How to wage a mercantilist war?
Lessons from the Second Hundred Years War

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Introduction (1)

- European nations were nations of eternal war (Jefferson, 1823).
  - Indeed, from 1700 to 1825, 2 years out of 3 experienced conflict between major european powers (https://ourworldindata.org/war-and-peace/)
  - Rivalry between Great-Britain and France was central (« 2nd Hundred Years War » 1688-1815)

- There were many reasons for this situation. Yet...
  - Especially after the death of Louis XIV, mercantile rivalry was an important motivation of Anglo-French wars. (Crouzet 2008, Wallerstein 1980...).
  - Each nation was jealous of the other’s commercial success and the British believed war was a good way to curtail them
    - The French could not believe it, because they did not have much naval success
    - an extreme version of protectionism and mercantilism

- BTW, whether AR France was “protectionist” is an open question
  - Sure, there were prohibition and the state intervened
  - But exterior tariffs were rather low. Though we do not know that much about them.
  - It is interesting to contrast protectionism and mercantilism
Total French trade and Anglo-French wars

note: inflation was low before 1792
Introduction (2)

• Question of this paper: how come some wars were successful at disrupting French trade and not others?

• Why do we care?
  – Important to understand the effect of wars in general
  – Important to understand (and contrast) the geopolitical history of the 18\textsuperscript{th} and 19\textsuperscript{th} century
  – Important to understand the globalization/deglobalization cycle from 1490s to 1840s
Introduction (3)

- What do we know about the effect of wars?
- Most of the work is on the 19th and 20th century
  - No agreement on the exact effect, but most believe there are long-lasting effects of war (Blomberg & Hess (2004), Glick & Taylor (2005), but not Barbieri & Levy (1999)…)
- The only one of 18th century: Rahman (2007) on the importance of naval power
  - O’Rourke (2006) has remarked on the importance of the Napoleonic blockade (mainly price-based evidence)
  - Juhasz (2014) on the importance of infant-industry protection effect of the Napoleonic wars
  - The resilience of French trade has been remarked by historians (Riley (1984))
Introduction (4)

• What do we add?
  – We look into the mechanism of trade disruption
  – Though this is an unfinished paper

• Outline
  – Dataset
  – Historical overview
  – Naval supremacy and colonies
  – The role of neutrals

• Conclusion
  – The policy toward neutral shipping is central to success
  – We hope we will find why when we look at the composition of trade
Dataset (1)

• Where do the data come from?
  – French data: Bureau de la Balance du commerce (created in 1713)
    • Big administrative change in the 1780s. Continuity of the data up to 1821, with numerous gaps
      – By partner * goods (from 250 to 3000 depending on the year) * ports (up to 1789)
      – Before 1749, there is no national « by goods » data

• You can play with it on our « datascape» : http://toflit18.medialab.sciences-po.fr

• It does fit the Benford’s law
### Entrees

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Number of flows per year
Total value of flows per year

Total number of directions per year
Dataset (2)

• We are limited in the number of trade partners
  – They were groups of countries
  – We need a consistent classification throughout
    • Suisse, États-Unis: what you would expect
    • Outre-Mers: French Colonies; Levant: North Africa and
      the Ottoman Empire (including the Balkans)
    • Allemagne (including Alsace and Lorraine before 1792)
    • Angleterre, Espagne, Portugal (including empires)
    • Empereur (mainly current-day Belgium before 1794,
      mainly Austria afterward)
    • Hollande (including Belgium after 1815)
    • Nord: everything north of Hollande (main trade partner: Hanseatic Cities)
    • Italie: geographical expression
Historical overview (1)

• A long list of wars between France and Britain. The main ones:
  – War of the Polish Succession (1733-1738)
  – War of the Austrian Succession (1740–1748)
  – Seven Years War (1756–1763)
  – War of American independence (1775–1783)
  – French Revolutionary Wars (1792–1802)
  – Napoleonic Wars (1803–1815)

• With contrasting effects on French trade
  – Trend by time periods
  – Loss function: $\text{Loss} = \frac{\text{Expected value based on past peace trend} - \text{Observed value}}{\text{Expected value based on past peace trend}}$
  – Two innocuous wars: War of Austrian Succession and War of American Independence
  – Two disruptive wars: Seven Years War and R&N War
Peace-time trends of French total trade
War and Peace trends of French total trade

- Time trends of French trade in tons of silver, log10
- Year: Mercantilist and R&N wars

Graph showing trends from 1700 to 1850.
Figure 3: Annual Loss Function

- Using all past peace periods for the peace trend
- Using the preceding peace period for the peace trend
Figure 4: Mean Loss Function

- Dashed line: Using all past peace periods for the peace trend
- Solid line: Using the preceding peace period for the peace trend

Y-axis: Mean loss by war or peace period
X-axis: Year (1740-1840)
Historical overview (2)

- Changing loyalties, especially during the R&N Wars
- Changing share of neutrals

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Figure 2: Number of protagonists

- Number of neutral countries or regions
- Number of allied countries or regions
- Number of enemy countries or regions
Naval supremacy and the loss of colonies

- With basically four observations, one cannot hope to uncover robust statistical relationships
  - Still, we can check the coherence of usual explanations for the disruptions of French trade.

- Naval supremacy
  - Rahman (2007)’s argument
  - Modelski and Thompson (1988)’s data
  - Does not seem to work

- Loss of colonies
  - Based on 1788 French imports
  - Does not seem to have been the main explanation before the R&N Wars
Figure 5: Naval Supremacy Ratio

- **France/GB**
- **France and its allies/GB and its allies**
- **France and its allies and neutrals/GB and its allies**
Role of neutrals (1)

- Three levels of war on enemy trade during maritime wars
  - Obviously, enemy ships are fair game
    - So one would use neutral ships
  - Sometimes, enemy cargos on neutral ships were faire game
    - So one would use false papers and neutral pretend-owners
  - Even more rarely, goods from enemy territory on neutral ships, with neutral owners were fair game
    - The Neutral were not happy about it
  - During the eighteenth-century, there are many conflicts on what is allowed or not, basically between the British and Neutrals

- Mercantilist wars
  - War of Austrian Succession
    - The British did not fight neutral trade very strongly
  - Seven Year War
    - 1756: Rule of the War of 1756 and the Doctrine of Continuous Voyage
      - The British claimed the right to seizure neutral shipping to look for contraband and excercised it
  - War of American Revolution
    - Idem, but the League of Armed Neutrality (1780) was more or less respected
Role on neutrals (2)

- Revolutionary and Napoleonic wars
  - Very soon in 1793, most British goods were prohibited in France. The British side adopted a policy of blockading the coast of France.
  - Both took action vs neutral shipping
  - 1794: League of Armed Neutrality between Danmark and Sweden
    - They agreed to provide naval protection to their shipping
  - Late 1800: They are joined by Russia and Prussia.
    - The British blockaded them (not Prussia) and bombed Copenhague to end the League in 1801
  - Decembre 1806: Berlin decree.
    - Prohibition of all British goods and ships coming directly from Britain or her colonies were to be turned away from French ports
    - Throughout Napoleonic Europe (including Russia, Prussia, Portugal, Denmark in 1807 and Sweden in 1810)
  - November 1807 neutrals would have to put into British ports if they wanted to ship goods to France
  - Napoleon retaliated by declaring that any neutral ship putting into a British port was fair prize, and could be seized.
  - Embargo Act / non-Intercourse Act: the US move to autaricy for 14 months
  - The system starts unravelling in 1810 (Russia out)
Role of neutrals (3)

• So, to sum up.
  – The British were though on neutral trade during the 7YW and the R&N War.
  – The French gave them a hand during the Napoleonic period
• That fits...
  – Polarization during the R&N War
  – Look at the mean country-specific trade loss function by trading zone. The trade loss function has been computed based on all preceding peace periods
    • Empereur and Hollande out during the R&N War
Conclusion

• The policy toward neutral shipping is central to success
  – And you need the enemy’s collaboration

• Outline
  – Dataset
  – Historical overview
  – Naval supremacy and colonies
  – The role of neutrals

• I did say it was not finished
  – Is the US a new type of neutral?
  – Look at the merchandize composition of trade
    • Hypothesis: you need to be able to change the structure of trade of your foe to inflict long-lasting damages