

these limits and commenced manufacturing and trading on a new system. Thus the Guild System gave place to the Domestic System. So long as tools were simple, and raw material was only required in comparatively small quantities, cottage industries could be practised with advantage, and the factor could go round collecting what had been manufactured in this comparatively retail way. The Domestic System had much to commend it. The worker on the whole lived a reasonable and happy existence; but with invention and discovery, the limits of the market were still further widened, and with international demand, the Domestic System was unable satisfactorily to cope. With the invention of the steam engine and a number of rapidly working machines, the output of a given district could be enormously increased. But at this juncture another phenomenon emerged. With simple tools and a small demand, a scattered population could produce the several commodities required by the market. But for the successful application of steam power it became necessary that as many machines as possible should be run by one engine. Hence the invention of the steam engine brought about what is known as the *Industrial Revolution*, and the Industrial Revolution brought into existence the manufacturing town with its teeming population, and the many attendant problems.