The Advertisement

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A CHAPTER IN ECONOMICS.

BEGINNINGS OF ENGLAND'S FOREIGN TRADE.

In the fifth lecture of his course on "The economic history of England," at the Royal Academy of Sciences in Paris, Professor Portus dealt in an interesting manner with the beginnings of England's foreign trade. He said:

"There was a good attendance. During the 13th and 14th centuries, England, the Grand Monarch, exported only her one surplus product, wool. In exchange she received many goods from the upper classes in foreign lands, and the foreign trade was first conducted by foreigners in English markets, and a number of English houses established themselves in London. These were two important foreign monopolies, but against these there were more important than being the German Hanses, the greatest trading confederations in Northern Europe, from 1213 to the 16th century. It was a combination of towns for the purpose of trade. If a trader wanted to obtain safety in the free ports of the German Hanses, he had to form with others an organization which would be strong enough to protect his commerce. The Hanseatic League was formed in North Germany between Hamburg and Lubeck. It had great political power in London, and the Hanseatic League received special privileges from Edward III. The organization was important for trade and industry, but in matters of regular religious services nobody could join, who was not a celibate. A large number of these Hanseatic houses were more powerful than many of the feudal kingdoms in the same part of Europe."

The Traders of Venice.

Another monopoly of the time was in regard to wool. The Venetians, under the leadership of Jacopo Tiepolo and his sons, Controlled the manufacture of woolen textiles in England, France, Belgium, Holland, and Germany, and in return took wool, wine, wheat, iron, etc., and a great deal of timber from England. The Venetians were foreign commerce possible, on account of the piracy that was rampant. Some of these monopolies were now of the nature of the Hanseatic League; but in the reign of Edward I, they began to carry their wool in their own ships and on their own vessels to the Continent.

As more and more trade took place, it became necessary for them to combine in an association, first, to obtain protection for their wool, and, secondly, to establish in settled places to which their customers could flock. These English clothiers, as they were called, established staple towns, where the staple, meaning the fixed commodity, was wool, hides, and tin—and in which they traded. The staple of wool and hide and tin were dropped, and staple of wool remained. As the association represented national trade, Edward III sought to regulate it. He fixed the staple towns, where they were making money; they should pay taxes on this trade, and it had to be taken away. Edward then fixed the staple towns while they were making money, and by an act of the Parliament, all the goods of the hands of foreigners, finally being prohibited, every staple to Caen, the English town, was established until the end of the 16th century."

Old Time Monopolies.

The policy of the time was to get trade by means of a direct trade, so as to protect it from pirates. As England was given in return for the trade, the merchants to the King, who was of course the one to trade with the King, was not the merchant, but the merchant was the one to trade with the King.
denote to a warm. After months only became burdensome when there were people outside. This organisation of early English traders was not a company in the modern sense at all. Each merchant paid a fee to be a member and was given the right to trade on account of confining their attention to a particular territory. Soon, with further development, they started to manufacture more cloth than they could comfortably consume, and began a trade with other countries. The cloth trade was in that wool, and the formation of the Merchant Adventurers in 1434, under Henry VI, was a great step in the English trade. They went to Bruges, but competition from the local cloth merchants drove them out. The wool markets in London had lent money to the Yorkist Kings to support their cause in the Wars of the Roses, and it was easy to turn them out; but with the advent of the Tudors came the beginnings of nationalistic feeling, and the estonian and German monopolies were abolished. The year 1523 marked the departure of the alien cloth monopoly in London and existed at the expense of the English trade.

Advent of Capital

Foreign trade brought into England quite a new factor in the making of goods. So far in speaking of production, they had to consider production from land and labor. Modern industry is dependent on land and labor to have added skill and capital. If they took these four things which went to make up production, land, labor, capital, and rent, to be considered in connection with land. Interest was the rent on capital, wages took care of labor, and the rent on skill. Skill so far had not been much of a factor in agricultural production, as we can see when you consider the field of farming and there had been a dead level. A small trace of skill could be found in the towns, but the financial wealth of the capital, which meant wealth, that was mobile enough to be used. The merchant adventurers thought it came largely from the results of trade, which enabled them to embark in it. By the middle of the 14th century some of the guilds, or trade associations, became very prosperous, the chief of them being the bakers, mercers, grocers, drapers, fishmongers, tailors, haberdashers, sawyers, ironmongers, victuallers, and clothiers. There was now sufficient capital for the English to use in larger scale trading to sell wool and cloth on the Continent.

Founding Empire

From that time onward there existed the great idea of empire. There was the desire to invest abroad the capital for which there was not sufficient attraction at home. The merchant adventurers had seen the chance to make use of their capital on the continent and establish new bases. The capital was invested in trade, and as more trade routes were developed, the modern idea of permanent joint stock companies. The East India Company took goods to Surat for the first time, and merchants began to put capital into long-term ventures, the East India Company. Although they were for a long time only on one of a single voyage, and disbanding at the end of the voyage, the fresh capital for each voyage. In time men learned how inconvenient it was to have to come back home, and as more trade routes were developed, the modern idea of permanent joint stock companies. Although the East India Company could never have founded the Empire, but the East India Company, which the first joint stock concern, did so.

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LONDON AND THE WAR.

Professor Henderson, of the Adelaide University, New South Wales, has just returned from Europe, where he has been engaged in war work, and where he witnessed the conflict.

He is now in London, where he is giving lectures on the war, and has just returned from a tour of inspection of the war fronts in France.

"The war," he said, "is a great experiment, and we are all learning as we go."