

Activities - Summaries

Trading Links: Patterns of Information and communication

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The expansion of commerce between eastern and western Europe during the nineteenth century was a consequence of industrialisation, changes in communications and more liberal trade policies. This study examines advances in communications - steam shipping, railways and the telegraph. Each had a major impact on the scale, pace and organisation of business -although form and timing varied. The paper's focus is on steam shipping. Because of its earlier development, and because ships are mobile units of capital requiring little infrastructure, the steam vessel was the first new mean of communication to impinge on commercial dealings. In so doing, it prefaced and provided a context for growing western involvement in trade, banking and investment.

Steam shipping affected commercial relationships between East and West in various ways. Steamers represented the first demonstration of the superiority of new technology, a feature soon appreciated since the shift from sail to steam in East-West European trade occurred largely between 1860 and 1880. Again, the increasing size of steam ships and their greater operational flexibility brought about new patterns of trade. Furthermore, the capital requirements of steam shipping led to changes in company structure and more complex financial organisation.

Other advances in communication came later. The railway enhanced facilities for passengers, mails and high value freight whereas the telegraph brought the speedier flow of information. The vital roles of transport improvements were the facilitation of expansion and enabling markets to function more perfectly. The first impetus came with the steamship and the changes it initiated serve as an exemplar of many new features of East-West commercial relationships in the nineteenth century.