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COMMERCIAL AND INDUSTRIAL SPAIN

GEORGE HIGGIN

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AND

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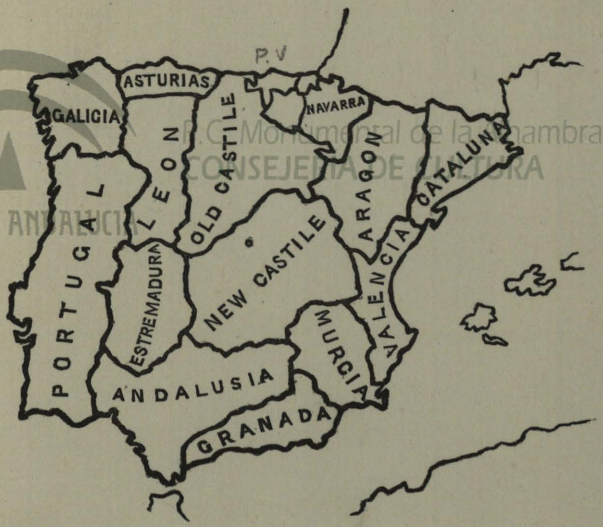

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Al Sr.
D. Jorge Thornig
S. affmo amigo
Jorge Borrow

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COMMERCIAL & INDUSTRIAL SPAIN.

CHAPTER I.

General Observations.

Of all the lands with which Great Britain carries on her multifarious traffic there is probably none concerning which greater real ignorance exists, and about which the English people understand less, than Spain.

It seems strange that it should be so. It is extraordinary that we should take so slight an interest in a country which three hundred years ago was the dominant one in Europe, one of whose kings was mated with one of our own queens, and whose powerful armada threatened the shores of the land which now proclaims herself mistress of the seas. Yet so it is. The land that produced Cervantes, Lope de Vega, and Calderon amongst writers; Murillo, Velazquez, and Ribera amongst painters; not to mention a host of minor writers

and painters who would have made the literary and artistic fortune of less favoured lands—the land that sent forth the warriors that discovered and conquered the new world—that alone amongst the nations of the earth has been able to compete with England in colonisation—this land is the one about which the English nation least concerns itself at the present day—about which it knows less, or, at all events, about which its knowledge is most superficial and least reliable.

Apart from the few who by nature of their occupations are brought into more or less direct contact with the country and its people, the amount of ignorance that exists amongst the English public as to the present position and prospects of Spain is something ludicrous.

There are two classes of travellers in Spain: the romantic, and him whom, for want of a better name, we will call "the British"; and both bring back an equally unreliable account of the country.

To the romantic Englisman Spain is a land altogether apart and different from all others.

To his mental vision it is a strange and wonderful country, a splendid ruin, wrapt in a wonderful

haze of romance and beauty; a land where still under the shade of fragrant orange groves,

> "Beneath soft Eve's consenting star,
> Fandango twirls his jocund castanet."

Where the proud noble paces with stately tread in his flowing cloak, and muses upon the past glories of his country; and the happy peasant, carolling cheerfully beneath his ever blue sky, presents a spectacle of sobriety, courteousness, and contentment unknown in less favoured climes.

This is the "lovely Spain, renowned, romantic land" of Byron, the land of the poets and poetical historians, the land which they approach for the first time with enthusiasm, feeling as they near her rocky barriers a strange beating of their hearts, as though now at last all their youthful romantic dreams were going to be realised.

It is extraordinary how this romantic, unreal view of the country has been kept up by many of the writers who have recorded for the benefit of their countrymen the history of their travels and adventures therein.

It is at all times an ungracious task to destroy an illusion which, however false, is yet pleasing.

These travellers enter Spain with a preconceived idea—they very soon find the bare reality in rude antagonism with it, but they cannot believe they have been so entirely misled; by a continuous mental struggle they keep themselves up to the mark they had previously made, assisted in no small degree by the wonderfully exhilarating air and clear blue sky; they travel onward in a constant state of enthusiasm, and return to add another chapter to the book of false impressions already existing.

Only on this hypothesis can we account for the wonderful productions which do duty as records of travel and adventure in Spain.

In contradistinction to the romantic traveller we have him whom we have denominated "the British."

To him everything Spanish is anathema.

Everything that does not exactly tally with his own English ideas is wrong and barbarous.

He carries with him in his mind a preconceived model framed on his own insular experience, and on this inflexible Procrustean bed he stretches all the facts and things that come before him, and

everything that does not exactly conform thereto is at once set down as being wrong.

He cannot abstract himself from the tone and mode of thought in which he has been brought up from childhood, nor conceive that other nations may, and must, have different modes of life and thought, due to the variation of race and climate, and that it is just possible that their way of looking at things may—taking into account these differences—be right and his own wrong. Nor can he make allowance for the different state of progress of the countries he visits. To him, therefore, everything is wrong: the food is villainous; the customs detestable; the manners of the people outrageous; he sees a would-be assassin in every labourer who approaches him, and a brigand in every muleteer he meets; his only moments of happiness are when he meets a brother Englishman of his own stamp with whom conjointly he can rail at the country; his temper is constantly being ruffled by each insignificant *contretemps* —and he returns to his own land, shaking the dust from his feet, to draw a picture of the country he has left equally false and misleading as the other.

If, again, we turn to the political news which we read in the daily journals, we are scarcely better off.

As a general rule the information sent over by the correspondents of the English papers is as little reliable as that contained in the books of travel. The commercial importance of Spain to England is not sufficiently great to warrant the employment of highly-paid correspondents. Unless, on such occasions as the Revolution of 1868, or the Carlist war, when men of undoubted standing and ability were sent out, the ordinary peace correspondent is not of such a class as to give him the *entrée* of the ministries and great houses, where alone reliable information may be obtained. Their knowledge of the language is, as a rule, limited, and their insight into the character and idiosyncrasies of the people on a par with the former. Failing better authorities they are compelled to glean their information from the irresponsible chatter of the *cafés* or the equally irresponsible and utterly unreliable information contained in the rabid political papers of the day. In Madrid everyone is a politician; from the minister in his carriage down to the shoeblack in the streets, all

are alike bitten by the mania of politics, and each one is a partisan of one or other of the numerous parties that endeavour to divide amongst themselves the loaves and fishes of Government.

The press of Spain is in most cases used merely as a vehicle of personal abuse or as a means of arriving at a post under Government.

It is vain to expect from such a press any clear and dignified statement of politics, or any guidance as to the real aspirations and wishes of the country.

It is vain to expect from it even a truthful narration of facts. Each side will garble its statements, and suppress or magnify the truth according as it may suit the parties or the minister to which they are devoted.

In the *cafés* it is even more difficult to arrive at anything like certitude. There is in Madrid always a large population of *employés* in the different Government offices; and as at each change of Government almost the whole of them go out, down even to the porters, there is always, as it were, a relief shift, waiting the return to power of their friends and patrons.

There are thus two great parties, "The Outs" and "The Ins." Some of the *cafés* are more particularly affected by "The Outs," others by "The Ins"; and here at night they meet to discuss their prospects of going out or coming in.

The stories that get set afloat in these nightly reunions are something too wonderful. If there is in reality no news, some story is quickly invented. With the rapidity of lightning it passes from table to table, ever growing and accreting to itself new material, till, ere the night closes in, it stands, fully dressed, a portentous miracle of fiction. It needs a clear head and a thorough knowledge of the people and country to extract the small kernel of truth that may lie concealed in the middle of such a story, and to discover whether or no one is only being made the dupe of some partisan of the opposition for whom no misrepresentation of the existing powers is too gross.

It is thus that we see sometimes in the English papers, and those even of the very highest standing, the most ludicrous accounts of things which have been or are taking place in Spain, and read the most wonderful prophecies of events never destined to be realised.

But even supposing that the information that we received from Spain as to political events were as truthful as could be desired, we should still be as far off as ever from obtaining any real information as to the true state of the country.

The political notabilities who rise and fall with such amazing rapidity in Spain, and whose names figure in our newspapers as the arbiters of their country's destinies, have really very little to do with it; they are merely the top foam on a wave that is ever advancing. They gleam and glitter in the bright sunshine of a temporary popularity, but in reality afford no index of the force or depth of the wave on whose surface they disport themselves.

In all countries and under all climes the governing men of the day are—save in very exceptional cases—merely the representatives of the hidden forces of the nation—they do not lead, but are driven. Like the fly on the wheel, our Chamberlains and Gladstones think they kick up a tremendous dust, and that the great wheel could not revolve without them, but in reality their influence for good is very small; they are unfortunately more potent for evil.

If this is true of most nations, it is more particularly so of Spain.

In that country, less than in any other, does the Government of the day affect the general march of the country.

Taken in broad and general lines, it is of course true to say that the progress of the country may be followed by the course of political events, inasmuch as the governing class must be, more or less, in accord with the wishes and aspirations of the people if they desire long to retain the reins of power; but we should not be far wrong if we say that Spain advances in spite of her Governments, and not by their assistance or leading, so that they generally lag behind, and are dragged along by the current of events. Any one who would endeavour to foretell the progress of the country by its political leaders would most certainly be grievously led astray.

Thus it is that the news which we gather from our daily papers in regard to Spain gives us no true indication as to the real state of the country or of the progress it is making.

Barren notices of changes of ministry, sensational accounts of political disturbances, which are

unknown to the dwellers in the country, are the items which English readers receive as a history of the nation; and if we are to judge by these alone, we must picture to ourselves a race whose sole occupation is quarrelling and fighting.

Such indeed is the opinion formed of Spain by nine-tenths of the English people.

There is an old English proverb that says, "Give a dog a bad name and hang him." Spain has got a bad name, and in justice to the English people it is only fair to say that there is some reason for it. Constitutional in name, Spain has been for years, and still is to a great extent, a despotic country.

It is not easy for English people to conceive that the Cortes is in reality elected by the ministry of the day, and is, in fact, only a convenient constitutional cloak to cover the reality of a despotic Government.

The expression of public opinion which in England is shown at the electoral urns, or by the gradual secession of the Government supporters, in Spain could, until lately, only be shown by a "pronunciamiento."

It is not strange that this mode of giving expres-

sion to the popular will should not be understood in a country where Parliamentary Government is a reality and not a fiction. Spain has come to be looked upon, consequently, as a restless, unruly nation, fond of fighting for its own sake—in fact as a kind of Continental Ireland.

Since the accession of King Alfonso she has presented a spectacle—to her somewhat unusual—of a Government holding office for many years and presided over by a civilian; she has seen this ministry fall in a constitutional manner and be succeeded by another civilian prime minister, and she has at present before her a ministry that succeeded to power by the same constitutional means and under the enlightened rule of the same civilian who so well held the reins of power after the succession of King Alfonso.*

But Spain's bad name still sticks to her. If the Spaniards are not now indulging in "pronunciamientos" and revolution, according to poetical justice they ought to be doing so; and even a

* Since this was written Señor Canovas has resigned, and his place has been taken by Señor Sagusta at the head of a Coalition Liberal Ministry.

students' row, which in Oxford or Cambridge would not be mentioned by any but local papers, is, in the case of Spain, invested with all the pomp of a national revolution.

Spain is not yet by any means a settled country in the sense that England is, although she is infinitely more settled than France; but to regard her as a kind of seething political volcano is greatly to mistake her and misread the facts of her history.

It is difficult indeed for English people to comprehend the kind of dual life which Spain leads, or to understand how little the nation is affected by the apparently momentous changes which take place in her political atmosphere.

During the last twenty years Spain has gone through a series of political movements which might well have shaken the strongest nation and left her inert and lifeless; and yet during all this time the country has been advancing steadily, both materially and morally, and in such a manner as can only fill us with amazement at the intense vitality she must possess.

The Revolution of 1868, which expelled the

ancient dynasty was followed by a series of events sufficient to paralyse the energies of any nation: a long and bloody civil war in Cuba, her principal colony, which absorbed annually five or six millions of money and many thousands of lives; a Carlist war at home which was not less bloody nor less costly; violent, impossible, communistic attempts, which led to the bombardment and destruction of flourishing cities; trials of every form of government which human ingenuity could devise—from the so called executive power of Prim to the absurd Republic of Castelar and Zorilla—with all the abrupt and radical changes of the mechanism of government consequent upon such proceedings;—all these, spread over a term of seven years, would, one would think, be sufficient to destroy any nation, and yet during all this time Spain, as I have said, was steadily advancing in industry and commerce, and, save in the provinces or towns which were for the time the actual theatre of war the business of the nation went on as if nothing unusual were occurring.

That the country suffered, and suffered heavily, during this time is evident. As a matter of course

foreign capital kept aloof from such a troubled land, and native capital fled from it to England. The actual loss in materials and, what is more important, in the lives of those sacrificed in these fratricidal quarrels it would be difficult, nay impossible, to calculate. But that she was not utterly and irretrievably ruined or thrown back for years, but on the contrary advanced, shows the wonderful inherent vitality in the nation, and how little she is affected by changes that would utterly have destroyed any more highly organised community.

It is the object of the present pages to try and give some insight into the real forces which are at work in Spain, to gauge the depth and velocity of the wave of national life that is sweeping her along the path of progress, to examine the commercial and industrial side of her character, apart equally from the foolish romantic view of her which is taken by the well-meaning but fatuous writers of travels, as from the equally misleading view taken by the correspondents of our daily papers, who, unfortunately, think everything is said when they have fathomed and described the intrigues and counter-intrigues of the political

notabilities of the day, or have—probably with the best good faith—stated some of the strange stories fabricated in the heated atmosphere of a Madrid *café*.

Such a review will enable us to form a better opinion as to the real meaning of the political changes which have been and are still taking place in the nation, will explain to us the meaning of many events which would otherwise appear meaningless and inexplicable, and will give us a status from which to form some reliable forecast of the probable future of this once mighty kingdom.

To English people Spain ought always to be an interesting study. It is true that our commercial relations with her are relatively small; that we have allowed France and are now allowing Germany to take away from us a commerce that might have been ours; but, apart from the mere question of commercial interests, Spain has for England an interest of her own. She it was who first stood forth in mortal struggle against the world's conqueror, Napoleon; side by side with her people, and on her soil, our soldiers fought the great battle of the world's liberty. It was down her Pyreneean

glens that our own great soldier rolled "back to France her banded swarms," and the blood of many and many a noble Englishman sank into her thirsty soil, mingled with that of Spain's own gallant sons.

The Spanish and English characters are indeed in many points strangely alike. Spain ranks as one of the Latin nations, and the republican orators of Spain are content to look to France for light and leading in all their political combinations; but a large mass of the nation, the bone and sinew of the country, the silent, toiling tillers of the soil, are not of this way of thinking. In their veins runs too much of the old Gothic blood, the hard, enduring fibre which furnished forth the warriors from Castile who marched in full armour across the tropical mountains of the new world; who in bands of fifties and hundreds boldly launched themselves into the interiors of vast continents, and founded cities that are a wonder to us in these latter days who can realise to ourselves what such an undertaking required in those distant times. There is a sturdy independence in the Spanish character and an impatience of dictation that har-

monises more nearly with the English character than with that of her Latin neighbours.

Spain could never have afforded the spectacle that France did in her last great war.

Abandoned and deserted by her rulers in the time of the great Napoleon, Spain turned to bay, and rose as one man against her conqueror.

Without leaders or previous combination each individual peasant seized his gun and went forth to fight on his own account the common enemy, much as we should hope would be the case in England if ever, unfortunately, a foreign foe should gain footing in our isle.

There is a gravity and reticence also in the Spaniard that is absent from his mercurial neighbour, and which is indeed much more akin to our own cast of temper.

True it is that our insular manners form at first a bar to our intercourse with the Spaniard, who has been brought up in a school of deliberate and stately courtesy somewhat foreign to our business turn of mind; but how superficial this difference is may be seen by the strong attachment Englishmen form to the country and her people

when once the strangeness of first acquaintance is worn off; and those of us who know the country best will tell you that they have no truer or more faithful friends than those they have amongst her people.

It is to be regretted both for our sakes and theirs that our acquaintanceship is not more intimate.

Spain offers a splendid field for our capital and industry, and her country would not suffer by acquiring some of the constitutional ways that have served to raise our own little isle to such a pinnacle of success.

CHAPTER II.

Trade Statistics.

In order to form an estimate of the present condition and future prospects of Spain, it will be convenient to take some point of comparison, and we will therefore compare the years of 1862-3 with those of 1882-3—taking thus a term of twenty years, and availing ourselves, for our information, of the official reports published by the different ministries. We cannot well take any later time than that selected, because the Government returns are generally issued with dilatoriness, and are not available till a year or two after the time they purport to report on; and it will be better not to extend our survey further back than twenty years, because the reports at this period are fuller and better than those of an earlier date.

It is true that these twenty years will embrace all the troublous times from the revolution of 1868 to the restoration of the monarchy in 1875, and it would scarcely seem to be fair therefore to select a period embracing such an abnormal epoch; but,

on the other hand, by so doing we shall best show the enormous strides that Spain has made, and exemplify the fact, before pointed out, that the progress of the country is, to a great extent, independent of the political changes that have been and are taking place in her, or rather, we should say, that these changes are the result of the forces at work beneath the surface, and that in order to rightly estimate them at their true value we require to study those other changes about which our ordinary newspaper correspondents give us no hint.

Before, however, giving any statistics as to the commercial and industrial aspect of the country it will be as well to dedicate a few lines to its general features as regards area, population, &c.

In regard to population, it will be advisable to take a wider survey than that of twenty years, we will commence therefore with this century and give a few of the returns of the census at different dates :—

1797 - - -	10,541,221
1831 - - -	11,207,639
1846 - - -	12,162,872
1860 - - -	15,673,536
1877 (last) - -	16,634,345

It will be seen from these figures that for the first fifty years of the present century the population increased but slowly, the increase being 1,621,651 in the forty-nine years, or say at the rate of 33,095 per year; and when we consider the frightful wars which desolated the country during this period, commencing with that known to us as the Peninsular war, and terminating with the first Carlist war, this is not to be wondered at, indeed it would not have been surprising if we had found an actual diminution instead of an increase.

In the fourteen years from 1846 to 1860, years of peace, we find an increase of 3,510,664, or say at the rate of 250,762 per year; whilst in the seventeen years from 1860 to 1877 we find only an increase of 960,809, or say at the rate of 56,518 per year.

It seems scarcely possible that this great comparative decrease in the population could be due solely to the wars that desolated the country from 1868 to 1875; but certainly a large proportion of it must be placed to this account. If no great battles were fought, yet scarcely a day passed without some skirmish in which many on both sides were killed; and if the roll of the year were

taken it would probably be found that the killed and wounded in this desultory fighting exceeded by far the loss that would have accrued from one of our great, short but sharp, modern wars.

The constant drain of men to Cuba during the years this warfare lasted, to replace those that were killed by the enemy or the climate, was certainly very great; and if a true record had been kept of the loss to the population from this source it would probably astonish every one.

The increase in the population of the cities between 1860 and 1877 has been very marked. Some portion of this may be accounted for by the war which drove many families from the country into the cities, and once established there, they did not care to remove back again to their country homes. Madrid, which has increased 21·43 per cent. since 1860 to the last census, probably owes a good deal to this cause; but Bilbao, which has increased 82·17 per cent., and Pontevedra, which has increased 195 per cent., can only owe their rapid rise to the development of commerce. In the case of Bilbao this is easily explained by the great impulse given by her iron mines; in that of Pontevedra it is not so easily explained.

The principal cities of Spain, in the order of their populations, are, according to the last census of 1877—

Madrid - - -	397,816
Barcelona - - -	248,943
Valencia - - -	143,861
Seville - - -	134,318
Malaga - - -	115,882
Murcia - - -	91,805

Of the remaining 43 capital cities, 30 contain under 30,000 inhabitants, the remaining 13 vary between 30,000 and 90,000.

The total area of Spain is 504,516 square kilometres, which corresponds to a population of 32·97 per square kilometre—the most populous province being Barcelona, with 108·82 inhabitants per square kilometre; the least populous being Cuenca, with 13·74 inhabitants per kilometre—this latter being a very mountainous district.

In 1860 only 19·97 per cent. of the population could read and write; this had increased in 1877 to 24·48 per cent., the rate of increase being 4·51 per cent.

The density of population in Spain as compared with that of France, England, or Italy is far from being what it might be, and probably would be, were she ever to enjoy a lengthened era of prosperity and peace; but in comparing the relative densities of population of these countries the peculiar topographical features of Spain must not be lost sight of.

Spain is not by any means the fertile agricultural country it is often supposed to be by those who are ignorant of its configuration.

It is essentially a mountainous country. Several great mountain chains, such as the Pyrenees, the Sierra Nevada, the Sierra Morena, the Guadaramas, and other minor ones too numerous to mention, absorb a very large area of her surface. The extensive table-lands of Castile and Estramadura cannot, from the excessive dryness of their climate, support a large population. The scarcity and uncertain amount of rainfall in these districts, which precludes the cultivation—without artificial irrigation—of anything but a scanty crop of grain every two or three years, must always prevent any very large increase of the population in these parts.

The irrigated districts of Spain, such as those of Valencia, Murcia, and Granada, probably support a denser population than is to be found in any other part of Europe.

There is undoubtedly room for improvement in this respect, more especially in the fertile valleys of many of the great rivers where artificial irrigation could be introduced; but any very great and marked increase in the population of Spain will probably be brought about by the increased development of her mines and manufactures.

Referring now to the general trade statistics of the country—

In 1862 the value of Exports was		£11,105,322
,, ,,	Imports ,,	16,793,127
	Total - - -	£27,898,449

In that year the Imports exceeded the Exports by £5,687,805.

In 1882 the Exports were		£30,615,043
,,	Imports ,,	32,666,676
	Total - -	£63,281,719

NOTE.—In this and all succeeding calculations 25 Pesetas are taken as being equal to £1.

The excess of imports over exports was in this year only £2,051,633.

Of the imports of 1882, £2,762,069 was for wheat alone. Spain does not generally import wheat, but the year 1882 was one of unusual drought in the South of Spain, the entire wheat crop having failed. Had it not been for this exceptional circumstance the exports would have exceeded the imports, and, whatever political economists may say, there can hardly be a doubt that, in the present case, the change in the proportion of exports to imports shows a great development in the resources of the country. The increase of exports and imports during the twenty years has been £35,383,270, or say about 250 per cent. If we take the ten years anterior to 1862, we find in 1852—

The Imports -	- £7,531,671
The Exports -	- 5,667,834
	£13,199,505

Betwixt 1852 and 1862, therefore, the trade more than doubled itself, whilst in 1882 it was two and a half times that of 1862, and this, although for

seven years out of the twenty Spain was suffering such intestine commotions as fall to the lot of few nations.

The imports and exports of 1881 amounted to £52,858,340, the increase therefore in the year 1882 was £10,423,379 ; in this amount, however, is included the two and three quarter millions due to imported wheat, which can scarcely be looked upon as an improvement in the trade of the country.

If we take the average of the last five years we find this was £47,135,720, the increase therefore in 1882 over the average of the previous five years was £16,145,999, or say about 34 per cent.

Taking the mean of the last five years, the principal increase has been in exports, viz. :—

Wine - - -	£5,840,068
Minerals - - -	1,964,498
Oranges - -	752,035

The decrease in exports has been :—

Lead - - -	£218,479
Oil - - - -	151,658
Flour - - -	267,235

If we compare the years 1881 and 1882 we find that the increase in 1882 over 1881 has been in the principal articles as follows:—

IMPORTS.

Wheat - - -	£2,762,069
Flour - - -	254,553
Cotton - - -	88,447
Cocoa - - -	105,939
Coal and Coke- -	104,993
Iron and Tools -	102,216
Timber - - -	106,040
Woollen Textures -	135,099
Silk Textures - -	160,182
Machinery - -	164,050

In the Exports the increase has been—

EXPORTS.

Wine - - -	£2,300,460
Minerals - -	913,780
Cattle - - -	164,703
Shoes - - -	143,429

In the trade with Spain France takes the lead, England occupies the second place, and Germany

the third. In the year 1882 the amount of trade done by these three countries was as follows :—

	France.	England.	Germany.
Imports -	£8,835,132	£6,834,055	£3,309,661
Exports -	12,391,267	9,407,659	283,865
Totals	£21,226,399	£16,241,714	£3,593,526

It appears therefore that of the total trade of the country one-third of the whole is done with France.

If we compare the amount of trade done by these three countries in 1882 as contrasted with that of 1862, we get the following results :—

	France.	
	1862.	1882.
Exports ...	£2,534,143	£12,391,267
Imports ...	6,253,007	8,835,132
Totals ...	£8,787,150	£21,226,399

	England.	
Exports ...	£3,086,209	£9,407,659
Imports ...	4,198,424	6,834,055
Totals ...	£7,284,633	£16,241,714

	GERMANY.	
Exports ...	£130,610	£283,865
Imports ...	16,616	3,309,661
Totals ...	£147,226	£3,593,526

It will be seen by this comparison that England has lost ground in 1882, being that year about five millions behind France, whilst in 1862 she was only about one and a half millions behind.

The notable difference is, however, in Germany, for whilst the imports from that country to Spain in 1862 only amounted to £16,616, in 1882 they reached the respectable figure of £3,309,661, the exports remaining approximately the same.

Relatively, therefore, as regards increase of trade Germany quite takes the lead.

In the statements given above as to the value of the exports and imports, it should be borne in mind that the official returns very much underestimate the amount. Spain is a country of high protective tariffs, and consequently smuggling in one form or other is an institution of the country, it is indeed perfected into a system and has its regular houses dedicated to the traffic.

We might without much risk of exaggeration increase the Government returns by 20 or 25 per cent.

Now, as regards the shipping in which these goods are carried. According to the official returns the total number of ships entered and cleared and their tonnage was as follows:—

1862.	
Ships entered and cleared -	18,820
Registered tonnage - -	2,836,966
1882.	
Ships entered and cleared -	39,490
Registered tonnage - -	18,310,608

Of the 39,490 ships entered and cleared in 1882, 16,823 sailed under the national flag and 22,667 under foreign flags.

The proportion of French and English ships and their tonnage was as follows:—

	Ships.	Tons.
English ...	8,653	5,074,389
French ...	5,874	2,333,069
	14,527	7,407,458

In this comparison, as was to be expected,

England has the advantage. It should be remarked here that in the entry of ships sailing under the Spanish national flag are included many ships owned in England. Many of the regular trading steamers between England and Spain, although owned in England, sail under the Spanish national flag, so as to avail themselves of the advantages offered to national ships.

In taking note also of the comparative tonnage of French and English ships, it should be borne in mind that a large portion of French trading is done by land.

The principal articles of trade between England, France, and Spain are as follows:—

ENGLAND.

Exports from Spain.	Tons.	Imports.	Tons.
Iron Ore - -	2,775,832	Coal -	957,713
Copper Ore -	567,471	Coke -	105,202
Lead in bars -	69,932	Pig Iron -	41,737
Esparto - -	40,119	Guano -	6,783
Copper - -	22,624	Machinery	10,864
Common Wine	1,940,714 gallons		
Sherry - -	3,698,838 do.		

FRANCE.

Exports to France.		Imported from France.	
	Tons.		Tons.
Lead in bars -	44,407	Wheat -	63,841
Pig Iron - -	6,458	Flour .	12,542
Salt - -	14,497	Other Grain	23,290
Oranges - -	19,448	Guano -	8,881
Wine -	130,185,427 gals.	Machinery	4,501

If we except flour and grain, which, as has been before stated, was quite an exceptional article of importation in 1882, due to the failure in that year of the crops in the South of Spain, the imports from France are spread over a large number of various articles, there is no salient article of import. In the exports the principal article is the wine. This is almost entirely red wine, which goes to Bordeaux to be made into claret, and be re-exported thence to confiding customers in England.

It seems strange that Spain cannot perform this transformation in her own country, and retain the profit thereon, but there is much in a name, and, unless baptized under the name of Bordeaux, it is probable that the average English customer would not consider it a genuine article.

One or two considerations suggest themselves on seeing the figures given above.

One is, the steady increase in the trade of the country, in spite of the disadvantageous political circumstances under which she has laboured.

Another is, that contrary to her usual custom, England is losing her trade with Spain instead of augmenting it. The third is the extraordinary advance that is being made by Germany.

If this latter nation continues to increase her trade with Spain during the next twenty years in anything like the same proportion as she has done in the last twenty, she bids fair to oust both France and England from the field, or at all events to become a most powerful rival.

CHAPTER III.

Railways.

Some people would have us to believe that the Revolution of 1868 was caused by the alleged feud said to exist between the Duke of Montpensier and his sister-in-law Queen Isabella, and by the intrigues of the former to obtain the Crown for himself in right of his wife.

There is no doubt that the Revolution of 1868 had the connivance if not the open assistance of the Duke, and that he hoped to catch some fish in the troubled waters which he assisted in making; but to give this as a reason for the revolution is to take but a very short-sighted view of matters, and to entirely misread the signs of the times. Nowadays the family feuds of kings and princes, or their relationships and marriages, stand for little or nothing in the great movement of nations, not excepting even the autocratic empire of Russia, and we must look farther below the surface if we wish to discover the real forces at work. We must

take into account the tendencies and thoughts of the people whom they pretend to govern.

The Revolution of 1868 in Spain was the inevitable outcome of the progress the nation had been making, and the consequent want of harmony between the old Court party and the progressive tendencies of a people that were slowly awaking from the slumber of centuries. A dynasty that had been nurtured like that of Spain in the old theory of the divine right of kings could not, although a liberal and national movement had placed it on the throne, easily shake off the traditions of ages. It is difficult for a new truth to penetrate the warm and perfumed atmosphere of a Court, more especially when the head of such a Court is a woman.

Too many influences are at work to prevent unwelcome truths from disturbing the serene atmosphere that surrounds the Throne; too many persons are individually interested in having things remain as they are.

Thus it happens that the nation rolls on and new ideas gain sway, whilst the power that should direct and govern them is sleeping in serene

unconsciousness of the elements that are collecting around it, until at last the storm bursts, to the amazement and horror of the short-sighted guardians of the Throne.

We should not be far wrong if we stated that the Revolution of 1868 was the direct and immediate consequence of the construction of railways, and of the facilities thus afforded to the Spanish people to travel and mix with other nations and people, and which brought numbers of the more active and intelligent members of other countries into the Peninsula itself. Spain, the proud exclusive Spain, that for ages had replied to all attempts to move her with the cry, "Santiago y Cierre España," had at last caught the infection of progress that was hurrying on the other nations of Europe. She had opened her mountain passes to the locomotive.

Amongst those magnificently stern gorges which shut her in from the rest of Europe, the echoes of the horn of Roland had given place to the shrill whistle of the steam-engine.

From 1848 to 1858 some 500 miles of railway had been constructed; from 1858 to 1868 some

2,800 miles were opened, and these 2,800 miles of railway brought the Revolution of 1868, and caused the upheaval which cracked the hard crust that time and custom had formed over the Spanish nation.

Whether this be so or not. Whether we suppose the progress of Spain during the last twenty years to be due to her railways, or, on the other hand, consider that the railways have only been the symbol of an activity which has been called into play by other causes, there can be no doubt that the progress of the country is largely identified with the extension of the railway system, and it will be worth our while therefore to study it a little more closely.

The first line was opened in 1848, and was 17 miles in length. During the two following years no further lines were constructed; but in 1851 some other lines were opened, and the increase was steady, though not great, up to 1858, at which date 527 miles were open to the public.

The additional lines opened from 1858 to 1868 were 2,805 miles, and this may be said to have been the most active period of construction.

During the troublous times that succeeded to the Revolution of 1868, little was done towards the extension of railways, and it was not until 1875 that capitalists were again able to turn their attention to the subject.

Thus, in the second decade from 1868 to 1878, only 818 fresh miles were opened. The length opened from 1878 to 1883 has been 715 miles. The total length of lines opened to traffic in 1st January, 1883, was 4,865 miles, and the total number of miles in construction at that date was 1,277. Whilst the new schemes, of which the plans had been approved by Government, but which had not yet been commenced, embraced 1,612 miles.

In addition to this, during the year 1882 Government had authorised the studies of 37 new lines, the length of which was of course not known. The country would appear therefore to have again entered into a period of constructive activity.

Until quite recently almost the whole of the Spanish railways have been constructed with French capital and under French direction. English enterprise, which had taken such a leading

part in railway work in other parts of the world has been conspicuous in Spain by its absence.

The causes of this abstinence were twofold. In the first place the closing of the English Stock Exchange to Spanish enterprises, in consequence of the vexed question of the famous coupons, acted as an effectual bar to the application of English capital to such work; and secondly, the form of aid given by the State was not one that suited the English capitalists. John Bull has peculiar ideas as to his position as the world's banker, and he considers that all countries must accept his dictum as to the proper way of doing things. Now, as regards railways, he had formed an opinion that the proper form of State aid should be by a guaranteed interest, whilst the Spanish Government had come to the conclusion that as regards themselves this was not a convenient form.

The Spanish ministers argued that it would be impossible for them to find out when a line was paying more than the guaranteed interest, that the system lent itself to abuses which they could not check, and that, as a matter of fact, any guarantee given by them would be perpetual, as the com-

panies would so arrange their accounts as to show invariably an interest smaller than that guaranteed; they considered it preferable, therefore, to pay a lump sum down by way of subvention, and to have done, once for all, with the business. There is no doubt that from their own point of view they were right; the system, however, was not according to John Bull's ideas, and as one was as proud and self-opionated as the other, neither would give way; the result was that no English capital went to Spain for railway purposes.

John Bull considered that he was punishing Spain by buttoning up his pockets, but as a matter of fact he punished himself also. The capital he refused to give was found in France and Belgium, and to France and Belgium went all the orders for railway material.

If the money that we so candidly lent to the swarm of defaulting South American Republics had been properly invested in Spanish railways, a good deal of trouble might probably have been spared to the unfortunate investors. The retirement of England, however, from the competition quite suited the views of the French capitalists,

and they were not at all anxious to see any alterations made in the way of business.

During the early times many of the railways received subventions amounting to one-half of the estimated cost of the line, payment being made in a special form of Government bonds known as Railway Bonds. These bonds have now been called in and converted into Four per Cent. Stock, and all subventions are now paid in cash. By the existing law subventions cannot exceed 25 per cent. of the estimated cost, and in no case can this exceed £3,840 per mile, or say 60,000 francs per kilometre.

The total amount of subventions actually paid by Government up to date, 31st December, 1882, was £24,529,148.

This is a goodly sum, and we may safely conclude, looking at the present position of Spanish railways, that the Government would have saved some of this had they adopted the principle of guaranteed interest.

Could they have been quite sure of the honesty of the companies making the lines, and of that of their own inspectors of accounts, this might have

been so, but the Spanish ministers probably knew their own business best, and wisely concluded that a fixed liability, though a large one, was better than one of which they could not foresee the amount.

We will now briefly glance at the present position of some of the principal railways, taking our information from the published annual reports of the companies.

Of the 4,865 miles of line opened in 31st December, 1882, 2,946 are held by three large companies, the remaining 1,919 miles being held by smaller ones.

These three companies, who between them hold more than 60 per cent. of the whole network of lines constructed, are—

1st. The Northern Railway, which holds the main line from Bayonne to Madrid, and the several lines to Bilbao, Pamplona, &c., branching off from it.

2nd. The Madrid, Zaragoza, and Alicante Company which holds the main line from Madrid to Seville, that from Madrid to Portugal, those to Alicante and Valencia on

the Mediterranean seaboard, that from Madrid to Zaragoza, and various others; their network embraces almost all the central part of Spain south of Madrid, with the exception of Andalucia.

3rd. The Andaluces Company, which holds the line from Seville to Cadiz, and almost all the lines comprised in the district of Andalucia proper.

The relative lengths of line held by these three companies are—

	Miles.
Northern Company	1,092
Madrid, Zaragoza, and Alicante...	1,394
Andaluces Company	460
Total	2,946

An examination of the financial position and prospects of these three companies, and of one or two of the other smaller ones, will give us a pretty fair idea of the state of the railways in Spain.

Northern Railway Company—length, 1,092 miles. The total capital of this company is £26,769,868, of which £15,972,480 are obligations, and £4,147,388 was subvention.

The gross products for 1882 were	£2,319,686
The working expenses -	952,886
Net produce - -	£1,366,800

which left, after payment of interest on, and amortization of obligations, &c., a disposable balance of £406,916.

Out of this balance a dividend of 6 per cent. was paid on the shares, absorbing £399,000, and £7,916 was carried to reserve, which amounted at that date to £81,428.

The average gross earnings per mile per year was £2,120. The average working expenses 41·07 per cent. of the grost receipts.

The obligations of the company are of 500 francs nominal value, with interest at 3 per cent., and they are amortizable at par by annual drawings over the unexpired term of the concession at the time they were issued.

The first series were issued at 250 francs, the last at 305 francs; their present value in the market is 325 francs. The present value of the shares is 505 francs.

The average cost per mile of line is £24,902.

Madrid, Zaragoza, and Alicante line—length, 1,394 miles. Total capital, £24,281,387, of which £14,598,600 is in obligations, and £2,204,887 was subvention.

The gross produce in 1882 was	£2,079,961
Working expenses -	834,913
	£1,245,048

The total available balance, after payment of interest on obligations, &c., was £331,193. Out of this a dividend of 22 francs per share of 500 francs was declared for the year 1882, equivalent to 4·4 per cent. The average gross earnings per mile were £1,489. The working expenses, including repairs and renewals, 40·14 per cent. of the gross receipts.

The obligations of this company are similar to those of the Northern Railway. They were issued at 250 francs, and are at present quoted at 322 francs.

The cost per mile has been £17,418.

Andaluces Company—length, 460 miles.

The capital of this company is £4,633,392, of which £3,328,784 is in obligations.

The gross earnings in 1882 were	£416,780
The working expenses -	195,501
Net produce - -	£221,279

The disposable surplus, after payment of charges, was £63,273. Out of this a dividend of 5 per cent. was distributed on the share capital, absorbing £60,000, and the balance, £3,273, carried to reserve.

The average gross earnings per mile were £906, and the average working expenses 46·90 per cent. of the gross earnings. The obligations of this company are of various kinds. The last issue were of the nominal value of 500 francs, bearing 3 per cent. interest, and amortizable at par over 79 years. They were issued at 315 francs, and at this price do not quite give 5 per cent. interest.

It is not possible to ascertain the actual cost per mile of this company's lines, as the principal ones were made by private persons and sold to the company; the amount of subvention therefore received by the constructors does not appear in the price paid by the company, and their capital therefore gives no clue to the actual cost of the

line. In the year 1881 they paid a dividend of 6 per cent., and have lately declared the same dividend in their last issued report, so that we may consider this their normal rate of interest, the lower rate of 1882 being due to the exceptional circumstances before mentioned.

Following the above three companies the next in importance is the North-Western, whose lines are destined to play a most important part in the future development of the north-west corner of Spain.

These lines start at the ancient capital of Leon, where they form a junction with the Leon and Palencia line, which unites with the Northern Company's line at Venta de Baños. From Leon the main line goes to Lugo and Coruña, with a branch from Monforte to Orense and Vigo. Another main branch goes from Leon to Gijon, the principal seaport town of the Asturias, crossing the Pyrenees through the pass known as the Puerto de Pajares at a height of 4,470 feet above the sea-level. The works on this line are stupendous, the descent from the pass down to the sea is a constant succession of tunnels and viaducts of a most expensive character, and the cost of the

whole line has been very high. It opens up, however, a most important mining district where coal and iron exist in juxtaposition, and will doubtless soon pay a fair interest on its capital.

The works on the main portion of the line from Leon to Coruña are also in many parts very heavy, the line runs for a considerable distance through a wild mountainous district, tapping many important towns in its course.

These lines were opened by the late King in person about two years ago, and we cannot therefore include them in our retrospect. Their total length is 459 miles. The company constructing them is French, and the shares and bonds have been placed in France. They enjoyed a good subvention from Government. A line is now under consideration which will leave the main line at Lugo and terminate at Rivadeo, an excellent port at the mouth of the River Eo, which forms the boundary betwixt Asturias and Galicia.

Another line, the concession of which has been granted with a full subvention, will leave the main line at Betanzos shortly before reaching Coruña, and run round the eastern side of the bay to the

important Government arsenal of Ferrol; other subsidiary lines in connection with the main lines are now under consideration.

Quite recently negotiations have been opened up betwixt the Northern and North-Western Companies, which have led to the purchase of the latter company's line by the former. The Northern Company now therefore holds the monopoly of all the lines north of Madrid, with the exception of that from Madrid to Zaragoza, and they are now endeavouring to purchase this, so as by this means to complete their network of lines.

After the North-Western, the two companies next in importance are the Valencia, Almansa, and Tarragona Railway Company, and the Barcelona, Tarragona, and France Company. The former forms a junction with the Madrid, Zaragoza, and Alicante Company's line at Almansa, famous, or rather infamous, in our military annals as being the place where we were thoroughly beaten in 1707 by the French under the Duke of Berwick, natural son of James II. From Almansa the line runs down to Valencia, and from thence on through Castellon to Tarragona. From Jativa to Valencia,

and onwards to beyond Castellon, the railway runs through the famous irrigated Huerta of Valencia, a wonder of the world for fertility and intense cultivation.

The Barcelona line joins the latter at Tarragona, and goes from thence to Barcelona and along the coast to France, forming a junction with the French lines at the frontier.

According to the published reports for the year 1882, the situation of these these two companies was then as follows :—

Valencia, Almanza, and Tarragona.

Total length, 243 miles.

Capital—Shares	- - - -	£950,000
Subvention	- - - -	1,429,838
Debentures	- - - -	1,872,756
	Total -	£4,252,594

Gross returns for the year £394,668, equal to £1,606 per mile per year.

Working expenses, 42·26 per cent. of gross receipts.

The net returns being £223,755, out of which, after providing for interest and sinking fund on

the debentures, a dividend of 10 per cent. was given to the shareholders. The total cost of the line is set down at £4,107,188, equal to £16,720 per mile.

Barcelona, Tarragona, and France.

Total length, 215 miles.

Gross returns	£547,578
Working expenses	237,662
Net return	£309,916
Service of obligations	159,079
Net return available for dividend on shares	£150,837

The capital of the Company is formed as follows:—

Shares	£2,125,525
Obligations	3,308,812
Subvention	247,204
Total	£5,681,541

The sum available for dividend, therefore, was sufficient to pay 7 per cent. on the share capital.

The working expenses were 43·40 per cent. of the gross receipts, which latter corresponded to

£2,524 per mile per year. The cost of the line is set down at £5,616,802, equal to £25,899 per mile.

Both these companies are national, but a great part of the funds were found in France.

In the case of the Barcelona Company, however, a large portion of the bonds were placed in Barcelona itself.

Reviewing these five companies, we find that they paid respectively 6 per cent., 4·4 per cent., 6 per cent., 10 per cent., and 7 per cent. on their share capital, the capital cost per mile of the two first companies being very large—£25,000 and £26,000 per mile nearly.

It should be borne in mind, also, that at least two-thirds of their capital is in bonds, which receive 6 per cent., and are amortised at par, which is double their issue price.

At the present market price of these bonds they do not quite give 5 per cent., which shows the good estimation in which they are held in France; in fact the bonds of Spanish railways have always been a favourite investment in France, and there is scarcely a waiter in a *café* who has not saved up money to buy one or two of them.

The form under which they were issued was an enticing one to the French public; they are nominally of the value of 500 francs, with 3 per cent. interest, issued at 250 francs, and repayable at par by annual drawings over the term of the concession, usually 99 years; thus a kind of gambling interest is given in the bond, which may be drawn any year and paid off at par.

Most of the Spanish lines are granted for a term of 99 years, after which they revert to the Government.

During the revolutionary period of 1868 some lines were granted in perpetuity; but this is not done now, the old limit of 99 years having been returned to.

The three large companies are nominally Spanish, being constituted under the Spanish Law of Anonymous Companies, and having their ostensible seat in Madrid; but they are in reality managed by a Board in Paris, where the capital really is. The Spanish law, however, is a very convenient one to work under, and there are many advantages obtained by adopting it.

The amount of capital that has been raised in