for our want of effort and short-sighted views.”²

English Consul at Cherbourg.

“I am sent prospectuses in English and only in English. It is hardly credible—still it is the fact—I see arrive here commercial travellers for agricultural machines, who, consequently, should address themselves to the peasant class, but

¹ *Miscellaneous Series*, No. 409.

² *Annual Series*, Nos. 2013, 2119, 1815.

who neither speak nor understand a word of French. Is it not to our deplorable negligence of foreign languages and to our want of scientific culture that German representatives owe all their success ? ”

English Consul at Naples.

“ It is a pitiable sight to behold our representatives in the tow of an interpreter, whilst their German colleagues speak Italian fluently, and still worse is it to see all our wares catalogued in English weights, measures and money ; it is Sanscrit to our Italians. . . . ”

English Consul at Lorenzo Marques.

“ The Germans send here and to the Transvaal, in addition to numerous representatives speaking Portuguese and Dutch, catalogues in Portuguese and Dutch. English trade in this Portuguese Colony sends catalogues in Spanish, and if these catalogues arrive at all it is entirely due to the Post Office, whose knowledge of geography fortunately is superior to that of the sender ; for these catalogues are addressed : ‘ Lourenzo Marquès, Portugal ’ . . . ”

English Consul at San Francisco.

“ Here is a fine example of British indolence. Ten years ago all the cement for the Pacific coast came from England. As soon as the German and Belgian cements appeared on the market, English correspondents on the spot warned their firms of the danger ; the firms in question replied that foreign cements would never be able to compete with English cements, and so they maintained their prices and their old errors. To-day all the cement comes from Belgium or Germany.”

English Consul at Shanghai.

“ One of the reasons for the success of our competitors in China is a certain British prejudice in regard to trades which it is more or less distinguished to carry on. In England the brewer occupies a higher social position than the haberdasher or the grocer. In China tea and silk are the aristocratic trades ; our compatriots, therefore, deign to take an interest in them. But to touch any of the other articles would be

considered altogether *infra dignitatem*. These other articles, therefore, go to our competitors.”

English Governor of the Bahamas.

“Americans come and study our market and make the acquaintance of the merchants and study local needs. The English merchant appears to be ignorant of trade. Every one of his consignments prove this ignorance; we receive by each boat English wares absolutely unsaleable, quite unsuited to the climate and the needs of the consuming public.”¹

Governor of Queensland.

“It is certainly regrettable to see English trade driven away from its own Colonial markets. But I cannot help saying that it is the fault of English trade which has never studied the requirements of its customers. We shall never be able to maintain the struggle so long as our manufacturers will insist on clinging to old-fashioned models and manufactures.”

Governor of South Australia.

“The systems of Continental education for technical or commercial instruction have produced some striking effects. In England business men recline on their laurels; they continue their old methods of trading and manufacturing; they are too conservative. They seem to think the Colonial market is acquired for all time, and so they take no pains to please it. They treat the small customer with disdain, and as often as not reply to him, ‘We have no time to lose over small orders’.”²

Not only the Grand Parliamentary Commission of 1885-1886 which first signalled the evil, but also witnesses from all parts of the globe, whose testimony is above suspicion, repeat the same complaints *ad nauseam*. Newspapers, magazines and reviews, politicians, economists, essayists and pamphleteers, syndicates and Chambers of Commerce have taken note of and commented on these complaints at length. In spite of a few isolated efforts, there is no appearance as yet that any general reform has been seriously attempted.

¹ *Annual Series*, Nos. 1699, 1855, 1703, 1904, 1922, 1863.

² *Blue Book*, C. 8449, pp. 93, 450, 430, 477, etc.

Two failings, deadly in effect, continue to undermine industrial and commercial England—ignorance on the one part and aristocratic haughtiness on the other. The union of these two vices, so say the British Consuls, has given to almost the entire nation its actual characteristic, *viz.*, “this conservatism, this insularity of manufacturers and traders, who know not or will not respond to the needs of their customers”.¹

During the latter half of the nineteenth century England grew more and more ignorant, and by that is meant that she became less and less anxious to know, less and less sympathetically inclined towards people of science, and more and more distrustful of scientific methods and theories. Accepting personal experience as her sole guide, she came to see therein her one hope and rule of conduct. Theoretical or practical science, especially scientific treatment in books of any subject, which was not *matter of fact*, have ever been distasteful and consequently unknown to the majority of the nation. “Read a bundle of books!” once said Burke with a shrug of the shoulders, and from Burke to Balfour the nation has always applauded every detractor of scientific rationalism, and every advocate of old mistaken ways, old laws and old beliefs. In politics the Radical rationalism of Manchester could only make headway under the constitutional banner—*i.e.*, traditional and empiric—of Birmingham, and this neo-Radicalism, inclining more and more towards Conservative Empiricism actually enabled Mr. Chamberlain to become the colleague of Lord Salisbury. In the business world, whether industrial or commercial, the general trend has been exactly the same. By coal and steam, by machines for weaving, extraction and traction, by the system of puddling and processes of chemical treatment or of fusion, by grand discoveries, the science of the eighteenth century completely revolutionised the entire field of English labour. The effect of this revolution which made the fortune of iron England and of cotton England, which embraced all the other industries as well, lasted for two or three generations and only reached the zenith in 1830, when the Radical movement was at the height of its popu-

¹ *Annual Series*, Consuls at Riga, Panama, Piræus, etc., Nos. 1895, 1901, and 1958.

larity. But since that time, the belief in or ardour for reform has been on the wane in the nation as a whole. Up to the present time Manchester has never ceased to introduce innovations, ever perfecting her plants and her methods of manufacture, casting on the waste-heap every five years her obsolete jennies and old-fashioned dyes. Birmingham, on the other hand, fell asleep over old tasks and laboured painfully in the ruts.

Let us illustrate the truth of the last remark by taking an example from the Black Country itself, in the electoral fief of Mr. Chamberlain. In this connection the history of the iron and mining industries is singularly instructive.

As regards coal, the English are the very first to recognise that their magnificent natural wealth has been wasted in order to satisfy the caprice of the moment.¹ If the Continent had acted in the same manner, absolute exhaustion would have quickly followed. As for iron, I merely resume here the lucid statement made by Sir Lowthian Bell, Chairman of the British Association of the Iron Trade, before the Parliamentary Commission of 1885.² At the beginning of the nineteenth century the English had in hand two new processes, of which they practically enjoyed the monopoly: the one for melting and casting iron in moulds, the other for converting cast-iron into wrought or malleable iron, technically known as *puddling*.³ After Waterloo, then, England might have accomplished what Germany did after 1870; commerce, industry, and the life of the entire world might have been revolutionised if England had secured for herself the sources of the iron supply and ascertained the different uses to which iron could be put; if, within and without the country, she had made a rational study of her resources and the needs of her customers. But for fifty years she was content to live from hand to mouth without attempting to better her position. At home she worked her mines, much as the gentleman farmer did his land, listlessly and in a groove which knew no change. Outside the country she executed orders without, however, seeking for them in any way, and that in a lazy manner. In thirty years she about tripled her production of cast-iron

¹ *Blue Book*, C. 4715, Nos. 3030 and following, 12,300 and following.

² *Ibid.*, C. 4715, p. 318 and following.

³ Invention of Henry Cort (1740-1800).

(200,000 tons in 1800, 678,000 tons in 1830). She was quite satisfied to use as best she could the precarious supplies of poor ores found in conjunction with the coal of Wales and the Midlands.

Towards 1840 a stroke of good fortune occurred ; amongst the coal deposits of Scotland was discovered the famous *Black band ironstone*, in an ore bed of great thickness and almost pure in quality, which, thanks to the process of *banking*, could be treated at greatly reduced cost. *The Times* of 5th December, 1842, made pointed allusion to the invasion of Scotch iron and counselled English competitors to adopt the same process. But the building of railways was quite able to absorb all the iron that makers at that time deigned to produce, and so output was continued in the same dilatory and slovenly fashion without so great an expenditure of trouble and study ; fifteen years elapsed, therefore, before Scotch methods could be popularised. In 1850, yet another stroke of good fortune befel the iron industry. The ores of Cleveland, Lincolnshire and Northamptonshire were discovered, which admitted of further peaceful existence for the next twenty years ; from 1850 to 1870 the supply of coal and iron ore was superabundant whilst the Continent and America were ready to consume all that the producers condescended to sell, no attempt being made to improve on the very mediocre quality of pig and cast-iron placed on the market for upwards of fifty years.

Nevertheless, so far back as 1853, the great Bessemer had already discovered, and in 1856 actually explained at Cheltenham before the British Association of the Iron Trade, his new process which was destined to revolutionise the iron industry by the substitution of steel for iron. Steel, which up to that time had necessitated a complicated and costly system of furnacing, could henceforth be obtained as easily and almost at the same cost as cast-iron. But England must needs wait long years before adopting this admirable and yet simple invention. Up to 1875, whether ignorant of or merely ignoring the new steel, she continued to develop her system of puddling and to manufacture her rails, plates and utensils almost exclusively of cast-iron. Her price for iron rails in 1864 was actually £7 per ton, and that for steel rails £17 per ton. In 1870 her output of steel amounted to no more than 240,000 tons. It was not

until her eyes were opened by German, Belgian and French competitors and the undeniable prosperity of the Creusot and Essen works that she consented at length to adopt or generalise this national invention. And yet the Bessemer process, requiring as it does ores of the very purest quality, was all to the advantage of the English works with their unlimited supplies of Spanish or Scotch hematites to draw upon. In order to compete successfully the Continent had first to discover a satisfactory method for the treatment of its phosphoric ores. Once again an Englishman, named Thomas, in the year 1879, was answerable for another step forward in scientific progress by realising the *basic* process with which the minds of Continental *savants* and inquirers had been long preoccupied. And yet once again England was ignorant of or wilfully ignored this discovery, and allowed the patent to be sold abroad for £100. The basic process, in three years—England had taken twenty-three years to recognise the merits of the Bessemer process—completely transformed the Continental factories. German or French science and technical training were at length able to deal with the impure ores of Lorraine and Luxemburg and sweep away English iron before their newly found steel. England's monopoly was for ever ruined.

Even without an actual monopoly, in view of her superior resources in coal and iron, she ought to have been able to keep the greater part of her iron and steel trade and become at least the greatest producer of steel as she had once been the greatest producer of iron. But that would have necessitated a break with old methods of routine, and England, thoroughly believing in the superiority of her established processes, simply contented herself for a long time to come with calumniating the new ones. In 1885, before the Parliamentary Commission, Birmingham and Sheffield accuse Germans of piracy and of counterfeiting their trade marks; they attribute German success to this bad steel, obtained by means of open melting-pots instead of by the long furnacing operations of the older method, transformed into a thousand trashy objects of all sizes, conveyed at the most trifling cost from the distant factories of Westphalia to the sea-board, and exported to all the markets of the world, thanks to Government protection. Bad humour invariably breeds bad reasons ;

those given above are evidently tainted with the state of mind which gave rise to them. German steel produced by the new process was infinitely cheaper, and for most purposes, with the exception perhaps of instruments of most minute precision, was quite as suitable as English steel made by the old system; the Chairman of the British Association of the Iron Trade was the first to admit this fact. The Germans pirated English marks, that is true enough, but they did so in order to meet the wishes or perhaps even in obedience to the behests of their London or Liverpool correspondents who undertook to find a market for the false marks.

In reality the goods stamped with imitation marks covered an entirely new class of article. Not satisfied with obtaining steel at low prices, engineering and chemical Germany proceeded to adapt it to all sorts of new purposes. In her hands steel was used in a variety of articles, such as rails, frameworks, machines, arms, ropes, instruments, tools, toys, replacing in this way iron, copper, tin and wooden utensils of prime necessity. England continued the manufacture of her iron rails; Germany only used and sold steel rails; inappreciably dearer and infinitely more durable, they commanded a premium without any need for the intervention of Imperial protection. English railways still continue to pose their metal rails on wooden sleepers, buying from abroad the timber necessary for the purpose. In the heart of the Midlands, even in the suburbs of Birmingham, large quantities of sleepers made of foreign woods may be seen piled up on this iron-producing soil. As far as Angora, in Asia Minor, German engineers have laid metallic sleepers. As an instance of English dislike to change the old order of things the least observant of travellers must have remarked, on setting out from the port of Calais, the contrast between the great and graceful French station in iron and brick, and, on arrival at the port of Dover, the great, clumsy, heavy and massive sheds of the English station. John Bull likes things cut to his own model. In fact, all along any railway of the United Kingdom, at every station, the same evidence of English conservatism is visible in these eternal planks and beams of timber. Again, in the towns the same spectacle is rife. For her public monuments England still copies the materials and forms of Greek or Roman temples; for her houses she has

retained even to this day the general plan and wooden fronts of her ancient cottages. Apart from two or three central streets, and with the exception of three or four religious or municipal buildings, Birmingham, the city of iron, consists only of wooden houses, semi-gothic in style—John Bull likes old things—with their gable ends and timbers, with their staircases and frequently their walls made only of wood. Far from diminishing her imports of timber, England has, during the last forty years, tripled them :—

ENGLISH IMPORTATION OF TIMBER.

1860.	1870.	1880.	1890.	1897.
3070	4428	6750	7467	10,950

(In thousands of loads = 1572 cubic yards.)

Abroad, English enterprise rigidly maintains the national idiosyncrasy. On the English railway systems of Asia Minor the majority of the bridges are wooden. Not having constructed any herself, England has naturally made no effort to improve the quality of iron buildings. In this field she has allowed herself to be completely surpassed by her more well-informed competitors. Americans, Belgians, Germans, and even French, by experiments oft repeated and daily study, are finding out the laws and applications of the new materials; having conquered them first of all for themselves, they are in a position to offer them to others afterwards. From all quarters British Consuls signalise the arrival of iron beams, and even of houses ready-made, of Belgian or American iron and steel.

Whether in street, field or factory there is the same ignorance, the same backwardness in regard to machines of all kinds. England is still enamoured of the steam engine, powerful and regular no doubt, but cumbersome and, so to speak, wanting in personality. The possibilities of new energies, such as petroleum and electricity—more tractable, more easily split up into minute fractions and conducted to a given spot at the dictate of requirement or the merest whim—are either quite unknown or but half suspected. According to the English Consuls there is not a German town which does not possess its *Elektricitäts-gesellschaft* with full complement of *savants*, engineers, laboratories and workshops to study and exploit this *Elektrotechnik* which is in fair way to revolu-

tionise every industry connected with transport, lighting and heating. Scientific Germany has subjugated to her will this electric force, which others, even Englishmen, had studied before her, but of which England in her ignorance seems hardly to have an idea to-day.¹ At the present time Germany supplies Eastern and Central Europe with electrical machines, which are transforming Continental industry, which will perhaps render possible once again the ingenious workmanship of the individual and the home-made articles of the humble cottager.² In October, 1898, the *Journal of the Board of Trade* alludes pointedly to the continuous growth of this danger. "Each year, Germany gains ground on us." About this same time in the streets of Birmingham, the very heart of black England, crowds would still collect around the few automobiles imported from France and Germany. To English ignorance the possibilities of petroleum were a closed book, and so American enterprise and French ingenuity were left a free hand to capture this new source of profit. Is it necessary to show what failure to grasp the requirements of modern agriculture has cost the manufacturing industry of agricultural machines, or to what a relatively low standard ignorance of modern warfare has reduced the manufacture of arms? In the one case American machines are actually replacing old English models, and that even in the Colonies; in the other, French and German guns and cannons have been conclusively proved superior to the English weapons. . . . The actual position of metallurgical England is summed up by the *National* and *Contemporary Reviews* in the following words:—

"It is not merely in the field of politics and of war that, at the dawn of the new century, the prospects of England appear far from rosy. Rebuffs and defeats are to be found in other directions also. We may, if we like, extol the admirable quality of our plant equipments and the extreme activity of our factories. We have at this moment a revival of business, due principally to temporary causes, such as delays in executing orders which have accumulated during the last strikes, demand for locomotives and ironclads, etc.

¹ *Board of Trade Journal*, October, 1898, p. 413.

² *Annual Series*, No. 1977.

But over our heads is suspended the sword of Damocles. America has already taken from us our trade in small machine tools. Winterthur, Zurich and Berlin are depriving us of our trade in heavy steam engines. America is even supplying us with the best printing machines. You never now see an English bicycle on the Continent. American and German shops construct much better and much more expeditiously than we do. Germany holds the record for the speed of her cruisers and Transatlantic steamers. America was alone capable of supplying the bridge over the Atbara in the Soudan. The same country is alone able to supply the world with the different types of locomotives required. . . . The remedy? It would be necessary to improve our entire system of instruction. English instruction does not really exist at all, if by the word instruction is meant the intellectual training of an entire people in the needs of a great democracy which has to contend against American daring and the perfect and methodical organisation of the Germans.”¹

The example already given of the iron and steel industries may well suffice. But if in a like manner the other industries were passed under review, the same ignorance and the same want of curiosity would be found in all of them, except in the case of Manchester. Keeping to generalities, it can truthfully be said that in the last half century England produced her share and more than her share of great and useful inventions, but not unfrequently she owed her discoveries both great and small to chance, to the unexpected and frequently undeserved good luck of a few individuals. Hardly ever has scientific method and patient research been the mainspring which has kept in motion any continuous effort either of the individual or of the community. England has produced neither a Pasteur nor an Edison, although in the two sciences created or applied by these masters, she, as a matter of fact, actually opened up the first paths leading thereto. When, quite exceptionally, a few individuals have joined hands in a grand effort of research and when this effort has finally been crowned with success, never—in this respect the example of Bessemer is typical—never has the

¹ *National Review*, an Englishman; *Contemporary Review*, M. Maningham, 1st January, 1900.

nation as a whole known how to draw immediate advantage from the discovery ; even those most interested to know only realise the real value of the discovery by the painful and ruinous experience of foreign competition. In general the British manufacturing class do not recognise the importance of extending their theoretical and practical knowledge. As owner or near neighbour of the silk markets of India, China and Japan, England has only quite lately attempted to penetrate the mysteries of the silk industry ; all the while she has contentedly remained dependent on Lyons, Zurich, Milan, and Crefeld. In like manner, as proprietor of the greatest diamond mines in the world, with London the chief market centre for rough diamonds, she has not learnt how to cut this precious stone of which her jewellers of Birmingham sell so many thousand pounds worth to their home and Colonial customers ; she prefers to entrust this delicate and responsible operation to Belgian and Dutch stonecutters.

All those trades which require skilful, ingenious or artistic workmanship such as the making of clocks, spectacles, silks, chemicals, jewels, objects of art or of vertu either remain or become positively distasteful and, consequently, unknown to her.¹ Her craftsmen are numerous and regular in their habits, but, at the same time, somewhat rough and addicted to routine ; this characteristic arises from the fact that for many years she has recognised but one rule, *viz.*, personal experience, and but one master, *viz.*, the most individual and the least methodical Empirism. Till quite recently her workers have been trained in their calling by means of a long and unfruitful apprenticeship. In this connection the real struggle to-day is between the technical selection of the German school and the system of recruiting wholesale for the English workshops. Before the Parliamentary Commission of 1885 the cutlers of Sheffield made the following declaration :—

“ At Sheffield apprentices ordinarily serve for a period of seven years. But, under no special direction, they are

¹ *Blue Book*, C. 4797, p. 8. Principally in silk goods, and in the finer cotton goods we are not able to compete, because we have not got the labour and we are not so skilful as the French and German. *Cf. Blue Book*, C. 4715, pp. 173, 225, 273 ; we are handicapped by the French workman.

handed over or rather abandoned in twos and threes to some workman who pays little heed to them, whose only interest in having them under his jurisdiction is to supplement his own salary in return for the casual glance which he casts over their work from time to time, and to prolong as far as possible the period of apprenticeship for his own sole profit. The result is the apprentices never attain the height of excellence they might have done; they become only moderate craftsmen; they are acquainted with but one part of their calling, and the majority of them are incapable of productive work before the age of twenty-two or twenty-three. We feel the advantage the Germans have over us in this respect, and our Chamber of Commerce has even endeavoured to remedy the defect by opening a professional school at its own expense. But for a long time past we have had a school of arts and sciences which was not frequented; the master employers seem to ignore or despise it, and the apprentices remain equally unconcerned.”¹

“Our overseers and foremen,” add the silk manufacturers of Macclesfield, “are in general inexpert. Their technical knowledge only extends to the manufacture of certain articles. When a novelty appears, as for instance plush some years ago, or brocaded velvet, we have not six men capable of showing us the means of producing the article. We have delayed too long before taking into account the utility of professional education. The system of apprenticeship yielded only mediocre workmen. The employer, for his part, understood nothing of the manufacturing department. We have never had that constant collaboration which exists between the French manufacturer and his men. The French manufacturer when confronted with a novelty is able to consult with his employés who are able to give him valuable advice. We manufacturers decide for ourselves, and to a great extent work in the dark.”²

For a century the English manufacturer, making the machine master of his workpeople, never gave them technical, artistic or scientific instruction, which, on the contrary, makes man the true master of the machine. And so it comes about that working England has only indifferent workmen

¹ *Blue Book*, C. 4715, pp. 12, 24. Cf. pp. 177, 178, etc.

² *Ibid.*, C. 4715, pp. 277-282.

possessing neither taste nor patience. The workpeople originate nothing.¹ In 1885 manufacturers were unanimous in deploring this state of things. "The main cause of our trouble," say they, "is the dearth of technical education for our workpeople."² The present-day optimists pretend that everything has been transformed in the last ten years; corporations, towns and Chambers of Commerce have opened technical schools of all kinds both for employés and employers of every age and calling. There is no doubt a great effort has been made which is still being continued. Some magnificent buildings have indeed sprung into existence. A professional body has been got together and salaried. Contemporaneously with his effort to procure the monopoly of Empire for his Midlands, Mr. Chamberlain attempted to assure them a better chance of salvation. He undertook the creation of the "Central University," founded and equipped on American lines and supported by voluntary trade subscriptions for the promotion of commerce. Birmingham in addition to her school of arts and professions has therefore her university also. But it does not appear that the results achieved to date are in proportion to the efforts put forth. More especially is it questionable whether the temperament and prejudices of the nation can ever adapt themselves to modern requirements. For the Englishman, employer and employé alike, is not merely ignorant; he is and remains, in spite of everything, sceptical as to the utility of "this scientific instruction which would alone allow of the people applying rapidly and developing popularised knowledge".³ He prefers rather to believe in the failure of science. The author of the "*Foundations of Belief*," the amiable philosopher of the inevitable, Mr. Balfour, is his leader in morality as in politics.

As for commerce, the state of things is far worse according to the generally expressed opinions of the British Consuls, who, moreover, give the true reasons for this "conservative

¹ *Blue Book*, C. 4797, p. 8. The workpeople do not originate anything. They carry out the instructions they receive. The difficulty is to obtain workpeople capable of understanding tedious work. Cf. *Blue Book*, C. 4715, pp. 135-139.

² *Ibid.*, C. 4715, p. 271. We have suffered very much for want of what our people require, namely, technical education.

³ *Ibid.*, C. 4715, p. 273.

indolence". In the old days, as sole producers of all articles of prime necessity, England had no need to push the sale of her products in the world. Behind her counters she awaited the orders of nations; the world, constrained to come to her, had politely and humbly to accept all her conditions, time, place, prices, etc. She condescended to book orders; these she executed in due course, but in leisurely fashion. She insisted on money down first; nay more, she insisted on having both customers and sureties for them on the spot at the same time. More often than not foreign houses, Greek, American, above all German, were established in London, Liverpool, Manchester, etc., to act as intermediaries between manufacturing England and her world-wide connection. The English manufacturer delivered over the counter for cash his goods frequently unpacked; to play the part of a shopman was beneath his dignity. Like M. Jourdain, he did not sell linen and cloth; he was cotton lord, or iron lord, calico duke, or scrap-iron marquis.¹ To-day the tables are turned. The customer has no longer to knock at the door of the manufacturer; it is the door of the customer which is besieged by the eager crowd of manufacturers. Both hemispheres have set to work to manufacture in real earnest. Very quickly Manchester realised that it was one thing to produce, another to export and place. As far back as 1885 she proclaimed the necessity for a manufacturer to be more of a trader, more of a warehouseman.² As usual, she introduced reforms and even transformed herself into a seaport; to-day large vessels can moor alongside her wharfs. She started shopkeeping both at home and at all points of the globe; with numerous consignees throughout the world, she sent out "the most perfect army of representatives to study needs and customs on the spot". But the rest of England continued to follow the old beaten track. From the lofty height of her Jingoism Birmingham persisted in ignoring the rest of the world, its tastes, its needs, its languages, its ways of communication, and even its very existence. Birmingham still relied on the commission agent of Liverpool

¹ *Blue Book*, C. 4715, p. 368. The halcyon times when large mill-owners were frequently looked up to as cotton lords.

² *Ibid.*, C. 4621, p. 105.

and Manchester ;¹ she still engaged German clerks as secretaries and translators, who spied the land for a while, only to betray it later on :—

“Speaking solely from my personal experience, which, however, is not very great, I have observed that wherever I have gone abroad, English is taught ; this is so in Holland, Belgium, France and Germany, because the commerce of these countries is dependent on England. In like manner we ought to teach our children the languages of the countries to which we send our merchandise. At Manchester commission agency is, for the most part, still in the hands of foreigners. I do not say that that is an evil ; but we also ought to have our English houses of commission abroad. I was sent to Paris by the Government for the last treaty. All our compatriots established in business at Paris told me that there was a dearth of young Englishmen possessing a knowledge of commerce and languages. Our first duty as Englishmen, if we understand where our true interests lie, would be to have our sons taught foreign languages, especially French, German, Italian, and also Spanish, and generally to raise the intellectual standard of our trading classes.”²

According to the British Consuls, the ignorance of English commerce stretches sometimes to comic heights. The cutler of Sheffield, or the jeweller of Birmingham, divides the languages of humanity into two classes ; Latin and non-Latin. The nations who do not speak English or German must therefore necessarily speak French or Spanish. The customers of Christiania and Lorenzo Marques complain that they do not understand prospectuses and price currents in English ; accordingly they receive them in Spanish.³ For the commission agent of London or Liverpool, even the Anglo-Saxon countries, the realm of future Panbritannism, are practically unknown lands. “What is the use of geography ?” once asked the tutor of the young Marquis de la Jeannotière. “When Monsieur le Marquis visits his property, will not his postilions know the roads ?” The postilions of English com-

¹ Cf. the typical example given in the *Blue Book*, C. 8963, p. 23 and following.

² *Annual Series*, Nos. 1904 and 2119.

³ *Blue Book*, C. 4715, p. 145.

merce know but imperfectly the new roads which have to be followed.

In the opinion of such as these—if a concrete example is desired—the United States is like some huge construction looming in the distance with one single brilliantly lighted front facing the Atlantic Ocean, and one single port, New York. For such as these New York is the great unique landing-place for English merchandise, even when destined for inland and provincial towns such as Pittsburg, Chicago, or St. Louis, or for the most remote districts of the Far West. English commerce has never taken the trouble to ascertain whether there is not a shorter or less costly route to these central towns or to the Far West. The German, who knows his geography well, has correctly calculated the enormous saving to be effected by making the maximum use of water carriage and the minimum employment of all land communication; he has, therefore, constituted the Gulf of Mexico and the River Mississippi his chief front of attack and port of access. It is in this direction that he has gained a footing and conquered the market of the southern agricultural States and the Far West, and reached the industrial districts of the Alleghanys and the business centres of the Great Lakes. The Englishman also frequents the Gulf of Mexico and the ports of the Mississippi. One year with another his vessels receive cargoes of raw cotton amounting in value to some £12,000,000 or £16,000,000 sterling. But this traffic is only one-sided. In the single year of 1896 no less than ninety-five English ships arrived at Galveston in ballast for the bales of raw cotton; the exports of this port on an average amount to more than £7,000,000 sterling, whilst, on the other hand, the importations hardly exceed £80,000. The American trains which brought down the cotton bales, make the return journey with empty waggons, unless they have the good fortune to pick up at a low rate of freight some arrival of German wares, which the North German Lloyd or the Hamburg American Company has just discharged.¹ In its final report, the Commission of 1886 already came to the following conclusion:—

“In the matter of instruction, we are in a marked sense

¹The above is a *résumé* of the report for 1894, *Annual Series*.

behind our competitors, and not only is this so in professional and technical instruction, but also in the most ordinary commercial instruction, in knowledge absolutely essential to houses of trade, especially as to foreign languages and still more as to geography. We must call the attention of the public to this necessary condition for the opening of markets, *viz.*, the knowledge of commercial geography.¹ Commercial geography has never received amongst us the consideration it deserves. If our commerce has grown, it has been in spite of our ignorance, and not through our knowledge of the needs and resources of the world which it exploits. If personal considerations did not stand in the way, it would be possible to cite some extraordinary examples of ignorance on the part of our business people in the matter of geography.”²

Since the year 1886 England has much agitated this question of commercial education. Much has been written on the subject in reviews; many discussions have taken place in Parliament or before Parliamentary Commissions. England, like France, has had her crisis of secondary education. This point must be recognised, *viz.*, the same efforts have been made in this direction as for technical education. The introduction and development in a number of English colleges of modern teaching, based on the programmes of the German *realgymnasium*, have been attempted. But from the bottom to the top of the ladder, whether in the colleges or in the elementary schools, all the efforts of individuals seem hardly likely to overcome national prejudice:—

“We can teach our scholars nothing,” writes to *Macmillan's Magazine* the Director of the Grammar School at Bristol, “for the good reason that learning, far from assisting their entry into business, would militate against them.”³ Principals do not want learned employés. When they have to engage an employé no distinction is made in favour of a well-educated applicant and another who is almost illiterate; provided a child—they want children and not young men—

¹ *Blue Book*, C. 4893, pp. 34, 35. ² *Ibid.*, C. 4893, pp. 71, 72.

³ August, 1897. Cf. *Review of Reviews*, November, 1896, p. 428, “England's Need of Education”: “We choose to sacrifice our children to the necessities of their parents and to the industries of the country; until the school age is raised properly educated children cannot be turned out by the schools,” etc.

can read, write and add up a column of figures, and that he has a good character for sobriety, zeal and honesty—that is the formula—they take him without further inquiry. They do not bother their heads about well-educated employés who would probably be, as they say, above the work, above the menial tasks through which every beginner must pass. For the unbending rule is that all should start at the very beginning, and that personal experience alone can form the apprentice. Relying on this theory, only children of eleven or twelve years old are received, whilst those whose studies have extended to the age of sixteen or seventeen years are refused. The children themselves realise that it is quite useless to work at school, that, if they did, their work would be of no use to them later on, that all they have to do is to kill time till they are old enough for business, and that the employer cares as little about learning as they do themselves.”

Elementary schools, then, only turn out a band of ignoramuses to fill the different positions open to the employé class. Secondary colleges, public schools of every grade, only produce amateurs for the responsible posts of masters. Moreover, Imperialist England desires that the public school should only produce amateurs, especially amateurs of sport:—

“The aim of English education,” says the *Journal of the Royal Colonial Institute*,¹ “has ever been, and should ever be, to develop the five Imperial virtues: vigour, agility, self-confidence, character, religion. It has not to concern itself with mathematicians or scholars; England has no need of scholars. What she wants is men with faith in themselves, in her and in God. The fear of God should be taught as the secret of all success.”

In a word, force of muscle and fear of God are the chief objects of middle-class education in England. The prolonged sequence of successes gained by English arms, by individuals as well as by communities, led the world to believe for a long while that here were the great human virtues by which the eternal prosperity of any modern people would be assured. Recent events have proved that these virtues may be Imperial and may suffice for Imperialist *coups-de-main*, but that modern business life requires other aptitudes.

¹ Cf. *Review of Reviews*, July, 1895.

This seems the appropriate moment to lay bare the sophism of a certain school of English sociologists which has entered into the very bones of the nation. "Nature shows us," say they, "that in this world-struggle the strongest only will survive and flourish at the expense of the weaker neighbour." The English people are steeped in this doctrine, which they believe to be in strict keeping with the latest discoveries of science, especially with the latest theories of the great English thinkers, such as Darwin and his followers, which, above all, they feel to be in keeping with the temperament of the race. It is this doctrine which has really created the Imperialist frame of mind in the nation; it is, at any rate, this pseudo-doctrine which has brought about the acceptance of aggressive Jingoism as a vital necessity. "To live we must be the strongest and impose our strength on the rest of the world." But nature, or rather the naturalists, have never held any such language; they have simply demonstrated that in all competition where actual existence is at stake the least fit, that is to say, those who are incapable of adapting themselves to the conditions of their surroundings, must be eliminated slowly but none the less surely. For the fittest are not necessarily either the biggest or the strongest; the mammoth has disappeared and the elephant is tending to do so, whilst the ant is more numerous than ever. It is possible that the British elephant will already have joined the Roman, Mogul or Assyrian mammoth when the Swiss or Belgian ant will still be alive and prospering. Now knowledge seems to be the primary of all aptitudes for keeping pace with the competition of to-day. A complete change has taken place in this respect during the nineteenth century. Force, under all its aspects—robustness, vigour, hardiness, both physical and moral—were weapons of primary necessity so long as the world was peopled with real or imaginary monsters, with wild or human beasts. But when Heracles cleansed the antique world the reign of Athena was rendered possible; after the reign of Britannic force the age of German science seems nigh at hand. To-day the whole world is open to European enterprise, and *might* to conquer it is no longer required, but *knowledge* to exploit it.

The Englishman, then, who gathered so scanty a fund of knowledge during his schooldays, never dreams of repairing

later on in life the defects of his early education. As a child he learnt nothing, as a man he goes on learning nothing nor even reading.

“The mass of the English people read nothing, absolutely nothing,”¹ says an American observer. “Those who perchance do read something devour an interminable string of novels, biographies, memoirs, travels, and at times a very weak solution of theology. The reading of the many is for the most part confined to the magazine or newspapers, which, between the telegrams and the advertisements, are made up of sporting dissertations on the match of the morrow, or of blood-curdling details concerning the crime of the evening before. John Bull is a man of open-air and not of the study.”

All those who are acquainted with English business life will recognise the accuracy of this observation. It would, moreover, be quite sufficient to run over haphazard a few of the countless reviews or magazines which form the intellectual pasturage of the middle classes, or, for that matter, of the entire nation. With the exception of the Bible and biblical questions, John Bull only takes an interest in pseudo-scientific triflings and the combinations of *haute politique* and theology. But sports are his chief attraction. For hours he will follow and criticise, on the lines of what he has read in his newspaper, the varying incidents of a football or cricket match. All Sunday he will meditate over the counsels of Sandow as to the best means of becoming a strong man. Some few, however, fighting against the drowsiness brought on by the high feeding which forms part of the normal programme of these long Sabbaths, sometimes pick up a book, but one only. For one of their fixed hobbies is to proclaim themselves enthusiasts of Ruskin, or Carlyle, or Shakespeare, and only to speak of their pet author and make liberal quotations from his works.

“Nothing is more fatal to the existence of the mind,”² says another American, “than England as she is to-day. Outdoor life turns on the pleasure of killing things, or seeing them killed, as one says. Private life consists in an endless

¹ Cf. *Review of Reviews*, January, 1895, p. 43.

² *North American Review*, February, 1891.

round of clubs and dinners. Country houses, which might be centres of intellectual life, only afford scope for the fashions, sport and gastronomy. Loss of time, routine of social engagements, tyranny of received opinions, leave neither place nor leisure for quiet meditation."

And the *Contemporary Review*, drawing a moral from passing events, concludes: "Nothing stands out more prominently in the present crisis than the profound inferiority, from the intellectual point of view, of this strong and vigorous people, so admirably tempered morally, and yet so poorly equipped in every branch where work of the mind is concerned".¹

Making allowance for all exaggerations, it can be said that if the French system of education and mode of life only produce an army of *dilettanti* and of officials, English education and English life are not going to produce anything better than admirable animals, men accustomed to every form of luxury and frequenters of every social function, whose fine development of muscle and constitution is undeniable, but whose intrinsic value is quite out of proportion to the cost of their maintenance. In both cases, but especially in England, the nation has not yet realised that science is the first offensive and defensive weapon of the new humanity and that social usefulness constitutes the only worth of the democratic individual.

¹ *Contemporary Review*, February, 1900.

ENGLISH EMPIRICISM.

CHAPTER II

"I hold that nothing can be more absurd than to strive to obtain the opinions and convictions of 30,000,000 of people, and then to allow their deliberate opinions to be perverted and thwarted by 300 or 400 gentlemen, who meet in a gilded chamber, who represent the virtues or the vices or the abilities of ancestors who died a very long time ago, and who, unfortunately, have not in every case been able to transmit to their descendants the talents by which they themselves rose up to place. Gentlemen, it was of men like this that one of the greatest peers that ever lived in this country, Lord Bacon, wrote that they were like potatoes, for the best part was underground."—J. Chamberlain, Sheffield speech, 1st January, 1874.

THE experience of the aristocracy in England has been much the same as that of the Papacy in the Catholic world. No sooner had these old things lost their temporal power and pretended sovereign rights than they gained by way of compensation that kind of domination which is known as *moral*, in other words, real influence. Politically, and in theory, the Lords seem to be a negligible quantity. Socially, and in daily practice, the England of Mr. Chamberlain lives under their rule and example. For when once political reform had broken down their ancient tyranny, the nation forthwith proceeded to entertain an unlimited admiration for these representatives of empiric individualism and conservative fetichism. It is necessary to point out that industrial England could not possibly entertain for the owners of the glebe the same lively feelings of hatred which whole generations of peasants had handed down from father to son; as a matter of fact, manufacturing England cared little about the fields. Accordingly she registered no protest against the feudal right which left land in the hands of the aristocracy. Her campaign was solely directed against the feudal privilege, which, by the maintenance of protective duties, compelled the industrial population to purchase home-grown wheat and other crops from

the land-owning classes. When this privilege was abolished once and for all by the introduction of Free Trade, industrial England apparently never calculated or even suspected the enormous drawbacks she would have to pay for the maintenance and simple presence of these parasites. For she continued to bear then and will ever bear the burden of their maintenance. If she no longer pays out of her food, she still does so out of the rent of the soil, subsoil and buildings. The lord is still the principal owner both above and below ground; the old-established usage of long-term leases assures to him at the end of a century the ownership of all developments created on or under the surface of the land. Soon an entire district of London will belong to the Duke of Westminster. The law can practically make these great family estates inalienable which industry is called upon to labour for and increase in value. The charge is a very heavy one. The royalties, dues truly royal, exacted from iron by noble owners, will, before many years are out, certainly render competition with Germany or America quite impossible; ¹ for instance, cast-iron pays in divers royalties, at the rate of from three shillings to six shillings per ton, steel at the rate of from three shillings and sevenpence to six shillings and ninepence per ton. In Germany these dues never exceed eightpence per ton, nor in France ninepence per ton. And what profit is derived from this costly system of maintenance? Has this aristocracy preserved the *rôle* and the high calling of its fathers? How many great soldiers has it given to the nation from Clive to Kitchener? And if its political capacities are vaunted, how many great Ministers has it produced from Pitt to Beaconsfield? The material cost of this luxury is as nothing compared with the oppressive weight of the lords in the field of affairs which threatens to break the back of the entire commercial nation.

“It is absurd,” once said Mr. Chamberlain, “that the opinions and convictions of thirty millions of people should be perverted and thwarted by three or four hundred gentlemen. . . .” We have remained a *peer-ridden nation* quite long enough! To-day Mr. Chamberlain, victim himself of this absurdity, has become the personification of commercial

¹ See the complaints of metallurgists, *Blue Book*, C. 4715, p. 338.

England. There could be no better object-lesson than this to show what the example and society of noble lords have made of a strenuous worker and once thorough-going Radical. Present-day England is living under the spell of this same example, under the insidious influence of this lordly morality emanating from a class which in the old days was warlike and directing, but is now dilettante and parasitic, which formerly was endowed with the pride of race and athirst for domination, but is to-day inordinately vain and greedy for distinction. No more appropriate words than *select* and *distinguished* could be found to express this morality which is become the morality of the people. In the nation as individual and in the world as nation, the Englishman is ever striving to be *select*, *distinguished*, holding that he and the race to which he belongs are infinitely superior to the common herd of other nationalities which he disdains but wishes to exploit. The following example illustrates the little profits attaching to this morality as applied to business affairs.

It is *select* for a lord owning a great estate to close it without any regard for the public convenience or with a view to squeezing out a higher price for the enjoyment of that convenience, and to exploit this estate with an utter indifference for or even at the expense of neighbouring interests. In like manner it is *select* in business to have a monopoly, to defend it and drain it to the very dregs. Industry has fallen a prey to monopolists, whether isolated or in rings, whose sole aim is to extract an excessive toll from the public pocket and to shear the neighbour to the uttermost without deigning to perceive that their action is calculated to conduct the flock to ruin and the individual to death. Take once again the example of iron. Birmingham and Sheffield are quite alive to the fact that the day is probably not far distant when they will no longer be able to struggle against American competition in the matter of rough cast-iron. They are, nevertheless, quite as well provided with coal and ore as Pittsburg, and consequently their economic position should be equally favourable. Between Lake Superior, which supplies the ore, and the coke of Pittsburg by which it is treated, the distance is double, perhaps treble, at any rate much greater than that which separates the mines of Scotland and Cleveland or even of Sweden and Spain from the

most central coal-fields of the Midlands. But the Americans and the Germans as well, have calculated that in view of the heavy nature of iron, whether in the raw or manufactured state, the question of freight becomes an absolutely vital one, and that even unavoidable loadings and trans-shipments of ore or metal on to waggon and railway line add grievously to the original cost price. To minimise as far as possible this inconvenient factor, the Americans and Germans have reverted to transport by water. By a series of enormous works which have transformed the face of the earth they have created a perfect network of canals and adapted their streams and rivers. The Germans have converted the banks of the Rhine for a distance of from 300 to 400 miles between Mannheim and Rotterdam into one gigantic land-locked wharf. Between the iron mines of Minnesota and the coal-fields of Pennsylvania, the Americans have made the River Detroit a rival of the Thames itself so far as tonnage is concerned, whilst the traffic passing through the Sault-Sainte-Marie Canal is to-day double that of the Suez Canal. In England Birmingham and Sheffield are separated from the sea by relatively short distances; they have rivers which flow down to the coast; they have canals also, up and down which the long, flat barges used to ply; these, if deepened, widened and properly looked after, might serve again. But the railway companies, in order to secure monopoly of freights, proceeded to buy up these canals, so that now this inland navigation has either been killed outright or allowed to go to rack and ruin. Birmingham and Sheffield are at the mercy of the railway monopolist. The entire Midlands have become an *estate* which the companies will exhaust for their own and sole advantage.

Already in 1872 complaints were so loud and general that an Act of Parliament actually made it illegal for companies to own railways and canals at the same time.¹ But means were found by which to evade the law; consequently, it is hardly surprising that the same complaints should come up for consideration before the Commission of 1886. On the one hand it was pointed out that, "as the country no longer enjoyed the monopoly of the world's trade, the

¹ Cf. *Blue Book*, C. 4714, 4797.

time was now past when the cost of carriage could be entirely ignored, and that the existing state of the canals was the result of past carelessness".¹ On the other, sinister predictions were made as to the probably disastrous future which awaited many trades situated in the interior of the country owing to the absence of economic transport. But whilst Manchester, ever faithful to her Radical creed, liberated herself from the monopolist companies by digging her own canal to the sea, Birmingham and Sheffield having passed over to Unionism, still continue to be preyed upon by the monopoly. In spite of great technical difficulties Germany will probably have her Grand Central Canal from the Elbe to the Rhine before the Midlands have even commenced the canals so essentially necessary and easy of construction, from the Severn to the Humber and from the Thames to the Mersey.

It would be possible to adduce a thousand similar examples, great and small, if space admitted of entering into the details of other industries and trades. Innumerable instances could be adduced as to the disastrous effects of monopoly which if not legal is none the less real; of rings or of individual monopolisers, and of the egoism of these monopolies in every case. But there is something else more select still than monopoly, and that is "idleness". Live in abundance and yet in sloth is evidently the ideal ambition of a veritable aristocrat. Besides, among the classes, working for a living is in some sort considered derogatory, from which the distinguished man liberates himself. Live like a lord!—this dream of Unionist England has produced its first effect within the kingdom by blossoming out into *limited companies* and transforming commerce into a simple gamble. The mechanism is simple enough. A monopoly once established or an industrial estate once acquired, the proprietors no longer trouble their heads about working it. A public company is created, with debenture and share capital, the face value of each share is ordinarily for a small amount—£1, £2, £5, £10, as the case may be—and the liability strictly limited; the total share capital, representing a sum far in excess of the actual value of the concern, is taken by investors, dreamers of fortune, very much in the same spirit as lottery tickets. The entire

¹ *Blue Book*, C. 4797, p. 250.

company, large shareholders, small shareholders, directors, expect to enrich themselves without further trouble by the mere automatic work of the affair itself.

These limited companies are vastly different to the French *Sociétés*, where the responsible management merely borrows a sum of money on which it strives to earn a fair return for the lender. More different still are they to the German *Vereine*, co-operative societies where every one brings to the common task his tribute of efforts and sacrifices for the good of all. With limited companies no one is responsible, and no one expects to work. It is a money-making machine acquired by subscribing the funds in common, a goose that lays golden eggs, which is expected to make the fortunes of an entire band of speculators. The evil results of the system were not long in making themselves felt, and, before the Commission of 1885, all complained of "these limited companies which, for the sake of a few promoters, are causing the ruin of the community; this movement of limited companies has been the means of destroying trade, at one time through the bad faith of the promoters selling to the shareholders at ten times its proper value an affair, good, bad, or indifferent, at another, through the unsatisfactory working of these machines, which, under spiritless management, pile up stocks indiscriminately and then get rid of them at any price obtainable, which take no strict account of what they do or what they earn, which lose over single transactions in the hope of making up losses so incurred on the whole, spoil prices and the labourers into the bargain, and, having, no honour to save, become sinks for all sorts of roguery, destroying all sense and taste for business by the passion for gambling." ¹

Imperialist England, especially Sheffield and Birmingham, have in their new-found sloth given way to the same passion for lottery tickets as Imperial Spain.

On foreign commerce the effects of *distinction* are still more marked and disastrous. The English Consuls point out these unfortunate effects by the score. The following examples are amongst the most notable. A hardware magnate will not lower himself to do retail trade; he will

¹ *Blue Book*, C. 4621, pp. 42-44; C. 4715, pp. 10, 36, 145, 197, 198, etc.

only do big business, and from all sides the Consuls protest:—

“The German takes an order for sixpence; the Englishman only troubles about the large orders. The German is satisfied with the smallest profits, and to the most insignificant affair he will bring the same care and politeness as to the biggest; the Englishman entirely forgets the old proverb, ‘Take care of the pence and the pounds will take care of themselves’.”¹

Result: in every country of the world the hardware retailer is invariably a German, and he orders his wares from Germany. . . . Towards all his customers the Englishman preserves the tone and manners of a gentleman, correct but cold, distinguished but stand-offish, erect but rigid, always somewhat haughty and disdainful.

“Our traders will never sufficiently realise,” writes the English Consul at Belgrade, “the advantages of German politeness and French comradeship. . . .”² The Englishman proposes his merchandise as a service, almost as a favour; his competitors push theirs. The German employs all his patient and humble amiability to push his goods.³ English merchandise presents itself in much the same way as the English seller, thoroughly good, no doubt, solid and massive in appearance and in reality, but without grace and uninviting. Rolled up in a common grey paper or thrown anyhow into a clumsy package, its appearance is never spruce, tempting, or set off in any way. In English Colonies and Anglo-Saxon centres, even English correspondents complain of the want of attention given to packing:—⁴

“Your earthenware comes to us in pieces. In no case are our precise instructions as to small details followed, shapes of boxes or colours of paper, points which are of capital importance for the sale (Singapore).” “English hardware is good but unsaleable. One of our leading merchants used to import all his locks from England. Keys, hinges, bolts, plates arrived in a confused mass, badly tied up in grey paper; it took a clerk more than two hours to disentangle them. America

¹ *Annual Series*, Nos. 1936, 1841, 1836, etc. ² *Ibid.*, No. 1685.

³ *Blue Book*, C. 8439, p. 356. The Germans bring their goods to the buyers; the British wait for them.

⁴ Cf. the entire *Blue Book*, C. 8449, particularly pp. 92, 275, etc.

supplies us to-day with locks because each lock, packed in its own box, presents a nice appearance and is more easily kept in a saleable condition. In addition, American keys, light in weight, and small in size, are infinitely more convenient than the massive and heavy English keys (Bahama).” “German beer, light and suited to the climate, is packed in partitioned cases which permit of its being disembarked, transported and kept without risk or special precautions. The landing and warehousing of English beers, too heavy for our market, is also too costly (Victoria, British Guinea, etc.).” “The English have lost the nail trade because they always refuse to send their nails to us in cardboard boxes instead of grey paper, and also the cartridge trade because they will not separate them in bundles of twenty-five instead of one hundred. Another defect, and none the less serious, conservatism prevents English manufacturers from changing their models and shapes to suit the requirements of their customers. American hatchets, hammers and other tools, are of greater use to our carpenters on account of the nature of our wood; English firms refuse to alter their models (Victoria).” “French perfumers have the art of presenting their articles; the cheapest are carefully set off. By comparison, the best English articles are common and mean in appearance, with their villainous labels, clumsy corks and old bottles, and we have had enough of them. English fashions are not ours. English pianos do not satisfy us, but English manufacturers will make no change. Their conservatism is intolerable. Germans, on the other hand, make a study of our tastes. They do not say to us: *You ought to buy what we manufacture.* They say: *If our manufacture does not suit you, we will change it* (South Australia).”

You must buy what we make; such is the language held by the Englishman to humanity. “We are the leading nation of the world. We manufacture, therefore, in the first place, for ourselves; you ought then to eat, live, clothe yourselves in the way which appeals to our taste.” As was the case with the ancient Greeks so with the Englishmen of to-day—everything which is not English is *barbarian*, that is to say, poor trash, and, as England is the superior nation, her language, ideas, prejudices, fashions, and even her needs must necessarily be superior also. “If, therefore, the goods are

not satisfactory, the supply must be sought elsewhere.”¹ For twenty years past the warning voice of Consuls, Colonial Governors or representatives abroad has as yet failed to convince their countrymen that there are such things as Chinese fashions and Brazilian fashions, that white men, black men, red men, or yellow men all have their conception of the useful and the beautiful, from which they neither can nor will depart, and that, owing to general over-production, humanity can now insist on being supplied with articles which correspond to needs or caprices. The Englishman’s offer remains ever the same: “Take my cloth; it is the fashion in London. Take my plough; it is the one in use on all farms in Warwickshire.”

In every country there is to be found a minority of *distinguished* persons, who adopt English fashions as their model. Michelet already remarked this fact in 1848: “In the democratic world of to-day, the son of the parvenu, the grandson of the nabob and successful merchant, who aspire to tread the walks of high society, find a dignified and safe refuge in the taciturn, stiff, haughty demeanour of English distinction”.² It is a far easier matter to be distinguished by the colour of one’s tie or the cut of one’s coat than by a life of work, invention and uprightness. In every country English modes and fashions appeal to an insignificant minority. But the great majority shake off this foreign tyranny and either cling or return to their own traditional, and perhaps more rational, conceptions and habits. The people in every country consult, in the first place, their needs and tastes, and above all their purse; for they want a cheap article.

The wealthy and aristocratic Englishman only creates dear articles; he will not understand that a poor world has other needs; he sneers at these cheap German-made goods, which are sold at prices to suit the popular pocket. Every British Consul and official abroad keeps on repeating that “cheapness is to-day of prime necessity”.³ But the Englishman not only maintains his prices, but also the same conditions of payment which were in vogue at a time when England was the great monopolist of the world. Foreigners

¹ *Blue Book*, C. 8449, p. 357. ² Michelet, *L’Etudiant*, p. 109.

³ *Cf. Blue Book*, C. 8449, p. 8; C. 9078, p. 1.

must pay ready money or even in advance; credit cannot be given to the rest of the trading world. Even the Swiss whose honesty is proverbial are treated with the same show of distrust. English Colonists and subjects cannot obtain from the Mother Country the three or even six months' credit which Germany grants to all her customers.¹ . . . The Englishman also clings to his money, weights and measures which are incomprehensible to the rest of humanity.

"The whole world, even the Chinese," writes the English Consul of Hanoi, "have adopted the metric system. It is quite impossible for our customers to make out our catalogues and price currents. Ask them to multiply shillings and pence by yards and inches; they will finish by losing their patience and themselves in an inextricable maze of figures. . . ." "What an absurdity it is," writes the Consul at Naples, "for the leading commercial nation not to have yet adopted the rational and generally accepted system of the metre and kilogramme. . . ." "I am quite sure," writes the Consul of Amsterdam, "that the metric classification of all German iron products has been a great source of success. I am convinced we shall be unable to meet competition unless we adopt the same system of measures."²

For upwards of twenty years Radical England has raised her voice in favour of the adoption of the metric system. But Jingo England none the less strenuously repels this intrusion of foreign weights and measures to-day. A good Englishman cannot employ French weights; English measures must be retained at any cost, even at the cost of economic existence.

The most hardened of Conservatives and optimist of Jinges must now be convinced that England cannot last long if such defects are to remain unremedied, even though momentary success or temporary recovery interrupt from time to time the downward tendency. *The necessity of reform is apparent to all.* Lord Salisbury and Lord Rosebery, the recognised mouthpieces of old England, proclaimed it in the House of Lords, the great stronghold of Conservat-

¹ *Annual Series*, No. 1925; *Blue Book*, C. 8449, p. 10.

² *Annual Series*, Nos. 1863, 1703.

ism, at a time when the reverses of the South African War were leading minds to sane reflection :—

“This war should bear fruit, and we ought to put in practice the hard lessons it is giving us. I do not hesitate to say that this war will be cheaply bought if it teaches us that, up to now, we have been living too much from day to day, and that, in war as well as in commerce and public instruction, scientific and methodical system must generally be applied. Now we must admit we have not been methodical; we have not been scientific; and the scientific task which is incumbent upon us to-day is the greatest which can fall on any nation. We must deliberately, patiently, scientifically, revise the methods by which we have till now been accustomed to proceed. This is the task which confronts us. It is a task which will occupy this Government and many other succeeding Governments.”¹

Mr. Chamberlain himself issued a bulky *Blue Book* (C. 8449) wherein the proofs of English decline and of ever-increasing foreign competition in the very heart of the Empire were set out at full length. The preface to this *Blue Book* of 600 pages contains a *résumé* of the causes for this decline, and the remedies proposed. According to this authority, a complete reformation of commercial tactics is absolutely necessary.

(1) *Goods must be produced more cheaply; “our competitors gain a livelihood by pushing articles entirely similar to our own and far cheaper”.*

(2) *A better adaptation of wares to the needs and tastes of the customer; a more studied and better finished product.*

(3) *Better style of package for diminishing cost of freight and breakage, and for facilitating storage and the chances of sale.*

(4) *Better acquaintance with the markets.*

(5) *More liberal credit.*

(6) *Better knowledge of transport and diminution of freight.*

The Foreign Office, having collected in another *Blue Book* (C. 9078) the consular opinions as to “British Trade Methods,” adds :—

(7) *Necessity of accepting small orders to begin with.*

¹ Speech made by Lord Rosebery in the House of Lords, 30th January, 1900.

(8) *Necessity of adopting the metric system.*

(9) *Necessity of despatching representatives, and not merely catalogues, to the customers.*

(10) *Necessity of suppressing strikes which, from one moment to another, change conditions and prices on the home market.*

This is all simple enough: ten commandments to think over and respect! The Almighty Himself did not impose a greater number on His chosen people. But the law, although emanating from on high, was only accepted after sore trials—serpents, pestilences and famines. The entire generation which had known Egypt perished miserably in the desert; no one of them ever entered into the Promised Land, because all had fallen down and worshipped the Golden Calf and their hearts were defiled. The England of our day has also worshipped false gods; she has pinned her faith to force and Empire, and the throb of her heart is no longer healthy. She has the commerce she deserves and can have no other. For the commercial tactics of a people or of an age are not the isolated fruit of a single conception, will or whim. Every race, nation, generation, have their commerce as they have their art, philosophy or morality. All these efflorescences of the national life are the outward and visible effects of a profound and obscure but seemingly identical and unique cause which some call the temperament, others the genius, and yet others the spirit of an epoch or a community. As in art, so the commerce of a people is the outcome or, at any rate, the inevitable corollary of its political and economical state, its national and private ideals, its individual and social morality. As might have been expected, England's commerce is ignorant, conservative, nationalist and insular.

“It is the mind of this people which must be changed,” said the representatives of Manchester to the Commission of 1885, and to the Commission of 1897 they repeated: “Do as we have done; reform thoroughly your habits and conceptions. Make up your minds what you would be, and if you wish to retain or recover your commercial supremacy, give to commerce, and to commerce alone, your undivided care. Make commerce the central feature of your policy and the mainspring of your social life.”¹

¹ *Blue Book*, C. 8963, p. 49 and following.

Thus the great dissenting Radical of the old days still dreams of Radical transformation and complete reform. In view of the miserable failure of the opposite school, Manchester can more than ever trust the principles which made England for a period of fifty years the almost absolute queen of international trade. And these principles are not difficult to preach to a people who have not altogether forgotten the once familiar cries: "Force is no remedy! Peace for ever! Long live the four F's, *Free Labour, Free Land, Free Church, Free School!* . . ." These principles, if supported by the majority and allowed to percolate through the national veins, would quickly transform the manifestations of English life, commerce and policy too.

When Lord Rosebery proclaims the urgent necessity for complete methodical and scientific renovation, the day is evidently not far distant when the effort will be made. The present tone of articles and speeches is a novel experience for England, and is but a sign of the times.

"We are governed by a band of Spaniards," says the *Review of Reviews*; "the governing class has deteriorated; our leaders speak and act as dilettanti; it is time, as once said Gambetta, that new social strata take the place of those we have."¹

Manchester, then, can safely set to work, and for this work she can count on powerful aid, on herself first of all, on the prestige which her name and Free Trade inspire, and on the majority of her old friends and allies. Iron and the Midlands, Birmingham and Sheffield may have deserted her cause, but coal and the shipbuilding industry still remain true. I have already tried to explain why Glasgow and Cardiff, Wales and Scotland could never be Imperialist. Only let Manchester raise her war cry, and a reforming and democratic army will surely respond to her appeal. What might result from such a movement the grand reform of 1830 is on record to show.

But the England of 1830 gave, perhaps, all that England was capable of giving. Casting an eye over the commercial as well as the political, literary, or artistic history

¹ *Review of Reviews*, 1st February, 1900.

of the last four or five centuries, it would seem as if each human community, moulded by the play of a thousand exterior or internal forces of race, temperament, association, and, above all, education, arrives at the stage when a sum of qualities is produced which, aided by circumstances and the general state of the outside world, burst suddenly into full bloom. Such has been the history of Spain, France, England and Germany. The next step in this evolutionary progression is that the general circumstances which once reacted on the other nations either change or disappear. What was an actual quality becomes a positive defect. Spanish *Absolutism*, which imposed its Catholic royalty on the entire Peninsula, then on two-thirds of Christian Europe, and finally on three-quarters of the American world, founders suddenly with the destruction of the Armada amid the lurid glare of *auto-da-fés* kindled by the insensate discipline of the monks. French "*Autoritarisme*" next fills the vacancy; by the might of the Bourbon sceptre and the philosophy of Descartes, France succeeds in extending her political, intellectual and commercial influence over almost the whole of Europe, and then she also, in a moment, after having effected the military conquest of the Continent, succumbs in the stupendous blaze of Napoleonic authority. English *Empiricism* follows on, which, step by step, transforms the United Kingdom and both hemispheres. All bow low before this colossal triumph; the world dazzled by a reign of sixty years without reverse, vaunts the invincible superiority of Anglo-Saxon force. . . . But without warning the glory of this apotheosis is sadly dimmed by the deadly encounter between Boer and Briton. Simultaneously, humanity beholds a new grandeur slowly rise up; after a century of work and study, the seed of German *Rationalism* has grown into the sturdy plant and blossomed in due season, and now at the extremity of every branch the clustering fruit peeps forth. The gaping rents made in British supremacy may be repaired, and, in her patched mantle of Imperial purple, Britannia may still make a bold show; but humanity has lost confidence and turns away from this failing greatness. Amid cannon's roar and trumpet's blare, amid songs and toasts, the Germany of Kant, of Bismarck, and of Wagner, Rational Germany, mighty and creative, sits astride the twentieth century.

TRANSLATOR'S NOTE REGARDING LIVERPOOL.

Since this volume was printed I have received the following communication from Mr. Robert Gladstone, Jun., of Liverpool. He is careful to state that his remarks make no pretence to be an exhaustive criticism of M. Bérard's figures and arguments touching the alleged decay of the port of Liverpool.

H. W. F.

LIVERPOOL, 7th January, 1906.

The theory (p. 92) deriving the name "Liverpool" from a fabulous bird called a *liver*, has been abandoned for many years. The original form of the name almost certainly was "Litherpool," and a district called "Litherland" adjoins the town. See the whole matter thoroughly discussed in Henry Harrison's *Place-Names of the Liverpool District* (1898), pp. 24-31. The estuary of the Mersey was never a swampy or marshy place (p. 92), but was noted for its fine sandy shores, of which plenty of old pictures remain. The "pool" from which Liverpool took its name (p. 92) was not the estuary itself, but a small creek now filled up and occupied by the Customs House. South Castle Street, leading to this spot, was formerly called "Pool Lane". Nor was Liverpool itself "a land of bog" (p. 105), being decidedly hilly, and mostly built on sandstone rock. Chat Moss (p. 139) is about fifteen miles from Liverpool.

The statement (p. 93) regarding the fourteenth century shipping of Liverpool repeats an error which runs through all the histories of Liverpool. The correct date is 1346-47, when Calais was blockaded by the English fleet. The roll of the English vessels, and of the ports from which they came, is printed in Hakluyt's *Voyages*. Liverpool is not mentioned therein, but "Mersey" is stated to have sent one bark and six men. This, however, was *Mersea* on the coast of Essex, close to Colchester, as the context of the roll clearly shows.

The docks at Birkenhead (p. 106) do not present nearly so long a frontage as those at Liverpool. The frontage of the Liverpool docks extends for over eight miles, and the quays, if laid end to end, would measure about thirty miles. Loose cotton (p. 107) is not nearly so plentiful

on the streets and quays of Liverpool as M. Bérard supposes, and it is never found blowing about on the river. The old George's Dock, on account of its inadequate size, has been disused for several years, and is mostly filled up and built upon. It ceased to be used for cotton traffic a long while ago, this traffic having removed itself to larger and more modern docks. For the same reason the Prince's Dock (p. 107) has for a considerable time been confined to coasting vessels. Back (not *Black*) Goree (p. 107) is a small street of quite minor importance, and the warehouses in it are mainly old-fashioned and very little, if at all, used for the storage of cotton, great numbers of more modern and better warehouses having been built in other parts of the town nearer to the larger docks.

The statements (pp. 110, etc.) regarding the alleged decay of the port of Liverpool seem to be quite without foundation. The Chairman of the Mersey Docks and Harbour Board (Mr. Robert Gladstone) dealt at length with this matter in a speech on 15th December, 1904 (printed, Liverpool, 1904). He gave the following table showing the increase in the value of exports and imports in the chief British harbours in the year 1903 as compared with the year 1899 :—

	Increase.
Hull	£1,100,000
Leith	1,900,000
Bristol	2,300,000
Southampton	6,300,000
Glasgow	6,400,000
Manchester	9,900,000
London	15,800,000
Liverpool	36,100,000

In the same speech Mr. Gladstone also noticed the allegation that the tonnage of the vessels entering the port of Hamburg was much in excess of that of vessels entering the port of Liverpool. The true figures, he said, were in 1903 :—

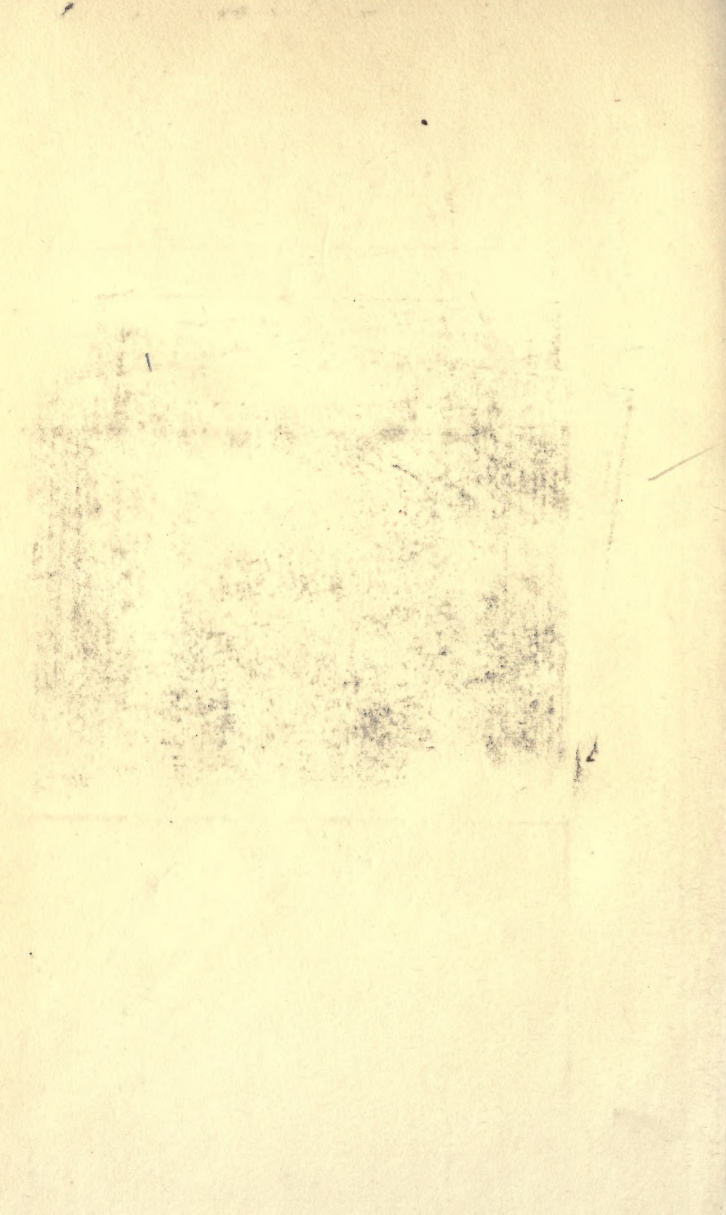
	Tonnage of ships entering.
Hamburg	9,150,000
Liverpool	12,478,000

Mr. Gladstone also pointed out that a fertile source of error lay in the fact that Liverpool reckons the tonnage of vessels only when entering the port, while most other ports reckon the tonnage of vessels twice over, that is, both when entering and when leaving. Therefore, when compared with such ports, the tonnage of Liverpool should always be doubled.

The docks at Liverpool are greatly superior to those at London, both in respect of the quality of the accommodation provided and as regards the solidity and strength of the quays and other works. London cargoes are remarkable in point of *value*, but Liverpool cargoes are almost certainly greater in *volume*. It is incontestable that the vessels using the port of Liverpool are very much finer and larger than those using the

port of London. For example, the White Star Line has a fleet of thirty steamers averaging 12,000 tons. In view of M. Bérard's assertion (p. 112) that Liverpool in 1900 was "far behind London," it is interesting to note that in the *Liverpool Daily Post and Mercury* for 4th January, 1906, there is a well-reasoned article claiming that the port of Liverpool is now in all probability the equal, if not the superior, of the port of London. From all which we may fairly conclude that the port of Liverpool is not exactly *decaying*.

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