

3.1

The changing nature and extent of trade

KEY QUESTIONS

- How important was government policy in shaping changes to patterns of trade in the years 1763–1914?
- What was the significance of the evolution of Britain's network of ports, *entrepôts* and trade routes in the years 1763–1914?

INTRODUCTION

The movement from mercantilism to **free trade** is a critical junction in British Empire history. So much so historians often divide it into two periods: the first defined by mercantilism, protection and competition with the French and Dutch Empires; the second, from around the 1820s onwards, defined by the economic ideology of free trade. This 'second' Empire shaped many of the economic ideas of global free trade and low tariffs we now take for granted. How this change took place is therefore crucial to understand. It would be shaped by many factors, primarily the American revolution, the ideology of Adam Smith, the end of the slave trade and domestic changes in politics and industry that together pressured the government to end protective economic policies and build an economic empire centred on the concept of free trade.

KEY TERMS

Free trade

Using the material you have read and your own knowledge, write a 200-word explanation of why free trade was adopted. This explanation should include a brief definition of what free trade actually means.

Tariff

A tax on imports and exports normally charged by customs officers operating at official ports. The purpose of a tariff could either be to generate revenue for the government or to discourage foreign merchants from trading particular goods (a protectionist tariff).

HOW IMPORTANT WAS GOVERNMENT POLICY IN SHAPING CHANGES TO PATTERNS OF TRADE IN THE YEARS 1763–1914?

The gradual change from protectionism to free trade is one of the most important aspects of British Empire history. Trade regulation, known as mercantilism, was set out in 1660 through the Navigation Acts. These Acts (repealed in 1849) set out tight regulations on the trading system throughout the British Empire. All trade within the colonies had to be carried on English or colonial ships. Additionally, colonies producing the main Empire products, such as tobacco, sugar, cotton and rice, could only export these to England and were forbidden from seeking other markets. After 1707 this was extended to include Scotland and other British colonies, but a Virginia tobacco grower still could not seek out a better deal for his tobacco by exporting to (for example) higher paying French buyers. Additionally, all European goods exported to colonies first had to pass through Britain to be taxed.

Tariffs were placed on imported goods to ensure they would be more expensive than domestically produced products, thus ensuring the protection of British based companies.

1763 - Victory over France in Seven Years' War
Britain introduces taxes to raise money from colonies

1779 - Free trade granted to Ireland to prevent civil unrest

1807 - Slave trade is abolished after a 19-year parliamentary campaign

1815 - Victory at Waterloo
Parliament passes Corn Laws to keep grain prices high

1833 - Abolition of slavery in West Indies, compensation paid to slave owners

1760

1770

1780

1790

1800

1810

1820

1830

1775 - American War of Independence begins over 'no taxation without representation'

1805 - Victory at Trafalgar
Royal Navy achieves supremacy at sea

1819 - Founding of Singapore by East India Company shows effectiveness of free trade *entrepôts*

Whilst some criticised this system between 1660 and the 1800s, the vast majority of merchants and politicians saw this **mercantilist** system as the only means of protecting and expanding British commerce. These **protectionist** policies aimed to support British trade at the expense of its main rivals, the French and Dutch. At its heart, the British Royal Navy ensured British merchants had safe and unimpeded access to consumers and traders across the world whilst enforcing Britain's colonial regulations and Navigation Acts to ensure other European powers had less access to these same markets. Mercantilist policies also discriminated against Irish and American trade within the Empire, causing growing tension, rebellions and war towards the end of the 19th Century. Trade protection ensured colonies were essentially the workshops and plantations of the Empire, producing and transporting raw materials to Britain to be manufactured into sellable items exported to its markets across the world. This meant colonies could never become competition for British industry.

KEY TERMS

Mercantilism

A policy of government intervention to ensure that the value of exports is more than the value of imports, known as a positive balance of trade. The objective of mercantile systems between the 16th and 18th centuries was to acquire gold or silver bullion through positive balances of trade.

Protectionism

Taxes or prohibitions on imports and exports designed to protect domestic producers. By restricting or prohibiting the sale of foreign goods, governments provide an advantage to their own producers, although the lack of competition can also lead to high prices.

Additionally, the large merchant navy required to ensure all trade was carried on British ships could readily be transformed into fighting vessels, ensuring the British navy, already large and powerful, had a large reserve of ships and sailors. The use of the Navigation Acts and Royal Navy were to disrupt and restrict the trade of Britain's rivals was rarely questioned until the 1800s, protectionist policies seen as the only way to guarantee Britain's continuing economic growth. However, by 1849, this economic system had, in nearly all aspects, been totally dismantled. Instead, successive British governments embraced free trade, believing it the best method to increase British economic wealth.

After the Napoleonic Wars, Britain had a **government debt** that was 260% of **gross domestic product** by 1821 (up from 157% in 1763). Britain's economic recovery was generated through trade and primarily the movement to free trade. Crucially, this system could only work by encouraging other countries to join the world's free trade network (a network Britain dominated in the 19th century), either by coercion or diplomacy. Britain's industrial revolution encouraged the government to embrace free trade, enabling British merchants to trade **manufactured goods** into China and the Americas, which would become known as Britain's informal empire due to their economic dependence on Britain. By the end of the 19th century European powers challenged Britain's **geopolitical** interests, competing for colonisation in Africa (the **Scramble for Africa**). In addition, rising economic powers such as the USA, Germany and Japan began to assert their own economic interests against Britain's but even they required British manufacturing to supercharge their own industrial revolutions.

KEY TERMS

Government debt

The total amount of money owed by the government expressed as a proportion of GDP. A higher level of government debt means spending more income paying the interest on debt, leaving less for other spending.

Gross domestic product (GDP)

The monetary value of all the services and finished goods produced by a country, usually calculated and expressed over a yearly period.

Manufactured goods

Items that have had value added through some form of processing. Imperial trade often aimed to import raw materials, such as sugar and cotton, from colonies and then export manufactured goods like rum and cloth.

Geopolitics

The idea that power derives from territorial dominance of strategic areas. This became increasingly prevalent in imperial thinking, for example the perceived need to control Egypt to safeguard imperial possessions in India.

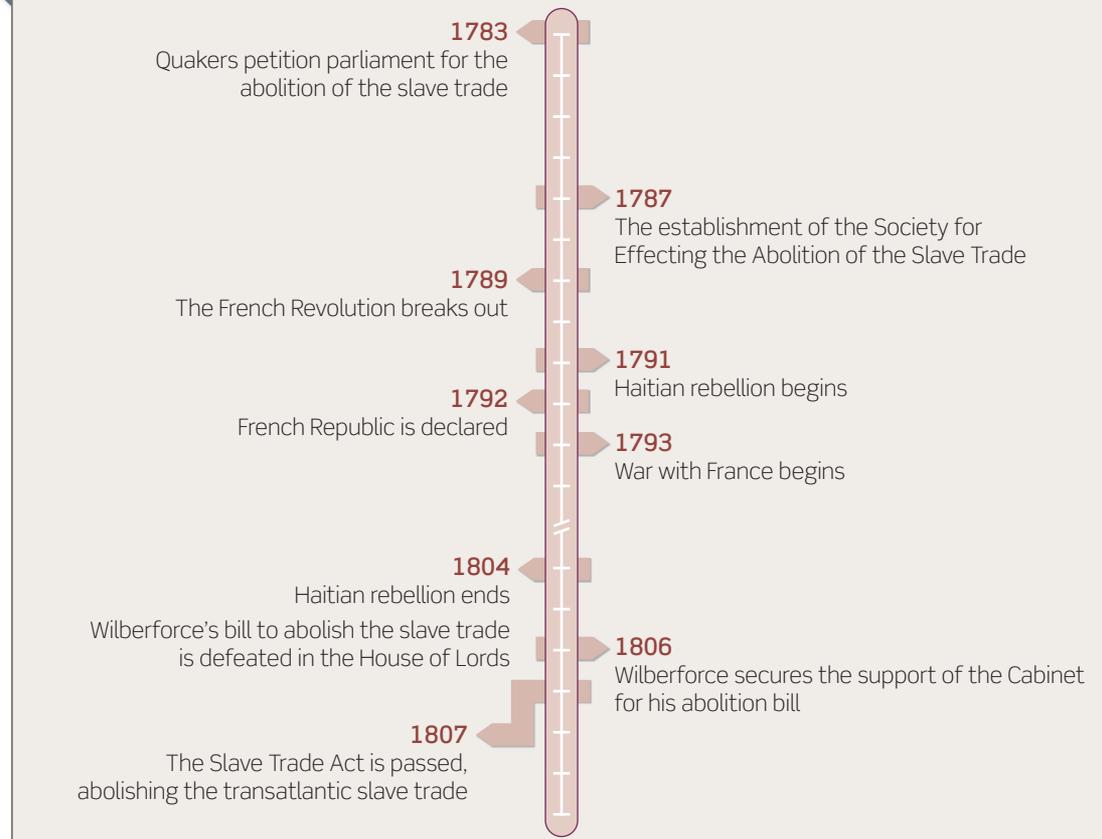
Scramble for Africa

A period of rapid imperial expansion (1881-1914) during which European powers divided and colonised almost the entire continent of Africa.



The abolition of the slave trade, 1807

TIMELINE: ABOLISHING THE SLAVE TRADE



The rising economic challenge of the United States

The emergence of the United States as a powerful new trading nation after independence in 1776 was one of the first big challenges to the mercantilist principle. British imports of food into the West Indies had previously largely been conducted by Americans on American ships which, before 1776, had been considered part of the British Empire. After 1776 Britain faced the large challenge of questioning whether this would be allowed to continue as it would obviously be seen as a weakening of the Navigation Acts. An additional problem was that these American ships and sailors could not be used by the Royal Navy in wartime and would, in turn, possibly allow the Americans to build up their own naval and economic power, making them a potentially strong rival to Britain.

Therefore, in 1786 the British government passed an even more restrictive Navigation Act to increase its naval power. This confirmed that every ship trading within the British Empire had to be built in either Britain or a British colony and barred American shipping from the West Indies. It seemed that those within Britain who advocated protectionist, mercantilist trade patterns had clearly won, despite the growing voices advocating greater free trade such as Adam Smith. However, in only a short period of time the challenge to mercantilism became even more stringent and influential. One of the key reasons for this was the abolition of the slave trade in 1807.

The slave trade

Up to the 1800s the trade in African slaves and the use of their labour was seen as being an absolutely critical aspect of British economic power, who had dominated this **triangular trade**. During the 18th century, sugar had grown as an essential commodity for European consumption, becoming the largest import from British colonies into Britain. It was slaves in the West Indies that ensured it could be produced in considerable amounts. For **plantation** owners this led to massive profits as the labour involved in its growth and harvesting were not paid. Britain dominated the slave trade, and between the 16th and 19th century some twelve million slaves were brought from Africa to the Americas through the **Middle Passage**, primarily to work on sugar and tobacco plantations.

KEY TERMS

Triangular trade

A trade route between three regions, the most famous example of which is the slave trade between Europe, West Africa and the Caribbean.

Plantation

A large piece of land where a single crop is cultivated for export and commercial gain, typically using cheap labour.

Middle Passage

The crossing of the Atlantic between Africa and the West Indies, most frequently used in relation to the slave traders who used this route.

Britain also benefited economically from slavery through other means. Slaves were bought with British products such as guns and paper, ensuring a large market for these goods in slave trading ports along the African coast. In Britain, key port cities such as Liverpool, Bristol and Glasgow – where slave ships from Britain set out from and then returned to with goods to trade after transporting slaves to the West Indies – became increasingly wealthy. From 1776 to 1786 40,000 slaves a year were transported on British ships to the West Indies. Despite the evident horrors of this immoral trade, the exploitation of these workers was viewed as a critical element in British economic success.

Challenges to the slave trade

One of the first challenges to the slave trade came through the influence of both the French and American revolutions. These encouraged new moral enlightenment ideals concerning freedom and justice for all men. The **grass-roots campaign** to increase the pressure on the British parliament to abolish the slave trade was one of the first and most effective in British history. In 1787 the Society for Effecting the Abolition of the Slave trade was founded in Britain. In 1783 the **Quakers** petitioned parliament to abolish the slave trade. This was given further impetus when in 1794 revolutionary France banned slavery.

The Prime Minister at the time, William Pitt, was influenced by anti-slavery campaigners such as William Wilberforce and attempted to push anti-slavery legislation through parliament. However, the beginning of a much more violent phase of the French revolution, primarily with the execution of King Louis XIV in January 1793 and the outbreak of a successful slave revolt on the French colony of St Domingue (later known as Haiti), saw the British parliament become more reticent towards ending the slave trade. Abolishing the slave trade at this stage was seen by many parliamentarians, primarily in the House of Lords, as possibly resulting in the danger of the same type of revolution and chaos now sweeping France occurring in Britain and its colonies.

However, the key turning point came with the coming to power of Napoleon Bonaparte in France in 1799 and the subsequent war between France and Britain. Napoleon reintroduced slavery. After this the abolition of slavery became seen in Britain as patriotic, because it demonstrated the higher moral character of the British Empire in comparison to the ‘despotic’ French. The ideal of a British Empire leading the civilised world encouraged politicians to side with the moral crusade of the politician William Wilberforce and others in opposing slavery and in 1807 the British slave trade (although not the use of the slaves already in the West Indies itself) was abolished.

KEY TERMS

Grass-roots campaign

A type of political lobbying aimed at winning the support of the public rather than directly influencing politicians. Because so few people could vote at the beginning of the 19th century, this type of campaign was a new phenomenon.

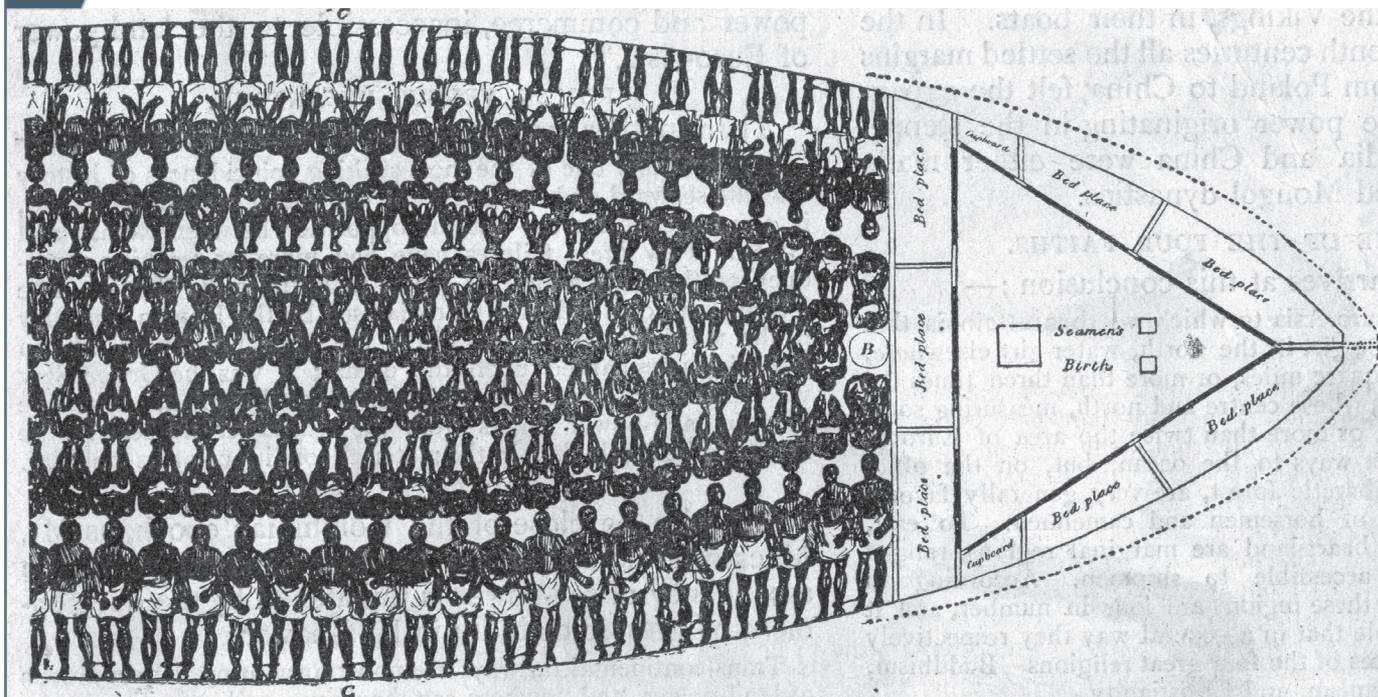
Quaker

A religious minority who translated their Christian faith into progressive political positions, such as the abolition of slavery, opposition to war and charity to the poor.

SOURCE

1

A diagram used by abolitionists to demonstrate the conditions of the slave trade, c1750. Some slaves would be sitting, some standing and some lying down.



The economic impact of abolition of the slave trade

Economic aspects also played a role in parliament's decision. One of the key aspects that had hampered the anti-slave trade campaign had been the lack of a strong economic argument for its abolition. However, the war with France had provided this opportunity, with the abolitionists now able to argue that restricting the slave trade would in turn damage the French economy and thus benefit Britain's overall war strategy. This was further enhanced by the fact that, by the early 1800s, there was a surplus of West Indian sugar: this meant the end of the slave trade did not appear that it would have a severe effect on the domestic consumption of this popular commodity by driving up its cost to the British consumer.

Importantly, the abolition of the slave trade and eventual end to the use of slaves in the British colonies in 1833 would have a strong impact on the movement towards free trade. The growing industrial revolution taking place in Britain would eventually mean that modern, industrialised manufacturing would become the basis of British economic strength, rather than raw materials such as West Indies-grown sugar. The need to find new, prosperous, trade routes beyond the old slave trading patterns would encourage British merchants and sailors to look beyond the Empire for new markets.

Additionally, the economic model of free trade was intrinsically linked to the belief in the efficiency of free labour over slave labour. This is the belief that economic growth is promoted when workers have the incentive to work harder or more efficiently, due to the greater motivation provided by earning wages and purchasing their own property. The success of the British economy, despite the end of the slave trade, would add to the growing argument against mercantilism and support those who believed a less protectionist economy based on free trade and free labour would see the British Empire achieve economic prosperity to an even greater degree than that witnessed before the 1800s.

Thus, whilst economic arguments provided the final crucial element to encourage parliament to abolish the slave trade, the abolition of slavery in turn would contribute some of the impetus driving the movement away from protectionism and towards free trade within the British Empire in the 19th century.

SOURCE

2

From James Phillips, *Debate on a Motion for the Abolition of the Slave Trade*, published in London 1792. After a lengthy debate, an exhausted Pitt stood before dawn to deliver an impassioned speech in favour of abolition of the slave trade. Despite his eloquence, the motion was defeated by 75 votes. It would be another 15 years before abolition was enacted.

Joining this with all the other considerations, Mr Pitt then pointedly asked, *Can* the decrease of slaves in Jamaica be such – Can the colonies be so destitute of means – so incapable of those improvements which a more prudent management, and a spirit of benevolence must naturally furnish – Can they, at a time when they tell you of new regulations, to the benefit of the Slaves, which, they say, are establishing every day – Can they, under all these circumstances, be permitted to plead that total impossibility of keeping up their number, which they have rested on, as being the only possible pretext for allowing fresh importations from Africa?

... One thing he must touch upon, which was rather a delicate point: the question of emancipating the slaves in the West Indies. A rash emancipation he was clear would be wrong and mischievous: in that unhappy situation to which *our baneful conduct had brought ourselves and them*, it would be no justice on either side to give them liberty. They were as yet incapable of it, but gradually their situation might be mended. They might be relieved from everything harsh and severe, raised from their present degradation, and put under the proper protection of the law: *till then to talk of emancipation was insanity*. But it was the system of fresh importations that interfered with these principles of improvement, and it was the Abolition of the Slave Trade that would furnish the means of effectually regulating the situation of the Slaves in the Islands. This was not a warm idea taken up without due reasoning and reflection, but had its foundation in human nature: Wherever there was the incentive of honour, credit and fair profit, *there* industry would be; and where these labourers should have the natural springs of human actions afforded them, they would then rise to the natural level of human industry; but when degraded into mere machines, they would not even afford you all the benefits of machines, but become more unprofitable, and every way more disadvantageous, than any other instrument of labour whatsoever.

ACTIVITY KNOWLEDGE CHECK

The abolition of the slave trade

- 1 How important was the slave trade to Britain?
- 2 Why did the movement for abolition become so influential?
- 3 In your opinion, what was the main reason for abolishing the slave trade in 1807?

THINKING HISTORICALLY

Cause and consequence (7c)

The value of historical explanations

Historical explanations derive from the historian who is investigating the past. Differences in explanations are usually about what the historians think is significant. Historians bring their own attitudes and perspectives to historical questions and see history in the light of these. It is therefore perfectly acceptable to have very different explanations of the same historical phenomenon. The way we judge historical accounts is by looking at how well argued they are and how well evidence had been deployed to support the argument.

Approach A	Approach B	Approach C
Parliament abolished the slave trade because it was morally the right thing to do, even though it was against Britain's commercial interests.	The slave trade was a high-risk investment and was becoming unprofitable, so parliament was reflecting commercial realities in abolishing the trade.	The slave trade was abolished because the French had reintroduced slavery. Parliament wanted to destabilise French colonies and reduce unrest in British ones.

Work in groups of between three and five. (You will need an even number of groups in the class.)

In your groups, devise a brief explanation for the abolition of the slave trade, of between 200 and 300 words, that matches one of the approaches above. Present your explanation to another group who will decide on two things:

- 1 Which of the approaches is each explanation trying to demonstrate?
- 2 Considering the structure and the quality of the argument and use of evidence, which is the best of the three explanations?
- 3 If you choose a 'best' explanation, should you discount the other two? Explain your answer.

The adoption of free trade, 1842–46

Free trade economics

From 1660 to the 1800s a belief that protectionism ensured Britain's economic growth was held by the majority of the political and merchant class. It rested on the concept that a nation's wealth could only be achieved through a **positive balance of trade**. A **negative balance of trade** would deplete Britain's gold reserves. This encouraged European countries to believe Empire building was the best means of achieving wealth as it increased markets and produced goods for trade within the Empire, whilst disrupting rival's trade. This wealth would be invested in further empire building and trade to minimise **inflation**. The colonies were critical to this by providing raw materials. The first influential challenge to this came from Scottish economist Adam Smith in *The Wealth of Nations* (1776).

KEY TERMS

Positive balance of trade

A trade surplus.

Negative balance of trade

A trade deficit.

Inflation

A reduction in value due to oversupply.

SOURCE

3

From Thomas Mun, *England's Treasure by Forraign Trade*, published in 1628. Mun was a director of the East India Company and recognised the importance of a positive balance of trade.

Although a Kingdom may be enriched by gifts received, or by purchase taken from some other Nations, yet these are things uncertain and of small consideration when they happen. The ordinary means therefore to increase our wealth and treasure is by Forraign Trade, wherein wee must ever observe this rule; to sell more to strangers yearly than wee consume of theirs in value. For suppose that when this Kingdom is plentifully served with the Cloth, Lead, Tin, Iron, Fish and other native commodities, we doe yearly export the overplus to forraign Countreys to the value of twenty-two hundred thousand pounds; by which means we are enabled beyond the Seas to buy and bring in forraign wares for our use and Consumptions, to the value of twenty hundred thousand pounds: By this order duly kept in our trading, we may rest assured that the kingdom shall be enriched yearly two hundred thousand pounds, which must be brought to us in so much Treasure; because that part of our stock which is not returned to us in wares must necessarily be brought home in treasure...

... Behold then the true form and worth of forraign trade, which is *The great Revenue of the King, The honour of the Kingdom, The Noble profession of the Merchant, The School of our Arts, The supply of our wants, The employment of our poor, The improvement of our Lands, The Nurcery of our Mariners, The walls of the Kingdoms, The means of our Treasure, The Sinnews of our wars, The terror of our Enemies*. For all which great and weighty reasons, do so many well-governed States highly countenance the profession, and carefully cherish the action, not only with Policy to encrease it, but also with power to protect it from all forraign injuries; because they know it is a Principal in Reason of State to maintain and defend that which doth Support them and their estates.

Influenced by the economic causes of the American War of Independence, Smith argued that colonies were actually an economic drain as they did not provide sufficient finance through taxation and required considerable cost to defend: the substantial investment in them would be better spent in Britain. The primary gains of the mercantilism system were enjoyed only by the merchant class, not the wider British public. Instead, Smith argued, the best way for Britain to grow economically and share this wealth was to allow colonies to develop their own economies freely and compete across the empire. An open market of free trade and free labour without government control and protection would enhance Britain's economic power. Human competition, free of regulations and controls, would provide greater benefits to a wider number of people. The empire only opened new possibilities for economic growth by treating colonies as equal trading partners.

Under free trade, colonies could develop in areas best suited to their resources, in turn altering the growth and nature of the British economy. To put it simply, if the colonies could produce certain goods cheaper than in Britain, this would lower the cost for British consumers. In turn, the British economy should concentrate on its strengths instead of artificially propping up failing, uncompetitive industries.

Smith's influential book set out a fundamentally different way of viewing the Empire and its economic benefits. Prime Minister Pitt the Younger (1783–1801) who was heavily influenced by Smith, observed that attempts to raise revenue from high duty costs on tea simply led to greater profits for smugglers as customers sought the cheaper product. Reducing duties on imports such as tea meant more customers bought the officially imported product, cutting smuggler's profits and reducing cost to government of combatting illegal trade. Further evidence of Smith's influence was shown when Pitt negotiated a commercial trade deal with France in 1786.

Smith's ideas had an immediate impact on changing perceptions about the British economy. His book grew in influence throughout the 1800s and can be seen as crucial in developing free trade ideas. However, for any economic ideological theory to have impact the material benefits must be demonstrated. For Smith this was seen in the aftermath of the American War of Independence: Britain feared the United States would shut off a previously lucrative market for British exports and that its economic growth would challenge Britain. Instead, the United States, now engaging in its own economic growth, required British goods to help it develop. British exports to the United States recovered quickly after 1783 with Britain becoming the major destination for American exports. As Smith had argued, these economic benefits demonstrated British manufacturing could prosper without protection as America developed its own economy.

SOURCE

4

From Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, published in 1776. Smith's radical attack on mercantilism in favour of free trade became highly influential soon after its publication, and by the mid-19th century had become the major economic theory influencing government policy.

That it was the spirit of monopoly which originally both invented and propagated this doctrine [mercantilism], cannot be doubted; and they who first taught it were by no means such fools as they who believed it. In every country it always is and must be the interest of the great body of the people to buy whatever they want of those who sell it cheapest. The proposition is so very manifest, that it seems ridiculous to take any pains to prove it; nor could it ever have been called in question, had not the interested sophistry of merchants and manufacturers confounded the common sense of mankind. Their interest is, in this respect, directly opposite to that of the great body of the people. As it is the interest of the freemen of a corporation to hinder the rest of the inhabitants from employing any workmen but themselves, so it is the interest of the merchants and manufacturers of every country to secure to themselves the monopoly of the home market. Hence in Great Britain, and in most other European countries, the extraordinary duties upon almost all goods imported by alien merchants. Hence the high duties and prohibitions upon all those foreign manufactures which can come into competition with our own. Hence too the extraordinary restraints upon the importation of almost all sorts of goods from those countries with which the balance of trade is supposed to be disadvantageous; that is, from those against whom national animosity happens to be most violently inflamed.

The wealth of a neighbouring nation, however, though dangerous in war and politics, is certainly advantageous in trade. In a state of hostility it may enable our enemies to maintain fleets and armies superior to our own; but in a state of peace and commerce it must likewise enable them to exchange with us to a greater value, and to afford a better market, either for the immediate produce of our own industry, or for whatever is purchased with that produce.

However, it would be wrong to overemphasise Smith's impact. Whilst Pitt's policies and the prospering of American-British trade after 1783 demonstrated free trade's benefits, it would take until the 1820s for mercantilism to be really challenged. In 1786 the Navigation Acts were strengthened to exclude American shipping from the West Indies. Clearly protectionists still dominated parliament. It would take considerable economic and political change to finally tip the balance towards followers of Smith.

The Industrial revolution and the adoption of free trade

One of the most important factors driving the eventual transition from a protectionist trading system to a system of free trade was the massive domestic economic changes Britain underwent in the 19th century. In the early 19th century technological developments fueled considerable industrialisation as factories and workshops relied less on manpower and more on water and steam power. Factories and mills were built on coal fields so the fuel required for the furnaces that produced iron could be immediately accessed. Hundreds of workers were now employed in large factories and the population became increasingly urbanised as workers migrated to large cities. British industrialisation was powered by a rising population providing cheap labour, technological advancement and improved transport links first from canals and then trains.

As the industrial revolution gained pace trade restrictions began to be seen by certain politicians and industrialists as a hindrance to Britain's economic growth. Tariffs, meant to protect British industry, made importing and exporting more difficult and slowed down the trade in goods produced in Britain. Despite the rapid growth in industrial factories, the export of machinery was largely barred by government regulation until 1825. In 1815 the government passed the controversial Corn Laws, prohibiting the importation of foreign corn. This protected the profits of the wealthy landowning class by ensuring high prices for their corn, but angered the middle and working classes suffering from the rising cost of bread.

Supporters of free trade argued protectionist policies were stifling Britain's economic growth. Firstly, Britain required cheap food imports to feed the growing population. Secondly, free trade would fuel British manufacturing as countries purchased British-made goods. Other countries, such as the United States, would also be able to freely export goods into Britain, earning sterling to

ACTIVITY

KNOWLEDGE CHECK

Free trade

Using the material you have read and your own knowledge, write a 200-word explanation of why free trade was adopted. This explanation should include a brief definition of what free trade actually means.

spend on more British manufactured products. Thus, the end of protectionism and tariffs would encourage the free movement of goods across the world, massively benefiting Britain's economic power. The industrial revolution pushed the movement towards free trade as the system that would best ensure Britain became the 'workshop of the world.' For instance, instead of restricting the United States' economic growth, Britain massively benefited from unrestricted imports of American raw cotton to become the largest producer of manufactured cotton products in the world. By 1870 Britain was the preeminent global industrial power and free trade was clearly established as the economic model at the heart of this remarkable transition. Smith's free trade theories had been vindicated, but it took the development of the British economy in a manner that benefited from free trade to promote this change.

Additionally, whilst the economic change played a crucial role in the changing pattern of trade, it is also clear that domestic political factors are critically interlinked as a causative factor.

Coal and textiles

Britain had significant world supremacy in both these key areas. In 1851 Britain was producing about two-thirds of the world's coal and more than half of its cotton cloth.

Coal was vital for fuelling the industrial revolution, facilitating the machine power behind the development of factories and providing the energy for the growth of a railway network which transformed the transport infrastructure and stimulated production. In the 18th and 19th centuries it was one of the key factors in the British rise to world economic predominance. In 1789, 132,000 tons were exported to Holland. During the 19th century there was a 20-fold increase in coal output. In 1913 the British coal industry was at its peak with 94 million tons exported.

Textiles were the principal product that Britain produced and exported. New production methods from the late 18th century led to the development of large numbers of factories, especially in the north of England, and this vastly increased both production and exports. It is clear the textile industry was a catalyst for technological change. By 1913 Britain still had 70% of the world trade in textiles.

The developments in these two areas had an enormous impact on the pattern of British trade with the new manufacturing techniques transforming the scale of production, reducing unit cost and stimulating exports.

The growth of free trade

The repeal of the Corn Laws

The industrial revolution and the success of British industry in the early 1820s as trade protectionism was gradually lifted had a strong influence on certain politicians who increasingly believed Britain's future economic success depended on free trade. During the French wars in the early 1800s British industry and commerce had continued to flourish, encouraging some within the government and the industrial elite to argue that Britain would grow even stronger through open economic competition.

Furthermore, influential politicians, primarily the Conservative party (**Tories**) leader Robert Peel, were concerned that Britain would not be able to feed its growing population (which had grown by 50% between 1810 and 1841) unless the country relaxed restrictions on food imports. They believed free trade and tariff reduction was necessary to allow the import of goods from Europe and the United States to feed the increased population (particularly the growing urban working class) and stimulate British industry. When Peel became Prime Minister in 1841 he argued that free trade and tariff reduction was the key to the success of the British economy.

Additionally, if goods in Britain were cheaper it would spark greater consumption and the government would earn more through taxation on goods and services. The subsequent recovery from an inherited debt of £7.5 million to a surplus of £4 million in the country's finances that Peel's government oversaw between 1841 and 1844 seemed to confirm his arguments on the effectiveness of free trade.

However, it is important to remember that the Navigation Acts (although weakened) still remained in place. Despite the economic recovery achieved by Peel, the Corn Laws had also not been removed. This was a dilemma for Peel. A large number of his own party were still part of the landowning class and were unprepared to allow the free import of foreign corn as it would damage their wealth (which largely came from agriculture). Two key political developments, however, pushed Peel to eventually end the Corn Laws.

In 1832 the British parliament, then dominated by the **Whigs**, had passed the Great Reform Act. This extended the franchise in Britain to include more of Britain's rising industrial and commercial class. Peel believed this meant the Conservative party had to widen its appeal to the manufacturing and commercial interests of Britain or face not only immediate electoral defeat but possible long-term irrelevance as a political party. Secondly, the Corn Laws provided fuel to the opposition Whig party, who could use the popular anger against the Laws to argue effectively that the Conservatives were simply the party of the aristocratic elite. The change in the franchise, which now made the support of the industrial class critically important, meant this was very electorally damaging. This meant Peel believed confronting the Corn Laws, which were hated by both the working and industrial classes, was critically important for the Conservatives.

KEY TERMS

Tories

A parliamentary grouping of supporting traditional social values. The Tories were not a political party in the modern sense, but a set of individuals characterised by their support of the monarchy and a traditional way of life, and their opposition to enlightenment ideas and French influence. The Tories held power from 1783 to 1830.

Whigs

A parliamentary grouping representing more progressive policies, such as electoral reform, free trade and the abolition of slavery. The Whigs were initially dominated by wealthy landowners influenced by enlightenment ideals, but over time attracted manufacturers and middle-class support.

Problematically for Peel the conservatives had traditionally represented the aristocratic, land-owning class and it was not a simple task for him to overcome this powerful group within the party. However, Peel's belief that repealing the Corn Laws was essential for both Britain's food supply and the political future of his party pushed him further with his conviction to repeal them. In 1845 he used the catastrophic Irish famine to argue that only an end to the Corn Laws could help Ireland. This was political opportunism on Peel's part; the repeal of the Corn Laws would not help the Irish problem.

However, by utilising this argument Peel was able to pass the repeal of the Corn Laws through a series of extremely complex political manoeuvres. The Repeal of the Corn Laws was passed at the same time as the Sugar Duties Act which removed tariff protection for sugar produced in the West Indies.

For Peel personally the repeal bill proved politically disastrous: it split his party and led to his resignation (June 1846) and the coming to power of a new Whig government under Lord John Russell.

The ascendancy of free trade and end of the Navigation Acts

However, Peel's policies were the crucial turning point in proving the ascendancy of free trade and those that supported it. The business classes, convinced that cheap imported food and raw materials were the only means for Britain to outdo the rival industrial powers of Europe and the United States, had achieved their goals despite the protestations of the old landowning aristocratic class.

In 1849 the Navigation Acts were finally ended by Russell's government. This allowed foreign ships to carry grain into Britain. The system that had been in place since 1660 was now officially ended, although it can clearly be argued that this was less a turning point in the move to free trade, but rather a milestone marking the clear end of one economic system and the ascendancy of another.

In the sixty years following the end of the Navigation Acts the volume of world trade grew by a factor of ten (between 1800 and 1850 it had only grown by a factor of two and half) By 1913 Britain made up 25% of the world's imports and British exports had grown considerably. Britain's prosperity under free trade encouraged other countries to utilise the same system, thus promoting free trade across the globe.

Trade with the Americas, India and the Far East

In the 1820s, Britain's manufacturing base made it well-placed to supply the newly independent Latin American countries, leading to mutually beneficial trading links. Britain exported manufactured goods and expertise which improved infrastructure, e.g. Thomas Brassey's development of a railway network. By the middle of the century, 7% of British exports went to Latin America with Britain importing increasing amounts of food in return, especially from Argentina.

From the 1870s onwards economies of countries such as Argentina and Uruguay boomed on the back of frozen meat and grain imports to Britain (helped by considerable improvements in shipping refrigeration technology). Additionally, the coffee trade from South America increased considerably in the 1860s and 1870s. North American trade was subject to variations, but remained strong in the 19th century and into the 1900s. In the first

EXTEND YOUR KNOWLEDGE

Disputed laws of the 1760s

The residence of customs officials in America after 1763

From 1763, customs officials were obliged to live in America. Previously, British men had held the position (and benefited from some of the income) while living in Britain and delegating their duties to poorly paid local deputies, who had little or no interest in the efficient collection of duties. Americans were fearful that this would introduce a class of 'placemen' who were loyal to their paymasters in London and would result in an extension of unjust power by the executive. Likewise, trials of smugglers were not to be held in local colonial courts (whose jurors were very lenient to smugglers) but by a naval court in Halifax, Nova Scotia, and cases were to be held under judges alone rather than by jury trial. This appeared to be an extension of military power over civilians and an attack on the principle of trial by jury.

The Sugar Act 1764

George Grenville, prime minister during 1763–65, next passed the Sugar Act in 1764. The Sugar Act 1733 had set a duty of 6d per gallon on molasses and sugar imported from non-British Caribbean colonies and had yielded only £21,652 in over 30 years. The new Sugar Act actually lowered the duty set on sugar from 6d to 3d, but the expectation was that this would now be collected rather than avoided. As approximately 1d of duty was being paid on every gallon imported, this represented an actual rise of 2d. British officials estimated that the new rate, properly enforced, would raise £78,000 annually. Nine colonial assemblies sent messages to London arguing that London had abused its power by raising the tax. They accepted the British parliament's right to regulate trade, but not its right to tax and raise revenue in America. The tax was resented by the merchants and affected the cost of alcohol, but its impact was limited to a small group of people and its collection was relatively successful.

The Mutiny Act 1765

The Mutiny (or Quartering) Act 1765 required colonial assemblies to make provision for providing accommodation and supplying British troops stationed in each colony. Most colonies accepted this grudgingly (they saw no need for the quantity of troops that the British deemed necessary), but the New York Assembly refused because the headquarters of the army was based in New York and their burden was greater than that of other colonies. The British responded by passing the New York Restraining Act in 1767, which prevented the New York Assembly from taking any legislative action until they complied with the Quartering Act.

The Stamp Act 1765

The introduction of the Stamp Act in 1765 had been announced a full year beforehand, giving the Americans ample time to build themselves up into a fury. This Act required stamps to be fixed on almost all formal documents and was a much broader tax. It was widely and vigorously opposed by the colonial assemblies who now petitioned London for repeal and passed resolutions condemning the Act and denying parliament's right to pass such a law. An inter-colonial congress with deputies from nine colonies (the first such assembly) met and condemned the Act. Leaders of the protests, such as Sam Adams, did not confine themselves to petitions and protests but the Sons of Liberty organised mob activity in Boston. There was also formal and informal boycotting of British goods. In 1766, the Stamp Act was repealed. However British resolve was hardening and the repeal of the Stamp Act was accompanied with the Declaratory Act, which stated that 'the colonies were subordinate to the Crown and parliament of Great Britain' and that the British parliament had full authority to make laws for the Americans 'in all cases whatsoever'.

half of the 19th century, Britain and the United States remained each other's largest trading partner with an average of 40% of US imports coming from Britain. This largely consisted of primary produce (e.g. raw cotton, used by Lancashire mills) going to Britain with manufactured goods (e.g. cotton cloth, Britain's most valuable export) going to the United States (a key market for British textiles). Despite an interruption during the American Civil War, the United States became Britain's greatest trading partner and imports from the USA usually exceeded in value Britain's entire trade with Asia.

In other parts of the Americas, trade fluctuated. By 1914 Canada supplied around 10% of Britain's beef and 15% of Britain's wheat flour imports, encouraging a boom in Canadian wheat production (1900–1914). For the West Indies, however, it was a different story. The abolition of the slave trade and removal of the Sugar Act meant the British West Indies had to transition to free labour and free trade. Foreign slave-grown plantations, such as Brazil, could now compete with British West Indian sugar. Sugar prices in Britain dropped by 75% between 1805 and 1850. In the period 1848–1910 the number of sugar plantations in Jamaica went from 513 to just 77 and were now mostly small farms worked by formerly enslaved people.

There were also closer economic relations with India. There, as the influence of France became marginalised during the 18th century, British power expanded. India's providing of raw materials for British industry and a market for British manufactured goods made a vital contribution. Initially, these were cotton goods but by 1900 included significant amounts of iron, steel and engineering products. India supplied Britain with jute, raw cotton, rice, tea, oil-seed, wheat and hides. The scale of trade was boosted by the opening of the Suez Canal in 1869.

Trade with the Far East increased with the development of *entrepôts* and Britain imported tea, silk and porcelain from China as demand for these items increased rapidly. The East India Company expanded into China in the early 19th century and the development of Singapore (1819) and Hong Kong (1842) followed. Initially Britain exported wool and cotton but this serious trade imbalance was dealt with by the export of Indian grown opium into China. By the 1830s, thirty million pounds of tea were being consumed every year in Britain. The British purchased this tea with silver from sales of opium. The British began to make considerable profits from their trade with China (opium made up 40% of India's exports). Anger at British actions led to the Opium Wars of the 1830s. Despite this the British continued to sell opium until shortly after exports of it were banned in 1912.

SOURCE

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From a speech made by William Gladstone in the House of Commons on 12 March 1849. Gladstone would be a hugely influential figure in late 19th-century politics. This shows how the debates on free trade in the 1840s would set a new economic orthodoxy for the rest of the century.

Sir, I shall not dwell upon the argument (admitted, I think, on all hands), that if the question of the navigation laws is to be dealt with at all by Parliament, it ought to be done at this moment, rather than at any future period. We never can again give so vast a stimulus to the import trade as was recently given by the great and fundamental alterations that took place in our customs laws. With respect to the most bulky articles of freight, and therefore those that give most employment to the shipping, if I had no other fact to stand upon than this—that lately you took the duty off corn, that you greatly reduced the duties on sugar, that you removed the cotton, the wool, the hides, the oils, the silk, and the hemp duties, and in fact the duties upon every bulky commodity of import—I say, and I appeal to the House to acknowledge the justice of what I say, that this, and no other than this, is the period at which we ought to consider whether the navigation law itself ought to be maintained, and if it should, upon what basis it ought to be founded. There is another consideration, the menaces—if they can be called the menaces—of foreign Powers, and the excitement beginning to prevail in many of our colonies upon this question, all of which I regard as enhancing the force of the argument that now is the proper time for dealing with these laws. But even independently of these considerations, upon commercial grounds alone, I am quite sure that this is the season when our duty binds us to approach and definitively settle the whole question. Well, then, if a change is to be made, and now to be made, I come next to the manner in which such change ought to be carried into effect. And here I differ not materially from many of those who have thus far accompanied me in what I have already stated. And at the same time I freely admit that I differ from them without the least substantial hope of conciliating those who are friendly to the existing laws; because my doctrine is, that we should walk in the path of experience—that we should continue to apply more extensively the principles that we have already applied—that, adhering to those rules of action which Mr. Huskisson and others adopted, we may safely part with the navigation laws under the conditions, and in the manner, in which they indicated their readiness, if not altogether to abolish, at least to relax them.

A Level Exam-Style Question Section C

How far can the repeal of the Navigation Acts in 1849 be regarded as a key turning point in the changing patterns of trade in the years 1763–1914?
(20 marks)

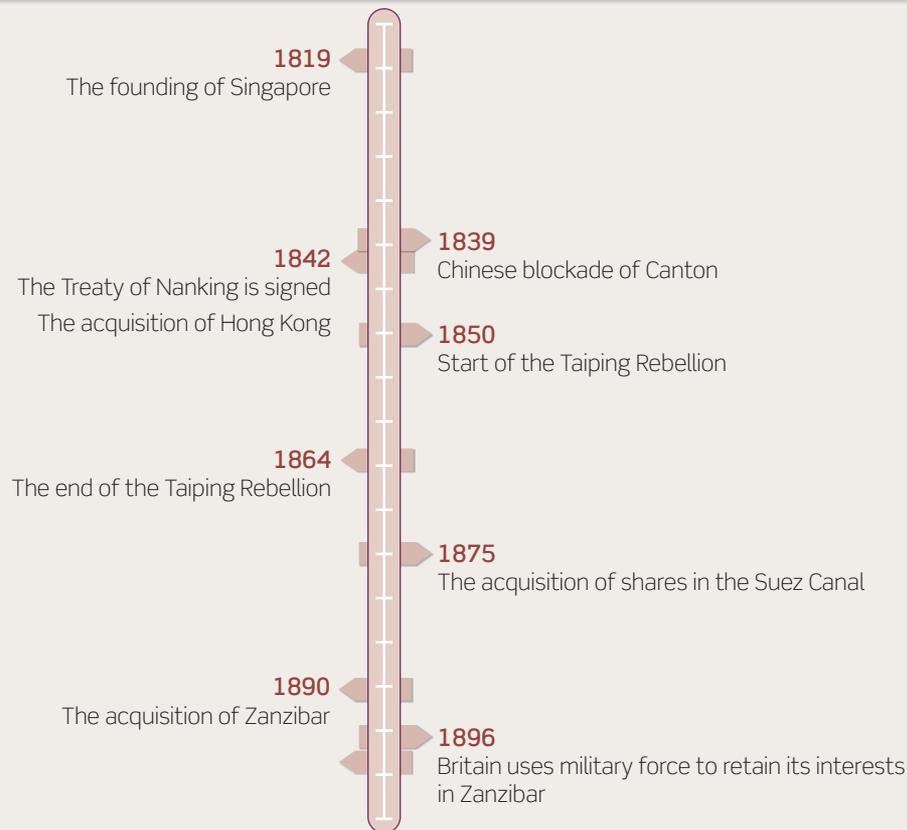
Tip

When answering this question, you should compare the nature of trade before and after 1849. Did it substantially change and, if so, was this down solely to the repeal of the Acts?

ACTIVITY
KNOWLEDGE CHECK
Mercantilism

- 1 Explain the intended benefits of mercantilism.
- 2 What were the failures of mercantilism in the Americas?
- 3 Why did it take so long for free-trade policies to be adopted by parliament?

WHAT WAS THE SIGNIFICANCE OF THE EVOLUTION OF BRITAIN'S NETWORK OF PORTS, *ENTREPÔTS* AND TRADE ROUTES IN THE YEARS 1763–1914?

TIMELINE: GROWING BRITISH TRADE ROUTES


In the 19th century, the infrastructure of trade was continuously evolving, and the impact of changes during this period can be seen in the location and nature of Britain's colonial acquisitions. The government had paid a high price for trying to enforce colonial rule on the North American colonies, and was initially reluctant to engage in further territorial expansion. At first, British merchants led the way, motivated by profit rather than conquest. An imperial ideology based on free trade and naval supremacy was emerging however, and by the 1840s the government was willing to dispatch warships and acquire naval bases in the Far East to protect its merchants. By the late 19th century, the government was increasingly driven by the need to protect its valuable possessions, even at the cost of colonising parts of the world that had little to offer commercially.

KEY TERM

East India Company

A private trading company that had exclusive rights to trade with India after receiving a royal charter from Elizabeth I.

The acquisition of Singapore, 1819

By the 1800s, the trade routes on which Britain relied were becoming increasingly extended. The **East India Company** was seeking to expand its trade with China. The company had lost its monopoly in India under the Charter Act 1813, but retained a monopoly on trade with China until 1833, which it was keen to exploit. There was a good and growing market in England for a range of Chinese goods such as tea, silk and porcelain.

However, conditions for trade in China were less than ideal. Foreign trade was heavily regulated by the Chinese authorities. Europeans were not permitted to leave their trading base at Canton, were only licensed to deal with a guild of merchants known as the ‘Hongs’ and were heavily taxed by the local governor. In addition, the only way to reach Canton from the East India Company’s base in Calcutta was to pass through the Straits of Malacca. This area had already been colonised by the Dutch, who had established a monopoly over the spices that the region exported. Operating under a protectionist policy, the Dutch either refused British ships entry to their ports or charged high tariffs for the privilege. The straits were also known for piracy, so the trade route to China from India was not only long, but expensive and dangerous.



Figure 1.1 The trade routes that English traders took between India and China through the Straits of Malacca during the 19th century.

These problems were solved by Sir Stamford Raffles, a Jamaican-born colonial administrator who had risen to prominence by orchestrating the capture of Java from Franco-Dutch forces during the Napoleonic Wars. Raffles was determined to undermine the Dutch presence in Malaysia by opening up the trade route to China, and obtained permission from his superiors in the East India Company to seek a British base in the region. Having located the sparsely inhabited port of Singapore in 1819, he arranged a treaty with the local rulers and established a trading post there. The legal grounds for this were shaky; the British parliament and the government were initially unaware of the new settlement, the extent to which the local rulers had ceded sovereignty was unclear under the treaty, and the Dutch were angered by the encroachment on territory they regarded as theirs.

The settlement was added to the issues being negotiated in an Anglo-Dutch treaty to agree territorial rights in the area, and the Dutch were initially adamant that the British withdraw from Singapore. The future of British Singapore was only secured by its rapid growth. In its founding year of 1819, trade worth 400,000 Spanish dollars passed through Singapore. By the time the Anglo-Dutch treaty was finalised in 1824, this volume had increased over 2,700 percent to 11 million Spanish dollars, surpassing the settlement of Penang that was founded 30 years earlier. This was noted by government negotiators, who refused to relinquish Singapore and instead gave up Bencoolen and Sumatra to the Dutch.

The growth of Singapore

The secret to Singapore's explosive growth was its status as an *entrepôt*, where ships of all nationalities could dock without incurring taxes or tariffs. This was a deliberate choice by Raffles, who had intended to create a staging post for the India–China trade route. The tax-free status of Singapore quickly drew merchants from the Malay Archipelago and further afield, and goods from all over South-East Asia flooded into the city. A key aspect of Singapore's growth was that individual ships no longer needed to complete the whole journey to the destination port of their goods. Ships with goods from China destined for Britain could offload these at Singapore in exchange for textiles, guns and opium. Ships bound for Europe could take on the Chinese goods without needing to visit China, as well as acquiring spices from the Malay Archipelago without visiting expensive Dutch ports. This trade led to the creation of merchant houses with their own docks for loading and unloading cargo, and warehouses for storing it. By 1846, the city boasted 20 British merchant houses, with others owned by European countries. Multiple Jewish, Chinese and Arab merchant houses also flourished. As the city continued to grow rapidly, the merchants were supported by a network of chandlers, banks and auction houses.

Singapore's status as an *entrepôt* was not exactly unprecedented. Amsterdam and Antwerp had grown into global commerce hubs in the 16th and 17th centuries using a similar model. Even within the British Empire, the ports of the West Indies were often only clearing houses for slaves to be shipped to Spanish colonies or where North American goods could be loaded onto slave ships for their return journey to ports like Bristol or Liverpool. However, the explosive growth of the colony, due to its strategic location on some of the world's most valuable trade routes, signalled a new era in imperial trade. The commercial growth of Singapore rapidly outpaced established Dutch and English colonies in the region that imposed taxes and tariffs on shipping. The success of the city demonstrated to young, ambitious and thoughtful British politicians like Robert Peel the possibilities of an empire run on free trade.

EXTEND YOUR KNOWLEDGE

Informal empire in South America

By destroying the Spanish navy along with the French at the Battle of Trafalgar in 1805, Britain effectively isolated Spanish South America from Spain. It seemed like a golden opportunity to seize strategic colonies on the Rio de la Plata, an immense navigable river that allowed ships to sail and trade deep into the interior the South American continent. The British occupied Buenos Aires twice, but on both occasions the Spanish colonists rallied and the British were bloodily ejected.

With Spain itself a key battleground in the Napoleonic Wars and the Royal Navy unchallenged in the Atlantic, the Spanish Empire in South America imploded, with a number of civil wars between loyalists and separatists during which the separatists eventually prevailed. Many of the new countries emerging from these wars, and especially Argentina, became valuable trading partners for Britain. In exchange for British textiles and manufactured goods, Argentina provided cheap salt meat, wool and cow hides from its almost limitless expanses of good grazing land. In the context of this emerging trade, Britain occupied the Falkland Islands to ensure a naval presence in the South Atlantic. The islands were in a strategic location for supplying and refitting whalers, sealers and ships sailing around Cape Horn, although their importance diminished with the opening of the Panama Canal and the age of reliable steam travel.

With Argentina and other South American economies heavily dependent on British trade, Britain had achieved what is often known as an 'informal empire' in this region. Britain was highly influential in determining foreign and trade policy in these countries, but did not intervene in domestic politics. This model appealed to the government because there were none of the administrative costs or political risks that frequently arose with directly managed colonies. The success of trade with South America and the growth of the international *entrepôt* at Singapore showed that it was not necessary to rule a territory in order to profit from it.

The acquisition of Hong Kong, 1842

The establishment of Singapore as a free-trade city had proved to be a winning formula, but did not resolve all of the issues with the India–China trade. Strict enforcement of Chinese trade laws meant that British merchants remained confined to a small area at Canton, and could not travel up China's large river network to negotiate directly with producers. Ambassadors had been sent to the Chinese court in 1792 and 1816 in an attempt to negotiate better terms for British merchants, but these had returned empty-handed. In addition, pirates sailing from the Philippines and North Borneo continued

to plague the seas between Singapore and Canton. Up to 100 small but heavily armed pirate vessels operated on this stage of the trade route, capable of attacking large European sailing ships. The few ships provided by the East India Company to patrol the route were often less well armed and inadequate to the task.

SOURCE

6

An engraving by G.W. Terry c1841 of the East India steamer *Nemesis* and other boats destroying Chinese war junks in Anson's Bay, 7 January 1841.



This was concerning to the East India Company because trade with China had become integral to their operations and profits. In the 18th century, British wool and Indian cotton had been traded at modest returns for tea, porcelain and silk, but Chinese demand for these textiles was limited and did not match the ever-growing British market for Chinese goods. The East India Company found itself with a negative balance of trade, forced to use silver bullion to purchase goods in China. Their solution was to switch to opium, which could be grown cheaply in India. The addictive properties of opium were well known and, although the drug had been made illegal in China by imperial edict as early as 1729, Chinese coastal merchants were willing to smuggle opium to supply a growing number of Chinese opium users.

With the East India Company improving its opium supplies in India, dealing directly with producers rather than Indian middlemen from 1797, and Singapore opening for business in 1819, the opium trade accelerated. Despite an imperial ban, China imported 75 tons of opium in 1775, 200 tons in 1800 and 347 tons in 1822 – all through small coastal traders who were able to smuggle in the banned good without much difficulty – and usually with the connivance of corrupt local officials. Other British merchants were initially prohibited from entering the trade by the East India Company's **monopoly**, but when this expired in 1833 the market expanded dramatically. By 1839, Chinese opium imports reached 2,553 tons, and it is estimated that between four and 12 million Chinese men and women were regular users by the mid-19th century. The balance of trade was reversed and silver bullion flooded out of China.

The Chinese blockade, 1839

In 1839, the Chinese government acted decisively to address the problem. Chinese troops blockaded the settlement at Canton, effectively holding the merchants there hostage, and demanded that they surrender their goods. Ships waiting in international waters for Chinese coastal smugglers to offload their opium were boarded and searched. Over 1,000 tons of opium were burned. When news of the crackdown reached Britain, the government acted equally decisively, dispatching an expedition to China with an ultimatum without waiting to discuss the matter in parliament.

KEY TERM

Monopoly

Exclusive control over trade.

SOURCE

7 From H.B. Morse *International Relations of the Chinese Empire*, published in 1910. Palmerston's ultimatum to the emperor of China, 20 February 1840. Palmerston went to war for the right of British merchants to sell opium.

The British Government demands security for the future, that British Subjects resorting to China for purposes of trade, in conformity with the long-established understanding between the two Governments; shall not again be exposed to violence and injustice while engaged in their lawful pursuits of Commerce. For this purpose, and in order that British Merchants trading to China may not be subject to the arbitrary caprice either of the Government at Peking, or its local Authorities at the Sea-Ports of the Empire, the British Government demands that one or more sufficiently large and properly situated Islands on the Coast of China, to be fixed upon by the British Plenipotentiaries, shall be permanently given up to the British Government as a place of residence and of commerce for British Subjects; where their persons may be safe from molestation, and where their Property may be secure.

... The British Government therefore has determined at once to send out a Naval and Military Force to the Coast of China to act in support of these demands, and in order to convince the imperial Government that the British Government attaches the utmost importance to this matter, and that the affair is one which will not admit of delay.

And further, for the purpose of impressing still more strongly upon the Government of Peking the importance which the British Government attaches to this matter, and the urgent necessity which exists for an immediate as well as a satisfactory settlement thereof, the Commander of the Expedition has received orders that, immediately upon his arrival upon the Chinese Coast, he shall proceed to blockade the principal Chinese ports, that he shall intercept and detain and hold in deposit all Chinese Vessels which he may meet with, and that he shall take possession of some convenient part of the Chinese territory, to be held and occupied by the British Forces until everything shall be concluded and executed to the satisfaction of the British Government.

... The Undersigned has further to state, that the necessity for sending this Expedition to the Coast of China having been occasioned by the violent and unjustifiable acts of the Chinese Authorities, the British Government expects and demands that the expenses incurred thereby shall be repaid to Great Britain by the Government of China.

The decision to defend the opium traders by force was taken by Lord Palmerston, the foreign secretary. A wealthy aristocrat with large estates in Ireland, Palmerston was a believer in both Britain's imperial destiny and free trade. As foreign secretary for a total of 15 years under successive governments between the years 1830 and 1851, and then prime minister 1855–58 and 1859–65, he was one of the greatest influences on Britain's foreign policy during the 19th century. He was known for his willingness to use the might of the Royal Navy to settle disputes with other powers, which came to be known as '**gunboat diplomacy**'. The war with China that came to be known as the First Opium War was no exception.

The British Naval squadron, including the first British ocean-going steam-powered warship *Nemesis*, easily defeated the antiquated Chinese ships that opposed them, relieving Canton and putting themselves in a position to dictate terms to the Chinese emperor. In accordance with Palmerston's instructions to occupy a 'convenient part of the Chinese territory', the navy seized the island of Hong Kong in 1841, sparsely populated but blessed with one of the best deep-water harbours in the world.

Hong Kong was at first little more than a staging post for the Royal Navy, but was established as an *entrepôt* along similar lines as Singapore. The establishment of Hong Kong coincided with the Chinese government being forced to open new ports to foreign trade in addition to Canton. Hong Kong provided an ideal and secure location for large ocean-going vessels to offload their cargo without paying import tariffs. The goods could then be transferred to coastal and river traders for distribution to these ports. From around 15,000 in 1841, the population of Hong Kong grew to almost 300,000 in 1900. As the city grew, the British government pressured the Chinese government to allow the expansion of the settlement into Kowloon and then the New Territories through successive treaties.

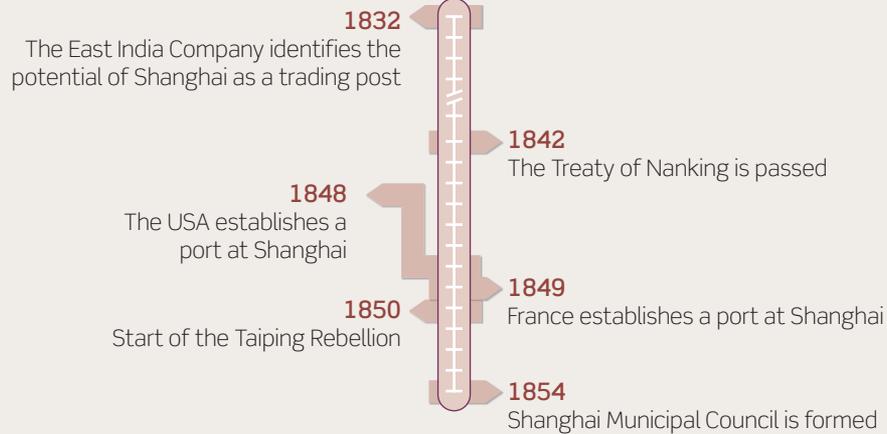
KEY TERM

Gunboat diplomacy

A means of conducting foreign policy by deliberately displaying naval power as a means of intimidation.

The opening up of Shanghai to trade, 1842

TIMELINE: SHANGHAI AND EMPIRE BUILDING



KEY TERM

Unequal treaty

The name given to any unequal treaty signed during the 19th and early 20th centuries between Western powers and China and Japan, usually following the latter nations' defeat at the hands of those Western powers during military engagements.

The Treaty of Nanking was signed in 1842, and was known by the Chinese as the first of the **'unequal treaties'** due to Britain's overwhelming display of naval strength. In the treaty, the Chinese government agreed to:

- pay 6 million silver dollars in compensation for the destroyed opium, 3 million in debts to British merchants in Canton, and 12 million in reparations to cover the cost of the war. The fine was to be paid within three years with interest of 5 percent annually applied to any late payments.
- cede the island of Hong Kong to the British in perpetuity.
- open the ports of Amoy, Foochow, Ningpo and Shanghai to foreign traders, in addition to lifting the restrictions in place at Canton. Import tariffs at these ports were to be standardised at the low rate of 5 percent.
- grant British citizens legal protections in China.

Of the new ports opened to trade, Shanghai was by far the most important. The city is situated at the mouth of China's largest river, the Yangtze, a navigable waterway of over 1,000 miles for ocean-going ships and further for river craft. Shanghai was already a principal trading port for China, and the British East India Company had identified it as a promising trading centre in 1832, but had been refused permission to trade there by the Chinese authorities. Under the terms of the Treaty of Nanking, British merchants were not only allowed to trade at Shanghai, but could now trade with anyone rather than a Hong monopoly, and could access the length of the Yangtze. The treaty did far more than just allowing more coastal trade, it opened up the interior of China. Shanghai was the gateway to this previously inaccessible territory.

Although Shanghai was technically still Chinese sovereign territory under Chinese law, the British established a settlement there that was effectively self-governing. Other powers soon followed, as the Chinese government's inability to resist the demands of foreign powers became clear. The Americans established a settlement in 1848 and the French in 1849. In 1854, businessmen from these settlements formed the Shanghai Municipal Council to co-ordinate services like road maintenance and waste disposal. The council, on which Chinese were not allowed to sit, grew in importance and, by the 1860s, it was effectively governing the city. This was a new development – a colonial city that was neither answerable to the country on whose territory it stood, nor under the control of an imperial power. Shanghai became known as an international city, governed by businessmen whose main preoccupation was trade.

Under this model, the opium trade boomed. Opium imports grew steadily, reaching an incredible 6,500 tons of opium in 1880. Although British merchants could now travel up the Yangtze to trade, it was generally easier to sell the opium to Chinese middlemen at Shanghai. This was partly because the authority of the Chinese emperor had been fatally undermined, and violence broke out in 1850

with the **Taiping Rebellion**. This quickly escalated into a full-scale civil war that lasted until 1864, during which time 20–30 million Chinese are estimated to have died. The international community at Shanghai was never seriously threatened by the warfare sweeping the Chinese countryside, due to the protection of modern gunboats and other weapons provided by Britain to safeguard their interests. Indeed, Shanghai businessmen benefited from the war, especially through arms sales to the embattled Chinese emperor. In addition, the British persuaded the Chinese government to outsource the collection of customs tariffs to them, a profitable enterprise that employed 3,000 people by the end of the 19th century.

KEY TERM**Taiping Rebellion**

A political and religious uprising that lasted for 14 years in China.

EXTEND YOUR KNOWLEDGE**Taiping Rebellion, 1850–64**

This was a 14-year-long political upheaval that took place in China and left over 20 million people dead. It was begun by a disaffected civil service candidate by the name of Hong Xiuquan, who believed himself to be the son of God and brother to Jesus Christ sent to reform the politically conservative Chinese state. The movement he established was known as the 'God Worshipper's Society' and its principles of shared property and wealth attracted thousands of impoverished farmers. In 1851, after a successful rebellion in Guangxi Province, Hong pronounced a new dynasty - 'Taiping Tianguo' ('Heavenly Kingdom of Great Peace'). In the years that followed, the movement spread through China but alienated the landowning classes who rallied behind the government and, along with British support, helped to defeat the rebellion by 1864.

ACTIVITY
KNOWLEDGE CHECK**Growing British trade routes**

- 1 a) Create a list of Britain's acquisitions between 1763 and 1875.
 - b) Explain how you feel they were useful to the British Empire.
- 2 Why did the government consider it vital that British merchants continued to sell opium in China, despite the opposition of the Chinese government?
- 3 Explain the rapid growth of *entrepôts* in the 19th century and their advantages over more traditional ports.

The purchase of Suez Canal shares, 1875

The narrow **isthmus** of Suez separating the Red Sea from the Mediterranean Sea had been of strategic military interest for some time. In 1798, Napoleon had invaded Egypt with the specific objective of attacking British commerce and threatening the trade routes to India and the East Indies. He considered the idea of building a canal, but was forced to abandon it when his surveyors informed him that the difference in sea level between the two seas made it impractical. In 1846, a French-led group of experts proved definitively that the difference in sea levels was in fact negligible, reviving interest in a canal as a commercial venture. In 1854, a French entrepreneur named Ferdinand de Lesseps obtained a concession from the Khedive of Egypt to construct a canal in return for a 99-year lease on its operation. Lesseps had been keen to attract international investment, but bankers in Britain, Germany and the USA would not commit large sums to the project. So a majority of the stock was sold in France, while the Khedive also invested heavily, purchasing 44 percent of shares in the company to ensure construction progressed.

KEY TERM**Isthmus**

A narrow strip of land with sea either side that acts like a bridge and links two larger pieces of land together.

Construction of the Suez Canal

Construction of the Suez Canal took ten years, from 1859 to 1869; it was excavated mostly by hand by tens of thousands of forced labourers. Financially, the Suez Canal was initially in a precarious position. Construction costs had been estimated at 200 million francs but had escalated due to disease and technical problems, and the canal was finally completed for 433 million francs. The commercial value of the canal was uncertain, as the Red Sea–Mediterranean route was only suitable for steamships – sail or sail-assisted steamers would not have the prevailing winds in their favour for much of the journey. In addition, political uncertainty in Egypt made investing in the canal a risky venture. When the canal opened, shipping passing through it was initially lower than expected at 436,000 tons in 1870, and its financial future was doubtful.

SOURCE

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A high-angle view of dredges at work on the Suez Canal, Egypt, in the 1860s.



Over time, however, the canal had a major impact on long-distance trade routes, especially to India. More powerful and reliable steamships had been replacing sailing ships on short-distance routes for decades, but sailing ships continued to dominate long-distance trade around the Cape of Good Hope because of the costly volumes of coal that long-distance steamers consumed on these routes. In 1868, only 2 percent of 1.1 million tons of shipping entering Britain from Asia was on steamships, compared to 60 percent of 7.5 million tons entering from Europe, North America and the Mediterranean. Because the canal was not practical for sailing ships, its opening meant that steamships became competitive on Asian trade routes for the first time. With the most industrialised dockyards, British shipping was the major beneficiary of this. Between 1868 and 1874, the steam tonnage entering British ports from Asia increased 178 percent and, by 1874, three-quarters of the tonnage passing through the canal was British.

The growing commercial benefit of the canal was matched by political concerns over the lack of British influence over its operation. With the canal rapidly becoming an indispensable lifeline to India and traditional sailing trade around Africa diminishing, the government faced the prospect of relying on French infrastructure to access India and other Asian colonies. There was no evidence of any actual restrictions on British shipping, but the potential for this to occur in future, fuelled by memories of Napoleon, was deeply worrying.

An opportunity to acquire influence in the canal arose in 1875 when the heavily indebted Khedive was forced to sell his stock in the canal to meet the demands of his creditors. When the well-connected British prime minister, Disraeli, heard of this, he acted immediately to procure the shares on behalf of the British nation by borrowing money from **Rothschilds** at short notice. In this way, he was able to acquire the Khedive's shares for £4,000,000 without issuing government bonds or informing parliament. This proved to be a canny investment, as dividends on the shares gradually increased from 4.7 percent in the first five years to 33 percent in 1911, when tonnage passing through the canal reached 18,324,000 tons. Although it was ostensibly a financial transaction, Disraeli did not see the purchase of Suez Canal shares as a commercial investment. He explained it to parliament and the public as a way to secure a 'great hold' over Egypt and to secure 'a highway to our Indian empire'. In a marked departure from earlier rationalisations of colonial expansion in the 19th century, Disraeli openly admitted that his intention was to advance Britain's geopolitical interests rather than deliberately provide the nation with financial gains; in the case of the Suez Canal, its acquisition was more strategic rather than exploitative.

This development of imperial policy was not uncontested. Both the fact that Disraeli had purchased shares for the British nation and the manner in which he had done so were controversial. The prime minister had acted without the approval of parliament to borrow a large sum of money from a private bank, and Disraeli was criticised in the House of Commons by Gladstone and others for acting unconstitutionally. Gladstone also warned that Britain now risked being drawn into political intrigues and military adventures in Egypt to protect the investment. This is precisely what happened when, with Gladstone as prime minister, Britain occupied Egypt to protect British interests in 1882. In 1875, however, Disraeli was able to brush off such warnings and with the queen and the public firmly behind him, he emerged from the episode triumphant.

SOURCE

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From a speech by Benjamin Disraeli to the House of Commons Supply Committee. It relates to the British purchase of shares in the Suez Canal. Disraeli's government had already purchased the shares in 1875 by borrowing money from Rothschild's bank without parliamentary approval. Less than six years after this debate, Britain invaded and occupied Egypt in defence of British interests.

The noble **Lord** himself has expressed great dissatisfaction, because I have not told him what the conduct of the Government would be with regard to the Canal in a time of war. I must say that on this subject I wish to retain my reserve. I cannot conceive anything more imprudent than a discussion in this House at the present time as to the conduct of England with regard to the Suez Canal in time of war, and I shall therefore decline to enter upon any discussion on the subject.

... What we have to do to-night is to agree to the Vote for the purchase of these shares. I have never recommended, and I do not now recommend this purchase as a financial investment. If it gave us 10 per cent of interest and a security as good as the **Consols**, I do not think an English Minister would be justified in making such an investment; still less if he is obliged to borrow the money for the occasion. I do not recommend it either as a commercial speculation, although I believe that many of those who have looked upon it with little favour will probably be surprised with the pecuniary results of the purchase. I have always, and do now recommend it to the country as a political transaction, and one which I believe is calculated to strengthen the Empire. That is the spirit in which it has been accepted by the country, which understands it though the two right hon. critics may not. They are really seasick of the '**Silver Streak**'. They want the Empire to be maintained, to be strengthened; they will not be alarmed even it be increased. Because they think we are obtaining a great hold and interest in this important portion of Africa—because they believe that it secures to us a highway to our Indian Empire and our other dependencies, the people of England have from the first recognized the propriety and the wisdom of the step which we shall sanction tonight.

The acquisition of Zanzibar, 1890

The city of Zanzibar had developed an *entrepôt* model well before British involvement. As a possession of the Sultanate of Oman, Zanzibar became a hub where goods were bought from coastal traders and then loaded onto ocean-going ships for transport to the Middle East and India. The trade relied mainly on slaves and ivory, and Zanzibar's influence extended deep into East Africa with a network of trade routes channelling these towards the coast. In the 1830s, the sultans moved their capital to Zanzibar and created the Sultanate of Zanzibar, an indication that the city had grown in wealth and importance.

KEY TERM

Rothschilds

A banking family that began operations in Frankfurt in the 1760s. By the 19th century, the Rothschilds had branches across Europe and were the wealthiest family in the world. The English branch of Rothschilds profited hugely by lending money to the British government throughout the Napoleonic Wars, and later financed imperialist projects like the Suez Canal share purchase (1875) and the foundation of the British South Africa Company (1889).

A Level Exam-Style Question Section C

To what extent was the acquisition of the Suez Canal a new departure for British trading policy in the years 1763–1914? (20 marks)

Tip

Consider the motivations for acquiring the canal and identify whether you feel these motivations were any different from earlier actions. Did the canal offer anything different at all?

KEY TERMS

Lord

Lord Hartington, the eldest son of the Duke of Devonshire and so sat in the House of Commons, where he was Leader of the Liberal Opposition at this time.

Consols

Short for 'consolidated annuities', British government bonds issued by the Bank of England. With interest rates guaranteed by the British government, they are extremely secure investments.

'Silver Streak'

The English Channel. Disraeli is speaking pejoratively about politicians who opposed overseas interventions and advocated staying behind the Channel.

British influence in the region began to increase after 1815, but was not territorial in nature. The main British concerns were initially limited to safeguarding the trade route around the Cape to India and suppressing the slave trade. This was achieved through the diplomatic efforts of consular officials at key ports, backed by the Royal Navy where necessary. Royal Navy squadrons were fairly ineffective at intercepting slavers in the vast Indian Ocean, but their intimidating presence allowed the British to influence local rulers. This pressure was applied to Zanzibar, where approximately 50,000 slaves were traded annually. In 1822, the British persuaded the sultan to ban the export of slaves from Zanzibar, although slaves could still be imported from Africa and put to work on plantations. A total ban on slavery would not be achieved until 1873, again due to British pressure. Through their efforts to abolish the slave trade, British diplomats were drawn into Zanzibar's domestic politics, supporting candidates for sultan who were favourable to British interests and blocking those who were not.

The loss of the slave trade decreased the traditional importance of Zanzibar as a slave port for the Arabian peninsula and, in 1861, the sultan lost control of Oman through a British-adjudicated settlement, which split his territory and granted Oman to his brother. By contrast, Zanzibar increased its status as a valuable *entrepôt* on the route between India and Europe where merchants could acquire African ivory and rubber, or cloves and other spices grown on Zanzibar's plantations. Between 1859 and 1879, the volume of European and American shipping docking at Zanzibar grew from 65 ships and 18,877 tons to 96 ships and 95,403 tons. Most of this shipping was British, an indication of the dominance of British merchants in the Indian Ocean. Influenced by European powers, the sultan kept tariffs low and, in 1844, signed a treaty fixing import duties at a reasonable 5 percent. It appeared that as a useful port where European merchants were welcome, Zanzibar would retain its independence as an Islamic state, albeit under British influence.

East Africa, where the sultan exercised a limited trade-based authority over local rulers, was not particularly attractive for European investors or governments. Without a large river system, railways would be required to transport goods to the coast, and that would require significant capital investment. Investors in Europe were unwilling to provide much funding to speculative projects, and their governments refused to either take on the concessions as colonies (which would incur the costs of administering them) or to fund the development of railways to make the region profitable.

German expansion and the British East Africa Association

A new type of imperialist was emerging however, driven more by status and patriotism than by commercial gain. Several of these imperialist entrepreneurs had managed to negotiate trade concessions in East Africa, but these ventures failed due to lack of capital. This position changed with a German initiative headed by Karl Peters in 1884, which again obtained trading concessions on the mainland. Peters had only managed to secure £8,750 start-up capital for his intended East German Trading Company, mostly from small investors with imperial dreams; big investors and banks stayed well clear. It is likely that the company would have folded but, unlike previous ventures, Peters was successful in obtaining government support. The German chancellor Bismarck had previously been reluctant to involve Germany in colonial expansion. In 1885, he reversed this policy and published a declaration that Peters was under imperial protection. Peters used this to attract a little more funding, but the company's future remained uncertain until 1887 when Bismarck persuaded the Kaiser to invest £25,000 of his personal fortune; other investors were quick to follow. It would be some time before there was any real money made however, as it was not until 1904 that the government sponsored the construction of a railway into the interior.

German expansion changed the British position in East Africa. William Mackinnon, the wealthy owner of the Zanzibar–Aden steamship service, had tried to set up a trading company there in 1878; he negotiated an exclusive trade concession with the sultan in return for a 20 percent share of profits, but did not progress with the venture as he could not secure government support. Once the Germans were establishing themselves, he was encouraged to have another go. Mackinnon obtained another concession and raised £250,000 for a 'British East Africa Association', although as with the German company this funding was not from big commercial investors. The biggest investor in the association was Mackinnon himself with £25,000; the remainder came mainly from ardent imperialists and evangelical or anti-slavery philanthropists.

The association never made money; by 1892 its expenditure was £85,000 and income only £35,000. What it did achieve was to secure a foothold for British interests in East Africa, a region that was becoming increasingly important to the government's imperial strategy. The idea of establishing

colonies in Africa's interior was becoming attractive in order to safeguard the upper reaches of the Nile and, therefore, Britain's increasingly permanent-looking occupation of Egypt. In retrospect, it seems highly unlikely that any other powers could have used this region in any way to force the British out of Egypt, but at the time theories about the potential to divert the Nile to starve Egypt were taken seriously. Despite the dire financial position of the association, the government established a series of East African protectorates in 1895 and funded a railway from Mombasa to Uganda in 1896. In this period, the 'scramble for Africa' colonisation had acquired its own logic that went far beyond the largely commercial interests of earlier imperialists.

As Britain and Germany vied for a strategic advantage on the mainland, the sultan's rights to territory there were effectively ignored, despite controlling the area for 200 years. Britain and Germany carved up the region in an 1890 treaty, where Germany gave up any rights in Zanzibar in exchange for a small island in the North Sea. In the same treaty, the British established a protectorate in Zanzibar. The Zanzibaris were not involved in these negotiations, despite this effectively ending the independence of the Sultanate. The British prime minister, Lord Salisbury, patronisingly stated that **protectorate** status was 'more acceptable for the half civilised races and more suitable for them' than a full colonial status, as well as being cheaper. However, there was no doubt as to who was in charge. In 1896, the pro-British sultan died and his cousin seized power. The British had preferred another candidate and bombarded the city. There were 500 Zanzibari casualties and one British sailor was injured; the encounter lasted 38 minutes and is known as the shortest war in history.

SOURCE

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Rear Admiral H.H. Rawson, who was in charge of the Royal Navy during the Anglo-Zanzibar War in 1896, known as the shortest war in history.



KEY TERM

Protectorate

A relationship status between two countries that allows the smaller power in the relationship a degree of autonomy while being under the protection and general control of the stronger one. Under this relationship, often the protecting power also has significant influence over the decisions made by the smaller one.

The lease of Weihaiwei, 1898

The casual acquisition of Zanzibar had shown that the concerns or status of traditional rulers were increasingly unimportant in British government policy considerations. The power imbalance between industrialised countries and the rest of the world by the end of the 19th century was huge, with machine guns, artillery and ironclad warships enabling small numbers of men to easily defeat traditional military forces. Local rulers without industrial production systems scrambled to purchase modern weapons, but these were expensive and quickly became obsolete.

By contrast, Britain's advantage as the first industrialised country was rapidly eroding, as the technological innovations of the Industrial Revolution spread. France, Germany, the USA and Japan were quickly developing as major powers able to challenge British supremacy. The Russian Empire was slow to industrialise and had very low productivity compared to these countries, but was still regarded as a Great Power due to the sheer size of its territory and army. The Russian and British Empires were strategic opponents for most of the 19th century, although the Crimean War (1853–56) was the only major conflict between them. Of particular concern to Britain was Russia's expansion in central Asia, well away from the oceans dominated by the Royal Navy. Russia was the only power capable of threatening British India by land, and the two powers engaged in an economic and political struggle known as **the 'Great Game'** in which rulers of countries like Afghanistan and Persia were the pieces. After a succession of diplomatic crises in Afghanistan, a border agreement between the two empires was reached in principle in 1893 and finalised in 1895.

KEY TERM

The 'Great Game'

A term given to the political and economic rivalry between the Russian and British Empires for supremacy in central Asia during the 19th century.

Russian interests

Simultaneously, the tsar was seeking to expand the Russian Empire in the East, where the lack of a warm-water port had prevented much Russian involvement in the opening up of China through the opium trade. Russia made some territorial advances in Chinese Turkistan, but abandoned these when threatened with war by China in 1881. Previously powerless to resist incursions, the Chinese government had embarked on a military modernisation programme, buying hundreds of thousands of modern rifles and other military equipment from Germany. In the 1880s, China also commissioned German engineers to build a coastal fortress at Port Arthur to control the Yellow Sea, which soon became a focal point for international tension. Japan, which had itself rapidly industrialised and was seeking to expand its influence, captured the port in 1894 after decisively defeating Chinese forces based in Korea.

The Russian Empire saw this as an opportunity to obtain the strategic port it desperately needed. Russia persuaded France and Germany to support an intervention to force Japan to withdraw from the area. Both powers agreed in return for promises of Russian support for their own interests in China. Together, the three powers had 38 ships totalling 95,000 tons in the region, compared to Japan's navy of 31 ships totalling 57,000 tons. This time it was Japan that backed down, evacuating Port Arthur in December 1895. Legally the port was now returned to China, but the Chinese were unable to protect it effectively, and they were persuaded to lease it to Russia from 1898 rather than risk a Japanese return.

These developments were of extreme concern to the British government, which had stayed neutral when Japan was being forced out of Port Arthur. Already in possession of a strategic port at Hong Kong to the south, Britain was reluctant to get involved in a power struggle between China, Japan and Russia for Port Arthur. On the other hand, Russia's success in securing the port raised prospects of a new 'Great Game' to protect British interests in China. The British government's response was to demand another port from the Chinese government from which the Royal Navy could oversee developments in Port Arthur. This was secured in 1898 through the lease of Weihaiwei.

The lease of Weihaiwei is significant because it demonstrates how far British colonial interests had come from their commercial beginnings. Although the lease was ostensibly for 'the better protection of British commerce', the port had no commercial value and British shipping was far better served by the Royal Navy squadron at Hong Kong. The true function of the lease is revealed by its duration: 'for so long a period as Port Arthur shall remain in the occupation of Russia'. In East Africa, the British had established unprofitable British protectorates to prevent the expansion of unprofitable German ones. At Weihaiwei, Britain seized the nearest harbour it could find to Port Arthur just in case it turned out to be useful in countering Russian development.

SOURCE

From the convention for the lease of Weihaiwei, 1898. The agreement was signed at Peking on 1 July 1898 and ratified in London on 5 October 1898.

In order to provide Great Britain with a suitable naval harbour in North China, and for the better protection of British commerce in the neighbouring seas, the Government of His Majesty the Emperor of China agrees to lease to the Government of Her Majesty the Queen of Great Britain and Ireland Weihaiwei in the province of Shantung and the adjacent waters, for so long a period as Port Arthur shall remain in the occupation of Russia.

The territory leased shall comprise the island of Liu Kung and all other islands in the Bay of Weihaiwei, and a belt of land ten English miles wide along the entire coast line of the Bay of Weihaiwei. Within the above mentioned territory leased Great Britain shall have sole jurisdiction.

Great Britain shall have in addition the right to erect fortifications, station troops, or take any other measures necessary for defensive purposes, at any points on or near the coast of the region east of the meridian one hundred and twenty-one degrees, forty minutes east of Greenwich, and to acquire on equitable compensation within that territory such sites as may be necessary for water supply, communications and hospitals. Within that zone Chinese administration shall not be interfered with, but no troops other than Chinese or British shall be allowed therein.

EXTRACT

From Ronald Hyam, *Britain's Imperial Century, 1815–1914: A study of empire and expansion*, written in 2002.

Britain controlled Europe's access to much of the outside world, and during the eighteenth century wars locked its rivals up in Europe and out-ran them in the extra-European race. Moreover, being outside the continent, Britain was not tempted as were continental states to associate power or security with subduing Europe to its hegemonic authority. Initially involved in seaborne commercial expansion, the British became by a most extraordinary achievement the ruler of India (or much of it), and thus an Asian land-based empire, rather than an uncomplicated thalassocratic [maritime] one. This transition brought the imperial system, in the North-West frontier of India, hard up against one of the world's other fundamental and unyielding geopolitical facts, Russian dominance of the Eurasian 'heartland'. This rivalry, the 'Great Game', was something which 'provided a world role for the British empire'. The possession and defence of India, the need to ensure communications with it, and the fear of the French which followed from this, were quintessential concerns of the British Empire. A 'geopolitical template' was drawn during the Napoleonic Wars. It continued to govern British official thinking about the Middle East and the Mediterranean right through to the Suez fiasco of 1956.

At the height of late-nineteenth-century geopolitical nervousness, Lord Salisbury came to the conclusion that 'the constant study of maps is apt to disturb men's reasoning powers'. Strategists, he commented ruefully, 'would like to annex the moon in order to prevent it being appropriated by the planet Mars'.

A Level Exam-Style Question Section C

To what extent did economic interests govern the expansion of the British Empire during the years 1763–1914? (20 marks)

Tip

When answering this question, you should consider the manner in which the British Empire developed. Did motivations for its expansion change over the period and under what context did this expansion take place?

Convergence and divergence

Technological progress, 1763–1914

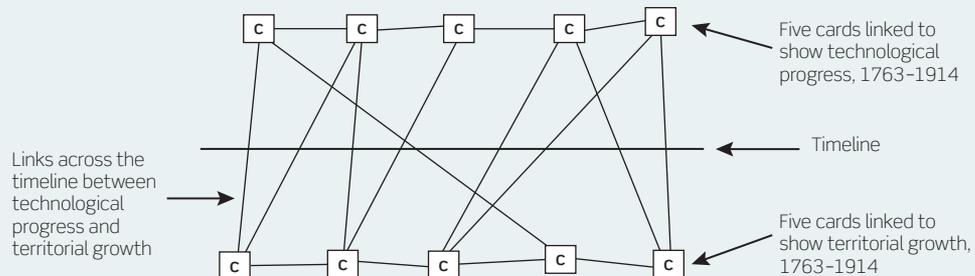
1781	1820	1830	1833	1869
Cotton mill: James Watt files patent for steam engine to drive cotton machines.	Medicine: Quinine isolated as active ingredient for malarial treatment.	Railways: First inter-city route from Liverpool to Manchester opened.	Ocean-going steamships: SS <i>Savannah</i> makes first Atlantic crossing largely under steam power.	Suez Canal: Franco-Egyptian construction project completed.

Territorial growth, 1763–1914

1819	1833	1858	1882	1890
Singapore: Colonised despite Dutch protests.	Falkland Islands: Disputed but peaceful acquisition.	India: Formal acquisition from East India Company.	Egypt: Occupied after Anglo-Egyptian War.	East Africa: Partition with Germany agreed.

- 1 Draw a timeline across the middle of a landscape piece of A3 paper. Cut out ten small rectangular cards and write the above changes on them. Then place them on the timeline with technological changes above the line and territorial changes below. Make sure there is a lot of space between the changes and the line.
- 2 Draw a line and write a link between each change within each strand, so that you have five links that join up the changes in the technological part of the timeline and five that join the territorial changes. You will then have two strands of change: technological and territorial.
- 3 Now make as many links as possible across the timeline between technological change and territorial change. Think about how they are affected by one another and think about how things can link across long periods of time.

You should end up with something like this:



Answer the following:

- 4 How far do different strands of history interact with one another? Illustrate your answer with two well-explained examples.
- 5 At what point do the two strands of development converge (i.e. when do the changes have the biggest impact on one another)?
- 6 How useful are the strands in understanding the evolution of trade routes during the 18th and 19th centuries?

ACTIVITY
KNOWLEDGE CHECK**Colonial acquisitions**

- 1 Why did the government attach progressively less importance to the sovereignty of non-developed countries?
- 2 Why did Britain begin to acquire colonies that had no immediate economic benefit?

ACTIVITY
SUMMARY**Trade and empire**

- 1 Summarise the role of trade in losing and gaining colonies between the years 1763 and 1914.
- 2 a) How did Britain's colonial acquisitions between 1819 and 1898 reflect changes in the attitude of British leaders towards the Empire?
b) In your opinion, what was the cause of this changing attitude?

**WIDER READING**

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