

## Trading in Chains: Political Economies of British & French Wool, 1749-1792\*

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April 2026

In his *Mémoire sur le Commerce de la France et de ses Colonies* in 1789, the French intendant de commerce, Jean-François de Tolozan, lamented the deleterious effects of France’s recent commercial treaty with Great Britain and Ireland -- the Eden-Rayneval treaty of 1786-1787 -- on his country’s manufactures.<sup>1</sup> The damage should not have been difficult to predict, he claimed, especially in articles like woollen goods that the English could supply at a better price than the French. Tolozan issued a damning assessment of the French negotiators of the Anglo-French treaty for admitting Britain’s manufactured goods to France without insisting on the freedom to import its raw materials, “especially the raw wool that we need to supply our Manufactures”, but as he explained: “the English understood only too well the consequence, to agree to it”.<sup>2</sup>

Tolozan was a member of a reforming elite that political and intellectual historians have seen as transforming the French state from the middle of the 18<sup>th</sup> century. His “qualified liberalism”, as Philippe Minard described it, is clear in his critique of his contemporaries for negotiating only half of a liberal treaty. Tolozan explained how England had ensured privileged access to abundant English wools for its own woollen manufactures with “the most severe prohibitions with regard to the export of English wools”. These prohibitions had reduced the value of English wools, prompting complaints from landowners, but as Tolozan explained: “the English government had never felt compelled to relax the rigour of its principles, for fear of favouring our woollen manufactures”. The advantage the English derived from their raw wool, he noted, proved that “the supposed English freedom, in matters of trade, so much vaunted, is always calculated on the greatest advantage of the State”.<sup>3</sup>

Britain’s prime minister, William Pitt the Younger, had already shown a clear commitment to maintaining the British export ban on raw wool in 1784-1785 in his failed effort to negotiate another so-called free-trade treaty with Ireland.<sup>4</sup> In negotiating with the French a few years later, just as Tolozan claimed, Pitt’s trade negotiator, William Eden, took note of the importance that British woollen manufacturers attached to their monopoly on domestic wools and made sure they were excluded from the Eden-Rayneval treaty.<sup>5</sup> Still, even though Tolozan castigated Gérard de Rayneval and other French negotiators for being dupes of Britain’s lop-sided trade liberalism, he did not propose the revocation of the Anglo-French treaty. Instead, he called for a more robust French response to lower trade barriers for British woollen goods, emphasizing the need for urgent measures to remedy the shortage, mediocrity and dearness of France’s domestic wools if its woollen manufacturers were to survive.<sup>6</sup>

The fact that political elites in France and Britain were so preoccupied with the growth and manufacture of sheep’s wool in the late 1780s suggests its enduring relevance as a focus of

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\* The research for this paper was undertaken as part of *The Fabric of Profit* research project, funded by the Swiss National Science Foundation under its Advanced Grant scheme (project number TMAG-1\_209310/1).

<sup>1</sup> Jean-François Tolozan, *Mémoire sur le Commerce de la France et de ses Colonies*, Paris, 1789, 105.

<sup>2</sup> *Ibid.*, 105-106.

<sup>3</sup> *Ibid.*, 87.

<sup>4</sup> Mary O’Sullivan, “Ireland’s Role in British Colonial Capitalism: “Men of Capitals” and Pitt’s Irish Proposals, 1784-1785”, *Business History Review*, 98:1, 2024.

<sup>5</sup> Mary O’Sullivan, “The Woolly Economics of Trade Treaties, 1784-1787”, paper presented at the World Economic History Congress, Lund, August 2025.

<sup>6</sup> Tolozan, 16. 87.

political attention and action. That their concerns were expressed in the context of a trade agreement that marked the most significant liberalization of Anglo-French trade for decades, hints of change as well as continuity in the economic policies of Europe's most powerful states towards wool and woollens. Moreover, that the wool concerns of each state were expressed with reference to the other's position in the woollen sector points to a more general pattern that had emerged following the end of the War of the Austrian Succession in 1748. By that time, as Jacob Soll observes, "[c]ontemporary economic observers saw the Franco-British rivalry as one of the great economic questions of their time". One of their main preoccupations was the relative standing of France and Britain in the woollen sector, a preoccupation that persisted until the fall of the *Ancien Régime* in France.

These observations highlight the importance of addressing two related questions about the relationship between the politics and economics of wool in France and Britain during the period from 1749 and 1789.<sup>7</sup> What was the broad economic logic that motivated political elites in France and Britain to take such a major interest in wool and woollens? How did the relationship between political initiatives and economic interests for wool and woollens unfold in France and Britain? We address these questions in this paper based on a comparative study of the political economy of wool in France and Britain during the period from 1749 to 1789.

In characterizing the political economy of wool, we draw inspiration from important efforts by economic historians to feature politics in a more prominent way in the study of economic history. In a pioneering article, Patrick O'Brien, Trevor Griffiths and Philip Hunt castigated economic historians for histories of the industrial revolution that seem "devoid of any informed analysis of government" and attempted to "to reintegrate politics, law, and government" into the history of cotton textiles.<sup>8</sup> Stimulated by this effort, Pat Hudson coined the term the "political economy of wool" to draw a contrast between the "state regulation and promotion" of wool and the "political economy of cotton". However, Hudson's contribution went beyond her emphasis on the political economies of different textile fibres to suggest a broader interpretation of political economy than O'Brien et al.'s focus on the trade restrictions and incentives that protected and promoted the British cotton trade.

Even for trade, Hudson embraced a broader understanding of Britain's political economy by including military expansionism alongside commercial regulation. French historians have long insisted on the crucial role played by the politics of war in eighteenth century France's maritime trade, especially in relation to its formidable British rival.<sup>9</sup> Economic historians of Anglo-French trade rivalry in the 18<sup>th</sup> century, including Francois Crouzet, Ronald Findlay and Kevin O'Rourke, and most recently Loïc Charles and Guillaume Daudin, have made a similar plea.<sup>10</sup> Moreover, Hudson offered further inspiration, as does Julian Hoppit's important book, *Britain's Political*

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<sup>7</sup> Pat Hudson, "The Limits of Wool and the Potential of Cotton in the Eighteenth and Early Nineteenth Centuries", in Giorgio Riello & Prasanna Parthasarathi, eds., *The Spinning World: A Global History of Cotton Textiles, 1200-1850*, Pasold Research Fund, Oxford University Press, 2009, 340-343; Julian Hoppit, *Britain's Political Economies: Parliament and Economic Life, 1660-1800*, Cambridge University Press, 2017.

<sup>8</sup> Patrick O'Brien, Trevor Griffiths and Philip Hunt, "Political Components of the Industrial Revolution: Parliament and the English Cotton Textile Industry, 1660-1774", *Economic History Review*, 44 :3 (Aug., 1991), 396.

<sup>9</sup> See, *inter alia*, Charles Carrière, "Guerre et commerce" in *Négociants marseillais au XVIIIe siècle. Contribution à l'étude des économies maritimes*. Marseille, 1973, Tome 1; Guillaume Daudin, *Commerce et prospérité. La France au XVIIIe siècle*, Paris, 2005.

<sup>10</sup> François Crouzet, *La guerre économique franco-anglaise au XVIIIe siècle*, Paris, 2008; Ronald Findlay & Kevin O'Rourke, and most recently, Loïc Charles & Guillaume Daudin, "The Second Hundred Years' War", in Broadberry S, Harrison M, eds. *Economic Warfare and Sanctions Since 1688*. Cambridge University Press; 2025, 28-55.

*Economies*, in encouraging us to look beyond trade in defining what we mean by the political economy of wool.<sup>11</sup> The politics of wool, as they explain, raised concerns and conflicts about agriculture and manufacturing as much as about trade. This was just as true in France as it was in Britain as is clearly evident in André Bourde's extensive treatment of manufacturing and agricultural "improvement" in his classic study of sheep and wool in France in the second half of the 18<sup>th</sup> century.<sup>12</sup> In defining the political economy of wool, therefore, we include commercial rules, military violence and political subjugation that influenced trade in wool and woollens; agricultural policies that shaped the growth of wool and the breeding of sheep; and manufacturing policies that affected the production of yarns and cloth from sheep's wool.

It is worth emphasizing that contemporaries in France and Britain understood the scope of the political economy of wool in these broad terms. However, when it comes to understanding the broad economic logic behind their political economies of wool, as we explain in Part 1, it is difficult to find satisfactory answers in the existing historical literature. Mercantilism is frequently invoked as a default option to explain states' economic objectives both in studies of the political economy of Anglo-British rivalry from the mid-18<sup>th</sup> century as well as in the limited number of specialised studies of the political economy of wool. As we show, these studies offer ample scope for revisiting the longstanding criticisms of mercantilism for explaining historical patterns of political economy on the grounds of vagueness and anachronism. Our main concern is that the widespread appeal to mercantilism, as we show, tells us little about the economic preoccupations of political elites even when it comes to trade. For the agricultural and industrial dimensions of political economies of wool, the problem is still greater.

We suggest that the main obstacle to understanding these economic concerns is not mercantilism as such, but the broader, often implicit, assumption that political economy was shaped by ideas or theories about how the economic system worked. When we look to contemporary debates about political economy in France and Britain in the second half of the 18<sup>th</sup> century, it is quite clear that they were grounded in empirical as much as conceptual representations of economic activity. Political arithmetic, as Hoppit explains, was "an important way whereby contemporaries saw, described and, to a lesser extent, explained the world in which they lived". He was speaking of 18<sup>th</sup> century Britain but much the same can be said of France. We suggest that the "political arithmetic" of wool offers a promising route to addressing the significant shortcomings in our understanding of the broad economic preoccupations of political elites in both states.

In Part 2, therefore, we draw on political correspondence, trade statistics and economic surveys and reports, to reconstruct the political arithmetic of wool in Britain and France as leading political actors presented it. We show that contemporaries conceived of the "economics" of wool and woollens in a highly systematic way that was similar in France and Britain. Focussing on the "value" generated from the growth of raw wool to the finishing and sale of woollen cloth, their approach foreshadowed recent approaches based on "commodity chains". Foreign trade played a role in these chains – trade in raw materials and finished goods – but only as one element in contemporaries' broader economic representations of wool and woollens.

We compare wool "chains" for France and Britain, controlling for differences in land area and population size, to highlight major structural differences between France and Britain with respect to the raw material, the manufacturing, and the markets for woollen goods. These structural features of wool chains, as well as the contrast between them, shed new light on the broad

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<sup>11</sup> Julian Hoppit, *Britain's Political Economies: Parliament and Economic Life, 1660-1800*, Cambridge University Press, 2017.

<sup>12</sup> André Bourde, « Les Ovins de la 'Culture des laines' », in *Agronomie et Agronomes en France au XVIII<sup>e</sup> siècle*, Ecole pratique des Hautes Etudes, Paris, 1967, 795-891

economic motives behind the political economies of wool in France and Britain. Briefly put, political elites in both states were preoccupied with the total value or profits or even value added generated across their wool chains. That shared objective influenced their broad perspectives on the political economy of wool, but it led to different agricultural, manufacturing and trade policies in France and Britain because their wool chains had such distinct configurations.

Our reconstruction of how political actors “saw” the economics of wool and woollens offers a basis in Part 3 for studying the relationship between the economic policies enacted in France and Britain to promote wool and woollens and the economic interests or profits of the groups affected by them. In doing so, we fill another gap in the existing literature regarding what John Ehrman characterized as the connexions between “policy” and “interests”. Our findings show that there were significant limits to trade policies for promoting market expansion both for Great Britain -- the state that employed them most aggressively – and for France. More effective were British restrictions on the export of raw wool but only because they were tied to agricultural policies that ensured great abundance and low prices of British wool for most of the period. France pursued ambitious efforts to promote wool growing and sheep rearing from early 1750s but failed to achieve objectives by the 1780s and early 1790s. By then, the British woollen sector faced challenges of its own with respect to raw materials and final markets but managed to overcome them by mobilizing credit to generate unprecedented expansion in woollen exports to the United States.