

# WESTERN EUROPEAN HISTORY - Trade

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### ANCIENT PERIOD

**Backwater.** By the time of the birth of Christ, twenty seven years after the foundation of the Roman Empire, there was considerable trade along the Mediterranean basin. We have little evidence, however, for the details of that trade in western Europe, which was still a backwater, local in economy, and cut off even from the centers of energy in the Italian peninsula. Were our topic Italy in the Empire we would find that there was a roaring and mounting traffic around the Mediterranean, and much farther out into the world than that. The Western European lands, however, first come into their own trade life in the period we now call Mediaeval, though for the Romans the West was simply far flung *provinciae* of Empire.

What trade there was, in western classical antiquity, took place largely in, around, or in connection with the commercial power of the city of Rome. The port of Rome, at Ostia, was from the early Empire on bustling with merchant cargo, much of it amphorae (containing wine, oil, and grains), with a diversity of commercial products like leather, woods, and building materials. The far less developed economies, of the provinces to the west of Rome—in France, Germany, and England—were sufficiently –given their then needs and desires--supplied by internal and cross border trading. It was not until the third and fourth centuries, of the Christian era, that we note the first evidence of a coherent mediaeval trading economy.

### POSTCLASSICAL PERIOD

**Overview** From the early Mediaeval period to the flourishing of cities, cathedrals, and international trade in the thirteenth century, is a long stretch. If we date the breakdown of the Roman economy to the fifth century C.E., we will have to wait five or six centuries before we see the emergence of a vigorous trading economy in Europe. Involved in that development are gradual improvements in transportation--both by sea and land, in agricultural efficiency and know how, in the concentration of capital in banking centers, and in manufacturing processes, which readied foodstuffs, fabrics, and even building materials for long-distance transport.

**The early Middle Ages** The term 'dark ages,' pejoratively first applied during the Renaissance, but now rarely used, usually designated the period from 500-1000 C.E., when the deterioration of social life, transportation, and trade had replaced the still serviceable vestiges of the Roman Imperial structure, which succumbed to 'barbarism,' both internal and external, by the mid-fifth century C.E. This 'early' period was not without cultural development--think of the Benedictine monastic tradition or the Carolingian Renaissance of the 9<sup>th</sup> century--but its foundations, in a still pretty stagnant agricultural economy, with little more than local trade, were mired down and unprogressive.

**The trade explosion of the twelfth and thirteenth centuries** Trade, culture, military prowess and urbanization went hand in hand in the Later Middle Ages. One can look at three facets of this development of trade: the maritime explosion of trading networks among interlinked regions; the growth of

a commercial and banking culture; the rapid development of cities, with their fairs, markets, and manufacturing centers.

**Maritime trade** The twelfth and thirteenth centuries saw a rapid expansion of ocean trade. One factor in this expansion was the growing expertise in ship building, commercialization of seaworthy manpower, and establishment of reliable ports and harbors to which to ship the increasingly abundant products of European industry: wool, processed fabrics, wines, foodstuffs, horses. That is not to mention the exponential development of European port systems at which to receive spices and oils from as far away as China, the fruits and fabrics of the Muslim Near East, and wool from the British Isles, ready for the refinements of the Flanders textile industry.

**Commercial and banking culture** To bankroll the exploding maritime undertakings, of the High Middle Ages, required a network of lenders and bankers, who could put their hands on enough venture capital to send fleets of expensive cargo, of hundreds of workers and oarsmen, and often of cattle and cavalry, far across the ocean. The seed ground for this new commercial industry was in large part the wealthy cities of North Italy--Genoa, Venice, Florence--in which high commerce and high culture co-existed at a fruitful level never since attained.

**Cities and their relation to trade** The two centuries which culminate the movement of Mediaeval Europe, the 12th and 13th, saw the rapid growth of population, of urbanization, and of the centrality of the city to commerce and trade. We talk here of a period during which great fairs attracted the economic energy of the civilized world, bringing together merchants from both the local scene and from as far away as ships could transport goods. We talk also of the atmosphere of the larger cities--say in Paris or Northern Italy or Flanders--where negotiations and deals were the name of the game, and rich and powerful families regularly schmoozed with international bankers. We also speak of the advent of the 'age of discovery,' in which the great European explorers—Columbus, Vasco da Gama—began to open virtually unknown dimensions of the world's oceans, and, with them new shores and continents from which to 'trade' unfamiliar products, ranging from sugar cane to gold, from slaves to rubber.

**Shipping.** Trade in the earlier mediaeval period of Western Europe gradually fell into a pattern which retained the traditional Roman reliance on shipping—and on the industries of ship building—and which relied on a complex system of transportation waterways, which included local rivers and water passages, as well as everything from bay traffic, hugging the shore, to areas through the turbulence which the Mediterranean can become. In the period before the seventh century, when Romans were themselves losing the authority to manage large shipments of goods, it seems that the most desirable material of transportation was luxuries—precious metals, horses, and slaves—and that Jews and Syrians played leading roles in the dark period between the seventh and the ninth centuries, when with the culture in general a deeper economy and a more diversified set of consumer desires began to reshape the market.

**City-states.** By the ninth century, and later, certain major Italian city-states—Venice, Pisa, Amalfi, Genoa—took over the primacy of Western European trade, establishing connections with Arab traders in the Levant. (Trade between the above ports took place with such commodities as: spices, gold, perfume, slaves, luxury textiles, animal skins, leather goods, jewels...in other words with high priced commodities for the elite. (Upturned wrecks of oil and wine bearing amphorae, on the bottom of the Mediterranean, continue to turn up in our own time, not infrequently from an age close to the very late mediaeval period we are discussing.) The same kinds of shipped commodity exchange were of course also taking place from productive ports in other parts of the Roman Empire (or former Roman Empire.) In North Western Europe—through the eleventh century—the Vikings carried on a heavy trade in slaves; Scandinavian fish and timber moved south to England and Saxony; after the Norman Conquest of 1066, the British began importing cloth and wine, while exporting cereals and wool, from which the Flemish wove stunning cloths.

**Industrial shipping.** On a level closer to industrial shipping, and ultimately to urban and infrastructural establishments, there was, by the thirteenth century, a growing volume of transport of materials like iron, copper, and tin, which profited not only from better roads but from better ships, with simpler construction and increased carrying capacity. With the technological developments in shipping followed a lowering of

costs, and at the same time a wider use of 'venture capital,' with the expanding nucleus of well to do business man lenders in the cities.

**Markets.** At the same time that shipping led the way, in lucrative and adventurous trading, there was an increasingly robust inland market life, which continued to prove the backbone of social and economic development throughout the Middle Ages, surviving wars and plagues as it had to, in order that the people could eat. At least until the ninth century, by which time urban growth, more wealth concentration, and improved agricultural conditions had broadened the individual's experience, weekly local markets, or regional fairs were the entrepôts for commodities and foodstuffs that made daily life real, and sometimes even tasty.

**Fairs.** Such fairs were typically managed, and profited from, by large scale estate owners, town councils, and even churches or monasteries—which provided venues and accounting services for the fair itself. Sometimes these fairs--which assembled produce and goods from a wide radius of local markets, and which typically fell on church holy days, when 'ordinary people' were free to attend—were taken over by whole communities, and specific items like fish, meat, or bread were sold in specific parts of a town, and at specific times. With the increasing organization of these fairs, there developed a class of entrepreneurial hucksters, who frequently appeared at people's doors, peddling their wares.

**Shops.** In the larger communities of Western Europe, especially after the ninth century, there came the gradual development of fixed market centers working from shops. (Typically a merchant resident would set up his storefront in front of his house, ideally in a position from which he could look down from his front window onto the pulse of potential customers in the street below. Frequently the city would do what was possible to organize these home/shops so that they would be clustered together, facilitating customer browsing, and municipal inspection.

## EARLY MODERN PERIOD

**Transition.** During the high middle ages, and what in the arts we call the Renaissance, the gradually forming nation states of Western Europe were advancing technologically, enriching their international profiles, and bringing great new wealth to the 'mercantile classes,' the new class of trader-businessmen-investors-venture- capitalists, who were the heart of the growing economies of Western Europe. (The older class systems, deeply embedded in the Feudal World, were basically agricultural, prioritizing the Lord of the Manor, and organized around the descending hierarchies of vile in field labor, which took its cut off the bottom of the economic pie.) Writing this transitional period requires, however, more than profiling the broad categories of change, for the 'quality of life' in Western Europe was during this early modern period almost eradicated by a series of plagues, weather crises, and disastrous harvests.

**Setbacks.** The Hundred Years War (1337-1453) put France and England at one another's throats, when they required cooperation, if only to let developing economies take their forward pace. On top of that self-obstructing behavior, and partly because rampaging armies degraded land and society, western Europe was hit by terrible plagues, bad harvests, and famines during precisely the period new 'nation states' were forming. The Black Death plague of 1347, imported by ship from Asia, entered Europe by the port of Messina, in Sicily, and rapidly spread throughout Europe, arguably wiping out a third of the population, conceivably as many as two hundred million victims. The population of France, which was the largest and most development-ready country of western Europe, in the Renaissance, declined from seventeen million to twelve million in 130 years, until, in the 1450's, a cycle of recuperation set in.

**Recuperation.** That period of recuperation saw the gradual strengthening and emergence of France, the Italian city states, and England, as the forthcoming powers of Modernity in Western Europe: all of them, in fact, bolstered by the growth of the Columbian exchange-- the cultural and biological trade-offs between Old Europe, new America, and West Africa—were beginning to take shape and self-definition.

**Columbian Exchange.** What we now call the Columbian Exchange is a useful marker for the opening of a new period in Western European trade. As a byproduct of the increasing globality of world trade, in the period of discovery, certain commercial patterns assumed a formal and durable existence, bringing

continual advantage to those who conducted it. This particular economic experiment, which brought new crops (tomatoes, potatoes, maize, tobacco) to Europe from the New World, interacted with the trade in slaves between West Africa and the same new world, which took New World produce back to England and the continent. On the heels of this 'experiment' European cities pursued the monetary and lifestyle advantages of global trade.

**Imports.** The import of luxury goods (fine fabrics and spices) from East Asia flourished—abetted by the new ability of shipping to pass around the Cape of Good Hope, rather than across central Asia; Spain established the most muscular European trading presence throughout the sixteenth century, mastering the art of terrifying and looting the raw and artifactual gold to be gathered aplenty by the Conquistadores, from very much living Aztec and Mayan cultures. The closeness of internal economic conditions to trading practice is evident in the tandem developments, within European nations, in industrial equipment and agricultural equipment, the raw materials of which had often to be imported, while the output, foodstuffs or fabrics, created a steady outflow of products from Western European ports.

**France.** Prior to 1800, France was the most populated country in Europe, and the most effectively poised for trade. (Population was 28 million in 1789. By 1800 Paris was the largest city in Europe, with a population of 650,000). A number of factors, in addition to population growth, contributed to the marked development of France. There was extensive import of agricultural products from the New World—beans, corn, squash, tomatoes, potatoes—a sharp rise in the production of silk and wool, and the benefit of royal exemption from taxes for many industrial products. With the growth of trade fairs—four times a year—in Lyons, that city took over as the banking capital of France, a home away from home for various prominent Italian monetary families, like the Medicis, but by the following century, when the economy had succumbed to serious inflation, life for the lower income peasants grew seriously difficult, and the crown was forced to make what were (for it) damaging tax and revenue concessions to the masses.

**England.** The imperial power of England grew slowly, through the mercantile processes already set in movement in the sixteenth century, the time of the great fleet building and adventure sailing, which made of English a fierce competitor to the France we have just mentioned. By the end of the seventeenth century, the British economy had comfortably settled into its pattern of self-enrichment through the mutual interfructuation among the increasingly prosperous British colonies. The modern British Empire was based on the English empire which took flight in the 18th century with the nation's extensive colonization in the Caribbean, Canada, and among the thirteen colonies of America. The mercantile turn of this empire involved the British government working in close collaboration with leading national merchants throughout the colonies, in a trade collaboration which effectively excluded other nations from participation in the advantages of the British Empire itself.

**France** France was the most heavily populated country in Europe in the Early Modern Period. (The population rose to 28 million in 1789.) The rapid development of this now mercantile-industrial country laid the foundations for an increasing national and international trading capacity. France remained a ninety percent agricultural nation, during this period, but Paris, a banking and commercial capital, by the end of the eighteenth century both imports and exports flourished from their mercantile matrix in the capital. Silk, wool, hemp and linen were among the competitive exports, and helped France to maintain a favorable balance of trade over against England and Spain, throughout the eighteenth century. Vast market fairs occurred quarterly throughout France, and among other things promoted were glass, silks, dyes, and spices from the international customers displaying there.

## EIGHTEENTH CENTURY TRADE

**The British Trade.** Mercantilism is the right name for the economic system by which the British, as well as the French, were negotiating themselves into a potent commercial Empire in the early modern period. The spread of that Empire throughout the eighteenth century—which embraced territories as widely separated as India and Ceylon and the Caribbean and Canada—was largely due to the working relations set up among the British government, the major business holders in the colonized area, and business moguls in London, who contributed to the commercial transactions being established in the colonies. Slavery on the Atlantic coast became the lynchpin for the development of this commercial empire, which succeeded in creating a strict monopoly over its possessions, excluding all competition. (Trade barriers,

regulations, and taxes on outsiders functioned seamlessly, to build what was essentially a commercial empire.)

## THE INDUSTRIAL REVOLUTION

**19<sup>th</sup> century Europe.** Britain and France continued in their roles as major trading and (in the case of Britain especially) colonizing powers. For Britain the dominant trading enterprise was in India, which was in different stages deeply incorporated into the commercial and even administrative functions of the British government. Earlier in the century British settlers had been content to be commercial (and very profitable) outliers on the huge raw materials cache, of the Indian subcontinent, but as the century progressed, and Britain's imperial-administrative hold on India tightened—the Anglo-Indian becoming a distinctive cultural type—the value of British imports—initially saltpeter for gunpowder, silk, spices, tea, indigo, rubber—grew until with the consolidation of a commercial empire on the subcontinent Britain was able to complement the trading revenue it continued to receive from its Atlantic colonies. The French relation to its North African colonies, like that of the British in India, became an increasingly intertwined social involvement, with French settlers long dominant socially and culturally, while the products of the Algerian land—from dates to precious minerals—incorporated themselves, as part of daily life, into French culture.

**Opposites.** It may be surmised, from the above, that in terms of trade along the opposite developments of Britain and France, at the approach of the nineteenth century, an Industrial Revolution was in the offing, which would particularly spike in Britain and its colonies, while doing away with the necessity for social overthrow, which awaited the French at the end of an eighteenth century declining into violence and anarchy.

**Iron and steel.** The Industrial Revolution in England introduced factories to England, Scotland and Europe, doing so through a series of technological advances, which were destined to modify Britain's world-wide trade. Coal mining, and the exploitation of its power, upgraded a series of railroads, manufacturing plants, and business enterprises, which spread out into migration and trade, from Britain to its world-flung empire. The growth rate of the British GDP was 1.5 percent from 1770-1815, and 3.00 percent from 1815-1831. The advance in rail transportation particularly accelerated the rate of British industrial production, and the transportation of trade-ready supplies. The primitive wooden rails of the early eighteenth century were replaced by wrought iron rails. By 1804 the first steam powered locomotives were hauling iron ore and seventy passengers a load at 5 miles per hour. It was of equal industrial importance, for the growth of the British economy and trade, that by 1860 iron had become the metal of acceptance for industrial projects, while not much later steel replaced iron, while cast iron bridges were being slung across Europe rivers, and iron ships set free on the ocean of trade. 'In 1847-8 railway builders bought three million tons for rolling stock, bridge building, and station building for 2000 new miles, plus the demands of the 3000 previously built miles of railway.'

## 20<sup>TH</sup> CENTURY

**Instability.** From the vantage point of the century Western European economies, one would have to say that the first half of the twentieth century, in Western Europe, was unstable, dangerous, and unfriendly to extensive international trading relations, or even to robust trading within countries. Two world wars, which reduced the major European cultures to rubble and distress, were a disaster from the viewpoints of commerce, trade, or exploration. A worldwide depression in the thirties sealed the fate of these cultures, and heralded a crisis point, their fight to the death which ended only in 1945, and which added another major player, the Soviet Union, to the ranks of semi-antagonistic players who faced off against one another by mid-century.

**Wars.** The shortcut of the present conversation will have brought us in one leap from the formative centuries of west European economy and trade—the signature step forward of late mediaeval France and England—to the Industrial Revolution—especially in 19<sup>th</sup> century England—which increased national economic power, and readiness for goods trades on a soon to be global basis. This pattern of 'progress,'

if one is ready to equate economic trade with progress, is soon enough to run into a roadblock as intransigent as the plagues and civil wars of the fourteenth century, which took their terrible, if temporary, vengeance on the development of early modern Europe. The roadblock is the devastation of the European economy, thus trading power, after two destructive world wars, which brought the growth of Western European civilization to a halt. We may conclude by drawing attention to a positive dimension to the conclusion of the cruel first half of the twentieth century, as it involved trade among partners—Western European, and now the larger world. I mean the *Marshall Plan*, the predecessor of a number of supra national trade and military partnerships which were to build eventually toward the multiple organizations of the European Union at the end of the twentieth century.

**Marshall Plan.** The Marshall Plan, 1948-51, was an American instigated post-WW II aid package designed to help postwar Europe rebuild and reconstruct after the war. The argument behind this plan was healthy; it was evident in the United States that only a vigorous Europe could prove itself a creative trading partner in the future. Mutual benefit was at hand here, as the British and French governments cooperated intensively with the American initiative. All the lessons of mutual international trade were implicit in the Marshall Plan thinking and negotiations.

**European Union.** The European Union will, in different stages, have been developing through the second half of the twentieth century, and will have brought with it a growth in regularized trade among all nations. Trade with a vengeance unites post-1950 Western Europe to the nations and products of previously untried partners: Japan and China, as well as the burgeoning economies of southeast Asia. The natural dynamic of industrial growth has expressed itself at all points in the Western European economy, but we should perhaps mention a trade and economic stimulus package of great effect which in its way underlay the ability of Western Europe to find its new post-1950 modalities.

### Discussion Questions

There is a great population explosion in Western Europe, from the time of the Fall of the Roman Empire to the high economic flowering of the 13th century. How would you explain this population growth? Is it related to international trade?

Does the trade carried out by modern western European nations follow traditional patterns—does the trading nation still deal with the same trading partners, or do these relations change often and totally, depending on the 'global context' of the time?

We have been stressing maritime trade. Do the patterns of inland trade, in Western Europe, suggest the same economic growth as maritime trade? What was the state of roads in the Europe of the Middle Ages? Of the eighteenth century?

There was extensive 'manufacturing' in the new cities of 13<sup>th</sup> century Europe. What were factories like? How many were employed in a large factory? Was there any wage and salary control? Were there unions? Were the products of such factories frequently traded for other goods and services?

Is trade as carried on in the local African market, which is typically held several times a month, in villages, notably similar to the kind of trade modern mega nations, like France, devote to their international trading relations?

Is the history of trade the same as the history of economy? Can the economy of a country flourish, without external trade to fructify it? Would the late mediaeval economy, regional and small scale, be an example of a significant economy without corresponding trade?

Is there a general movement toward globalism in the history of European trade? Does that movement, if it exists, put more money in the pocket of the little man? Or has globalism, in economy and trade, no effect on the individual pocketbook? Is Europe a particularly vivid example of economic development? If so, why did the Western European economies decline in the second half of the twentieth century?

How do you explain the intervention into world history of a development like the Industrial Revolution in Britain? Do you attribute that development to the build up of a critical mass of discoveries and inventions, or to larger patterns of 'meaning' in world culture?

### **Suggested Readings**

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