London's Overseas Trade with Europe 1700-1775

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In recent years, it has been increasingly established that London played an important role in the development of the English economy in the decades prior to England's industrial revolution [1]. At a time when London was the major port in the country, the growth of the capital's overseas trade and her general commercial expansion had important implications, not just for the English economy but for the whole 'Atlantic economy' of which London was a crucial centre [2]. London's external and internal trade, her shipping industry, her merchant enterprise and her financial expertise and infrastructure all developed rapidly in the XVIIIth century, helping to fuel the early stages of economic development [3]. At the same time, the geographical centre of London's commercial activity was shifting away from

[1] See for example E. A. Wrigley, «A Simple Model of London's Importance in Changing English Society and Economy, 1650-1750», *Past and Present,* 37 (1967), pp. 44-70; P. Clark and P. Slack, *English Towns in Transition 1500-1700* (Oxford: Oxford University Press, 1976), chapter 5; P. J. Corfield, *The Impact of English Towns 1700-1800* (Oxford: Oxford University Press, 1982), chapter 5. However, London's role in the English economy is significantly played down in P. Bairoch, *Cities and Economic Development* (London: Mansell, 1988), chapter 15, especially pp. 248-50.

[2] The need to examine London's (and Britain's) commercial expansion in an international context — and in particular in an Atlantic context — has recently been emphasised by C. H. Lee, *The British Economy Since 1700* (Cambridge: Cambridge University Press, 1986), pp. 121-23; and J. J. McCusker and R. Menard, *The Economy of British America 1607-1789* (Chapel Hill: University of North Carolina Press, 1985), pp. 7-8 and 86-7.

[3] For an analysis of the importance of these activities see J. M. Price, «What Did Merchants Do? Reflections on British Overseas Trade, 1660-1790», *Journal of Economic History,* XLIX (June 1989), pp. 267-84.

Europe towards the Atlantic and Indian Oceans, and, quite correctly, historians have emphasised the extent and importance of this "commercial revolution" in the XVIIIth century [4] However, it is also important not to neglect London's European trade at this time, since, although not growing as rapidly as London's colonial trades, European trade still had a role to play in London's XVIIIth century commercial development. Although between 1699/1701 and 1772/74 London's European imports and exports only increased by 6.5% and 7.4% respectively, her re-exports increased by 104%, whilst on the eve of the American War of Independence Europe still accounted for 35% of all imports entering London, and 35% of all exports and 67% of all re-exports leaving London. Europe may well have lost some of its importance as a branch of London's trading network by the late XVIIIth century but, quite clearly, the capital still had significant trading connections with all areas of Europe [5].

The aim of this current analysis is to show how these trading connections developed during the first three-quarters of the XVIIIth century at a time when overseas trade was becoming a significant factor in general economic expansion [6]. To what extent did London's trade with Europe decline? What were the causes of decline? Were

[4] Since it influenced England's (not just London's) overseas trade as a whole especially in the years after 1750. See, for example, W. E. Minchinton (ed.), *The Growth of English Overseas Trade in the 17th and 18th Centuries* (London: Methuen, 1969), pp. 30-1; R. Davis, «English Foreign Trade, 1770-1774», reprinted in Minchinton, *The Growth of English Overseas Trade,* pp. 99-120; R. P. Thomas, «Overseas Trade and Empire 1700-1860», in R. Floud and D. McCloskey (eds), *The Economic History of Britain Since 1700. Volume 1: 1700-1860* (Cambridge: Cambridge University Press, 1981), pp. 90-1.

[5] As, of course, did the country as a whole: see Minchinton, *The Growth of English Overseas Trade,* p. 26.

[6] On the positive relationship between England's XVIIIth century overseas trade and commerce and general economic development see Minchinton, *The Growth of English Overseas Trade,* pp. 36-52; C. P. Kindleberger, «Commercial Expansion and the Industrial Revolution», *Journal of European Economic History,* IV (1975), pp. 613-54; F. Crouzet, «Towards an Export Economy: British Exports During the Industrial Revolution», *Explorations in Economic History,* 17 (1980), pp. 77-92; Thomas, «Overseas Trade and Empire», pp. 99-102. But note the reservations of Bairoch *Cities and Economic Development,* pp. 246-7, and P. O'Brien, «European Economic Development: The Contribution of the Periphery», *Economic History Review,* XXXV (February 1982), pp. 1-18.

there variations between different European regions? The analysis will focus on such questions, highlighting the gradual decline in the relative importance of Europe as a source of London's imports and as a market for London's exports and — to a much lesser extent — for London's re-exports of colonial goods such as tobacco, and it will detail the fluctuations in London's trade with all major European areas.

II

The data on which this analysis is based has been constructed from a systematic examination of the Inspector-Generals' Ledgers of Imports and Exports held in the Public Record Office, Kew, and also available on microfilm [7]. These are an invaluable source for historians of England's (and in particular London's) [8] overseas trade in the XVIIIth century, since, despite the necessary warning that "great problems confront any historian trying to quantify the British economy between 1700 and 1831" [9], the Ledgers do enable us to quantify major aspects of England's overseas trade. The volumes cover the years from 1696 to 1780 (those for 1705 and 1712 are missing) and they give the quantities of all imports and exports to and from London or the outports (as a whole) specifying the country of origin or the country of destination. These quantities are also multiplied by fixed values which — with one or two exceptions — remained unchanged throughout the period covered by the Ledgers, thereby reducing all legitimate trade involving London or the outports to a common denominator — pounds sterling. Summary

[7] Under the PRO classification Customs 3 covering the years 1696 to 1780. The microfilm version of Customs 3 is accompanied by the following introduction: W. E. Minchinton and C. J. French, *Introduction* to the microform edition of *Customs 3 1696-1780 in The Public Record Office, London* (EP Microform Ltd, 1974), pp. 1-33.
[8] Since the London Port Books for the XVIIIth century were destroyed in the 1890s: see N. Williams, «The London Port Books», *Transactions of the London and Middlesex Archaeological Society,* XVIII (1955), p. 13 and note 2.
[9] J. Hoppit, «Counting the Industrial Revolution», *Economic History Review,* XLIII (May 1990), p. 184.

tables in each Ledger give the value of trade (at fixed prices) between London or the outports and all other countries.

Many warnings have been given as to the problems involved in using the Ledgers and as to the questions they can or cannot help to answer [10]. For example, although the original intention of the policy-makers who instituted the collection of these trade statistics was to arrive at an accurate assessment of the balances of trade between England and all other countries, it was quickly realised that this was impossible. Henry Martin (Inspector-General from 1714 to 1721), for example, argued persuasively in 1717/18 to the Board of Trade that it was impossible to calculate the balance of trade between England and her trading partners [11].

In a later essay, Martin stressed that one of the major problems in such an exercise was the fact that since the early XVIIIth century:

> "...the inspector hath valued both imports and exports by fixd and standing prizes of every species of goods not at the prizes by which the former was bought and the latter sold, which alone are the proper values to give an exact balance of our trade." [12]

Secondly, the use of fixed values means that the official values of trade given in the Ledgers gradually diverged from the real values of trade, so that by the end of the century the official values bore very little relationship to the real values of trade. This problem, however, became most acute after 1775 when prices began to rise, and when certain commodities such as coffee were noticeably overvalued on

[10] In particular see G. N. Clark, *Guide to English Commercial Statistics 1696-1782* (London: Royal Historical Society, 1938), pp. 1-42; T. S. Ashton, *Introduction* to E. B. Schumpeter, *English Overseas Trade Statistics, 1697-1808* (Oxford: Clarendon Press, 1960), pp. 9-22; McCusker and Menard, *Economy of British America*, pp. 73-6.
[11] For all of Martin's arguments see document III reprinted in Clark, *Guide*, pp. 62-9.
[12] Henry Martin, «An Essay Towards Finding the Balance of our Whole Trade Annually from Christmas of 1698 to Christmas 1719», p. 69 as reprinted in Clark, *Guide*, pp. 69-149.

re-exportation [13]. Moreover, the use of official fixed values of trade does enable developments in London's (or the outports') trade between different geographical areas to be analysed over time unhampered by price fluctuations [14]. Or as Deane and Cole concluded when they revalued England's trade at 1796-98 prices and compared their results with England's trade at official values: "...the comparison does suggest that we are justified in regarding the official values as a rough index of secular changes in the volume of trade" [15].

In addition, of course, the Ledgers are indispensable for any discussion of the actual quantities of individual commodities involved in England's overseas trade [16]. In the current study, however, it is the Ledgers' fixed values of trade which have been analysed once two main adjustments — which could distort the figures — had been made: (i) to account for the changes in the valuations of woollens implemented in 1709 [17]; and (ii) to exclude all coin and bullion figures from the export data [18].

Having done this, the material is presented in the form of three figures showing:

[13] Ashton, *Introduction* to Schumpeter, *English Overseas Trade Statistics,* p. 8; Crouzet, «Towards an Export Economy», p. 49. For an attempt to revalue English exports at current prices see J. J. McCusker, «The Current Value of English Exports, 1697-1800», *William and Mary Quarterly,* 3rd ser., 28 (Oct. 1971), pp. 607-28.

[14] This advantage was recognised by contemporaries one of whom argued that: «(I)t is unnecessary to remark, that the value of the imports and exports, which was calculated from the Custom-House accounts, is not perfectly exact, owing to well-known causes; but they are allowed to be sufficiently accurate to answer in general the important purpose of comparison between distant periods, and of contrast between different countries.» See John Holroyd, Lord Sheffield, *Observations on the Commerce of the American States* (1784), (Reprinted New York: Augustus M. Kelley, 1970), pp. 223-4.

[15] P. Deane and W. A. Cole, *British Economic Growth, 1688-1959* (2nd ed. Cambridge: Cambridge University Press, 1967), pp. 43-4; Crouzet, «Towards an Export Economy», p. 49.

[16] For an example see C. M. Foust, «Customs 3 and Russian Rhubarb. A Note on Reliability», *Journal of European Economic History,* 15 (Winter 1986), pp. 549-62.

[17] For details see C. J. French, «The Trade and Shipping of the Port of London 1700-1776», (unpublished Ph.D. thesis, University of Exeter, 1980), Appendix 1, pp. 308-20.

[18] For details see French, «Trade and Shipping», pp. 16-17.

(a) Imports into London from Europe and from each European area.

(b) Exports out of London to Europe and to each European area.

(c) Re-exports out of London to Europe and to each European area.

And three tables showing:

(a) The average value of imports into London from each European area for eight 3-year periods selected from every decade and distinguishing between years of peace and years of war.

(b) The average value of exports out of London for each European area for eight 3-year periods selected from every decade and distinguishing between years of peace and years of war.

(c) The average value of re-exports out of London for each European area for eight 3-year periods selected from every decade and distinguishing between years of peace and years of war.

Each area is made up of the following areas or regions:

North West Europe: Flanders, France, Germany, Holland.

North Europe: East Country, Denmark, Greenland, Norway, Russia, Sweden.

Southern Europe and the Mediterranean: Canaries, Italy, Madeira, Portugal, Spain, Streights, Turkey, Venice.

(a) Imports

The annual series of imports into London from Europe is given in Figure I along with those from each European area. London's European imports tended to stagnate during the war of 1702-13 [19], reaching their trough in 1710, when they were valued at only £ 1,857,000 [20] compared with £ 3,107,000 on the eve of the war in 1701 [21]. During the war, imports from Spain, France and Flanders

[19] For the stagnation of English imports at this time see T. S. Ashton, *Economic Fluctuations in England, 1700-1800* (Oxford: Oxford University Press, 1959), p. 58.
[20] Customs 3/13.
[21] Customs 3/5.

often dropped to zero — e.g. in 1703 and 1704[22]. Problems in these markets were generally compensated for by a high level of imports from Germany and Holland, especially as much French wine, for example, was redirected and continued to reach London via Holland[23]. When these also fell, however, — for example imports from Germany fell from a value of £ 836,173 in 1707 to £ 443,733 in 1710[24] — imports into London from Europe reached their lowest point of the XVIIIth century. The trend was then upwards until the mid-1730s[25], when another depression set in[26] — a depression made worse by the outbreak of war in 1739, and reaching its trough in 1744-46. One contemporary blamed this down-turn on such factors as high taxes (especially customs duties) which increased costs and encouraged smuggling; the restrictions imposed on trade by London's monopolies; ill-judged laws; and the large national debt[27]. Imports into London from Europe in 1746 were valued at £ 2,288,000[28] — their lowest level since 1710 — and although they then rose to fluctuate around the £3m mark during the late 1740s and 1750s, it was not until the end of the Seven Years War that European imports into London entered another ten years of buoyancy, halted in 1773 by a financial crisis at home and war between Turkey and Russia[29].

[22] Customs 3/7 and 8. But smuggling continued, and even prospered during wartime. Even though in the official statistics for 1704 imports from France to England are recorded as zero, «(t)he House of Lords enquiry into the clandestine trade in 1704 examined witness who declared that they had seen as many as fifteen ships in Bordeaux mostly from the West Country, Scotland and Ireland, loading brandies and wines; ...», A. D. Francis, *The Wine Trade* (London: Adam and Charles Black, 1972), p. 125.

[23] On the use of Dutch ports as entrepots for French goods bound for England in the wars of the XVIIIth century see Francis, *Wine Trade,* p. 124, and A. C. Carter, «Britain as a European power, from her Glorious Revolution to the French Revolutionary War», in J. S. Bromley and E. H. Kossman (eds), *Britain and the Netherlands in Europe and Asia* (London: Macmillan, 1967), p. 125.

[24] Customs 3/10 and 13.

[25] For the growth of imports into England in the late 1720s see Ashton, *Economic Fluctuations,* p. 59.

[26] As it did for English imports as a whole in 1734: see Ashton, *Economic Fluctuations,* p. 59.

[27] Sir Matthew Decker, *An Essay on the Causes of the Decline of the Foreign Trade* (2nd ed., London, 1750), pp. 5-67.

[28] Customs 3/46.

[29] Ashton, *Economic Fluctuations,* p. 61.

Figure 1
London's Import Trade (£s) 1699-1775

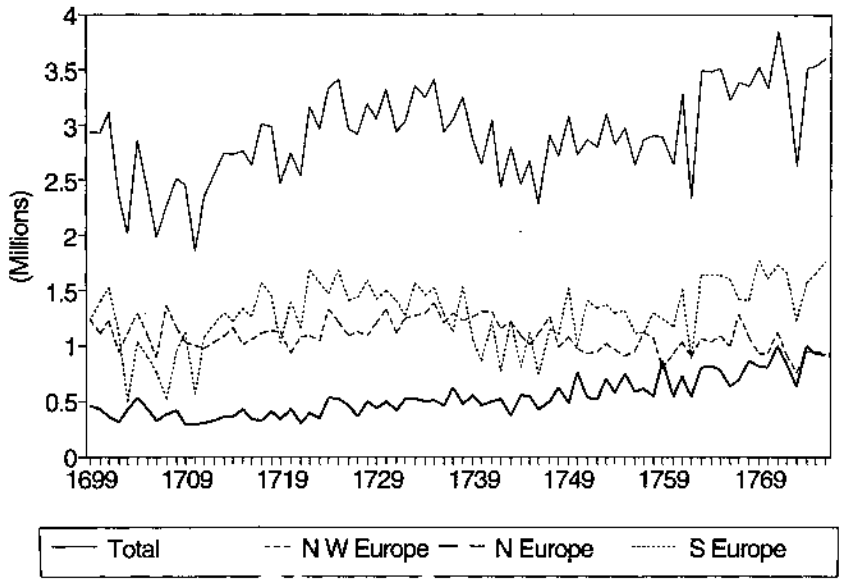


Table I

London's Import Trade 1699-1774
(£000s, three-yearly averages)

Period	North West Europe	North Europe	Southern Europe	Total Europe	Other	Total
1699-1701	1,197 (25.6)	415 (8.9)	1,381 (29.6)	2,993 (64.1)	1,674 (35.9)	4,667
1709-1711	1,004 (30.2)	297 (9.0)	920 (27.7)	2,221 (66.9)	1.077(32.4)	3,320
1722-1724	1,157 (21.3)	421 (7.7)	1,575 (28.9)	3,153 (57.9)	2,291 (42.1)	5,444
1732-1734	1,273 (21.8)	508 (8.7)	1,430 (24.5)	3,211 (55.0)	2,616 (44.9)	5,827
1742-1744	1,155 (22.7)	479 (9.4)	932 (18.3)	2,566 (50.4)	2,352 (46.2)	5,092
1752-1754	975 (16.3)	596 (10.0)	1,338 (22.4)	2,909 (48.7)	3,057 (51.2)	5,966
1760-1762	958 (14.5)	604 (9.2)	1,191 (18.1)	2,753 (41.8)	3,655 (55.5)	6,588
1772-1774	875 (9.6)	826 (9.1)	1,486 (16.4)	3,187 (35.1)	5,882 (64.9)	9.069

Sources: PRO Customs 3/3-5 (1699-1701); Customs 3/12-14 (1709-11); Customs 3/24-26 (1722-24); Customs 3/32-34 (1732-34); Customs 3/42-44 (1742-44); Customs 3/52-54 (1752-54); Customs 3/60-62 (1760-62); Customs 3/72-74 (1772-74).
Notes: (a) A three-yearly average is defined as the annual average of a three yearly period. (Also applies to Tables II, III and IV).
(b) Figures in brackets are percentages of total London imports.
(c) Goods taken as prize during wars and not included in the table except in the total column were as follows: 1709-11: £ 22,000 (0.7%); 1742-44: £ 174,000 (3.4%); 1760-62: £ 180,000 (2.7%).
(d) Other includes British Islands (Scotland before 1707, Ireland and the Channel Islands); British West Indian Colonies; foreign West Indian Colonies when incorporated into the British Empire; American mainland colonies; East India. (Also applies to Tables II and III).

The pattern of imports into London from each European area is also presented in Figure I and this, together with the more detailed data presented in Table I, shows clearly what was happening to each branch of London's European import trade.

Imports from North West Europe remained relatively stable until the early 1740s when a decline set in which apart from a brief revival in the mid-1760s lasted for the remainder of the period. From an annual average of £ 1,197,000 in 1699/1701[30], imports into London from North West Europe dropped to £ 875,000 in 1772/74[31] when they accounted for only 9.6% of total London imports compared with 25.6% at the beginning of the century. Typical of this decline were imports from Germany and Holland — major sources of supply consisting largely of linen, linen-yarn and tin-plate from Germany, and linen, threads, tapes, whale fins, and madder from Holland[32]. In 1699/1701 the value of German imports into London stood at an annual average of £ 680,227, and those from Holland at £ 398,892[33]. By 1732/34 these annual averages had risen slightly to £ 700,609 from

[30] Customs 3/3-5. This is the source for all subsequent references in the text to statistics for 1699/1701.
[31] Customs 3/72-74. This is the source for all subsequent references in the text to statistics for 1772/1774.
[32] For a fuller list of imports from Germany and from Holland see Joshua Gee, *The Trade and Navigation of Great Britain Considered* (London, 1767), pp. 44 and 46-7.
[33] At this time, Germany was the major source of supply and Holland the third major source of supply of London's imports in terms of individual countries or colonies and excluding the East Indies.

Germany, and £ 410,826 from Holland[34]. By 1752/54, however, the totals were down to £ 594,403 from Germany and £ 246,442 from Holland[35], and although imports from Holland recovered to an annual average of £ 336,306 by 1772/74[36], those from Germany continued to fall, reaching £ 406,584 in the later period. Germany, having been London's major individual source of imports throughout the first half of the XVIIIth century, had dropped to sixth major source of supply by 1772/74. Germany and Holland could not face the growing competition of Irish and Scottish linens in the English market[37]. One London merchant, for example, argued in 1738 that the "... Sales of Hollands begin to prove very slow, and if the fabric of Irish linens continues to improve, 'tis probable there will be little else wore in England"[38].

Imports into London from North Europe were dominated by naval stores such as hemp, flax, deals, timber, planks and tallow, furs, iron and pot-ash[39]. London's import from North Europe were less than buoyant until the early 1720s, especially due to the foreign policies followed by individual North European countries[40]. In 1703,

[34] Customs 3/32-34. Germany and Holland were still first and third major sources of imports at this time.

[35] Customs 3/52-54. By this period, Holland was no longer among the 6 major sources of London's imports. In addition, not only was the Dutch share of London's trade declining, so was her share of England's and Europe's trade: see C. Wilson, «The Growth of Overseas Commerce and European Manufacture», in J. O. Lindsay (ed), *The New Cambridge Modern History, vol. VII, The Old Regime, 1713-63,* (Cambridge: Cambridge University Press, 1957), p. 43.

[36] On the declining importance of Holland to London's and England's import trade see L. Harper, *The English Navigation Laws* (New York: Columbia University Press, 1939), p. 281; and Minchinton, *The Growth of English Overseas Trade,* p. 28.

[37] On this point see C. Wilson, *Anglo-Dutch Commerce and Finance in the Eighteenth Century* (Cambridge: Cambridge University Press, 1941), pp. 56-62.

[38] Quoted in Wilson, *Anglo-Dutch Commerce,* p. 57. On the general problems faced by the Dutch economy — not just her linen industry — which in turn had an adverse impact on her position in world trade in the XVIIIth century see J. I. Israel, *Dutch Primacy in World Trade, 1585-1740* (Oxford: Clarendon Press, 1989), chapters 9 and 10. The decline of linen imports into Britain from Holland is highlighted on pp. 401-2.

[39] For a fuller list of imports from North Europe see Gee, *Trade and Navigation,* pp. 45-6.

[40] On England's — and therefore London's — trading difficulties with North Europe in the first twenty years of the XVIIIth century see J. J. Murray, «Baltic Commerce and

for example, "the government of Sweden absolutely refused to let us have them (naval stores) for our ready money, otherwise than in their own shipping, from their tar company here, at their own price, and only in such quantities as they thought fit [41]. In the middle years of the 1720s, London's imports from this area increased to over £ ½m and remained stable at around this level for the next two decades [42]. In the mid-1740s imports from North Europe turned upwards and increased steadily until the end of the period, averaging £ 826,000 p.a. in 1772/74. Imports from Russia in particular increased rapidly during this period from an annual average of £ 311,584 in 1752/54 to £ 600,008 in 1772/74 [43]. This absolute growth in the level of imports into London from North Europe meant that this area retained its relative position as a source of London's imports with a consistent 9% of London's total import trade throughout the first three-quarters of the XVIIIth century.

The relative position of imports into London from Southern Europe and the Mediterranean, however, declined from 29.6% of total London imports in 1699/1701 to 16.4% in 1772/74. Imports into London from this area consisted of such commodities as wine, oil, fruit, wool and dye-stuffs from Spain; wine, oil, salt and fruit from Portugal; and raw-silk, dye-stuffs, drugs, soap, leather, cotton and oil

Power Politics in the Early Eighteenth Century», *Huntington Library Quarterly,* VI (1943), pp. 293-312. Of particular importance were the Great Northern War which ended in 1720/21; and the foreign policy of George I, which was not aimed «at preserving England's Baltic trade.» (p. 309).

[41] Gee, *Trade and Navigation,* p. 146.

[42] For tables giving the fixed values of imports into London from North Europe of iron, hemp, flax, potash, tar/pitch, copper and brass-wire, 1699-1747, see Sven-Erik Astrom, *From Stockholm to St. Petersburg: Commercial Factors in the Political Relations between England and Sweden, 1675-1700* (Helsinki: Finnish Historical Society, Studia Historica II, 1962), pp. 139-45.

[43] Customs 3/52-54 and 72-74. In 1752/54 Russia occupied fifth place in the table of London's major import suppliers, moving up to fourth place in 1772/74. Russia's importance was recognised as early as 1715 when she gained possession of the Baltic Provinces known as the 'East Country' and thus also gained a considerable advantage in the sale of naval stores: see Murray, «Baltic Commerce», p. 298. For the growing importance of Russian Imports in England's trade in the XVIIIth century, see Harper, *English Navigation Laws,* pp. 312 note 55, and 320.

from Turkey[44]. Their total value — as shown in Table I - remained reasonably stable at between £ 1.3m. and £ 1.5m. during periods of peace, but fluctuated considerably during periods of war. War had more impact on this branch of London's import trade than on any other, with the exception of London's trade with Ireland[45].

Wartime fluctuations in the trade between England and Portugal, for example, were frequently caused by the operation of the convoy system, and the increase in freight rates induced by war which frequently discouraged trade[46]. In 1699/1701 the value of London's imports from Southern Europe averaged £ 1,381,000 but during the War of the Spanish Succession (1702-1713) this average dropped to £ 894,000[47]. Similarly, on the eve of the 1739/48 war, imports into London from Southern Europe stood at £ 1,536,000[48] declining to an average of little more than £1m. during the war. The outbreak of war again in 1756 did not upset this branch of the capital's trade to the same extent as earlier wars until 1762 when Spain entered the Seven Years War against England. In that year Southern European imports into London slumped to only £ 882,000[49]. Recovery after the war was rapid and despite problems created by the reorganization of the Anglo-Portuguese wine trade which, it has been claimed, led to a decline in English trade and shipping to Oporto[50], imports into

[44] For a fuller list of imports from Spain, Portugal and Turkey see Gee, *Trade and Navigation,* pp. 35, 37 and 39.

[45] During periods of war, Irish goods bound for London entered England through Chester and were then sent overland: see L. M. Cullen, *Anglo-Irish Trade 1660-1800* (Manchester: Manchester University Press, 1968), pp. 86-8, 115, 131.

[46] For the impact of war on Anglo-Portugese trade see H. E. S. Fisher, *The Portugal Trade* (London: Methuen, 1971), pp. 119-22.

[47] Customs 3/6-15.

[48] Customs 3/38.

[49] Customs 3/62.

[50] Francis, *The Wine Trade,* p. 215, and V. M. Shillington and A. B. Wallis Chapman, *The Commercial Relations of England and Portugal* (London: George Routledge and Sons, 1928), chapter VI especially pp. 268-79. The reorganisation involved the setting up of the Company of the Wines of the Alto Douro with the intention of «taking the export of wine out of the hands of the English interlopers». Partly as a result of this the number of English vessels arriving at Oporto to collect wine declined from 1,294 ships between 1748 and 1755 to 757 ships between 1756 and 1763: Shillington and Chapman, *Commercial Relations,* pp. 268 and 275.

London from Southern Europe remained buoyant for the rest of the period.

Throughout the XVIIIth century, imports into London from Southern Europe and the Mediterranean would have been much lower without the growth of imports such as raw, thrown and wrought silk, wine, oil, soap and olives from Italy[51], to compensate for the frequent interruptions to the flow of imports from Spain. In 1699/1701, Spanish imports into London were valued at £ 411,671 p.a. and those from Italy at £ 341,888. By the early 1750s imports from Italy had grown to an annual average of £ 556,714 but those from Spain had fallen to £ 301,907[52], and this relative situation continued so that by 1772/74 the annual average value of imports into London from Italy stood at £ 653,913 while those from Spain had only recovered to £ 412,524. As a result of these developments, Spain dropped from being London's second major individual supplier of imports (behind Germany) at the beginning of the XVIIIth century, to the sixth major supplier in mid-century and fifth major supplier in the early 1770s. On the other hand, Italy improved from London's fourth major individual source of imports at the beginning of the century, to second position in 1752/54, and third position in 1772/74.

By the early 1770s, although Europe still supplied a significant proportion of London's imports, this proportion had declined steadily during the previous three-quarters of a century from 64.1% in 1699/1701 to 35.1% in 1772/74. In terms of value, London's European imports averaged £ 2,992,000 in 1699/1701, rising slightly to £ 3,187,000 in 1772/74. Both North West Europe and Southern Europe declined relatively as a source of London's imports during the first three-quarters of the XVIIIth century. Only North Europe managed to maintain its relative importance in London's import trade for the whole of the period 1700 to 1775.

Moreover, the absolute figures in Table I confirm that imports from North West Europe remained stable until the early 1740s, when

[51] For a fuller list of imports form Italy see Gee, *Trade and Navigation*, p. 36.
[52] Customs 3/52-54.

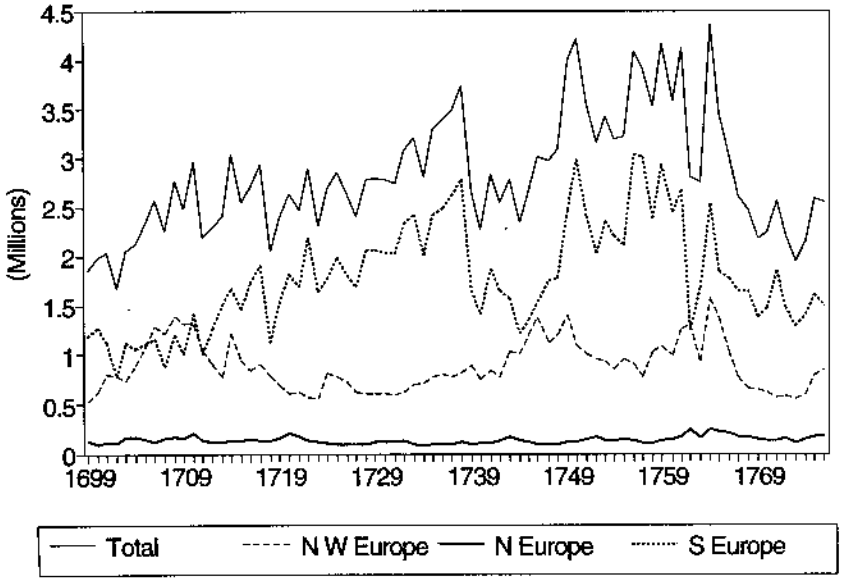
they went into a slow decline; imports from Southern Europe and the Mediterranean remained fairly constant in times of peace, but tended to decline during each war; while imports from North Europe increased steadily for most of the period. As a result, during the years under discussion North Europe increased its share of London's European imports from 13.9% to 25.9%, whereas North West Europe's share declined from 40% to 27.5% with Southern Europe maintaining a stable share of just over 46% (46.1% in 1699/1701 and 46.6% in 1772/74). Clearly, despite mercantilist rhetoric warning against excessive reliance on North Europe for supplies of timber, iron, flax, tar/pitch and naval stores of all kinds, England's dependence on North Europe was greater on the eve of the American War of Independence than at the beginning of the XVIIIth century.

(b) Exports

The annual series of exports from London to Europe is given in Figure II along with those to each European area. Despite the War of the Spanish Succession, the trend of exports to Europe, stimulated by the removal of export duties on woollens and grainstuff in 1700[53], was upwards until the mid-1710s when there was a slight decline lasting until 1718. After that date, the upward trend continued, however, and this lasted until the late 1730s and was stimulated by such factors as the commercial treaty negotiated with Russia in 1734, and the European grain shortage which was partly initiated by the outbreak of the Polish Succession War in 1734, and lasted until 1738. Portugal, for example, was a "constant market for corn either from Britain or its American colonies"[54]. In the late 1730s, however, another export decline set in which was worsened by the outbreak of war in 1739. Professor Davis has argued for England as a whole that

[53] Ashton, *Economic Fluctuations,* p. 57. It was argued that by 1703 England «... had... to ourselves the clothing of all the known world, except those with whom we were at war, goods were demanded as fast as we could make them...»: Gee, *Trade and Navigation,* p. 119.
[54] Decker, *An Essay on the Causes of the Decline of the Foreign Trade,* p. 159.

Figure 2
London's Export Trade (£s) 1699-1775



"the War of 1739-48 appeared to nip in the bud unmistakable signs that exports as a whole were beginning to gather way once more»[55]. This was certainly the case with London's European exports. Exports from London to Europe that had been valued at £ 3,726,000 in 1738[56], had dropped to only £ 2,266,000 by 1740[57]. This decline was reversed in the mid-1740s when a rise began which peaked in 1750 with London's European exports at an all-time high of £ 4,208,000[58]. Although this level was not maintained during the first half of the 1750s, the outbreak of war again in 1756 actually stimulated London's exports to Europe, at least until 1762/63 when Spain entered the war against Britain leading to a rapid drop in London's exports to Southern Europe. As John Brewer has recently put it:

[55] Davis, «English Foreign Trade», p. 113.
[56] Customs 3/38.
[57] Customs 3/40.
[58] By 1748, Davis has argued that England was «... ripe for an extraordinary increase in the volume of the export trade.»: see Davis, «English Foreign Trade», p. 113.

> "The Seven Years War, with its stunning series of victories, was the first war during which British overseas trade expanded, rather than experiencing the short-term cutback normally associated with the wartime disruption of commerce" [59].

After the war, the European branch of London's exports peaked at £ 4,353,000 in 1764 [60] before entering a noticeable downward trend until the middle of the 1770s.

These fluctuations in London's total export trade to Europe can be partly explained by an analysis of the individual branches of this trade. Figure II shows the annual pattern of exports from London to each European area, whilst a more detailed breakdown is given in Table II. These indicate, for example, that exports to North West Europe — especially to Germany and Holland — tended to increase during periods of war due to the export of provisions and arms to supply British and allied troops [61]. In addition, many goods were exported from London to North West Europe from where they were re-exported to Spain [62]. Table II indicates clearly the beneficial effect that war had on this branch of London's export trade, but over the period as a whole North West Europe declined in importance as a market for London's exports [63].

This was particularly the case after the mid-century, when exports to Germany, for example, fell from an annual average of £ 465,000 in 1752/54 [64] — when Germany was London's third largest individual

[59] J. Brewer, *The Sinews of Power: War, Money and the English State, 1688-1783* (New York: Alfred A. Knopf, 1989) p. 175.
[60] Customs 3/64. For a similar discussion to the one presented here highlighting periods of growth or stagnation of England's exports see Crouzet «Towards an Export Economy», pp. 50-2.
[61] Ashton, *Economic Fluctuations,* p. 55.
[62] R. Pares, «American Versus Continental Warfare 1739-63», *English Historical Review, LI (1936),* p. 439 note 2.
[63] However, this area always took the major share of London's re-exports.
[64] Customs 3/52-54.

market — to an annual average of £ 177,000 in 1772/74. Exports to Holland fell from an annual average of £ 227,000 to £ 173,000 over the same period. As a result, by the early 1770s North West Europe received only 9.5% of London's total exports (or 27.5% of London's European exports), compared with 26% of the total (or 33% of European exports) in 1699/1701.

Table II

London's Export Trade 1699-1774
(£000s, three-yearly averages)

Period	North West Europe	North Europe	Southern Europe	Total Europe	Other	Total
1699-1701	650 (26.1)	112 (4.5)	1,200 (48.3)	1,962 (78.9)	524 (21.1)	2,486
1709-1711	1,229 (41.4)	168 (5.7)	1.147 (38.7)	2,544 (85.8)	422 (14.2)	2,966
1722-1724	645 (19.0)	123 (3.6)	1,865 (54.9)	2,633 (77.5)	766 (22.5)	3,399
1732-1734	675 (18.1)	105 (2.8)	2,252 (60.3)	3,032 (81.2)	701 (18.8)	3,733
1742-1744	937 (24.0)	144 (3.7)	1,475 (37.7)	2,556 (65.4)	1,352 (34.6)	3,908
1752-1754	913 (16.8)	152 (2.8)	2,194 (40.3)	3,259 (59.9)	2,186 (40.1)	5,445
1760-1762	1,189 (16.4)	189 (2.6)	2,124 (29.3)	3,502 (48.3)	3,711 (51.4)	7,213
1772-1774	580 (9.5)	138 (2.3)	1,390 (22.8)	2,108 (34.6)	3,976 (65.4)	6,084

Sources: As for Table I

Notes: (a) Figures in brackets are percentages of total London exports.

(b) The figures for 1760-62 do not include the export of British and Irish linens (average for the 3 years of £ 38,000) to unknown destinations.

North Europe also declined relatively as a market for London's exports during the first three quarters of the XVIIIth century. This, however, was only a minor market for London merchants and never accounted for more than 6% of total London exports, partly due to the mercantilist/protectionist policies pursued by individual North European countries. Exports to this area, apart from one or two odd years, fluctuated between £ 100,000 and £ 200,000 and only grew rapidly towards the end of the Seven Years War reaching their peak of £ 245,945 in 1762 [65].

Southern Europe and the Mediterranean, on the other hand, constituted the chief market for London's exports until 1760. Indeed, in the early 1730s this area was taking 60% of London's total exports and 74% of London's European exports. Between the opening of the XVIIIth century and the late 1730s, exports to Southern Europe increased noticeably from £ 778,664 in 1702 [66] to £ 2,779,127 in 1738 [67], and although during the war years of this period exports to Spain dropped sharply, this was always compensated for by an increase of exports to Portugal particularly after the Methuen Treaty of 1703 [68]. For example, exports to Spain dropped to zero during the middle years of the War of the Spanish Succession, whereas those going to Portugal doubled (compared with 1699/1701) to a value of more than £ 1/2m. In particular, "Arms, military accoutrements, powder, provisions, clothing for the troops, both English and

[65] Customs 3/62. For an examination of mercantilist policies pursued by individual North European countries designed to reduce their dependence on foreign (including British) goods see Israel, *Dutch Primacy in World Trade,* pp. 383-6. Dutch trade was particularly badly hit by such policies, whereas «Britain ... was able to take the changes in her stride», (p. 385).

[66] Customs 3/6.

[67] Customs 3/38.

[68] For the background to this treaty see Francis, *Wine Trade,* pp. 119-23. English exports as a whole to Portugal increased rapidly after the Methuen Treaty, and a major reason for this was the expansion of the Brazilian market, with more and more English goods flowing through Portugal to Brazil. For a discussion of this point and of the expansion of England's trade with Portugal before 1760 see Fisher, *The Portugal Trade,* chapter 1.

Portuguese" all flowed from London and the outports to Portugal [69]. From 1710 to 1714, England sent 1,177 merchant vessels to Portugal and its dependencies and this represented over 5% of the whole merchant fleet then in operation [70]. Increasingly, Portugal came to exert a great deal of influence on London's export trade in the first half of the XVIIIth century, especially in the mid-1730s when Portugal alone took 25% of all London's exports.

One of the major reasons for this situation was the growth of South American colonies such as Brazil which not only took a proportion of the English goods (especially woollens) sent to Portugal, but also provided the precious metals needed to purchase these commodities [71].

The outbreak of War in 1739 led to a sharp reduction in the level of London's exports to Southern Europe. It was also argued at this time that:

> " ... the French send vast quantities of stuffs, stockings, etc., to Spain, Portugal and Italy, and undersell us 10 or 12 per cent... The reason that goods are to be bought cheaper in France than in England, is that labour is a 1/3 cheaper there." [72]

Exports from London to Spain slumped to an official value of £ 17,297 in 1741; £ 25,865 in 1742; and £ 17,825 in 1743 [73]. Again, however, exports to Portugal prevented too disastrous a decline [74] and

[69] Shillington and Chapman, *Commercial Relations,* p. 239.
[70] Shillington and Chapman, *Commercial Relations,* p. 246.
[71] For more details see Shillington and Chapman, *Commercial Relations,* pp. 246-51 and Fisher, *The Portugal Trade,*chapter 1.
[72] Decker, *An Essay on the Causes of the Decline of the Foreign Trade,* p. 124.
[73] Customs 3/41, 42 and 43.
[74] London's exports to Portugal in the 1740s were valued (£s) as follows:

1739: 873,491	1743: 991,964	1747: 1,069,822
1740: 700,252	1744: 796,085	1748: 913,875
1741: 1,182,806	1745: 950,778	1749: 819,394
1742: 1,009,678	1746: 994,696	1750: 998,572

Customs 3/39-50.

helped to compensate for problems experienced in the Spanish market during the War of 1739 to 1748. The return of peace in 1749 led to the rapid recovery of London's exports to Spain (reaching £ 1,224,418 in 1750) [75] and throughout the next decade, London's Southern European exports as a whole remained relatively buoyant at between £ 2m. and £ 3m. By the early 1760s, however, French goods were again successfully challenging British goods in the Spanish market, whilst native industries were being established in certain regions of Spain. By 1759, for example, there were 2,000 looms for silk and wool in Valencia, 1,000 in Granada and 500 in Catalonia [76]. In addition, in 1761 plans were proposed by France and Spain to exclude English exports from many European countries, including Spain, Portugal, France and Holland. Spain, however, depended on England for many commodities especially textiles — and economic necessity, plus failure by the French to impose their plans on the rest of Europe, resulted in the failure of the proposed blockade [77]. Nonetheless, London's exports to Southern Europe slumped in 1762 when Spain entered the Seven Years War, and, despite a temporary resurgence as soon as the war ended, drifted downwards for the rest of the period being studied.

As a result of these developments, by 1772/74 Southern Europe was responsible for only 23% of London's total exports compared with 48% at the beginning of the century and a peak of 60% in the early 1730s. Indicative of this decline was the fact that in 1699/1701 the major single markets for London's exports were as follows: Spain, Streights, Germany, Portugal, Holland and Turkey with four out of the first six main markets being in Southern Europe and the Mediterranean. By 1752/54 the position of individual countries had changed slightly, with Portugal constituting the major single market

[75] Customs 3/50.
[76] For details see Malachy Postlethwayt, *Great Britain's Commercial Interest Explained and Improved,* 2 vols., (2nd edn, London, 1759), pp. 462-77.
[77] A. Christelow, «Economic Background of the Anglo-Spanish War of 1762», *Journal of Modern History,* XVIII (1946), pp. 27-31.

for London's exports followed by Spain, Germany, Streights, Ireland and Holland. By 1772/74, however, only two of London's major export markets (Spain and Portugal) were in Southern Europe, and although Spain had regained her position as the single leading market, the annual average of exports to Spain had declined from £ 735,000 in 1752/54 to £ 564,000 in 1772/74; and those to Portugal — London's third major market in 1772/74 — had declined from an annual average of £ 831,000 to £ 429,000 over the same period [78].

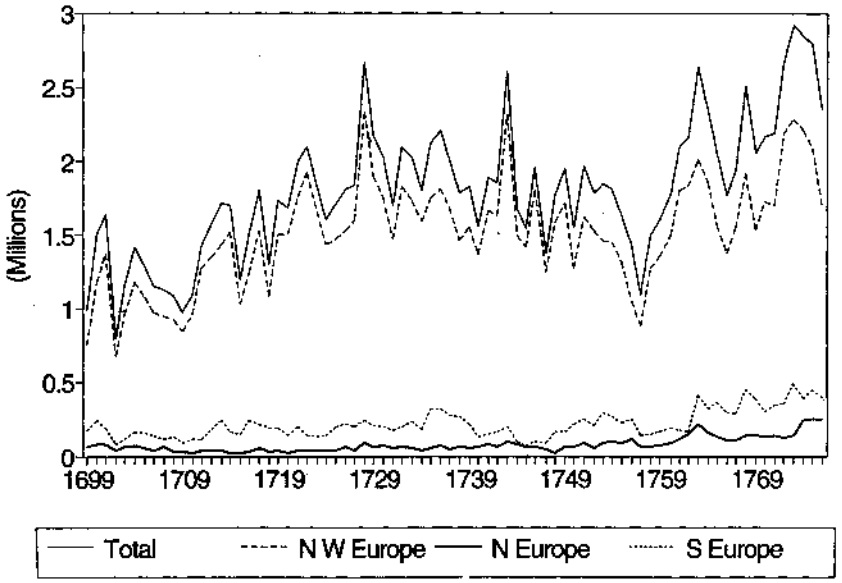
Many factors, in conclusion, contributed to this decline. The growth of French competition and the development of native Spanish industries have already been highlighted. In addition, Portugal also began to develop her own industrial base [79], and attempted by law to suppress the importation of luxuries and foreign manufactures — the Sumptuary Laws of 1749 to 1758, for example, prohibited the importation of many goods including tanned leather, lawns and silks [80]. Finally, monopolistic companies set up to control the Brazilian trade also had an impact on the level of exports leaving London for Southern Europe [81].

c) Re-exports

The annual series of re-exports from London to Europe is given in Figure III along with those to each European area. Given the nature of London's re-export trade — the re-export of colonial goods such as sugar, tobacco and coffee to expanding continental markets — it is hardly surprising that Europe was responsible for the largest share of London's re-export trade throughout the first three-quarters of the XVIIIth century: 82% in 1699/1701 and still 67.4% in 1772/74. 1772/74. Over the same period, the official value of London's

[78] 1752/54 figures from Customs 3/52-54.
[79] For details see Shillington and Chapman, *Commercial Relations*, p. 227.
[80] For details see Shillington and Chapman, *Commercial Relations*, p. 260.
[81] For details see Shillington and Chapman, *Commercial Relations*, pp. 282-5. On the contraction of Anglo/Portugese trade in general in the 1760s see Fisher, *The Portugal Trade*, chapter 2.

Figure 3
London's Export Trade (£s) 1699-1775



re-exports to Europe more than doubled from an average of £ 1,374,000 to £ 2,807,000 although most of this increase came during the 1760s and early 1770s. Earlier in the century British merchants experienced problems in the re-exportation of sugar, tobacco and Indian textiles due to increasing foreign competition - e.g. from sugar grown on the French island of San Domingo — and discriminatory policies pursued by European governments[82]. Or, as Donald Coleman has argued, "... after the turn of the century the growth in re-exports slackened markedly and domestic exports took over as the quick grower".[83] It seems likely, however, that London's re-export trade did better during the early XVIIIth century than the re-export trade for England as a whole since re-exports constituted 41% of total London European exports in 1699/1701, 41% again in 1722/24 and

[82] Davis, «England's Foreign Trade», p. 112.
[83] D. C. Coleman, *The Economy of England 1450-1750* (Oxford: Oxford University Press, 1977), p. 134.

still 39% in 1732/34[84]. However, from then until the late 1750s, London's European exports were more buoyant than her European re-exports, a position which switched in the 1760s and early 1770s when once again "...they (re-exports) were making a notable addition to English native exports"[85]. Indeed, in 1772/74 re-exports constituted 57% of total London European exports.

The data in Table III show quite clearly — along with the regional breakdown of London's European re-exports in Figure III — that the majority of London's re-exports were destined for North West Europe, although the relative importance of North West Europe did gradually decline during the first three-quarters of the XVIIIth century—from 65.6% of total London re-exports in 1699/1701 to 53.4% in 1772/74. In absolute terms, however, the capital's re-exports to North West Europe doubled over the same period since countries in North West Europe were by far the largest individual markets for London's re-exports, especially for colonial goods such as tobacco, sugar, rum and coffee. For example, North West Europe's share of London's tobacco re-exports increased from 69% in 1699/1701 to 88% in 1772/74, representing a trebling in the amount of tobacco being shipped from London to North West Europe. It was such commodities, plus Asiatic goods, that "provided the commodity bases of London's emergent role as an entrepot, so evident in this period[86]."

[84] Calculated from Customs 3/3-5; 24-26; 32-34. For the outports re-exports constituted only 8%, 9% and 12% of total outport European exports in the same periods.
[85] Davis, «England's Foreign Trade», p. 111.
[86] Coleman, *The Economy of England 1450-1750*, p. 140.

Table III

London's Re-export Trade 1699-1774
(£000s, three-yearly averages)

Period	North West Europe	North Europe	Southern Europe	Total Europe	Other	Total
1699-1701	1,100 (65.6)	72 (4.3)	202 (12.1)	1,374 (82.0)	302 (18.0)	1,676
1709-1711	1,026 (75.3)	28 (2.0)	106 (7.8)	1,160 (85.1)	204 (14.9)	1,364
1722-1724	1,671 (70.8)	38 (1.6)	138 (5.8)	1,847 (78.2)	514 (21.8)	2,361
1732-1734	1,719 (67.5)	50 (2.0)	206 (8.1)	1,975 (77.6)	573 (22.4)	2,548
1742-1744	1,814 (63.1)	79 (2.7)	154 (5.4)	2,047 (71.2)	723 (25.2)	2,874
1752-1754	1,481 (56.4)	79 (3.0)	258 (9.8)	1,818 (69.2)	808 (30.8)	2,626
1760-1762	1,711 (61.2)	117 (4.2)	179 (6.4)	2,007 (71.8)	665 (23.8)	2,797
1772-1774	2,223 (53.4)	169 (4.1)	415 (9.9)	2,807 (67.4)	1,360 (32.6)	4,167

Sources: As for Table I
Notes: (a) Figures in brackets are percentage of total London re-exports.
(b) The total figures include prize goods valued annually as follows: 1742-44: £ 104,000 (3.6%); 1760-62: £ 125,000 (4.4%).

Throughout the years 1700 to 1775 Germany and Holland were easily the major markets for London's re-exports — especially of tobacco. For Britain as a whole, it has been argued that Germany and Holland were 'passive' markets in the XVIIIth century and that it was the French market "...whose volume... (was) sufficiently weighty to affect the growth and organization of the British trade." [87] This was particularly the case from the 1730s onwards when France became the major market for British colonial tobacco. [88] However, the main influence of the French market on London's trade was felt only down

[87] J. M. Price, «The Economic Growth of the Chesapeake and the European Market, 1697-1775», *Journal of Economic History,* XXIV (1964), p. 501.
[88] Price, «The Economic Growth of the Chesapeake», p. 501.

to the 1730s, before French attention switched to northern ports. From the 1730s onwards, France took a declining absolute and relative share of London's tobacco re-exports, accounting for only 7% of this branch of London's trade by the early 1770s. Part of this decline was due to the wars of the period [89], but the main reason for the lessening influence of the French market on London's tobacco re-exports was the growing connection being forged between the French monopsony — the United General Farms formed in 1730 — and the Scottish tobacco firms.

Table IV

London's Tobacco Re-exports to Germany, Holland and France (lbs)

(three-yearly averages)

Period	Germany	Holland	France
1699-1701	1,799,499 (12.4)	5,906,979 (40.5)	1,376,390 (9.4)
1709-1711	2,249,095 (15.9)	8,316,347 (58.8)	2,272,914 (16.1)
1722-1724	2,955,464 (19.2)	5,340,717 (34.8)	3,677,552 (23.9)
1732-1734	2,793,828 (14.6)	5,483,123 (28.6)	6,748,807 (35.2)
1742-1744	6,063,520 (23.6)	6,925,363 (27.0)	5,218,217 (20.3)
1752-1754	7,303,843 (23.9)	7,769,124 (25.4)	5,726,841 (18.7)
1760-1762	4,747,310 (21.7)	6,169,807 (28.2)	4,425,498 (20.2)
1772-1774	9,409,715 (27.6)	13,319,776 (39.0)	2,441,816 (7.2)

Sources: As for Table I
Notes: (a) Figures in brackets are percentages of total tobacco re-exports.
(b) The remainder of re-exports to North West Europe went to Flanders which generally increased its share from 6.4% in 1699/1701; to 9.5% in 1732/34; 23.8% in 1752/54; and 14.2% in 1772/74.

[89] Price, «The Economic Growth of the Chesapeake», p. 501. However, the tobacco trade between Britain and France was continued during wartime in vessels carrying «special passes exempting them from capture»: see L. C. Gray, «The Market Surplus Problems of Colonial Tobacco», *William and Mary Quarterly,* 2nd ser., VII (1927), pp.235-6..

Thus as the statistics in Table IV indicate, Holland was always the major market for London's tobacco (except in the 1730s), and when the influence of the French market began to decline, the German and Holland markets expanded sufficiently to fill the gap.

Other European areas were not major markets for London's re-exports. North Europe never took more than 4% of London's re-exports, and although the value of re-exports from London to Southern Europe doubled from an average of £ 202,000 in 1699/1701 to £ 415,000 in 1772/74 only at the beginning of the XVIIIth century did Southern Europe account for more than 10% of London's total re-exports. War in particular — as shown in Table III — had an adverse impact on the level of re-exports between London and Southern Europe.

IV

The main purpose of this analysis has been to trace the development of London's trade with Europe between 1700 and 1775, and to examine some of the factors — both internal and external — which influenced the level of London's imports, exports and re-exports not only with Europe in general, but also with each European area. It has indicated that as London's commercial connections with the wider world expanded, the relative position of Europe in London's trading network declined. Certain branches of London's European trade (e.g. London's import trade with North West Europe) also declined in absolute terms. Nonetheless, Europe still accounted for just over one-third of both London's import and export trades by the early 1770s, whilst two-thirds of London's re-exports were sold in European markets, mainly those in North West Europe. Clearly, Europe was no longer the dominant influence on London's trading network on the eve of the American War of Independence, but Europe was still an important trading area for many London merchants. In order to gain a full understanding of England's commercial revolution in the century or so preceding her

industrial revolution it is necessary to emphasise the importance of the capital in England's commercial expansion, and to examine all branches of overseas trade — not just those experiencing rapid growth. This analysis has focused on the second of these proposals. When considered together with similar studies of London's colonial trade and of London's domination of England's overseas trade, 1700-1775 [90], it helps to provide a clearer picture of London's crucial role in England's XVIIIth century commercial expansion and in the English economy as a whole.

[90] The author is currently preparing a paper on London's colonial trade during the XVIIIth century. See also C. J. French, «'Crowded with Traders and a Great Commerce': London's Domination of English Overseas Trade, 1700-1775», *The London Journal,* 17, 1, (1992), pp. 27-35.