

CHAPTER XXV

A SUMMARY OF THE SITUATION AND SOME ECONOMIC CONCLUSIONS

EIGHTY years ago Great Britain held the monopoly of the world in the engineering and metallurgical industries. But after the war of 1870 and the growth in Europe of the national spirit, Germany, France, Belgium and Switzerland determined to become industrial countries, and to set up, so to speak, in business for themselves. The United States, too, until that period mainly occupied with agricultural development, was being gradually converted into a nation of manufacturers. Establishing technical schools in every branch of science, and commanding sufficient capital—a great deal of which was freely loaned them from this country—to lay down new and scientifically-designed plants, the United States and many European countries began to produce for themselves. British manufacturers, under the influence of their past successes, and possessed of a money-making but obsolescent or even obsolete plant, continued to turn a deaf ear to the claims of science and industrial reform. Finding themselves unable, at length, to meet successfully the increasing competition set up by these new installations, they saw the profits of their iron and steel works rapidly falling away. But instead of facing the new situation, they endeavoured to maintain their profits by selling plant and machinery to countries abroad, thereby furnishing these with the means of still further competition. The pressure became acute in the later seventies, when at last