British Commerce

CHAPTER I

THE FOUNDATION OF BRITISH COMMERCE

Geographical and Mineral Advantages—Moral and Physical Character of the People—Development of our Maritime Supremacy.

The foundation of British commerce might conceivably be the subject of a large volume complete in itself. Authorities are by no means unanimous with regard to the basis upon which our commercial success has been reared. It has been argued, however, that to understand the structure and development of our commercial system one must first investigate fully the history of Great Britain in its every aspect. I recognise the need for a complete understanding of the basis of our present commerce; but to indulge in historical speculations as to the effect of Saxon, Norman, or even early Tudor legislation upon our present-day commercial life would be out of place in a small volume aiming to

provide no more than a survey of British commerce from the standpoint of the modern practical business man.

Briefly, then, our commercial success as a nation may be attributed to :—

(I.) The geographical advantages and mineral resources of our country : an abundance of rivers which supplied water power in the early days of the country's development; coal, whereby was generated the steam power essential for the use of machinery; and iron, which gave us the raw material for our machine-shops.

(II.) The moral and physical character of our people : their moral conviction that to sell a poorly-made article was equivalent to cheating the purchaser; the tenacity and doggedness which they concentrated upon turning out goods better than other nations could produce; and the physical capacity for endurance of the men who were trained to the work in the manufactories.

(III.) The early development of our maritime supremacy : English ownership of sea-going vessels, which gave the country control of the carrying trade, and at the same time provided our forefathers with the means to satisfy their eagerness for over-seas explora-

tion, leading to the discovery and conquest of new countries; and the transit of international goods through our ports, which laid the foundation of our banking and monetary power in international markets.

If we survey briefly these three main causes, and also, in turn, the underlying sub-causes, I think we shall arrive at a satisfactory appreciation of the basis upon which the fabric of our present-day commerce has been raised, and shall be in a better position to elucidate its existing conditions and future prospects.

How much we owe to the geographical and mineral conditions of Great Britain may be illustrated by comparison with features in the growth of other countries. The backward development of parts of South Africa and of Australia in comparison with Canada, for instance, is almost entirely due to the absence of water-courses in those parts. In all new countries the population has tended to settle down on the banks of a river. The most advanced districts of England in the early days of our commercial growth were the counties where water-sheds were most numerous—Lancashire, Yorkshire, and Derbyshire, where the mills obtained their power from

the rivers before the days of steam, and when water was the only available driving force, excepting horses and oxen. It was only when we reached the full limit of our resources of water power that the country found the development of its trade subject to restriction, and inventive minds were impelled to seek in other directions for fresh sources of power. Steam arrived to open up an industrial and manufacturing future for every part of Great Britain, irrespective of physical conditions. Manufacturers were at last able to establish their mills and factories in districts where labour was most plentiful; they could, that is to say, take the power to the population, instead of bringing the population to the power, as had formerly been the case. The introduction and speedy popularity of steam power created an immediate demand for coal. Here again the country did not fail to respond to the call which the manufacturers made upon its natural resources, but produced from its bowels the finest steam coal the world had ever seen. The introduction of the blast furnace and the application of coal to the manufacture of iron caused, in its turn, a revolution in the iron industry. The iron-

works of Sussex and other parts of the country had become moribund because of their dependence upon charcoal, and owing to the legislative enactments against the further destruction of the forests. With the knowledge that came with the use of coal, similar ironworks sprang into new life in districts where coal was available. The Midland Counties and South Wales became the centre of the iron industry, and the freshly-spurred activities of the factories and mills created a demand for machinery that established the great ironworks of the country in a position from which they have never receded. The giant strength of our textile industry and our machine-shops, and the steady growth of the smaller industries which sprang into existence in the seventeenth and eighteenth centuries, may be directly traced to the presence in Great Britain of copious water power and abundant deposits of coal strata. The invasion of the Dutch, the immigration of foreign weavers, the rich prize which fell to our share in the acquisition of the West Indies, the destruction of the Spanish power, and the score or so of other incidents whereon so much historical speculation has been built, must surely be regarded as contributory, and

not primary, causes of England's industrial wealth in those days.

The production of enormous quantities of textile goods alone no more made the commercial greatness of our people than the toy exports of Germany and the meat-packing trade of the United States gave those countries a place in the commercial councils of the nations. Long before England was exporting cotton manufactured goods there were cloth makers in every country of Europe and in every village of India. The iron industry of Ghent was centuries ahead of England. Yet, as we know, it is historically correct that England did achieve a commanding position in the world's trade, and that her goods came to be more sought after and more welcomed than those of any other trading nation. Much was perhaps due to her control of the ocean highways, but a very great part of her success was the natural result of the character of the goods made and sold by the British manufacturer. The apprentice system and the old guilds had undoubtedly fostered among master artisans a great pride in their work: it was the aim of the master craftsman to establish a high position for himself by virtue

of the sterling honesty and solidity of his goods. In this he was strongly encouraged by the example of the merchants, who guarded most jealously the honour and traditions of their houses for fair and upright dealing. Even in times when corruption and licence ruled supreme in the English Court, when the aristocracy had abandoned themselves to luxury and excess, and the lower classes to plunder and robbery, the class which comprised the burgess, the merchant, the craftsman, and the manufacturer, remained steadfast to its rules of strict conduct both in the counting house and the home. This influence could not fail to be manifest in the goods which England was sending out, and though perhaps unaware of the priceless legacy he was helping to create for posterity, each manufacturer and merchant sought to make the intrinsic worth of his productions greater than that of his neighbour's manufactures. Perhaps we owe it to the Puritan days that in hundreds of factories the master regarded the vending of faulty goods as only a subterfuge for robbing his customers' till. The splendid physique of the men who were trained to the work in our mills and factories was an element by no means negligible

contributing to their success. The working population was drawn from the villages where, for generations, they had lived a rural life on the farms and estates of the landed gentry, engaged in the healthiest of all occupations, that of tilling the soil. They brought to the mills and factories a superb physique and abundant health, which could not fail to exercise a beneficial effect upon the work they executed. The pressing demand for labour in subsequent years led to a criminal abuse of the health of many young lads and lasses in the mills and workshops of Northern towns, and consequently manufacturers are now recognising that their forefathers did not realise, in the early days of urban factory and workshop life, how much they owed to the physical endurance of their workmen.

But even the production of the finest goods could not alone have built up the world-wide commerce of Great Britain. It was a fortuitous circumstance that whilst our manufactures were developing under the successive inventions of many men throughout the country, there was being forged at the same time a chain of events leading to an astounding growth in our maritime power. The long fights between England and France for control

of the ocean highways had spurred the Government of the day, in its effort to crush the trade development of other Powers, into unprecedented extensions of the mercantile marine. The successful issue of these encounters opened the whole world to British manufacturers and traders, and their goods were welcomed in every civilised port. Not only did trade follow the flag, but the flag of Great Britain maintained the prestige and distinction of the British merchant, and kept before the eyes of every country a floating advertisement of Britain's trading strength. The importance attaching to this contributory cause has only been realised since, in our own day, a great Emperor has so used the artifices of advertisement to push his country's goods that the description 'the world's greatest commercial traveller' is considered not unflattering to one who has done so much for his people. At the time of which we are speaking, however, the whole of the world's carrying trade was monopolised by Great Britain, so that manufacturers were able to claim for their goods not only the hall-mark of excellence, but also the special advantage of speedy delivery to any part of the world. Even where Great Britain's services were

not necessary for the production of goods, other nations found it desirable to avail themselves of her assistance in the carriage of their exports, thus leading to the development of London's international trade, and to the re-shipping of goods through British ports to other countries. London became the world's mercantile clearing house. Her merchants and bankers found their business developing on international lines, and proceeded to establish branches and agents in all important countries, so that it very soon became necessary not only to use British vessels for the transit of freight from one country to another, but also to use the facilities provided by the British merchant and banker for clearing payment for the goods handled.

There was yet another factor working towards the mighty growth of Britain's commercial enterprise. The spirit of adventure inherent in the British character was encouraged and turned to fruitful account by the existence and use of the means of travel over-seas, denied to many other nationalities. As the number of merchant adventurers increased, so our newly-discovered Colonies slowly but surely assumed greater importance,

and although it was some generations before they began to consume any substantial quantity of British goods, the foundation was being laid of that big over-seas trade which has developed so vastly during the last half-century.

It will thus be seen that the primary causes of our rapid commercial development in the past may be attributed to (*a*) the physical and mineral resources of our country; (*b*) the moral and physical character of the people; and (*c*) the development of our maritime supremacy. We can now proceed to examine how far these elements are of value to-day in maintaining our commercial position.