

Excerpts from **Rule, John. 'Manufacturing and Commerce'. *A Companion to Eighteenth-Century Britain*. Ed. H. T. Dickinson. Cornwall: Blackwell, 2002. 127-140.**

“By the standards of the time at the beginning of the eighteenth century, Britain already had a successful and developing economy. The agricultural predominance characteristic of traditional economies was already shrinking, and it was to continue to do so through the century with increasing momentum in the final decades. Recent reassessment and augmentation of the employment data in the much-used surveys of Gregory King (1688) and Joseph Massie (1759) have tended to the view that Britain in 1700 had even larger commercial and manufacturing sectors than used to be thought. By 1688, 27.7 per cent of the population was engaged in industry, building and commerce, and by 1759, 36.8 per cent. Such proportions were significantly in excess of the European average, which for industry was 12.6 per cent in 1700 compared with Britain's 18.5 per cent. In 1800 the respective figures were 18.6 per cent and 29.5 per cent. By the time of the first census in 1801, the 11.2 per cent of the population employed in trade, when added to this latter statistic, produces a figure of over 40 per cent, ahead now of the 35.9 per cent employed in agriculture. Although technological change was still slow, it is reasonable to suppose that more value per head was produced in manufacturing and commerce than in traditional agriculture and, accordingly, that the value of the output of the former began to exceed that of the latter from at least the beginning of the eighteenth century. Statistics like these, derived as they are from male employment data, may well understate the overall importance of industry, for, relatively speaking, more women than men were disemployed by the agrarian changes of the century, and young women especially were available for industrial employment, particularly, but far from exclusively, in the still persistently domestic textile manufactures.

[...] Certainly a feature of the eighteenth-century development of the English economy, which was clearly linked to the growth of industry and commerce, was increasing urbanization. In 1700 it has been estimated that 13.4 per cent of the population lived in towns of 10,000 or more inhabitants. By 1800, 24 per cent did so, and this compared with just 10 per cent for north and west Europe minus England. But even in Lancashire, the ‘cradle’ of the factory system, manufacturing growth produced a thickening of the population over the countryside as much as it did in distinct urban areas. Manufacturing then had both urban and rural forms, often within the same industry. Typically, urban artisans made the better-quality goods. Superior cutlery was made in Sheffield to that produced in the surrounding settlements. Wolverhampton and Willenhall made locks, while the Black Country's villagers, women as well as men, made chains and nails. Coventry's silk ribbons were higher-priced than those woven in rural Warwickshire. There are many other examples, but it would be incorrect to suppose that in Britain rural manufacturing was generally a matter of crude production deriving from the seasonal and gender-spared labour of farming households. Rural manufacturers were an industrial labour force often well established in the countryside. Many may have kept up small-scale farming, but in textiles, in mining and in metal-making, it had become for most households a subsidiary activity.

Many historians now avoid using the term ‘industrial revolution’, with its connotations of rapid transformation to the modern factory system; others will allow it as having value for the nineteenth but not the eighteenth century. It has even been suggested that it better describes the period from the 1880s rather than the 1780s (Price 1999: 17–22). If, however, references to a ‘great discontinuity’ in the closing decades of the eighteenth century have been largely abandoned, it is still possible to view them as years in which significant developments in technological and organizational terms took place, which inaugurated two centuries of breaking and rebreaking of tradition. This does not imply that manufacturing developments earlier in the century were insignificant, for the later acceleration towards the modern manufacturing system was preceded by a long period of steady growth and by the expansion and modification of traditional methods of production.”

“The rise of manufacturing came in response to enlarging markets. Not all commerce is concerned with the supply and exchange of visible goods, but that is what the eighteenth century would mostly have understood by it. Of course not all traded visible goods arise from manufacturing. The increasing commercialization of agriculture was as evident a feature of the age. Overseas colonial trade brought profits from reexported products such as tea, sugar, coffee and tobacco. It also brought the gains from the trade in black slaves. Foreign trade tends to attract more attention than domestic trade, although the total volume of the latter is much the larger. At the beginning of the century domestic exports accounted for around 7 to 8 per cent of national output; by 1750 this had risen to 10 to 12 per cent and by 1800 to around 17 per cent. Exports accounted for perhaps a fifth of the increase in the output of the economy as a whole. After mid-century, however, they were predominantly made up of manufactured goods. It was in respect of particular manufactures like cotton and iron that they mattered most. These industries were making spectacular productivity gains and were driving the increase in the share of manufactured goods exported from a fifth in 1700 to a third by 1800. Possibly, over the century as a whole, exports may have accounted for 40 per cent of the increase in manufacturing output. In 1700 trade with Europe dominated both imports and exports, but by 1800 less than a third of imports came from the continent and it accounted for less than a fifth of exports. Trade with North America and the West Indies, on the other hand, increased more than six times between 1700 and 1815. The North American colonies were especially important as a market enabled by the high per capita incomes of its rapidly growing white population to consume not just textiles, but iron and other metalwares, and pottery. In short, of Britain’s overseas markets, North America was the most like an extension of its home market in the range and depth of its consumption.

In contrast, Africa took little apart from increasing trade goods after 1780 that were exported to secure the black slaves in the numbers required by the expanding plantation economies of the Americas. It is hard to evaluate just what direct contribution this evil traffic made to British trade as a whole. Three ports – Bristol, Liverpool and London – participated in measurable degrees, with the role of the last declining significantly relative to the other two. Between 1772 and 1775 the average of 161 ships active in the trade from the three ports was double the number active in the 1730s and 1750s. Over the third quarter of the eighteenth century slavers made up from a quarter to a third of the merchant fleet. Abolition of the trade came in 1807. Neither was the Orient an avid consumer of British goods. It was notoriously a source of expensive imports. These included the tea brought in via the East India Company’s monopoly that grew from £500,000 in value in 1700 to almost £2 million by 1780.

Overall, while it would be misleading to describe British manufacturing success over the century as ‘export led’, the role of overseas trade was to add both dynamism and extra growth. The role of the North American market both before and after the American Revolution was especially important. It was estimated in 1808 that of 50,000 persons, not including 20,000 nailmakers, engaged in hardware production in Birmingham and its region, as many produced for American consumption as did for the home market, while the former was also said to provide employment for 6,000 Sheffield cutlery workers. Cotton goods sold more widely. Exports were small before 1770, but by 1815 four yards of cotton cloth were being exported for every three sold at home. Cotton had accounted for 84 per cent of the increase in manufactured exports between 1784–6 and 1794–6. Its rise, as it displaced and then offset the traditional role of wool textiles, was to spearhead technological and organizational changes which, through their unprecedented lowering of production costs and the transformation of achievable output levels, demonstrated the possibility of making as well as meeting markets.

If export growth stimulated manufacturing growth, it was the home market which sustained it. Its eighteenth-century enlargement was critical. Population growth was fundamental, but also important was a steady, although not spectacular, downward spread of consumption. Indeed, some historians

insist on a 'consumer revolution'. Population growth became rapid only after 1750, so the real problem is to explain how an expansion of the home market began even before then, and why it was not reversed by demographic expansion. What seems to have taken place was a widening and deepening demand for goods previously hardly purchased by those below society's upper ranks. Even in better-paid working-class households, goods which have been described as 'decencies' began to appear, making the difference between tolerable living and mere subsistence: soap, some new 'groceries' such as tea and sugar, a few items of pewter, brass or earthenware, basic metal wares and, by the end of the century, some cotton goods. Several explanations for the growth in the consumption of manufactured goods have been offered. In the first half of the century slow population growth placed no strain on grain supplies, thus bringing down food prices, which must have had some effect on the household income available for the purchase of non-food items. Later demographic research has supported the idea that in the period before about 1760 the consumption/production ratio was favourable, with the number of dependent children historically low. A rising rate of population growth after 1760 diminished these advantages, but there was no general erosion of living standards. For increasing numbers of people entering the market was not in any case a matter of choice, since self-sufficiency, payment in kind and living-in service were declining, especially in the southern counties. Generally, wage dependency was on the increase in manufacturing and in agriculture. Much, however, can be more positively explained by the growth of purchasing power among the middle ranks of society; from farmers, professionals and merchants to tradesmen, shopkeepers and the upper ranks of the skilled artisans. Even by the beginning of the century such people formed a bigger fraction of the population in Britain than they did elsewhere. Demand increased both from the increase in their numbers and from the rising prosperity of many in this group. But what share of the population did they represent? It has been suggested that economic growth and changing structures drew perhaps 3 million households above the line at which some degree of spending on other than necessities became possible. In some cases increased purchasing power came from increasing employment opportunities for women and children. Wedgwood pottery, Black Country kettles, Sheffield cutlery and the whole range of Birmingham's small metal wares were certainly exported, but it was in British households that they first came to hold the middle ground between upper-class luxury and the penury of the labouring classes. The supply-side evidence tells a simple story. Goods were manufactured to an increasing volume and range, beyond the extent that even successful exporting can explain. To the 'commercial revolution' associated with the latter, at least some concept of a 'consumer revolution' must be added. Most people were not part of it, but to sustain the developing manufacturing economy of eighteenth-century Britain, it is only necessary that between a quarter and a half of a growing population were included."