General Polavieja when he asked for too large credits for the army, taking charge of the ministry of marine to carry out reforms that no admiral would have ventured to make for fear of his own comrades, and at last dispensing with the services of the ablest man in the cabinet, the finance minister, Señor Villaverde, when the sweeping reforms and measures of taxation which he introduced raised a troublesome agitation among the taxpayers of all classes. Villaverde, however, had succeeded in less than eighteen months in giving a decisive and vigorous impulse to the reorganization of the budget, of taxation and of the home and colonial debts. He resolutely reformed all existing taxation, as well as the system of assessment and collection, and before he left office he was able to place on record an increase of close upon three millions sterling in the ordinary sources of revenue. His reorganization of the national debt was very complete; in fact, he exacted even more sacrifices from the bond- holders than from other taxpayers. The amortization of the home and colonial debts was suppressed, and the redeemable debts of both classes were converted into 4 % internal consols. The interest on all colonial debts ceased to be paid in gold, and was paid only in pesetas, like the rest of the internal debts, and like the external debt held by Spaniards. Alone, the external debt held by foreigners continued to enjoy exemption from taxation, under the agreement made on the 28th of June 1882 between the Spanish government and the council of foreign bond- holders, and its coupons were paid in gold. The Cortes authorized the government to negotiate with the foreign bondholders with a view to cancelling that agreement. This, however, they declined to do, only assenting to a conversion of the 4 % external debt into a 3½% stock redeemable in sixty-one years.

After parting with Villaverde, Silvela met with many difficulties, and had much trouble in maintaining discipline in the heterogeneous ranks of the Conservative party. He had to proclaim not only such important provinces as Barcelona, Valencia and Bilbao, but even the capital of Spain itself, in order to check a widespread agitation which had assumed formidable proportions under the direction of the chambers of commerce, industry, navigation and agriculture, combined with about 300 middle-class corporations and associations, and supported by the majority of the gilds and syndicates of tax- payers in Madrid and the large towns. The drastic measures taken by the government against the National Union of Tax- payers, and against the newspapers which assisted it in advocating resistance to taxation until sweeping and proper retrenchment had been effected in the national expenditure, checked this campaign in favour of reform and retrenchment for a while. Silvela’s position in the country had been much damaged by the very fact of his policy having fallen so much short of what the nation expected in the shape of reform and retrenchment. At the eleventh hour he attempted to retrieve his mistake by vague promises of amendment, chiefly because all the opposition groups, above all Sagasta and the Liberals, announced their intention of adopting much the same programme as the National Union. The attempt was unsuccessful, and on the 6th of March 1901 a Liberal government, under the veteran Sagasta, was once more in office. (A. E. H.)

*Parties and Conflicts, 1900-1910.—*The loss of nearly all that remained of her colonial empire, though in appearance a crowning disaster, in fact relieved Spain of a perennial source of weakness and trouble, and left her free to set her own house in order. In this the task that faced the government at the outset of the 2oth century was sufficiently formidable. Within the country the traditional antagonisms, regional, political, religious, still lived on, tending even to become more pronounced and to be complicated by the introduction of fresh elements of discord. The old separatist tendencies were increased by the widening gulf between the interests of the industrial north and those of the agricultural south. The growing disposition of the *bourgeois* and artisan classes, not in the large towns only, to imitate the “ intellectuals ” in desiring to live in closer touch with the rest of Europe as regards social, economic, scientific and political progress, embittered the struggle between the forces of Liberalism and those of Catho- licism, powerfully entrenched in the affections of the women and the illiterate masses of the peasantry. To these causes of division were added others from without: the revolutionary forces of Socialism and Anarchism, here, as elsewhere, so far as the masses were concerned, less doctrines and ideals than rallying- cries of, a proletariat in revolt against intolerable conditions. Finally, as though to render the task of patriotic Spaniards wellnigh hopeless, there was little evidence of any cessation of that purely factious spirit which in Spanish politics has ever rendered stable party government impossible. A sketch of the political history of a country is necessarily concerned with the externals of politics—the shifting balance of parties, changes of ministries, the elaboration of political programmes; and these have their importance. It must, however, not be forgotten that in a country in which, as in Spain, the constitutional consciousness of the mass of the people is very little developed, all these things reflect only very imperfectly the great underlying forces by which the life of the nation is being moulded and its destiny determined. For a century politics in Spain had been a game, played by profes- sionals, between the “ ins ” and “ outs ”; victory or defeat at the polls depended less on any intelligent popular judgment on the questions at issue than on the passing interests of the “ wire-pullers ” and “ bosses ” *(Caciques)* who worked the electoral machinery.

Silvela’s Conservative cabinet was succeeded in March 1901 by a Liberal government under the veteran Sagasta, who remained in office—save for two short interludes—until the 3rd of December 1902. He was at once faced with two problems, very opposite in their nature, which were destined to play a very conspicuous part in Spanish politics. The first was that presented by the growth of the religious orders and congregations, the second that arising out of the spread of Socialism and indus- trial unrest. Under the concordat of the 20th of March 1851, by which the relations of Spain and the Vatican are still governed, the law under which since 1836 the religious congregations had been banished from Spain was so far relaxed as to permit the re-establishment of the orders of St Vincent de Paul, St Philip Neri and “ one other among those approved by the Holy See,” so that through- out the country the bishops “ might have at their disposal a sufficient number of ministers and preachers for the purpose of missions in the villages of their dioceses, &c.” In practice the phrase “ one other ’’ was interpreted by the bishops, not as one for the whole of Spain, but as one in each diocese, and at the request of the bishops congregations of all kinds established themselves in Spain, the number greatly increasing after the loss of the colonies and as a result of the measures of secularization in France.@@1 The result was what is usual in such cases. The regular clergy were fashionable and attracted the money of the pious rich, until their wealth stood in scandalous contrast with the poverty of the secular clergy. They also all of them claimed, under the concordat, exemption from taxes; and, since many of them indulged in commercial and industrial pursuits, they competed unfairly with other traders and manu- facturers, and tended to depress the labour market. The Law of Associations of the 30th of June 1887 had attempted to modify the evil by compelling all congregations to register their members, and all, except the three already recognized under the concordat, to apply for authorization. This law the congregations, hot- beds of reactionary tendencies, had ignored; and on the 19th of July 1901, the queen-regent issued a decree, countersigned by Sagasta, for enforcing its provisions.

Meanwhile, however, more pressing perils distracted the atten- tion of the government. The industrial unrest, fomented by Socialist agitation, culminated in January 1902 in serious riots at Barcelona and Saragossa, and on the 16th of February in the proclamation of a general strike in the former city. The government sent General Weyler, of Cuban notoriety, to deal with the

@@@1 See “ Church and State in Spain." *The Times,* July 15, 1910.