

THE FINANCIAL STRAIN WORLD-WIDE.

"IMPECUNIOSITY hangs like a dark and almost universal cloud over the nations of Europe. Times are very bad for the Powers all around, but worst of all for the small ones. There is hardly a nation on the Continent whose balance-sheet for the departed year does not present a gloomy outlook; while many of them are mere confessions of bankruptcy. Our columns have recently contained careful reports upon the financial condition of the various States, and we shall continue the series; but from first to last it has exhibited and will exhibit a struggle in the several exchequers to make two ends meet which has never been so general. The state of things is indeed almost world-wide.

"If we look outside our own Continent, the United States on one hand, and India, Japan, with their neighbors, on the other, have felt the prevalent pinch. The Great Republic is too vast and resourceful to die of her financial maladies; but even she is very sick. Great Britain, too, has a deficit to face in the coming Budget, and has sustained costly, perhaps irreparable, losses by the mad business of the coal strike.

"France, like ourselves and America, is one of the countries which cannot well be imagined insolvent, so rich is her soil and so industrious her people. Her revenue, however, manifests frequent deficits; her national debt has assumed stupendous proportions, and the burden of her Army and Navy well-nigh crushes the industry of the land. Germany must also be written in the category of Powers too solid and too strong to suffer more than temporary eclipse. Yet during the last year it is computed that she has lost £25,000,000 sterling [\$125,000,000], which represents about half the national savings. Much of this loss has been due to German investments in the stocks of Portugal, Greece, South America, Mexico, Italy and Servia; while Germany has also sharply felt the confusion in the silver market. An insufficient harvest, scarcity of fodder, the outbreak of the Russo-

German Customs War, and the ever-impending dread of cholera have helped to depress her trade, while, of course, the burden of the armed peace weighs upon her people with a crushing load. Among the Powers which we are grouping together as naturally solvent, it is striking to find that Austria-Hungary has the best and happiest account to give. The year 1893 was one of prosperity and progress for the Dual Realm. Her exports showed an increase on the year before of 10½ per cent. Austria managed, before the close of the year, to lock up in her cellars and those of Hungary nearly 350,000,000 gulden in gold; and, though her currency has yet to be reformed, she stands mistress of the situation.

When we turn aside from this great group and cast our eyes on Italy, there is an example of a "Great Power" well-nigh beggared by her greatness. If it were not too Irish, one might almost say that Italy has been ruined by **[R1632 : page 86]** coming into existence. Year by year her revenue drops – her expenditure increases. The weight of the armaments which she keeps up in accordance with the programme of the Triple Alliance might be better borne if it were not for her recent mad prodigality in useless public works, etc. She must pay £30,000,000 sterling as interest on her public debt, beside a premium for the gold necessary. Her securities are a drug in the market; her prodigious issue of bank-notes has put gold and silver at fancy prices. Her population is plunged in a state of poverty and helplessness almost unimaginable here, and when her new Ministers invent fresh taxes sanguinary riots break out.

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As for Russia, her financial statements are shrouded in such mystery that none can speak of them with confidence; but there is little reason to doubt that only the bigness of the Czar's Empire keeps it from becoming bankrupt. The population has been squeezed until almost the last drop of the life-blood of industry is extracted. The most reckless and remorseless Financial Minister scarcely dares to give the

screw of taxation another half-turn. "Every copeck which the peasant contrives to earn is spent, not in putting his affairs in order, but in paying up arrears in taxes....The money paid by the peasant population in the guise of taxes amounts to from two-thirds to three-fourths of the *gross income of the land*, including their own extra work as farm laborers." The apparent good credit of the Government is sustained by artificial means. Close observers look for a crash alike in the social and financial arches of the Empire. Here, too, the stupendous incubus of the armed peace of Europe helps largely to paralyze commerce and agriculture.

Looking the Continent all round, therefore, it cannot be denied that the state of things as regards the welfare of the people and the national balance-sheets is sorely unsatisfactory. Of course, one chief and obvious reason for this is that armed peace which weighs upon Europe like a nightmare, and has turned the whole Continent into a standing camp. Look at Germany alone! That serious and sober Empire! The Army Budget there has risen from £17,500,000 sterling in 1880 to £28,400,000 in 1893. The increase under the new Army Defence Act adds £3,000,000 sterling a year to the colossal mass of Germany's defensive armour. France has strained her strength to the same point of proximate collapse to match her mighty rival. It is needless to point out the terrible part which these war insurances bear in the present popular distress of Europe. Not merely do they abstract from profits and earnings the vast sums which buy powder and **[R1633 : page 86]** shot and build barracks, but they take from the ranks of industry at the commencement of their manhood millions of young workmen, who are also lost for the same periods to the family.

Nature, and the seasons, and embarrassments about silver and gold are not to blame for the impoverishment of what we call Christendom. The bitter and unchristian spirit of the blood-feud is to blame – the savage instinct of mutual animosity not uprooted yet from the bosom of what we falsely style civilization. The possession of these prodigious means of mutual destruction is a constant temptation

to use them, and some day, it is to be feared, the pent-up forces of this war-cloud will burst forth. The world has not yet invented a better clearing-house for its international cheques than the ghastly and costly Temple of War.

– *London Daily Telegraph.*
