

Changes in old and new industries in the uk economy from 1870 to 1939



**ASSIGN
BUSTER**

Compare and contrast the economic performance and regional impact of the Lancashire cotton industry before World War 1 and during the inter-war era (1918-1939). From the time of the coronation of Queen Victoria and the outbreak of World War One, Britain stood in a period of economic transition. There are several observations on whom or what caused the rise and fall of the cotton industry. The late 1840s saw Britain enter into a second phase of industrialisation.

The railway network was almost complete, and this mode of transportation appeared to stimulate the growth of the coal, iron, steel and engineering industries. Together with the cotton industry, they began to flourish and grew at a rapid pace. Up until the 1870s, they thrived in an incomparable period of steady continuous growth, interspersed only by the two short depressions in 1857 and 1866. Britain had attained command of world trade with her early industrial lead - she had unquestionably become "the workshop of the world" (Davis). In particular in the north of England, the cotton industry had reached its pinnacle.

Growth had been seen at an incredible pace across Lancashire, Cheshire and Yorkshire. The cotton industry was not totally concentrated in the north of England but Lancashire was known as the epicentre. The majority of raw cotton imported into England was done so by Lancashire cotton mills. In terms of output Britain was producing almost the same amount of goods as the United States, Germany and France combined. Britain had become a reference point for all to follow. Britain saw the world as her trading partner like no other; Britain by 1913 was thought to be in a position of great strength with unquestionable wealth.

This position was more over a false image of the activities of old industries such as the cotton and coal sectors. Britain had become a nation of financial and commercial service providers. During the final third of the 19th century a sense of pessimism was already stirring amongst Victorian businessmen and investors; they had such optimism during the middle part of the century as Britain was unrivalled. Tariff protection in overseas markets and the expansion in imports for agricultural and manufactured goods caused such pessimism. This pessimism was soon to be proved correct.

In 1914 the Great War had begun, changing the face of British industry and over the next twenty years the cotton industry would never be the same. The early 1870s was a period of further transition as these staple industries became concerned and were finding it increasingly difficult to continue selling goods abroad. Britain`s position was still seen as one of strength but one of unsure times as Britain had given its competitors all the ideas and built the equipment needed to compete in all markets; with the lifting of restrictions on the sale of textile machinery to foreign markets as far back as 1843.

Over the next twenty three years Britain entered a period named “ the Great Depression” (Kirby, 1981, p. 1) from 1873 to 1896 which saw Britain`s workers become uneasy and develop a dislike to foreign trading. This was due to the ever expanding nations of India, Brazil and Japan, who could pay their workers far less and so were able to sell their produce far more cheaply. Foreign produce flooded British markets putting Britain in a precarious position as the importation of raw cotton was no longer Britain`s largest.

It was said to be the beginning of the end of dominance in world markets. With exports beginning to falter, and imports ever on the increase, Britain was now in a period of deflation, prices for goods from foreign markets were threatening to undermine Britain's superiority in the production of cotton. The cotton industry was also slow to adopt new innovations as was seen when an American, J. H. Northrop invented the 'automatic' loom in which he patented in 1894. This new invention sped up production as the weaver no longer had to constantly handle the shuttle.

Northrop was said to have tried to interest British textile machinery manufacturers, but the essence of enterprise and creativity which had fuelled the Industrial Revolution had all but disappeared. Britain's cotton industry stayed with what was known as the "Lancashire loom" (Council) and was slow to introduce the automatic loom, allowing further difficulties within the cotton trade as competitors were now producing cotton cloth quicker and cheaper. In contrast to the great depression, for the Lancashire cotton industry it was a time of growth known in Lancashire as the "Victorian Golden Age" (Council).

Even with the depression having an effect on the cotton industry and the trade cycle going through change, Lancashire's cotton trade stayed optimistic as trade followed the continuing expansion of the empire and volumes began to increase dramatically. Lancashire's cotton industry was said to have grown at an astonishing pace. The growth was measured by the volume of raw cotton being imported. The decade prior to 1870 actually saw a fall from 853.1 million lbs. to 797.3 million lbs., a 6.5% drop. This was put down by some, to the cotton famine of 1861 to 1865.

Other opinions saw this as the beginning of the end for what was Britain's largest industrial export of the time. In the 1870s the increase was phenomenal, a staggering 1274.6 lb. was imported, a 59.9% rise. Over the next three decades imports continued to rise, if not at such a rate as the previous decade. Imports on average were virtually double that of the 1860s. This build up to mass production was offset by falling prices throughout the British economy from the influx of cheaper imports of goods from abroad.

There were many towns across Lancashire concerned with the production of cotton and were all said to be too heavily dependent on cotton production. With the high volumes of cotton cloth being produced, high numbers of employees were needed. Lancashire employed many men and women in the late nineteenth and early twentieth century's. Burnley was one of these towns and had seen its population grow from around 2000 inhabitants in 1790 to over 87000 in 1900. In 1850 Burnley's main concern within the cotton industry was spinning and only partially carried out weaving on around 9000 looms.

Ring spinning developments in Oldham during the 1880s enabled the cotton mills in Burnley to purchase yarn much cheaper than they could produce yarn for themselves. By 1886 Burnley was said to be out producing weaved goods in the form of calico, than any other town throughout the world. Many of the mills that were spinning mills were converted to weaving, and many mills were built to house vast numbers of looms. By 1900 Burnley adapted from high volume spinning to high volume weaving on around 79000 looms in 1900 and on 99000 looms by 1910.

The build-up of such resources was looked upon as inconceivable given the problems with many strikes over wages, particularly the strike of 1878. This led to many riots in the town as the Masters' Association implemented a 10% pay cut. Many employees were needed and the census of 1901 shows that the cotton industry in Burnley employed 11607 men out of 30765 and 16317 women out of 21697 employed. Compare this to a close neighbouring town like Accrington, where the cotton industry employed high numbers of females 6423 out of 8517 employed but engineering and machine making was its main staple industry for male employees. 595 men were employed in engineering and machine making compared to 1876 employed in cotton manufacturing. These figures showed how dependant Lancashire had become on the cotton industry. From 1896 and up to the outbreak of war Britain entered a period aptly named "Indian Summer" (Council). Despite Britain's economy undergoing such depression and depression also affecting the cotton industry from increased competition particularly from Japan, more and more cotton cloth was being produced.

One problem was seen as the decline began to take hold that of failure to modernise and as Lancashire spinning manufacturers sought to improve efficiency. The only problem with this was that they tried to improve efficiency still using the mule, hence them being given the name "stubborn mules" (Council) in what may have been short coming as new technologies were available. In 1913 Britain reached its all-time high in cotton cloth production and Lancashire confirmed its status as the "world's cotton making machine" (Council).

Around 7, 075, 000, 000 square yards was said to have been produced. Within in a few short years Britain began its swift decline and which it would never recover and the world was to become a very different place. Across Western Europe the high levels of material progress and prosperity that had been achieved in the 1900s saw political tensions between European powers rise even further with unions demanding more pay and better working conditions leading to many tariffs being imposed to try and limit foreign competition.

With the outbreak of war in 1914 Britain committed many working men to the war effort. This led to a shortage of workers within the cotton industry and many mills ceased production of cotton goods and were then adapted in to armament factories. With these changes having taken place, it was suggested that Britain's economy was left exposed. For the economy to stay stable whilst in a war production of goods for export needed to continue but too much emphasis was placed on the war effort. This was seen to have stripped Britain's capability to stay competitive within the cotton industry.

There was also suggestion that Britain had over priced itself and that other countries were now in a position to produce their own goods. Japan was one of these countries as they switched cotton production to twenty four hours. Japan had been importing piece goods from Britain but was now in a position to produce their own. Britain was never to recover after the war, exacerbated even further by the economic slump of the 1920s, which culminated in the general strike of 1926. During the 1920s, India who had been a large customer of Lancashire cotton imposed tariffs on British cotton goods.

During the 1930s Britain tried everything in her power to stop the decline. Exhibitions and fashion shows were put in place to showcase British goods. They even set up a competition for a "cotton queen" (Council) who would travel the length and breadth of the country endorsing British wares. This was to no avail as one cotton queen stated "... they were all there, they were looking but they weren't buying" In conclusion it has to be said that there are many varying opinions on whom or what caused such devastating decline in the cotton industry.

From what seemed to be economic ignorance and the use or lack of use of new and improved innovations. What also became apparent was what seemed to be, that we best know, we have been doing this for some time and we will succeed. This was not the opinion of British consuls abroad who frequently complained about the narrow mindedness of the British businessman. Who they stated were "complacent and unenterprising" (Tonge, 1993, p. 356) and very slow to adapt to changes within the cotton industry.