trade, which is decidedly developing and occupying more craft. It is carried on exclusively under the Spanish flag. The fishing fleet, chiefly sailing boats, is also important, and is manned by a hardy and active coast population. In 1905 19,722 ships of 16,595,267 tons entered, and 18,033 of 16,442,355 tons cleared.

*Banking and Credit.—*The Bank of Spain (Banco de España) has a charter which has been renewed and enlarged several times since its foundation after the Restoration, and its privileged note issue has had to be gradually and very largely increased by legislative authorizations, especially in 1891 and 1898, as its relations with the treasuries of Spain and of her colonies increased; since nothing in the services rendered by the bank to the public would ever have justified the growth of the note issue first to thirty millions sterling in 1891, then by quick strides to fifty and over sixty-one millions sterling in 1899 and 1900. At the close of the 19th century the remodelled bank charter, which is only to expire in 1921, authorized a maximum issue of £100,000,000, on condition that the bank keeps cash in hand, gold and silver in equal quantities, equal to a third of the notes in circulation up to £60,000,000, and equal to half the amount issued above that sum. Gold has practically disappeared from business of every kind since 1881, when the premium began to rise ; it reached a maximum of 120 % during the war with America. Afterwards it dropped to about 30 in 1900. Bank-notes and silver coin have been practically the currency for many years.

*Currency, Weights and Measures.—*The metric system of weights and measures was officially adopted in Spain in 1859 and the decimal monetary system in 1871. In the case of the weights and measures the French names were also adopted, with only the necessary linguistic changes. Certain older standards remain in common use, notably the *quintal* (of 101∙4 lb avoirdupois), the *libra* (1∙014.lb avoirdupois), the *arroba* (3½ imperial gallons for wine, 2¾ imperial gallons for oil), the *fanega* (1½ imperial bushels). In the case of the currency the old Spanish name of *peseta* was retained for the unit (the franc, 9⅛d.). The *peseta* is divided into 100 *centesimos.* According to its par value 25·225 pesetas are about equal to *£1,* but the actual value of the peseta is about 7½ d. In law, there is a double standard of value, silver and gold, in the ratio of 15½ to 1. But the only silver coin which is legal tender up to any amount is the 5-peseta piece, and the coinage of this is restricted. One- peseta pieces in silver, and 20-, 10- and 5-peseta pieces in gold are also current. Before the introduction of the decimal monetary system the peseta was the fifth part of a *peso durο,* which was equal to 20 *reales de vellon,* or rather more than a 5-franc piece. The only paper money consists of the notes of the Bank of Spain.

*Finance.—*Spanish finance passed through many vicissitudes during the 19th century. In the reigns of Ferdinand VII. and Isabella II. the creditors of the state had to suffer several suspensions of payments of their dues, and reductions both of capital and interest. During the Revolution, from 1868 to 1874, matters culminated in bankruptcy. Payments of interest were only in part resumed after the Restoration in 1876, and in 1882 the government of King Alphonso XII. proposed arrangements to consolidate the floating and treasury debts of the Peninsula in the shape of £70,000,000 of 4 % stock, redeemable in 40 years, and to reduce and consolidate the old exterior and interior debts, then exceeding £480,000,000, in the form of £78,840,000 of exterior *4%* debt—exempt from taxation under an agreement to that effect with the council of foreign bond­holders in London on the 28th of June 1882—and £77,840,000 of perpetual interior 4%. The colonial debts were not included in those plans. The debts of Spain were further increased in 1891 by a consolidation of £10,000,000 of floating debt turned into 4 % redeemable stock similar to that of 1882; and this did not prevent a fresh growth of floating debts out of annual deficits averaging two to three millions sterling during the last quarter of the 19th century. The floating debt in 1900 had swollen to £24,243,300. The govern­ment of Spain having guaranteed the colonial debts of Cuba and of the Philippines, when those colonies were lost in 1898, Spain was further saddled with £46,210,000 of colonial consolidated debts, and with the expenses of the wars amounting, besides, to £63,257,000. Consequently, the Spanish government had once more to attempt to make both ends meet by asking its creditors to assent to the suppression of all the amortization of imperial and colonial debts, and to a tax of 20% on the coupons of all the debts, whilst at the same time the Cortes were asked to authorize a consolidation and liquidation of the floating and war debts and an annual increase of £3,200,000 in already heavy taxation. Under these modifications the Spanish debt at the close of the 19th century, exclusive of £44,000,000 of treasury debt, consisted of £41,750,000 of exterior debt, still temporarily exempted from taxation on the condition of being held by foreigners, of £270,000,000 of 4 % interior consols, and of £60,000,000 of new 5 % consols, replacing the war and floating debts. In January 1005 this total outstanding debt of £415,750,000 had been reduced to £381,833,000; the capital sum was thus approximately equal to £20 8s. per head of the population, and the annual charge amounted to about 17s. 6d. per head. Between 1885 and 1905 the revenue of Spain varied from £30,000,000 to £40,000,000, and the expenditure was approximately equal; deficits were common towards the beginning of this period, surpluses towards the end. For an analysis of the budget the year 1908 may be taken as typical, inasmuch as trade had then resumed its normal condition, after the disturbing influence of tariff revision in 1906 and the failure of many crops in 1907. The estimates for 1908 showed that the revenue was derived as follows: Direct taxes on land, houses, mines, industry and commerce, livestock, registration acts, titles of nobility, mortgages and salaries paid by the state, £18,020,800; indirect taxes, including customs, excise, tolls and bridge and ferry dues, £14,748,000; tobacco monopoly, lottery, mint, national property, balance from public treasury, &c., £8,858,400; total £41,627,200. The principal items of expenditure were: Public debt, £16,199,300; ministry of war, £6,301,100; ministry of public works, &c., £3,679,540; pensions, £2,881,400. The total was £40,926,740.

*Constitution and Government.—*Spain is an hereditary monarchy the constitution of which was voted by the Cortes and became the fundamental law of the 30th of June 1876. This law fixes the order of succession as follows: should no legitimate descen- dant of Alphonso XII. survive, the succession devolves first upon his sisters, next upon his aunt and her legitimate descendants, and finally upon the legitimate descendants of the brothers of Ferdinand VII. “ unless they have been excluded.’’ Should all lines become extinct, the nation may elect its monarch. The sovereign becomes of age on completing his or her sixteenth year. He is inviolable, but his ministers are responsible to the Cortes, and none of his decrees is valid unless countersigned by a minister. The sovereign is grand-master of the eight Spanish orders of knighthood, the principal of which is that of the Golden Fleece (Toison de Oro), founded in 1431 by Philip of Burgundy. The chain of this order surrounds the royal arms, in which are included, besides the arms of Castile, Leon, Granada, and the lilies of the royal house of Bourbon, the arms of Austria, Sicily, Savoy, Brabant and others. The national colours are red and yellow. The flag is divided into three horizontal stripes, two red stripes with a yellow one between bearing the royal arms.

The legislative authority is exercised by the sovereign in conjunction with the Cortes, a body composed of two houses— a senate and a chamber of deputies. The senate is composed of members of three classes: (1) members by right of birth or office—princes, nobles who possess an annual income of 60,000 pesetas (£2,400), and hold the rank of grandee (*grande),* a dignity conferred by the king either for life or as an hereditary honour, captains-general of the army, admirals of the navy, the patriarch of the Indies, archbishops, cardinals, the presi- dents of the council of state or of the Supreme Court, and other high officials, all of whom must have retained their appoint­ments for two years; (2) members nominated by the sovereign for life; and (3) members elected three each by the 49 provinces of the kingdom, and the remainder by academies, universities, dioceses and state corporations. The members belonging to the first two classes must not exceed 180 in number, and there may be the same number of members of the third class. The senatorial electors in the provinces are (1) delegates of the communes and (2) all the members of the provincial council, presided over by the governor. The lower house of the Cortes was elected by a very limited franchise from 1877 to 1890, when the Cortes passed a reform bill which became law on the 29th of June 1890. This law re-established universal male suffrage, which had existed during the Revolution, from 1869 to 1877. Under the law of the 29th of June 1890 every Spaniard who is not debarred from his civil and civic rights by any legal incapacity, and has resided consecutively two years in his parish, becomes an elector on completing his twenty-fifth year. Soldiers and sailors in active service cannot vote. All Spaniards aged 25 who are not clerks in holy orders can be elected. The same electoral law was extended to the municipal elections.

The executive administration is entrusted to a responsible ministry, in which the president generally holds no portfolio, though some prime ministers have also taken charge of one of the departments. The ministerial departments are: Foreign affairs, grace and justice, finance, interior, war, education and fine arts, marine, public works, and agriculture and commerce. Under the secretary of state for the interior the civil administration in each province is headed by a governor, who represents the central power in the provincial council *{diputacion provincial)* which is also elected by universal suffrage. The provincial councils meet yearly, and are permanently