Import trade in Hamburg, 1733–1798

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Hamburg’s position in 18th c. European long-distance trade

- Situated on the estuary of the Elbe river
  - Gateway function between inland and overseas trade, comparable to many other major harbours on the Eastern Atlantic and the North Sea
  - Population: 1700 about 70000, early 19th c. 130000, i. e., about 50 per cent larger than the port cities of France, but much smaller than London and Amsterdam

- Major role in German overseas trade
  - Waterway connection with Saxony, Brandenburg, Silesia
  - High tolls on the Rhine until 1830 benefitted Hamburg
  - Amsterdam may have handled about half of Germany’s overseas trade in the 18th century, Hamburg about a third, Bremen being the most important minor port

- Colonial trade
  - German states had no colonies in other continents
  - Hamburg handled trade between its German hinterland on the one hand and ports with colonial connections and Mediterranean markets on the other hand
  - From the 1730s to 1780s 50-60 per cent of recorded overseas imports came from France and consisted chiefly of sugar and coffee (41 and 24 per cent in 1781–89, respectively)
The dataset

- almost 187,000 declarations of values of imported goods in *Mark banco* (Hamburg’s paper currency) from 36 complete years between 1733 and 1798
  - Made available in electronic form by Schneider / Krawehl / Denzel (2001)
  - Original sources are import toll ledgers (*Admiralitätszoll- und Convoygeld- Einnahmebücher*)

Information recorded

- Date
- Name of owner of goods (usually a merchant residing in Hamburg)
- Origin of cargo
- Good
Coverage

- Overseas imports from the White Sea and from ports to the west of the mouth of the Schelde river, including the British Isles
  - excludes imports from the United Provinces and Scandinavia / Sound
  - excludes overland trade

- Exemptions
  - Trade with grain and coal
  - Transit trade
  - Imports of goods destined for the consumption of town burghers

- Recorded values correspond to about a third of what French consuls believed to be the total amount of Hamburg’s trade (Jeannin 1971)
  - no bad news: this includes inland trade, which should be complementary to overseas trade → import coverage seems to be around 2/3
Standardization of commodity descriptions — aggregation

- Original transcription contains 6900 different terms
- Standardization and correction yielded 2300 different designations of individual items or composites of several items declared jointly
- These individual items were then coded into 262 groups
  - includes notably the aggregation of individual types of textiles, iron goods, goods made of non-ferrous metals, less important dyestuffs, household goods and medicaments
- For the presentation of the commodity structure of imports these groups were coded into 40 major groups
- For 44 commodities the availability of price information allowed estimation of real import quantities (see below)
  - distinguishes separate proveniences of some goods, such as cotton and alum
- About 7 per cent of import values cannot be categorized
  - "diverse merchandise", "retail goods", "manufactures", "Indian goods", "drogues" (dyes, medicaments), and scattered goods that were not categorized (1.1 per cent)
Calculation of real import quantities

For 44 commodities import values can be deflated using price information from the Hamburg price current (Gerhard and Kaufhold 2001)

Expansion of database needed to improve correspondence between price specification and regional structure of import trade

E. g. sugar: price of Brazilian sugar — most sugar came from Saint-Domingue (Haiti)

Coverage

No prices exist for industrial goods, such as textiles, and the share of textiles in total import value declined over time (probably due to import substitution)

→ From 2/3 during the late 1730s coverage of import values with respect to prices rises to about 85 per cent between the 1770s and the mid-1790s

As a sensitivity test imports without price information are deflated alternatively with the import price index and the price of German linen (assuming strong integration of markets for different types of textiles)

Limitations

The price current records large price ranges; Gerhard and Kaufhold give means

Values in ledgers were seemingly calculated using “customary” prices
Known deficiencies

- **Probable under-registration of dyestuff trade**
  - In 1736–1768 Hamburg’s imports of dyestuffs from Britain correspond to only about 15 per cent of British exports of these commodities to Germany (Engel 2008)

- **Probable under-registration of tea trade**
  - The share of recorded imports of tea in total import value was at an order of magnitude of 0.5 per cent
  - The names of major tea dealers of Hamburg cannot be retrieved in the toll ledgers

- **Comparison with Dutch exports to Germany, 1753–1789/92 (van Nierop 1915)**
  - Growth rates of trade flows are much smaller in the case of overseas imports of Hamburg than in the case of Dutch exports to Germany → growing under-registration over time? (however, I do not know a critical analysis of the Dutch ledger of 1753)

- **Possible explanations of under-registration**
  - Transit trade (or shift from import trade using local services to transit trade)
  - Rival satellite ports: Altona, Harburg (creations of territorial states in the immediate vicinity of Hamburg; merchants from Hamburg seem to have used these facilities as well to reduce trade costs)
A small consistency test: sugar

Sugar trade, million pounds (French re-exports: Stein 1980)

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<tr>
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<th>early 1740s</th>
<th>mid-1770s</th>
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<tbody>
<tr>
<td>French exports to Germany</td>
<td>17</td>
<td>41</td>
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<tr>
<td>Imports of Hamburg from France</td>
<td>17.5</td>
<td>17</td>
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- Trend growth of recorded total sugar imports of Hamburg 1736–1798 0.9 per cent p. a. (estimated quantities)
- Shift from clayed sugar to muscovado: price differential about 30 per cent; summary correction produces the following revisions
  - Sugar imports from France in the mid-1770s are raised to 22 million pounds
  - Trend growth rate 1736–1798 is raised to 1.0 per cent p. a.
- Guesses concerning the number of sugar refining plants in Hamburg
  ... suggest growth of this industry at 0.6 (1750–1784/1807) to 1.1 per cent p. a. (1727–1784/1807)
- Reports from French consuls suggest little growth of Hamburg’s sugar trade c. 1753–1790 (Jeannin 1971)
Real overseas imports of Hamburg, 1736–1798
(Fisher index, 1736=100)
Real overseas imports of Hamburg, 1736–1798

Comments

- Growth rate of import quantities 1736–1798 0.9% (1736–1794 0.7%)
  - Consistent with existing information concerning linen exports (0.7 per cent)
  - Aggregate income in Germany probably increased with population: 0.5 per cent
  → Increase in openness!

- No steady trend! (In particular, c. 1755–1783 was characterized by stagnation)
  - Explanations: (1) import substitution in textiles; (2) trade diversion in the wake of heightened competition between rivalling ports along the North Sea coast; (3) Hamburg was a major profiteer of the fall of the Dutch entrepôt in 1795

- Major war-related shocks

- Shift of commodity composition
  - growth of import quantities of colonial commodities 1.6 per cent
  - decline of import quantities of wine and Mediterranean groceries -0.7 per cent
    explained by shifts in relative prices → (qualified) support of Great Divergence thesis
  - growth of imports of colonial commodities cannot be explained by relative price shifts (and income growth) → changes in preferences resulting from consumer revolution / development of regional export industries through an industrious revolution
Conclusion

- Already by the 18th century Hamburg handled an sizeable proportion of Germany’s overseas trade

- Given the fragmentary nature of Dutch data, toll ledgers from Hamburg contain precious information on Germany’s external trade

- Despite numerous shortcomings if handled with care this data source allows the development of series that
  - provide a consistent picture of Germany’s international economy, c. 1730s–1790s
  - respond to major issues of 18th-c. economy history, such as the Great divergence and industrious revolution hypotheses

- More consistency tests may be conducted using recent work on exports of other trading partners of Germany / Hamburg

- Substantial conclusion: There was an increase in openness in a period of stagnating per capita income, but trade growth seems to have been modest compared to other countries (e. g. France)