
ARTICLES

Aspects of XIXth Century Anglo-German Trade Rivalry Reconsidered

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It is a well-known fact that British fears of German trade rivalry in the late XIXth century followed a cyclical pattern. Widespread apprehension in Britain about this rivalry occurred first at the end of the short-lived boom of the early eighties. Then it slowed down. However, after "a virtual absence since the later eighties",¹ the scares reappeared stronger than ever before: the high-water mark of the new wave of hysteria came in 1896. In January of that year the *New Review* published the first of a series of articles by E.E. Williams entitled "Made in Germany". "As the story unfolded in the five following instalments interest mounted until by midsummer the appearance of the last became an important national event. So great was the public concern that Williams was encouraged to revise 'Made in Germany'

¹ HOFFMANN, ROSS J. S., *Great Britain and the German Trade Rivalry 1875-1914*, Philadelphia 1933. Reissued New York 1964, p. 229. Compare also: *Ibid.*, pp. 74 seq., pp. 244 seq. and LANDES, DAVID S., *Entrepreneurship in Advanced Industrial Countries: The Anglo-German Rivalry*. Section F of 'Entrepreneurship and Economic Growth'. Papers presented at a Conference sponsored jointly by the Commission on Economic Growth of the Social Science Research Council and the Harvard University Research Center in Entrepreneurial History, Cambridge/Mass. 1954, Chapter 2 p. 27.

which was then published in cheap form as a book. [...] It rapidly ran through six editions between July and December 1896.”² Obviously, much had contributed to this “national alarm,” as it was called by Ross Hoffmann. The press dwelt extensively on the question of Anglo-German rivalry, and Lord Rosebery delivered his famous Epsom speech.³ A full revival of business was not yet beyond doubt,⁴ though the very bad years from 1892 to 1894 had passed away. The value of domestic exports was rising, but had not yet reached the previous peak of the early seventies.⁵ And, last but not least, the political atmosphere between the two countries had been poisoned by the Transvaal crisis and the Kruger telegram.

However, the alarm vanished very quickly, beginning in the autumn of 1896. In October of that year Joseph Chamberlain declared: “I have a conviction in my mind that, in spite of all our defects, we have power enough to hold the property which has come to us from our ancestors.”⁶ This *The Economist* fully confirmed, calling the “dread of German competition” “a nightmare”.⁷ And in 1902 the *Times* explained the alarm of

² MINCHINTON, WALTER E., E. E. Williams: ‘Made in Germany’ and after. In: *Vierteljahrsschrift für Sozial- und Wirtschaftsgeschichte* 62, 1975, pp. 232-233.

³ HOFFMAN, *op. cit.*, pp. 249 ssq. See also: *The Economist*, 1.8.1896 ‘British vs. German Trade’.

⁴ Compare the different degrees of confidence displayed by *The Economist* in early 1896 and early 1897 regarding the future revival of trade:

“The realisation of the hopes that are entertained as to a further and more decided expansion of trade during the current year must to a large extent depend upon the course of political affairs (...) It is to be hoped that no untoward events may arise to prevent their fulfilment.” (22.2.1896. Supplement).

“Our home trade, however, is still sound and progressive, and altogether, if political disturbances can be avoided, it seems probable that when the record of 1897 comes to be written it will present better results than those achieved in 1896, favourable though these were.” (20.2.1897. Supplement).

⁵ SCHLOTE, WERNER, *British Overseas Trade from 1700 to the 1930s*, Oxford 1952. (Original German edition: Jena 1938), p. 125.

⁶ Quoted from: *The Economist*, 24.10.1896 ‘Lord Rosebery and German Competition’.

⁷ *Ibid.*

1896 as "that bewilderment which is always excited by incomprehensible facts with importance of the first magnitude." There was, it continued, "as usual, a tendency to overrate and to misinterpret. It is no exaggeration to say that 'the German danger' spread dismay and alarm through a considerable section of mercantile Britain. It was distorted and exaggerated in those newspapers which are given to sensationalism; it was impressed into the service of those who believe the best way to rouse their country is to send a shudder through its nerves."⁸

So the observer is left with the question: what was it all about? Was the whole story of the trade rivalry really just the nightmares of the English commercial and industrial community, bad tempered because of falling prices and repeated depressions in business, which consequently rapidly disappeared during the booms which centred on 1890 and 1900⁹? In addition, was the pervasiveness of the alarm of 1896 only due to the political feelings which had been aroused¹⁰ and the consequent wide publicity? As we shall see, this cannot be a complete explanation. In the following, two economic developments will be explored in some detail which largely contribute to the view that the scares were quite plausible and deeply rooted in the economic context, although the importance of other factors is not to be denied.

I

Giving evidence before the Royal Commission appointed to inquire into the depression of trade and industry, Robert Giffen, Assistant Secretary of the Board of Trade, stated in 1885 while

⁸ *Times*, 4.4.1902 'German vs. British Trade'. Quoted according to: HOFFMAN, *op. cit.*, pp. 258-259.

⁹ ROSTOW, WALT W., *British Economy of the XIXth century*, Oxford 1948, p. 33.

¹⁰ This is stressed by: BANZE, ANGELIKA, *Die deutsch-englische Wirtschaftsrivalität. Ein Beitrag zur Geschichte der deutsch-englischen Beziehungen 1897-1917*, Diss. Berlin 1935, pp. 94-95. And: BÖHM, EKKEHARD, *Überseehandel und Flottenbau. Hanseatische Kaufmannschaft und deutsche Seerüstung 1879-1902*, Düsseldorf 1972, pp. 70-71.

speaking about German exports: "There is this peculiarity when you compare them, for instance, with the exports from the United States, which also show an increase, that it is almost the very latest year [...], in which the German exports are at a maximum, that is 1883 [...]. This seems to me a little exceptional from the general course of the export trade of different countries; and what I have to suggest is that that is a matter which may be worth investigation."¹¹ He touched a very important point. Whereas in the 1860s and early 1870s the value of British and German, as well as world exports, grew rapidly (although at different rates) this changed thereafter, which can be seen from the following table:

TABLE 1¹²

WORLD EXPORTS, BRITISH AND GERMAN EXPORTS
IN SELECTED YEARS (millions of marks)

	1872	1880	1883	1890	1895	1896	1899	1913
World Exports								
Total	25,500	27,220	28,670	31,780	30,180	32,780	37,770	77,280
Manufactures	9,700	10,370	11,040	12,330	11,140	12,200	14,050	29,600
British Domestic Exports								
Total	5,125	4,461	4,796	5,271	4,523	4,803	5,290	10,505
Manufactures	4,413	3,749	4,028	4,270	3,687	3,965	4,131	7,933
Raw Materials (inc. Semi- Manufactures)	520	487	521	748	593	585	881	1,931
German Exports								
Total	2,318	2,923	3,259	3,326	3,318	3,525	4,207	10,097
Manufactures	1,220	1,754	2,061	2,319	2,344	2,469	2,952	7,229

¹¹ Parliamentary Papers 1886, XXI.

¹² The figure for total world exports in 1872 is the one given by von Neumann-Spallart for 1872/73, adjusted for British re-exports; see: NEUMANN-SPALLART, F. X. von, *Übersichten der Weltwirtschaft*, 1879, p. 291. Other totals in: MADDISON, ANGUS, *Growth and Fluctuation in the World Economy 1870-1960*. In: *Banca Nazionale del Lavoro Quarterly Review* 15, 1962, p. 181. (The exchange rate used was: \$ 1 = 4.2 marks). World exports of manufactures are derived by applying the respective ratios of manu-

Between 1872 and 1883 world exports increased only by about 1% annually, while the value of British exports actually fell. On the other hand, although German export earnings grew more slowly than before 1872, they nevertheless rose at an annual rate of more than 3%. It is true that the German figures for 1872 are subject to a great margin of error, because the competence of the then newly-founded German statistical office was still very deficient.¹³ However, the basic result appears to be beyond question, namely that German exports grew comparatively fast at a time when British sales stagnated, to say the least. And these adverse movements in the export totals of the two countries were almost exclusively due to the respective developments of manufactured exports. Great Britain was heavily dependent on her exports, in order to pay for her growing imports of raw materials and foodstuffs. In addition, exports became ever more important as a factor in the level of demand facing British industry. Whereas

factures to totals for quinquennial averages calculated from: Société des Nations, *Industrialisation et Commerce Extérieur*, Genève 1945, pp. 187-188. British trade figures in: SCHLOTE, *op. cit.*, pp. 125-126. (£ 1 = 20 marks). The German figures are to be found in: Kaiserliches Statistisches Amt (ed.), *Statistisches Handbuch für das Deutsche Reich*, vol. 2, Berlin 1907, pp. 9 ssq. (for the totals up to 1905); and in the various volumes of 'Statistik des Deutschen Reiches'. From the latter have been calculated the exports of manufactures in the same manner as it was done by A. Maizels, using the Standard International Trade Classification (1951). See: MAIZELS, ALFRED, *Industrial Growth and World Trade*, Cambridge 1963, pp. 517-518.

¹³ The degree of reliability of German trade statistics before the reform of the year 1879, which put them on a much sounder basis, is a matter of judgement. Already contemporaries differed widely in their views upon this subject. Whereas Robert Giffen, giving evidence before the Royal Commission, considered them as approximately correct, the German statistician Adolph Soetbeer estimated that the figure for 1873 was too low to the extent of about 25% (SOETBEER, ADOLPH, *Bemerkungen über die Handelsbilanz Deutschlands*. In: *Annalen des Deutschen Reichs für Gesetzgebung, Verwaltung und Statistik*, 1875, p. 770). However, this is almost certainly a gross exaggeration, for it would mean that there was only negligible growth in the exports of the German Customs Union between 1873 and 1880, a period in which the overseas exports of Hamburg alone increased by 280 million marks or 53% (*Tabellarische Übersichten des Hamburgischen Handels für 1873 und 1880*). A comparison of the quantities of various commodities exported in 1879 and 1880 also does not justify Soetbeer's global statement, although we find grave discontinuities for some products. Others, however, seem to have been reported quite exactly even before 1880, for instance metals and machinery.

industrial production in the United Kingdom increased by 78% in the 20 years from 1852 to 1872,¹⁴ the volume of manufactured exports rose by 126%.¹⁵ In 1872 the value of exports equalled 21% of total domestic expenditure.¹⁶ This illustrates the direct importance of exports to British manufacturing industry. However, their multiplier and other indirect effects, for instance on productivity,¹⁷ must also be considered. To get a rough idea of the magnitude of the former, it is sufficient to say that extrapolating the growth rates of exports, which were achieved between 1854 and 1872, up to 1907 an input-output calculation will result in an hypothetical annual increase of industrial production in the United Kingdom of 4.1% instead of the actual 1.75% for that period.¹⁸

So far we have treated material facts with regard to the rivalry question. More important in our context is the public perception of those facts. The falling off of British exports might have been of crucial influence in slowing down the growth of the economy and in worsening the long-term prospects for the augmentation of the standard of living. Nevertheless, in itself this would not give us the clue to explaining the waves of fear concerning German rivalry, in the absence of public awareness of these effects. One could imagine, for example, the development of real wages being the prime indicator by which to judge the general welfare position of the nation in public debate. Such a perspective would have shown a state of increasing wealth justifying no fears about the future; since real wages, allowing

¹⁴ Exclusive of construction. See: LEWIS, W. ARTHUR, *Growth and Fluctuations, 1870-1913*, London 1978, pp. 248-249.

¹⁵ SCHLOTE, *op. cit.*, pp. 134-135.

¹⁶ The expenditure figure was taken from: FEINSTEIN, C. H., *National Income, Expenditure and Output of the United Kingdom 1855-1965*, Cambridge 1972, p. 18.

¹⁷ See: MAIZELS, *op. cit.*, p. 17.

¹⁸ MEYER, JOHN R., An Input-Output Approach to Evaluating the Influence of Exports on British Industrial Production in the Late XIXth century. In: *Explorations in Entrepreneurial History* 8, 1955-56, pp. 12 ssq.

for unemployment, grew at the same average rate of about 1% annually between 1872 and 1883 as between 1850 and 1872, even accelerating thereafter until the middle 1890s.¹⁹ However, this was not the prevailing view, partly because there were no comprehensive statistics of real wages similar to those covering trade. But the fact that the welfare of the groups dominating public opinion was poorly indicated by the trends in real wages might also have played a role. As Robert Giffen wrote: "The classes who have the most ample opportunities of proclaiming their grievances" felt "a great social distress".²⁰ At all events, we can state that the performance of English goods in foreign markets was considered as "the heart of the matter".²¹ Because of this publicity concerning the continual depression of British exports could arouse so much concern and evoke national emotions. An explanation of the fact was demanded and thus the contrasting German export performance of the time was singled out as a major cause. The *Spectator* expressed the national feelings in 1886 in the following way: ²²

"Apart from general causes which may or may not have their day and cease to be, there can be little doubt that the salient fact of the industrial world [...] is the commercial uprising of the German people; and to this is due, perhaps as much as to any more general or recondite cause, the continued depression of British industry. For it would seem that had it not been that the new or neutral markets of the world had been violently attacked and almost taken by storm by German competition in the last half dozen years the depression would here now have passed away."

¹⁹ Calculated from: WOOD, GEORGE H., *Real Wages and the Standard of Comfort since 1850*. Reprinted in: CARUS-WILSON, E. M. (ed.), *Essays in Economic History III*, London 1962, pp. 142-143.

²⁰ GIFFEN, ROBERT, *Essays in Finance*, 'The Liquidations of 1873-6', 1882, p. 119. Quoted from: ROSTOW, *op. cit.*, p. 58.

²¹ LANDES, *op. cit.*, Ch. 1, p. 9.

²² *Spectator*, 14.8.1886 'English, German and Chinese Trade'. Cited by HOFFMAN, *op. cit.*, pp. 74-75.

Such a global statement, however, hides the fact that the competitive relationship between British and German goods differed largely from commodity to commodity and from market to market. The value of German iron and steel exports, for instance, grew as a percentage of the equivalent British exports from about 10% in 1872 to 27% eleven years later.²³ But this does not necessarily mean an increase in competition of the same order. Indeed with regard to the question of competition one can distinguish three categories of iron products:

1) commodities in which Britain had specialised and in which she held her position in the world market fairly well, namely pig iron and rails;

2) wire, a speciality of Germany, for which she captured a big share of trade compared to England, with Britain herself taking more than 20% of all German wire exports in 1883;

3) bar iron, which played a moderate role in the exports of both countries.

Table 2 shows the situation of the bar iron trade of the two nations in general and in two important German markets:

BRITISH AND GERMAN (thousands of metric tons;								
	1872				1880			
	From UK		From Germ.		From UK		From Germ.	
	'000 t	m. m.	'000 t	m. m.	'000 t	m. m.	'000 t	m. m.
Total	278	62.8	27.9 ^b	7 ^b	253	38.1	145.1	21
To Russia ^a	18.4	4.1	2.3 ^c		9.4	1.5	54	7.8
To Italy ^a	17	3.5			11.8	1.7	1.8	.3

a) The figures of German exports include "Radkranz- und Pflugschareisen".

b) With "Luppeneisen"; without "Faconniertes Eisen in Stäben".

c) Over the border towards Russia.

²³ Here and for the following data British trade figures are taken from official sources printed in the Parliamentary Papers (Annual Statement of the Trade and Navigation of the UK with Foreign Countries and British Possessions). For the German figures see note 12).

The quantity of German bar iron exports increased enormously in the seventies, whereas British sales stagnated. Around the year 1880 German manufacturers had to a large extent driven out British bar iron from Russia. Not so in Italy: in 1880 Germany still supplied only a fraction of what was delivered by Britain. In the following year the exports of both countries increased. Then German bar iron started to compete severely, and in 1883 more of the German product than of the British was sold in the Italian market. Certainly, the Gotthard railway, opened in 1882, was an important factor contributing to this achievement. So we find here a case of direct commercial rivalry between the United Kingdom and the German Empire.

Again, however, it is not the complex structure of actual competitive relations which commands our main interest, but rather how this was reflected in the public mind. And public opinion probably overestimated the direct responsibility of German commercial advance in third markets for the stagnation of British exports. The different range of products offered by both countries should not be overlooked when explaining the discrepancy. There also might have been some voluntary abandonment

TABLE 2²⁴

BAR IRON EXPORTS
millions of marks)

1881				1883			
From UK		From Germ.		From UK		From Germ.	
'000 t	m. m.	'000 t	m. m.	'000 t	m. m.	'000 t	m. m.
250.8	33.3	152.8	20.6	252.4	35	147	19.1
2.7	.4	42.3	5.7	2.6	.4	29.7	3.9
20.6	2.6	4.6	.7	16.6	2.3	20.2	2.7

²⁴ See note 23. Bar iron exports from Germany on account of merchants from the Hanse Towns, which statistically appear up to 1889 as exports of the German customs area to these ports, were rather small. Therefore a distribution of those exports among the countries of final destination is not absolutely necessary.

of markets which English merchants did not consider worth competing for,²⁵ although this appears to be improbable in situations where capacity was under-utilised. Nevertheless, the message, as it was understood, was that German trade was generally replacing the British. This view was supported by many consular reports. Thus, almost every report sent to the above mentioned Royal Commission specified some commodities the supply of which German traders had wrested from the English.

II

So far the analysis has yielded the result that up to 1883 German exports were developing in a way very different from British, which were no longer increasing, and that this contrast in experiences was widely perceived by the public and thus clearly could and did serve as the general point of reference with regard to German commercial expansion, provoking uneasiness and concern in Britain. However, as table 1 also shows, the situation then changed. German total export values as well as British stagnated for more than a decade.²⁶ Even manufactured exports lost a great deal of their dynamic and grew at a much lower rate than before. Although this does not mean that competition between German and British goods in third markets ceased or that no further substitution occurred, the rate of change was lower, leaving British and German merchants on average equally successful. On the other hand, the alarm occasioned in 1896 was far greater. In every explanation of this surprising fact political events certainly play a prominent role. But the turn of the century had also seen the climax of a conspicuous spurt in economic development which might have had considerable impact on public opinion, namely growing penetration of the British

²⁵ Compare: PLATT, DESMOND CHRISTOPHER M., *Latin America and British Trade 1806-1914*, London 1972, pp. 119 ssq.

²⁶ Compare also the analysis of *The Economist*, 1.8.1896 'British vs. German Trade'.

home market by German goods. To show this, a detailed analysis of German exports to the United Kingdom is necessary.

A major difficulty for such an analysis prior to 1889 lies in the fact that the port cities Hamburg and Bremen only joined the German customs area at the end of 1888. The export statistics of the Imperial Statistical Office therefore considered them as independent trading partners before that date. They took, not surprisingly, a large proportion of German exports, in order to sell them overseas on their own account. Whereas an investigation of total exports from Germany on the basis of the official figures will lead only to minor mistakes, because the towns acted mainly as intermediaries, an analysis of German trade with individual countries without a prior correction of the statistics will result in a rather distorted picture. For the towns did not trade equally with all countries. Consequently the degree of underestimation of German trade with individual partners, when using Imperial statistics, varies in accordance with the extent of commercial relations of the Hanse Towns with the respective foreign countries. In addition, the range of commodities exported by the two cities was rather different from that of Germany as a whole. Thus, an analysis of the trade of the German customs area with a specific foreign nation, as distinguished from that of the total German territory, is bound to overestimate the importance of products which were relatively less exported from the Hanse Towns than from Germany in general. In order to avoid these biases, exports from the German customs area to Hamburg and Bremen were distributed among the various foreign countries in proportion to their total "imports"²⁷ from the port cities. This complicated procedure is necessary, because English statistics cannot be used too for an evaluation of Anglo-German trade. These attributed exports and imports to the country in which the

²⁷ Derived from the export statistics of the Hanse Towns: *Tabellarische Übersichten des Hamburgischen Handels im Jahre 1880* and *Jahrbuch für amtliche Statistik des Bremischen Staates, 1880*.

port which the goods were sent to or from was actually situated. Thus the whole transit trade from Germany via the Netherlands and Belgium to the United Kingdom was inseparably mixed up with the trade specific to the two countries. The analysis can-

TABLE 3²⁸

TOTAL GERMAN EXPORTS AND EXPORTS TO THE UNITED KINGDOM:
GROWTH AND COMPOSITION (millions of Mark)

	1880		1896 =		1913		% contribution to increase of manufactures exported	
	amount	% of manuf.	amount	% of manuf.	amount	% of manuf.	1880-1896	1896-1913
Exports to all destin.								
Total	2923.4		3525.1		10097.2			
Manufactures	1754.3	99.9	2469.1	100	7229.1	100	100	100.2
Chemicals	201.6	11.5	313.1	12.7	1001.3	13.9	15.6	14.5
Iron and Steel	117.4	6.7	130.4	5.3	696.3	9.6	1.8	11.9
Other Metals	53.4	3	59	2.4	290.7	4	.8	4.9
Metal Goods ²⁹	99.5	5.7	248.1	10	726.8	10.1	20.8	10.1
Machinery/ Transport Eq. ³⁰	54.9	3.1	138	5.6	1246.4	17.2	11.6	23.3
Yarn	109.3	6.2	88.8	3.6	217.7	3	-2.9	2.7
Textiles/Clothing	667	38	706.9	28.6	1143.1	15.8	5.6	9.2
Other Manufact.	451.2	25.7	784.8	31.8	1906.8	26.4	46.7	23.6
Exports to the UK ³¹								
Total	609 ³²		713.7		1438			
Manufactures	346.4	100	478.1	99.9	1042.1	100	99.9	100
Chemicals	37	10.7	60	12.5	112.9	10.8	17.5	9.4
Iron and Steel	12.8	3.7	12.4	2.6	126.4	12.1	-.3	20.2
Other Metals	10.9	3.1	13.9	2.9	57.1	5.5	2.3	7.7
Metal Goods ²⁹	8.2	2.4	21	4.4	62.5	6	9.7	7.4
Machinery/ Transport Eq. ³⁰	1.6	.5	4.4	.9	84.1	8.1	2.1	14.1
Yarn	16.5	4.8	13	2.7	25.5	2.4	-2.7	2.2
Textiles/Clothing	150.5	43.4	164.9	34.5	248.9	23.9	10.9	14.9
Other Manufact.	108.9	31.4	188.5	39.4	324.7	31.2	60.4	24.1

²⁸ See note 12. The figures for 1913 can be directly compared with those of A. MAIZELS, *op. cit.*, who apparently used a somewhat different classification, although the major tendencies are the same.

²⁹ The increase from 1880 to 1896 is largely overstated, because the estimated unit values of 'Grobe Eisenwaren, anderc' was raised in 1882 from 65 to 150 marks per 100 kg.

not not therefore start before 1880, since this was the year when the Imperial Statistical Office for the first time published detailed surveys of the trade between the German customs area and foreign countries.

Until the middle 1890s textiles, clothing, and "other manufactures" were collectively by far the most important German exports, amounting to 60% of all manufactures sold abroad in 1896 and, in the case of sales to Great Britain, even to 74%, which constitutes a characteristic differential reflecting the position that Britain was a highly industrialised country, in whose home market Germany could not yet compete in capital goods, chemicals excepted. Within consumer goods, however, textiles and clothing lost some of their importance for exports. Surprisingly, "miscellaneous manufactures" proved very dynamic, contributing three fifths to the overall increase of the value of German manufactures shipped to Great Britain up to 1896. Differential price effects can explain only a small part of the movement, which is to be found in the volume series as well. From a purely statistical point of view it can be attributed to two factors:

1) There was an increase in Britain's general imports of "miscellaneous manufactures" in that period from 362 to 516 million marks, with re-exports declining from 82 to 72 million.

2) The share of exports from Germany in total British imports of "miscellaneous manufactures" was about 30% in 1880; the proportion then rose and reached 37% in 1896,³³ a percentage which was much higher for specific goods, such as

³⁰ Until 1896 without ships.

³¹ The uncorrected figures for 1880 are (million marks): Total 432.3, Manufactures 274, Chemicals 30.6, Iron/Steel 12.7, Other Metals 6.3, Metal Goods 5.7, Machinery/Transport Equipment 0.9, Yarn 12.3, Textiles/Clothing 131.4, Other Manufactures 74.

³² A very rough estimate: total German exports to the UK as given in the Imperial statistics are increased by 26.6% of all exports of the customs area to the Northern ports (same percentage as for the correction of manufactured exports).

³³ These are underestimates because we compare fob exports with cif imports.

toys (77%), china ware (54%), and prints. Had German firms merely maintained their original share, they would have increased their exports of "miscellaneous goods" to Britain by 46 million marks only, instead of the actual 80 million marks. Thus nearly half the increase was achieved at the expense of other countries which competed with Germany in the British market and failed to preserve their shares.

The exports of books and prints, mainly coloured ones, of toys, brushes, china ware and pianos to Britain all multiplied between 1880 and 1896. Paper and wooden products also contributed largely. Together the products mentioned accounted for more than 80% of the increase in the exports of "miscellaneous manufactures" from Germany to Great Britain. Then the change in trend up to 1913 is a marked one. Metals and machinery became important British imports from Germany. Most strikingly, in 1913 Great Britain bought 18% of all German iron and steel exports. Exports of "miscellaneous manufactures" continued to grow, but now various other products within this heterogenous group took the lead, i.e. leather, rubber manufactures, glass and scientific instruments.

Until the turn of the century non-textile consumer goods thus played a prominent role in securing the growth of German manufactured exports, which distinguishes this country's experience so much from the situation elsewhere. As table 3 shows, they are even more important for the trade with a nation like Britain.³⁴ Here the increase of real wages mentioned above and that of gross national product per head at constant prices from £ 40 in 1880 to £ 47 in 1896³⁵ provided the basis for a leap forward in the sales of consumer goods with a relatively high income elasticity, supported by the fact of generally falling prices.

³⁴ Manufactured exports to the US in the year 1896 also consisted to the extent of 38% of 'other manufactures'.

³⁵ FEINSTEIN, *op. cit.*, pp. T14-T15 and T120.

Unfortunately, lack of data makes it impossible to answer the question to what extent total demand for these goods increased in Britain in the eighties and nineties and how demand was split between domestic and foreign producers. There is only a series for the total consumption of home-manufactured consumer goods at current prices, compiled by Jefferys and Walters,³⁶ which shows a decrease of eight million pounds between 1880 and 1896. After the construction of an approximate series of manufactured consumer goods imported into Britain and retained there, according to the criteria of Jefferys and Walters with the inclusion of made-up textiles, sugar, flour, etc., we can calculate total consumption of manufactured consumer goods in Great Britain. A comparison of such a series with the appropriate series of German exports to the United Kingdom, corrected for proportional English re-exports and marked up first by 10% to eliminate the difference between f.o.b. and c.i.f. prices³⁷ and then by an additional 43.5% to get retail prices,³⁸ yields the following result: The share of German goods in the total market for consumer manufactures in the United Kingdom was 3% in 1880. 16 years later it had risen to 7.1%. Fluctuating around this level until after the turn of the century it then gradually declined again.³⁹ Thus German consumer goods industries much more than doubled their representation relative to all other producers within a decade and a half. And this was achieved precisely in the one English market, which was most plainly accessible, with almost daily access by the public at large, and at a time when public opinion in Britain had been already worried about German competition in third countries. No wonder that E.E. Williams made extensive use

³⁶ JEFFERYS, J. B./WALTERS, D., *National Income and Expenditure of the United Kingdom 1870-1952*. In: *Income and Wealth*, series 5, 1955, p. 27.

³⁷ MADDISON, *op. cit.*, p. 169.

³⁸ JEFFERYS/WALTERS, *op. cit.*, p. 29.

³⁹ The result is not affected very much by any probable correction of the expenditure series to reduce its deficiencies. For this see: FEINSTEIN, *op. cit.*, pp. 15 ssq.

of this conspicuous fact, in order to provoke everybody the more: ⁴⁰

“Take observations, Gentle Reader, in your own surroundings; [...] You will find that the material of some of your own clothes was probably woven in Germany. Still more probable is it that some of your wife’s garments are German importations, while it is practically beyond a doubt that the magnificent mantles and jackets wherein her maids array themselves on their Sundays out are German-made and German-sold, for only so could they be done at the figure. [...] The toys, and the dolls, and the fairy books which your children maltreat in the nursery are made in Germany; nay, the material of your favourite (patriotic) newspaper had the same birthplace as like as not. Roam the house over, and the fateful mark will greet you at every turn, from the piano in your drawing room to the mug on your kitchen dresser, blazoned though it be with the legend, ‘A Present from Margate’. Descend to your domestic depths and you shall find your very drain-pipes German-made. You pick out of the grate the paper wrappings from a book consignment, and they also are ‘made in Germany’. You stuff them into the fire, and reflect that the poker in your hand was forged in Germany. As you rise from your hearthrug you knock over an ornament on your mantelpiece; picking up the pieces you read, on the bit that formed the base, ‘Manufactured in Germany’. And you jot your dismal reflections down with a pencil that was made in Germany. [...] You go to bed, and glare wrathfully at a text on the wall; it is illuminated with an English village church, and it was ‘Printed in Germany’.”

Characteristically Williams’ choice of commodities closely agrees with the products which we found dominating German export statistics of the period. So his book, confirming everybody’s everyday experience, could lead to an eruption of public concern about the economic rivalry of Germany and thus make the political conflict looking even more dangerous. This seems to have been a plausible reaction, although not fully a rational

⁴⁰ WILLIAMS, E. E., *Made in Germany*, London 1896, pp. 10-11.

one, for, as we have seen, German goods progressed in the British market to a large extent at the expense of other foreign suppliers. Furthermore, the threat to England's industrial strength was certainly greater later on when Britain largely imported iron and steel from Germany; but this did not evoke similar scares. Of course, it was also less conspicuous. And as far as German consumer goods are concerned their penetration of the British market ceased to grow and then diminished, so that the issue faded from public concern.

III

The two phases of English unease about the commercial expansion of Germany in the late XIXth century corresponded to two clearly distinguished economic trends. The first, in the middle eighties, can be seen as reflecting German advance on the markets of the world in general, while British exports were stagnating. The second coincided with the high tide of German products in the British consumer goods market. Both phenomena were the outcome of medium-term developments, and therefore cannot explain directly the dating of short-term events such as waves of hysteria. However, they both contributed largely to shape the situation in which the occurrence of those waves of hysteria became a real possibility.

