

**UNIVERSITY OF TORONTO**  
**Faculty of Arts and Science**

**APRIL/MAY EXAMINATIONS 2007**

**ECO 303Y1 Y**  
**The Economic History of Modern Europe, to 1914**

**No Examination Aids Allowed.**

**Duration - 3 Hours**

**Answer ONE question from the FOUR questions offered in EACH of the following THREE parts, for a total of THREE questions, all of which are of EQUAL VALUE. DO NOT give similar answers to the questions selected; and thus DO NOT select questions with similar themes. Double-space your answers. Write legibly on one side of the page only; and number or identify your questions properly.**

**PART ONE:** answer **one** and only one of the following four questions.

1. Compare the role of overseas colonies in early-modern 'Mercantilism' (17<sup>th</sup> and early 18<sup>th</sup> centuries) and in the 'New Imperialism' (ca. 1870 - 1914), in the development of the modern European economy: in terms of both contemporary theories *and* in historical reality.
2. Discuss the significance, for European economic development, of the fact (at least according to accepted historical opinion) that the 'hey-day' of both 'Mercantilism' and the Dutch economic hegemony occurred during the later seventeenth-century 'General Crisis' era. In terms of Hobsbawm's concept of the 'crisis of Old Colonialism', which country proved to be the more successful in promoting national economic development in achieving the economic objectives of its replacement: the 'New Colonialism': the Dutch Republic or England, and why?
3. Discuss the relationship between demographic changes and agrarian changes in England, from the mid-17th to mid-19th centuries, answering in particular this question: which was the more important in providing an elastic and plentiful labour supply for the Industrial Revolution: Enclosures or natural population growth, from the 1760s.
4. Was the British Industrial Revolution more of a supply-induced or demand-induced phenomenon? Did the Industrial Revolution create its own markets, capital, and labour forces? Or was the Industrial Revolution more dependent in its origin on external, exogenous, and especially demand-driven forces? In particular, discuss the importance of demographic change in influencing the role of both supply and demand factors in bringing about the modern Industrial Revolution in Great Britain (but not in the Netherlands).

**PART TWO:** answer **one** and only one of the following four questions.

1. Compare and contrast the economic and social consequences of the so-called Agricultural and Industrial Revolutions, in Great Britain, from the 1760s to the 1860s. In particular, explain:
  - a) the interrelationships between industrial and agricultural changes
  - b) the role of some of the following factors in influencing those changes: population, money, and prices; warfare (including financing warfare); and other government economic policies
  - c) the changes in the standards of living, and the differences: who gained and who lost?
2. Compare and contrast the roles of the textile and metallurgical industries in the industrialization of modern Great Britain, Germany, and one other continental country, explaining how and why:
  - a) both technological innovation and changes in industrial organization created genuine industrial capitalism in these two industries

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- b) which of the countries concerned achieved European industrial supremacy in that industrial field (i.e., one in textiles, the other in metallurgy), and the others did not. The second part of this question should refer as well to the first part of the question.
3. To what extent did the agrarian sector provide a major impediment to modern industrialization in France, Germany and Russia in the 19<sup>th</sup> century; and to what extent were those barriers finally overcome, if at all, by the early 20<sup>th</sup> century, in each of these countries?
4. Analyse the role of *both* the state and of financial institutions, and especially the relationship between the two, in the context of the Gerschenkron thesis, in the economic development and industrialization of two or three of the following countries between the French Revolution and World War I: France, Germany, and Russia.

**PART THREE:** Answer **one** and only one of the following four questions:

1. Compare and contrast the performances of Britain's industrial economy with that of two other European countries in the period 1870 to 1914. Do not answer this question and question Part II.2, unless you can make them completely different. In your answer, discuss the following issues.
- a) Does such a comparison justify the view that Great Britain was then suffering from 'industrial retardation'?
- b) Did size matter? Discuss the relative importance of scale economies, and the factors promoting or hindering increases in industrial scale.
2. Did British economic development, during the 19<sup>th</sup> and early 20<sup>th</sup> centuries, obey 'the law of comparative advantage', in industry, agriculture, commerce & finance. Discuss the following issues:
- a) If true, why was Britain more successful in doing so than any other European country?
- b) What were the economic gains from observing the 'law of comparative advantage'?
- c) If Britain did achieve such gains, do those achievement accord with the current thesis on British 'industrial retardation' from the 1870s to World War I?
3. The 1979 Nobel-prize winning economist Arthur Lewis stated (in *Growth and Fluctuations, 1870 - 1913*, London, 1978) stated that: 'The essence of the industrial and agricultural revolutions in the first three-quarters of the nineteenth century was in new ways of doing old things .... In the last quarter of the nineteenth century, the revolution added a new twist -- that of making new commodities.' What were 'the new ways of doing old things' and what were the post-1870 'new commodities'? In your answer, explain and discuss the following:
- a) the key differences between British and European industrial and consumer patterns before and after 1870.
- b) the contributions that the 'new commodities' made to especially British industrial growth.
- c) the conflicts between this optimistic view of British economic growth and the negative views in the 'Industrial Retardation' debate: how can they be reconciled.
4. Discuss the Marxist and non-Marxist theses or theories about the so-called era of 'New Imperialism' ('Capitalist Imperialism'), concerning European and global economic development from the 1870s to World War I. Discuss in particular the following issues:
- a) the economic roles of foreign trade, capital exports, and colonial acquisitions in this debate.
- b) the relative achievements of Great Britain and other European powers in the 'New Imperialism'
- Do not answer this question if you have already answered Question Part I:1, unless you can make your answers completely different.**