

The Forum

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THE SPANISH WAR AND THE EQUILIBRIUM OF THE WORLD.

COULD we regard the Spanish War as calmly as if it were a thing of the past, we should doubtless perceive that it formed a link in a long chain of events which, when complete, would represent one of those memorable revolutions wherein civilizations pass from an old to a new condition of equilibrium. The last such revolution ended with Waterloo: the one now at hand promises to be equally momentous.

In 1760 Holland, probably, still contained the economic centre of the civilized world; but by 1815 that centre had indisputably moved northwest to the mouth of the Thames, England had become the focus of capital and industry, and second to England—and to England alone—stood France. It then appeared as though the seat of empire had definitely established itself in the region of Europe contained between the Atlantic Ocean, the North Sea, and the Rhine: but, on looking back, the inference is unavoidable that decay must have set in almost at once; for in 1870 France, with hardly a struggle, collapsed. Since 1870 the forces which caused this catastrophe have continued to operate with increased energy.

The conclusion to be drawn from these premises is that, from either a military or an economic standpoint, the equilibrium of 1815 has been destroyed. Disintegration seems to have set in; and that disintegration is sweeping capital and industry in opposite directions from their former centres,—to the east from Paris, and to the west from London. On the Continent the focus of industry has long since crossed the Rhine, and

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is receding toward the Vistula; while an equally marked tide has run from the British Isles toward America.

Perhaps the simplest illustration of this phenomenon is the iron trade, the basis of modern manufactures. In the middle of the last century France led in the production of pig-iron; England and Germany were nearly equal; while America produced but little. The pig-iron produced in 1740 was as follows: France, 26,000 tons; Great Britain, 20,000; Germany, 18,000; America, 1,000 tons.

During the next hundred years England distanced France; France gained relatively on Germany; and America increased her product from one-twentieth to more than one-fifth of that of the United Kingdom. The following was the product of pig-iron in 1840: Great Britain, 1,390,000 tons; France, 350,000; United States, 290,000; Germany, 170,000 tons.

After 1870 the movement became accelerated. Between 1880 and 1896 the German output grew from 2,729,038 to 6,372,816 tons; while that of France, which had been 1,725,293 tons in 1880, was only 2,333,702 in 1896. The following extract from the "Industrial World" of February 3, 1898, puts in a nutshell the altered relations of the two nations:

"The rapidity with which the manufacture of hardware has grown in Germany may be judged from the fact that it compared with that of France in 1875 as four to three, and in 1895 as five to two."

But if Germany has outstripped France, the activity of America has been even greater. In 1840 the United States had not entered the field of international competition; in 1897 she undersold the English in London; and her product for 1898 promises nearly to equal that of Great Britain and France combined.

In Great Britain the production of pig-iron in 1880 was 7,749,233 tons; in 1896, 8,563,209; and in 1897, about 8,700,000 tons. Her exports of the same were: In 1880, 1,632,343 tons; in 1896, 1,059,796; and in 1897, 1,200,746 tons. Thus it would appear that the English iron industry is relatively stationary.

The United States, on the other hand, in 1870 produced 1,665,179 tons of pig-iron; in 1880, 3,835,191; and in 1897, 9,652,680 tons; while for the present year the estimates reach a million tons a month.

The exports of pig-iron amounted last year to 600,000 tons; and manufactured steel is exported in increasing quantities not only to India, Australia, Japan, and Russia, but to the United Kingdom itself. As the "Economist" of April 16, 1898, observed:

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"The fact, that the United States is now able to produce pig-iron and some forms of steel cheaper than this country, is a serious menace to our foreign trade in the future."

Furthermore, there are indications that accumulated wealth is following in the track of industry. With France this proposition seems demonstrable. The outflow began with the war-indemnity of 1871, which, alone, may have tipped the balance toward Germany; and since 1870 the victors have continually squeezed the vanquished. Isolated and weak, France, with the instinct of self-preservation, has amalgamated with Russia, and, to strengthen her ally, has remitted thither the bullion which might have expanded her manufactures at home. The amount lent has been estimated at \$2,000,000,000,—perhaps it is more. Certainly it has sufficed to vitalize northern Asia. Under this impulsion the Russian Empire has solidified, and mills and workshops have sprung up on the Southern Steppes; while Poland is becoming a manufacturing province. The Russian railway system is stretching eastward; it is under construction to Peking; and it is said to be projected to Hankow, the commercial capital of the great central provinces of China. Nor has Russia alone benefited. No small portion of this great sum has percolated to Germany, where the Russians have bought because of advantageous prices. Thus, yielding to a resistless impulsion, France is being drawn into the vortex of a Continental system whose centre travels eastward.

The United Kingdom, though untouched by war, has presented nearly parallel phenomena. The weak spot of English civilization is the failure of the Kingdom to feed the people. This failure not only necessitates a regularly increasing outlay, but throws the nation on an external base in case of war. A comparison of quinquennial averages, taken at equal periods since 1870, shows that, while the value of exports has regularly fallen, the value of imports has risen, until the discrepancy has become enormous; the growth of the adverse balance in twenty-five years having been 20 per cent. The following table will explain the situation:

EXPORTS AND IMPORTS OF THE UNITED KINGDOM.

TOTAL EXPORTS.			TOTAL IMPORTS.		
Periods.	Amounts.	Decrease.	Periods.	Amounts.	Increase.
1871-1875...	£1,197,512,196		1871-1875...	£1,510,099,864	
1881-1885...	1,161,429,669	3%	1881-1885...	1,682,727,419	10%
1891-1895...	1,134,770,481	2½%	1891-1895...	1,775,694,339	5%

Last year the apparent deficit reached £157,055,000 (nearly \$800,000,000); and the first four months of 1898 show a loss of £10,000,000, as compared with the same months of 1897. Nor does the mere statement of the figures reveal the gravity of the situation. The effect is cumulative; for, as charges grow, surplus income declines. However large a revenue the British may have drawn from foreign investments when those investments were in their prime, no one supposed it to be £160,000,000; and there can be no doubt that their income from this source has shrunk considerably. First, the interest rate is less than formerly; second, bankruptcy has wiped out many debts since 1890; third, there has been a heavy sale of foreign—especially of American—securities in London. Yet, in spite of such sales, many millions of gold have been shipped lately to New York; and bankers believe that many millions more are loaned in London at higher interest than can be obtained here. Most significant of all, perhaps, is the fact that Sir James Westland, the Indian Minister of Finance, inclines to ascribe the crisis in Hindostan rather to the withdrawal of English funds than to the closing of the mints. These facts tend to show not only that Great Britain is spending her capital, but that the flow of her money is toward America, as the flow from France is across the Rhine. Englishmen, it is true, having regard to the growth of their revenue, consider themselves most prosperous. They certainly enjoy a large surplus; and yet, perhaps, this elasticity is hardly reassuring. On analysis, the items of taxation which show the chief increase are the succession duties and the excise. The one is notoriously a socialistic measure; while the other indicates increased extravagance in drink.

Turning from the economic to the military standpoint, the altered attitude of Europe is at least equally impressive. Lord Salisbury once described the disease which devoured the Balkan country as "gangrene." The same gangrene is devouring all the Latin races. The aggressive energy of France is, perhaps, dead. Few now believe her able, single-handed, to withstand Germany; and this feebleness draws her toward that social system which promises at no very distant day to consolidate Northern Europe and Asia in a mass hostile to the interests of all external races. Such a consolidation, should it mature, must threaten not the prosperity only, but the very existence, of England. Should it prevail, her geographical position would become hopelessly excentric, and she would also be thrown upon the United States for food. At present there are but two localities where the wants of the British people can be certainly supplied: one is the coast of the Black Sea, the other that

of North America. Under such conditions, however, the Black Sea would lie in the enemy's power; while the United States could probably close the St. Lawrence as well as her own ports. The support of the United States may thus be said to be vital to England, since, without it, if attacked by a Continental coalition, she would have to capitulate. Great Britain may, therefore, be not inaptly described as a fortified outpost of the Anglo-Saxon race, overlooking the eastern continent and resting upon America. Each year her isolation grows more pronounced; and as it grows, the combination against her assumes more and more the character of Napoleon's method of assault, which aimed to subdue an insular and maritime antagonist by controlling the coasts whence that antagonist drew its livelihood.

Unconsciously, perhaps, to herself, insecurity as to her base has warped every movement of England, and has given to her foreign policy the vacillation which has lately characterized it. This weakness has caused her to abandon Port Arthur, to permit Germany to occupy Kiao Chou, and to look with pleasure to an alliance with this country.

But, if the United States is essential to England, England is essential to the United States, in the face of the enemies who fear and hate us, and who, but for her, would already have fleets upon our shores. More than this, the prosperity of England is our prosperity. England is our best, almost our only, certain market. She is the chief vent for our surplus production; and anything which cripples her purchasing power must react on us. For years past she has been losing her commanding industrial position. Her most lucrative trade to-day lies with the Far East; and if she is shut out there, her resources will be seriously impaired, and the money she no longer earns cannot be spent for food. Moreover, in those regions the interests of the two peoples are identical. The Russians hardly veil their purpose of reversing, by means of railways, the current of the Chinese trade as it has flowed for ages, and of using force to discriminate against maritime nations; but those who are excluded from the Eastern trade have always lagged behind in the race for

Approached thus, the problems presented by the Spanish War become defined. Competition has entered a period of greater stress; and competition, in its acutest form, is war. The present outbreak is, probably, premonitory; but the prize at stake is now what it has always been in such epochs, the seat of commercial exchanges,—in other words, the life of empire. For upward of a thousand years the social centre of civilization has advanced steadily westward. Should it continue to ad-

vance, it will presently cross the Atlantic and aggrandize America. If, on the contrary, it should recede, America may have reached her prime. In the future the conflict will apparently lie—as it has done in the past—between the maritime and the unmaritime races, or between the rival merits of land- and sea-transport. A glance at history will prove the antiquity and fierceness of this strife.

From the earliest times, China and India seem to have served as the bases of human commerce; the seat of empire having always been the point where their products have been exchanged against the products of the West. In the dawn of civilization, this point vibrated between Chaldea and Assyria; Babylon or Nineveh being the metropolis, as one or the other gained possession of the wholesale trade. The Phœnicians, on the coast, acted as carriers; and through them the shores of the Mediterranean were developed. As this development went on, the focus of affairs advanced to Carthage; and when Rome destroyed Carthage, exchanges passed from Africa to Italy, and the ancient civilization rapidly culminated. The law may, perhaps, be stated somewhat thus: In proportion as the Western races acquire the capacity for consuming Eastern products, the sphere of civilization expands, and the energy of centralization increases. Conversely, in proportion as the West has either lain dormant, or has lost the power of consumption, civilization has receded into Asia, and has there, in the valley of the Euphrates and the Tigris, created capitals, of which Nineveh, Babylon, and Bagdad may be taken as types.

Following this law, from the fourth century onward, as Italy, Gaul, and Spain sank into barbarism, and Byzantium herself came to resemble a fortified frontier-post, peddling at retail to hunters and shepherds, the wholesale trade receded to Ctesiphon, on the Tigris, where, in the early part of the seventh century, reigned Chosroes, the greatest of potentates. At this time the Eastern Empire reached its lowest ebb. Poverty paralyzed the Greek armies. Constantinople built no churches, erected no statues, illuminated no books, neglected her coinage, and forgot her arts. In 618 the Emperor Heraclius, a great soldier, so despaired, that he freighted a fleet with his treasures, and prepared for flight to Africa. At this moment of utter exhaustion on the Bosphorus, Gibbon has thus described the magnificence of Dastagerd, in the valley of the Tigris, the abode of the Persian king:

“Six thousand guards successively mounted before the palace-gate; the service of the interior apartments was performed by twelve thousand slaves; the various treasures of gold, silver, gems, silk, and aromatics were deposited in a hundred sub-

terreneous vaults. The voice of flattery, and perhaps of fiction, is not ashamed to compute the thirty thousand rich hangings that adorned the walls; the forty thousand columns of silver, or more probably of marble and plated wood, that supported the roof; and the thousand globes of gold suspended in the dome, to imitate the motions of the planets and the constellations of the zodiac."¹

The peculiarity of the path of exchanges is that it lies east and west, not north and south. When Byzantium lost her Western market, the possession of Egypt or North Africa availed little. She became poor; and, as usual, poverty reacted on itself. The Greeks failing to protect their communications with Central Asia, Chosroes first succeeded in blocking the caravan routes, and then in invading Syria and Egypt and occupying their ports. When he had thus isolated his enemy, he had no difficulty in keeping an army at Chalcedon for ten years, in sight of St. Sophia. Had the Persians then commanded the sea, they would surely have succeeded where Artaxerxes had failed centuries before at Salamis. Certainly in the time of Heraclius the Greeks were harder pressed than in the time of Themistocles; and would in any event almost certainly have succumbed to the blockade had it not been for the advent of the Saracens. The Hegira occurred in 622; and the diversion was decisive. In 637 the Moslems sacked Ctesiphon, the Persian Empire crumbled, the ancient avenues of traffic were reopened, and exchanges began that long journey westward which has lasted till to-day. Constantinople was the first point in Europe to feel the impulsion. Her energy returned with her commerce; and by the ninth century she was again the seat of wealth and empire. Nevertheless her prosperity was ephemeral; fluctuating with that sensitive equilibrium which is the sport of war.

In the tenth century, as in the days of Nebuchadnezzar, the usual route from the Orient to the West lay up the Persian Gulf and the Euphrates to Thapsacus, and across Syria by caravan; with the difference, that it reached the sea by Aleppo and Antioch instead of by Tyre or Sidon.

Accordingly, Aleppo and Antioch flourished, and served Byzantium as a base of supplies: yet they were Saracenic; and, in an evil hour, the Government of Romanus II determined to destroy them. In 961 the future emperor, Nicephorus Phocas, began a series of frightful campaigns. He utterly devastated the lovely valley of the Orontes; closing Syria to commerce, and forcing trade to pass through the Red Sea and the mouths of the Nile. Thenceforward cargoes changed hands at Cairo,

¹ GIBBON'S "Decline and Fall of the Roman Empire," chap. xlv.

not at Bassora; and the burden of the chronic war against the Greeks was shifted from the Caliphs of Bagdad to the Sultans of Egypt.

This stride westward made Cairo and Venice. Cairo became the seat of the wholesale trade; while the position of Constantinople grew geographically excentric. Moreover, Venice prevailed as a market. Egypt, though rich in luxuries, lacked material of war, which was abundant in Europe. Constantinople rejected such trade with her enemy: but the Venetians sold greedily; and, therefore, Oriental traffic ascended the Adriatic, while Byzantium shared the fate of Bassora and Bagdad. The Venetian marine grew with her commerce. By the middle of the eleventh century it commanded the Mediterranean; and, with the Crusades, Northern Italy received an impulsion which raised it to undisputed economic supremacy. In 1204 the Doge Henry Dandolo stormed the works on the Golden Horn, and carried home the accumulated treasure of five centuries.

Movement is the law of nature. Venice fell through the energy of the very maritime genius she had fostered. In 1497 Vasco da Gama discovered a cheaper route to India than by the Levant. The arrival of his fleet at Calicut was the signal for exchanges to pass at a leap from the Adriatic to the North Sea; prostrating Venice, Genoa, Pisa, and Florence, raising Antwerp and Amsterdam, and heaving up the great convulsions of the sixteenth century.

The last journey of exchanges westward began when Clive disturbed the existing social status by pouring into England the plunder of Bengal. Plassey was fought in 1757. In the process of readjustment, Napoleon attempted to strangle England, as Chosroes had tried to strangle Byzantium. He failed; but the equilibrium then attained after forty years of war now seems tottering to its fall.

Year by year since 1870, when France discovered symptoms of advanced decay, the gangrene has eaten deeper. Last year Greece passed into the throes of dissolution; this year Italy and Austria are in hardly suppressed revolution; while Spain is being dismembered, and in her disintegration has involved the United States in war. The United States thus stands face to face with the gravest conjuncture that can confront a people. She must protect the outlets of her trade, or run the risk of suffocation. Those outlets are maritime, and are threatened by the same coalition which threatens England. The policy of Continental Europe is not new. It is the policy of Napoleon and of Chosroes; for Russia seeks to substitute land- for water-communication. In a few years Peking, and probably the Yang-tse, will be connected with Moscow and Berlin by

rail; and then entirely new conditions will prevail. At present Continental interests in China are trifling. The following table, from a French source,¹ may be trusted not to belittle them:

EXTERNAL COMMERCE OF CHINA FOR 1894.

Total, Fr. 1,216,000,000, distributed thus:

Country.	Millions of Francs.	Country.	Millions of Francs.
England	857	Japan.....	77
United States.....	108	Russia.....	51
West Europe	104	Others.....	19

This estimate placed the interest of the United States in 1894 at one-eighth of that of England, and at about one-eleventh of the whole; Russia's part amounted to only one-twenty-fourth; and France, Germany, and Belgium, combined, represented one-twelfth. In a valuable report just issued by Mr. O'Beirne, of the British Diplomatic Service, the trade of the United States with China is reckoned at "one-seventh of the entire trade of the Empire in 1896," as "more than 50 per cent larger than the German exports," and as having increased "126 per cent in ten years." England and the United States have, therefore, to-day a stake in the Far East more than six times greater than that of Russia, Germany, France, and Belgium combined.

Nor is the present the matter of chief concern. The expansion of any country must depend on the market for its surplus product; and China is the only region which now promises almost boundless possibilities of absorption, especially in the way of iron for its railroads.

Like other Asiatics, the Russians are not maritime. No Oriental empire ever rested on a naval supremacy. Phœnicians and Arabs alike failed to hold their own upon the sea; and, therefore, the path of commerce has been deflected north toward Rome and London, instead of continuing due west by Carthage and Cadiz. A century ago Gibbon pointed out that Chosroes failed, as Artaxerxes had failed before him, because of the weakness of his marine,—a weakness which contrasts with the vigor of the Greek, the Italian, the Dutch, and the English. The same flaw crippled Napoleon. Doubtless the difficulty of land-transport contributed to his fall; but how far that difficulty has been removed by steam is undetermined. Possibly the change has been radical enough

¹ "L'Illustration," of January 23, 1897.

to permit an Asiatic race now to succeed, if backed by French capital, where the French themselves failed.

From the retail store to the empire, success in modern life lies in concentration. The active and economical organisms survive: the slow and costly perish. Just as the working of this law has produced during the last century unprecedented accumulations of capital controlled by single minds, so it has produced political agglomerations such as Germany, the British Empire, and the United States. The probability is that hereafter the same causes will generate still larger coalitions directed toward certain military and economic ends. One strong stimulant thereto is the cost of armaments. For example, England and the United States combined could easily maintain a fleet which would make them supreme at sea; while as rivals they might be ruined. The acceleration of movement, which is thus concentrating the strong, is so rapidly crushing the weak, that the moment seems at hand when two great competing systems will be left pitted against each other, and the struggle for survival will begin. Already America has been drawn into war over the dismemberment of one dying civilization; and it cannot escape the conflict which must be waged over the carcass of another. Even now the hostile forces are converging on the shores of the Yellow Sea;—the English and the Germans to the south; Russia at Port Arthur, covering Peking; while Japan hungers for Corea, the key to the great inlet. The Philippine Islands, rich, coal-bearing, and with fine harbors, seem a predestined base for the United States in a conflict which probably is as inevitable as that with Spain. It is in vain that men talk of keeping free from entanglements. Nature is omnipotent; and nations must float with the tide. Whither the exchanges flow, they must follow; and they will follow as long as their vitality endures. How and when the decisive moment may come is beyond conjecture. It may be to-morrow, or it may not be for years. If Russia and Germany can shape events, it will not be until their navies and railroads are complete. But these great catastrophes escape human control. The collapse of France might convulse society in an instant. Whether agreeable to them or not, economic exigencies seem likely to constrain Englishmen and Americans to combine for their own safety; and possibly hesitation as to their policy may be as dangerous as indecision in war.

Friends and enemies now agree that an Anglo-Saxon alliance, directed to attain certain common ends, might substantially make its own terms; but how it would stand, if opposed by a Power capable of massing troops at pleasure in the heart of China, is less clear. What is tolerably cer-

tain, however, is, that, with the interior distributing-points well garrisoned, discrimination might go very far toward turning the commercial current against the maritime races. Supposing such discrimination to succeed, and China to be closed, the centre of exchanges might move east from the Thames; and then London and New York could hardly fail to fall into geographical excentricity. Before the discoveries of Vasco da Gama, Venice and Florence were relatively more energetic and richer than they. On the other hand, if an inference may be drawn from the past, Anglo-Saxons have little to fear in a trial of strength; for they have been the most successful of adventurers. They have risen to fortune by days like Plassey, the Heights of Abraham, and Manila; and although no one can be certain, before it has again been tested, that the race has preserved its ancient martial quality, at least aggression seems a less dangerous alternative than quiescence. The civilization which does not advance declines: the continent which, when Washington lived, gave a boundless field for the expansion of Americans, has been filled; and the risk of isolation promises to be more serious than the risk of an alliance. Such great movements, however, are not determined by argument, but are determined by forces which override the volition of man.

Should an Anglo-Saxon coalition be made, and succeed, it would alter profoundly the equilibrium of the world. Exchanges would then move strongly westward; and existing ideas would soon be as antiquated as those of a remote antiquity. Probably human society would then be absolutely dominated by a vast combination of peoples whose right wing would rest upon the British Isles, whose left would overhang the middle provinces of China, whose centre would approach the Pacific, and who would encompass the Indian Ocean as though it were a lake, much as the Romans encompassed the Mediterranean.

BROOKS ADAMS.

THE ANGLO-AMERICAN COMMISSION.

IN a letter to Talon, the Intendant at Quebec, Colbert, always in advance of his time, expressed a desire to see friendly relations prevail between the colonists of New France and the "English of Boston." It was advisable, he said, that the two peoples should trade with each other, that the English should have the same privileges in the French fishery as they granted in their fishery to the subjects of France, and that they should be allowed to traffic with the Indians of Pentagouet (the Penobscot River region) to the same extent as they permitted the French to trade with the Indians round about Boston. Talon, in short, should do his best to arrange "*un traitement réciproque*" all round. On another occasion he observed that this was probably the only way to preserve peace on the frontier: and peace was most desirable; for it would be a grave business if France, with so many weighty cares in the Old World, were exposed to the risk of war on account of disputes between her colonists and their English neighbors in the New World.

England's position in North America to-day is quite as embarrassing in that respect as Colbert's. In the two hundred years that have passed, the English of Boston have become a mighty nation, the larger half of the English-speaking race, the community, above all others in the world, with which England,

"Bearing on shoulders immense,
Atlantean, the load,
Well-nigh not to be borne,
Of the too vast orb of her fate,"

desires in her own interest to be at peace. But, owing to the friction continually arising between these powerful kinsmen and her present North American colonies, it is not always easy to maintain peace. With the exception of the Venezuela controversy, which soon subsided, all the disputes that have taken place between England and the United States since the Geneva Award, that is to say, in the last five and twenty years, have been disputes of Canadian or Newfoundland origin. One of Sir Julian Pauncefote's predecessors declared that, but for Ottawa, he would have had a sinecure. The points at issue, too, are, from the nature of