



The French East India Company and the Politics of Commerce in the Revolutionary Era

Citation

Cross, Elizabeth Helen. 2017. The French East India Company and the Politics of Commerce in the Revolutionary Era. Doctoral dissertation, Harvard University, Graduate School of Arts & Sciences.

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The French East India Company and the Politics of Commerce in the Revolutionary Era

A dissertation presented by

Elizabeth Helen Cross

to

The Department of History

in partial fulfillment of the requirements

for the degree of

Doctor of Philosophy

in the subject of

History

Harvard University

Cambridge, Massachusetts

April 2017

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Abstract

This dissertation is a study of the economic and political history of the ‘New’ French East India Company, or *Nouvelle Compagnie des Indes*, in the final years of the Old Regime and during the French Revolution (c. 1785-1794). While this Company has long been understood as a venal, corrupt institution, whose establishment was incongruous with France’s 1763 defeat in India in the Seven Years’ War, I argue that its creation demonstrates how French intellectual and political actors continued to work at carving out a place for French influence in the rapidly changing geopolitical landscape of the eighteenth-century subcontinent. The French monarchy founded the ‘New’ Company as a method of asserting economic and diplomatic credit in Europe and Asia, and it played a contentious role in imperial politics, European diplomacy, and the politics of public debt in the financially precarious last years of the Old Regime. It was a site of economic and political experimentation by French government officials, intellectuals, and private financial and commercial actors who, in seeking to control the Company for their own purposes, clashed over differing visions of not only the aims of French imperial power in the world, but also of the role of the state in the economy. As they debated, reconceived, and challenged the idea of the monopoly company, these actors similarly fought over conflicting understandings of political economy, fiscal politics, and the effects of commercial society, and in doing so, often disputed the legitimacy of the Old Regime’s economic and imperial policies. In using the Company as a lens, this study places geopolitical and national concerns in dialogue with each other, demonstrating how the vicissitudes of competition in the early, global economy could

serve to discredit domestic political institutions. At the same time, the vitality of these economic debates, read alongside the Company's own complex institutional efforts to negotiate relationships with rival European companies, Indian states, and both the royal and revolutionary French governments, shows the Revolutionary Era to be one of dynamic economic practices and experimentation, rather than only one of crisis and decline.

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Acknowledgments

I have benefited from the boundless support of a committee of advisors who each brought distinct chronological, geographical, and methodological perspectives to bear on my research. I owe a tremendous debt of gratitude to my primary advisor, Patrice Higonnet, for his constant support and for never letting me forget for a second that no matter where my research interests roamed, I remained a French Revolutionary historian at heart. David Armitage encouraged me to expand my research horizons as far as I could imagine, and he always supplied perceptive criticism and advice, for which I will always remain extremely grateful. This project began as a first-year seminar paper in a course given by Mary Lewis, whose careful readings and incisive questioning helped give shape to my sometimes excessively intricate archival research. I think Emma Rothschild had a clear vision for this project long before I did, and I thank her for always pressing me to explore the personal stories hidden in the archives. John Shovlin at NYU was a thorough and supportive external reader, and I look forward to many future conversations about our shared interest in Franco-British commercial politics. Lastly, although he was not involved in the crafting of this dissertation beyond providing a few characteristically brilliant insights at our all too rare meetings since I graduated, I owe a similar debt of gratitude to my undergraduate thesis advisor at the University of Chicago, Paul Cheney. It seems the lasting effects of his mentorship on my research interests only began to appear *after* I had left the Quad.

This project was largely supported by Mellon Foundation grants from the Council on Library and Information Resources and the Social Science Research Council, in addition to an American Society for Eighteenth-Century Studies Fellowship at the Newberry Library, and a short-term fellowship at the Hagley Museum and Library. At Harvard, I received funding from the Minda de Gunzberg Center for European Studies, the Weatherhead Center for International

Affairs, the History Department, and the Graduate School of Arts and Sciences. In particular, I would like to thank Amy Lucko, Anthony Medeiros, Daniella Sarnoff, Aida Vidan, Clare Putnam, and Dan Bertwell for all of their administrative support, helpfulness, and generosity.

My time at Harvard was both brightened and enlightened by the friendship of Aline-Florence Manent, Hannah Callaway, Mou Banerjee, Andrew Bellisari, Guillaume Wadia, Jamie McSpadden, Megan Duncan Smith, Shaun Nichols, Casey Bohlen, Clair Dahm, and Lars Neufeld. Many thanks also to Louis Gerdelan, Joe La Hausse de la Louvière, Mircea Raianu, Greg Afinogenov, Sonia Tycko, Josh Ehrlich, Lydia Walker, and Ian Kumekawa for their camaraderie and incisive comments at many enjoyable workshops at CES, the Center for History and Economics, and Weatherhead. In addition to my advisors at Harvard, I also benefited from thoughtful questions, ideas, feedback, and advice from Maya Jasanoff, Dan Smail, Erez Manela, Ann Blair, Jim Hankins, Peter Gordon, Jane Kamensky, and Kirsten Weld.

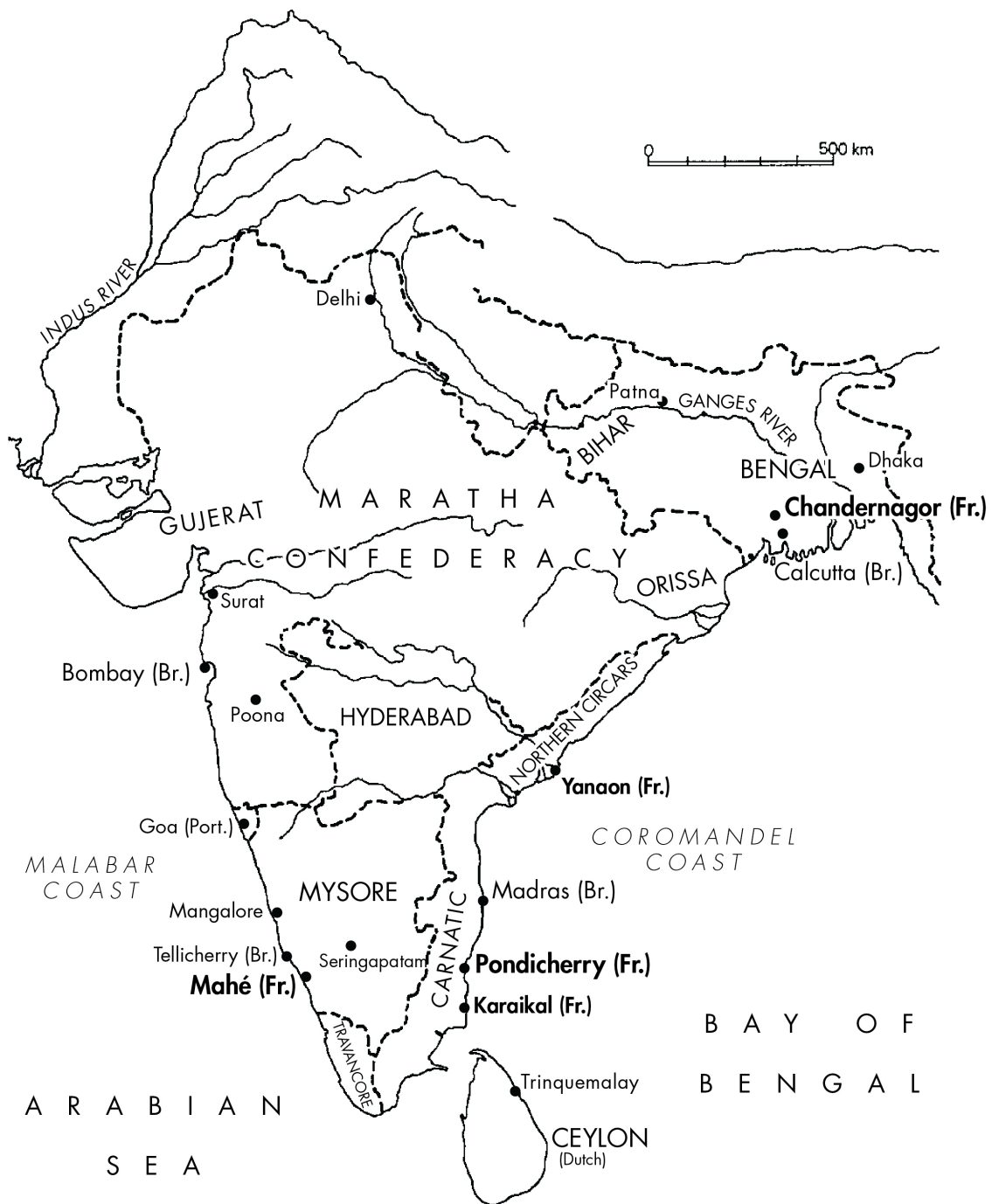
At various conferences, over coffee, via email, and elsewhere, this project has benefited from the thorough insights of Rafe Blaufarb, Loïc Charles, Manuel Covo, Clare Crowston, John Garrigus, Malick Ghachem, Arad Gigi, Felicia Gottmann, Jeff Horn, Katie Jarvis, Colin Jones, Chris Juergens, Tyson Leuchter, Jim Livesey, Katie McDonough, Simon MacDonald, Ken Margerison, Julie Marquet, Nathan Marvin, Greg Mole, Arnaud Orain, Allan Potofsky, Clyde Plumauzille, Munro Price, Jeff Ravel, Pernille Røge, John Shovlin, Blake Smith, Fidel Tavárez, David Todd, Jennifer Sessions, Miranda Spieler, Anoush Terjanian, Erika Vause, and Laurie Wood. I also presented bits of this project in Paris at the *Institut d'histoire de la Révolution française* and at a conference held at the *Assemblée nationale* and received thoughtful feedback from Michel Biard, Malcolm Crook, Anne-Marie Duport, Annie Geffroy, Richard Flamein,

Annie Jourdan, Marisa Linton, Claude Mazauric, Pierre Serna, Massimiliano Vaghi, and above all, Bernard Gainot.

I owe a huge debt of thanks to the archivists who patiently endured my requests and bit-by-bit helped this project take shape. I miss all of the archivists at the *Archives Nationales d’Outre Mer*, but I am certain they don’t miss me and all of the enormous, rotting, green leather-bound corporate registers that I made them carry up to the *salle de lecture*. In particular, I would like to thank Jacques Dion (ANOM), Michel Ollion (CARAN), Anne-Sophie Cras (CADN), Françoise Aujogue (La Courneuve), Anna Brenner and Jessica Grzegorski (Newberry), Lucas Clawson (Hagley), Sylvie Drago (CCIMP), Rachel Senese (Cleveland Public Library), and Sylvia Gallotti (Lloyd’s) for their assistance in helping me locate sources or access normally unavailable ones. In the archives in France, downtime with Muriam Haleh Davis, Arad Gigi, Michelle Mann, and Yevan Terrien kept things fun and lively – from relaxing *apéros* to harrowing cat rescues!

Ultimately, I owe the greatest debt of gratitude to my family. My parents, Bill and Pat, nurtured my love for history since childhood and gave me the courage to embark on this intellectual adventure, and my husband Sharat supported me with patience and good humor at every step along the journey. As a small and wholly inadequate thanks for their constant, steadfast love, I dedicate this dissertation to them.

India in the 1780s



Introduction

“During that conference, you kept a deep silence about your *Compagnie des Indes*; its fate had already been decreed, enemy of our friends and allies, tributary of our natural rivals, tyrant of our principal national manufactures from its inception, this company that you destined to enjoy the privilege of doing the Indies trade even before going to the Indies, would open to you a new order of things and become one of the dishonors of your ministry. It was thus useless to speak to me of it.”¹

The comte de Mirabeau to Charles-Alexandre de Calonne, 1785

In the two centuries since the legendary Old Regime pamphlet writer, the comte de Mirabeau, chided his erstwhile friend Charles-Alexandre de Calonne, France’s Controller-General of finances, for his silence about his spearheading of France’s most recent East Indies trading company, known to history as the *Nouvelle Compagnie des Indes* (1785-1793), few others have found occasion to say much about it either. The *Nouvelle Compagnie des Indes*, or the ‘New’ French East India Company, founded in 1785, long after France’s defeat in the Seven Years’ War in 1763 seemingly spelled the end of French ambitions on the subcontinent, has long been something of a mystery. As the monopoly of the previous *Compagnie des Indes* had been abolished in 1769, at a time when many of the hallmarks of France’s ‘mercantilist’ regime were being rejected by early *laissez-faire* thinkers as inefficient, corrupt, and immoral, the creation of the *Nouvelle Compagnie* has seemed nothing short of “inconceivable,” both to subsequent historians and its own contemporaries.² Regarded as a favor granted under “weak, false, or

¹ AD Courneuve, 53MD/1889, Mirabeau to Calonne, undated 1785 (no. 679): “Dans cette conférence vous gardates un profond silence sur votre compagnie des indes; déjà son sort étoit arrêté, ennemie de nos amis et de nos alliés, tributaire de nos rivaux naturels, tyran dès son aurore de nos principales manufactures nationales, cette compagnie que vous destinez à vivre du privilège de faire le commerce des indes même avant d’aller aux indes, devoit ouvrir pour vous un nouvel ordre de choses et devenir un des opprobes de votre ministere. Il étoit donc inutile de me parler d’elle.” This quote also appeared verbatim two years later in the ghostwritten Honoré-Gabriel Riqueti, comte de Mirabeau, *Dénonciation de l’agiotage au Roi et à l’Assemblée des Notables* (S.l.: s.n., 1787), 71.

² The comte de Mirabeau describes the Company as “inconceivable” throughout Ibid., and this same phrase is used in the classic account in Marcel Marion, *Histoire financière de la France depuis 1715* (Paris: A. Rousseau, 1914-1931), v.1, 385. More recent formulations of this argument appear in Jeff Horn, *Economic Development in Early Modern France: The Privilege of Liberty, 1650-1820* (Cambridge, UK: Cambridge UP, 2015), 126; Anoush Fraser

exaggerated pretexts” to friendly financial elites by Calonne’s ethically compromised ministry, it faced a barrage of hostility in its lifetime from merchants and other commercial interests, resentful of its monopoly control over domestic industry and trade, and hostile to its controversial attempts at collaboration with its better known British rival, the East India Company.³ Any modern scholar who wades into the Company’s jumbled papers in the *Archives Nationales d’Outre Mer* will be struck by how it spent a good part of its institutional life defending itself and its actions, sometimes to the very monarchy that created it.

As such, most historical scholarship on the French *Compagnie des Indes* – in its three successive incarnations – has emphasized their considerable reputations for financial corruption and scandal. The second, or ‘*grande*’ *Compagnie des Indes* (1719-1769), founded by another controversial French finance minister, John Law, is best known for the speculative furor and subsequent bubble that engulfed it at its birth. As the founder of the ‘third’ Company enjoyed a similar reputation, Calonne’s Company is also usually dismissed as nothing more than an “affair of speculators,” with no serious political or intellectual motivations behind it.⁴ Most of the limited scholarship on the Company focuses on a financial scandal that no one has or ever will fully understand: the so-called *affaire de la Compagnie des Indes* of 1793, which one Revolutionary historian recently (and rightly) called a “*véritable serpent de mer*.”⁵ In this scandal, notorious to historians of the French Revolutionary Terror, Jacobin deputies to the National Convention used legislation to manipulate and speculate in the stocks of the *Compagnie*

Terjanian, *Commerce and its Discontents in Eighteenth-Century French Political Thought* (New York: Cambridge UP, 2013), 152.

³ *Le Pour et le Contre, ou Réflexions sur la Compagnie des Indes* (Geneva: s.n., 1788), 82: “léger, faux, ou exagérés.”

⁴ François Crouzet, *La guerre économique franco-anglaise au XVIIIe siècle* (Paris: Fayard, 2008), 333: “n’était qu’affaire de spéculateurs.”

⁵ Jean-Clément Martin, *Nouvelle Histoire de la Révolution française* (Paris: Perrin, 2012), 414.

des Indes – in liquidation by order of the Convention – and accepted bribes from its directors in exchange for political favors. Once exposed, the affair tarnished many Jacobin luminaries, including the legendary Georges-Jacques Danton, whose moderate faction was executed in spring 1794 in part because of their putative ties to the guilty deputies. The Marxist historian Albert Mathiez, author of the most significant works on the scandal, insisted relentlessly on not only the veracity of the corruption charges against the moderates, but the possible role of the affair in a ‘Foreign Plot’ against the Revolution, and as such defended the actions of the more radical Jacobins on the Committee of Public Safety, notably his idol, Maximilien Robespierre.⁶ Although Mathiez’s work remains the most comprehensive on the subject, other scholars have since criticized the political biases of his approach and instead emphasized how the Committee used outrage over the affair to silence critics and consolidate their own rule.⁷

The fact that most historiography on the *Nouvelle Compagnie des Indes* has been a story of the minute, Parisian politics of the Terror is illustrative of the state, until recently, of the historiography of the Revolutionary era more broadly. In the last decades of the twentieth-century, the history of late eighteenth-century France, and the Revolution in particular, was defined by the struggle of the social and Marxist interpretation of the French Revolution against the increasingly dominant ‘revisionist’ school. Based on careful intellectual and discursive

⁶ Albert Mathiez, *Un procès de corruption sous la terreur: l’affaire de la Compagnie des Indes* (Paris: Félix Alcan, 1920); Mathiez, *La Révolution et les Étrangers: cosmopolitisme et défense nationale* (Paris: Renaissance, 1918); and Mathiez, “Fabre d’Églantine, inventeur de la conspiration de l’étranger,” *Annales révolutionnaires* 8 (1913). Mathiez was writing against what he perceived as the ‘Dantonist’ biases of other contemporary scholars, such as F. A. Aulard, *Les Comptes de Danton* (Paris: Charavay, 1888), and Jean Robinet, *Danton: homme d’état* (Paris: Charavay, 1889).

⁷ Henri Houben, *Finance et politique sous la terreur: La liquidation de la Compagnie des Indes (1793-1794)* (Paris: Felix Alcan, 1932); Michel Eude, “Une Interprétation ‘Non-Mathiézienne’ de l’Affaire de la Compagnie des Indes,” *Annales Historiques de la Révolution Française* 53 (1981). Similar reflections are found in R.R. Palmer, *Twelve who Ruled: the year of the Terror in the French Revolution* (Princeton: Princeton UP, 1969), 114-115, 295; Patrice Higonnet, *Goodness beyond Virtue: Jacobins during the French Revolution* (Cambridge, MA: Harvard UP, 1998), 198-99.

analyses, the revisionists argued that the French Revolution – and its violent trajectory – were not the product of historically inevitable class conflict and structural economic factors, but rather owed to the coercive power of language and ideology.⁸ The highly polemical debate between the Marxists and the revisionists not only emphasized implicit (or explicit) value judgments of the Revolution, but also had the marked tendency to interrogate questions of revolutionary causality, violence, politics, and culture exclusively in the national framework, without reference to a broader, global or imperial context. This owed in part to the fact that French imperial history as a field of inquiry lagged behind its European counterparts, in part due to an implicit understanding that the French empire did not shape national identity and politics as profoundly as had been the case elsewhere, especially Britain.⁹

In recent years, scholarship on the Revolutionary era has taken a decisively global and imperial turn, and it has shown that geopolitical and colonial questions often strongly influenced discourses, actors, and political outcomes in the metropole. However, while much attention has been given to the Revolutionary era in the Atlantic – especially on the colony of Saint-Domingue and the Haitian Revolution – considerably less has been accorded to the French Indian Ocean.¹⁰

⁸ François Furet, *Penser la Révolution française* (Paris: Gallimard, 1978); Keith Michael Baker, *Inventing the French Revolution: Essays on French Political Culture in the Eighteenth Century* (New York: Cambridge UP, 1990).

⁹ Emmanuelle Saada, “L’Empire,” in *Dictionnaire critique de la République*, ed. Vincent Duclert and Christophe Prochasson (Paris: Flammarion, 2002); David Armitage, *The Ideological Origins of the British Empire* (Cambridge: Cambridge UP, 2000).

¹⁰ A highly selective bibliography for the French Atlantic would include: C.L.R. James, *The Black Jacobins: Toussaint L’Ouverture and the San Domingo Revolution* (New York: Vintage, 1963); Yves Bénot, *La Révolution française et la fin des colonies* (Paris: La Découverte, 1987); Robin Blackburn, “Haiti, Slavery, and the Age of the Democratic Revolution,” *The William and Mary Quarterly* 63, no. 4 (2006); Kenneth J. Banks, *Chasing Empire across the Sea: Communications and the State in the French Atlantic, 1713-1763* (Montreal: McGill-Queen’s UP, 2003); Laurent Dubois, *A Colony of Citizens: Revolution & Slave Emancipation in the French Caribbean, 1787-1804* (Chapel Hill, NC: University of North Carolina Press, 2004); Emma Rothschild, “A Horrible Tragedy in the French Atlantic,” *Past & Present* 192 (2006); Shannon Lee Dawdy, *Building the Devil’s Empire: French Colonial New Orleans* (Chicago: University of Chicago Press, 2008); Paul Cheney, *Revolutionary Commerce: Globalization and the French Monarchy* (Cambridge, MA: Harvard UP, 2010); Malick Ghachem, *The Old Regime and the Haitian*

One notable exception has been the Mascarene Islands – Mauritius and La Réunion (then Île-de-France and Île Bourbon) – whose creole cultures, agricultural practices, and slave economies have been the subject of recent studies that have brought the concepts and categories of Atlantic scholarship to the French Indian Ocean world.¹¹ However, the French *comptoirs* (or ‘trading posts’) on the Indian subcontinent have received considerably less scholarly attention, and the overwhelming majority of the extant literature on France in India in the eighteenth-century relates to the pre-Seven Years’ War period. Much of this scholarship dates from the era of the Third Republic (1870-1940) – in the midst of what is often called (perhaps erroneously) the ‘second wave’ of French imperial pursuits in Africa and in Southeast Asia – and often derives from a sense of unrepentant nostalgia for the lost grandeur of *l’Inde perdue*.¹² While current work on commerce and colonial life in French India has naturally discarded this pro-imperial

Revolution (Cambridge: Cambridge UP, 2012); Miranda Frances Spieler, *Empire and Underworld: Captivity in French Guiana* (Cambridge, MA: Harvard UP, 2012); Pernille Røge, *Reinventing the Empire: Political Economy, France, and the African and Caribbean Colonies, c.1750-1800* (Cambridge: Cambridge UP, forthcoming).

¹¹ Richard B. Allen, *Slaves, Freedmen, and Indentured Laborers in Colonial Mauritius* (New York: Cambridge UP, 1999); Megan Vaughan, *Creating the Creole Island: Slavery in Eighteenth-Century Mauritius* (Durham: Duke UP, 2005); Richard B. Allen, *European Slave Trading in the Indian Ocean, 1500-1850* (Athens: Ohio UP, 2015); Sue Peabody, *Madeleine’s Children: Family, Freedom, Secrets, and Lies in France’s Indian Ocean Colonies* (New York: Oxford UP, 2017); Laurie M. Wood, “Recovering the Debris of Fortunes between France and its Colonies in the 18th Century,” *Journal of Social History* (2018).

¹² The most important examples of this literature are Claude Farrère, *L’Inde perdue* (Paris: Flammarion, 1935); the works of Alfred Martineau, *Dupleix et l’Inde française* (Paris: Honoré Champion, 1920-1929), *Dupleix, sa vie et son œuvre* (Paris: Société d’éditions géographiques, maritimes et coloniales, 1931), and *Bussy et l’Inde française, 1720-1785* (Paris: Société de l’histoire des colonies française, 1935); the works of Marguerite V. Labernadie, *La Révolution et les établissements français dans l’Inde, 1790-1793, d’après les archives de Pondichéry, des notes et des correspondances inédites* (Paris: Ernest Leroux, 1930), and *Le vieux Pondichéry, 1674-1815: histoire d’une ville coloniale française* (Pondicherry: Imprimerie moderne, 1936); and G. Jouveau-Dubreuil, *Dupleix, ou l’Inde conquise* (Paris: s.n., 1942). On the decidedly Third Republic, bureaucratic audiences of these works, see Massimiliano Vaghi, “Alfred Martineau et la ‘genèse’ du protectorat. Le cas indien (1745-1761),” *French Colonial History* 14 (2013), and Massimiliano Vaghi, *La France et l’Inde: commerces et politique impériale au XVIIIe siècle* (Paris: Mimesis, 2016), 138. This characterization includes the most significant study to date of the *Nouvelle Compagnie des Indes*, Jules Conan, *La Dernière Compagnie française des Indes (1785-1875), avec la liste des principaux actionnaires de cette Compagnie* (Paris: Rivière, 1942), 9-13. Conan was a student of Albert Mathiez, but his conclusions focused less on the 1793 *affaire* and more on the Company’s role in the French loss of India. The tone of the earlier Henry Weber, *La compagnie française des Indes (1604-1875)* (Paris: A. Rousseau, 1904), is far more scholarly and less openly imperialistic and nostalgic.

tone, the best-known of these works have, in general, maintained a rigorous focus on the period prior to the 1760s.¹³ The reason for this neglect of the late eighteenth-century is, in one sense, quite intuitive. The longstanding historical consensus has been that, after France's humbling losses in India to Britain in the Seven Years' War (1756-1763), often thought of as perhaps the first truly "global" war, India simply ceased to be relevant to the French Empire.¹⁴ The costs of the war drove the second, '*grande*' *Compagnie des Indes* into bankruptcy, and its monopoly was abolished in 1769. Historians argue that, as a result, India came to embody a repressed legacy of national loss and humiliation, which has been described as perhaps the first French colonial forgetting.¹⁵ This forgetting has been comprehensive enough even in scholarly terms that one recent monograph could confidently proclaim that Napoleon Bonaparte's expedition to Egypt in 1798 marked the "inception of French imperial presence in Asia."¹⁶

¹³ Philippe Haudrère, *La Compagnie française des Indes au XVIIIème siècle (1719-1795)* (Paris: Les Indes savantes, 2005); Gérard Le Bouëdec, *Le port et l'arsenal de Lorient: de la Compagnie des Indes à la marine cuirassée, une reconversion réussie (XVIIIe-XIXe siècles)* (Paris: Librairie de l'Inde, 1994), and Gérard Le Bouëdec, *Activités maritimes et sociétés littorales de l'Europe atlantique: 1690-1790* (Paris: Armand Colin, 1997); Indrani Ray, *The French East India Company and the Trade of the Indian Ocean*, ed. Lakshmi Subramanian, (Calcutta: Munshiram Manoharlal, 1999); Catherine Manning, *Fortunes à Faire: The French in Asian Trade, 1719-48* (Aldershot: Variorum, 1996); Danna Agmon, *A Colonial Affair: Commerce, Conversion, and Scandal in French India* (Ithaca: Cornell UP, forthcoming). Scholars such as Siba Pada Sen, *The French in India, 1763-1816* (Calcutta: K. L. Mukhopadhyay, 1958), Sudipta Das, *Myths and Realities of French Imperialism in India, 1763-1783* (New York: Lang, 1992), Arvind Sinha, *The Politics of Trade: Anglo-French Commerce on the Coromandel Coast, 1763-1793* (New Delhi: Manohar, 2002), and most recently, François-Joseph Ruggiu, "India and the Reshaping of the French Colonial Policy (1759-1789)," *Itinerario* 35 (2011), have given more attention to the period after the Seven Years' War, including the Revolutionary era.

¹⁴ For global analyses of the Seven Years' War, see Daniel A. Baugh, *The Global Seven Years War, 1754-1763 : Britain and France in a great power contest* (New York: Longman, 2011); Stig Förster, "The First World War: Global Dimensions of Warfare in the Age of Revolutions, 1775-1815," in *War in an Age of Revolution, 1775-1815*, ed. Roger Chickering and Stig Förster (Cambridge: Cambridge UP, 2010), 102-03.

¹⁵ Jacques Weber, "Contre l'oubli de l'Inde," in *Les relations entre la France et l'Inde de 1673 à nos jours*, ed. Jacques Weber (Paris: Les Indes savantes, 2002), 7-8. On the mythology of *l'Inde perdue*, see Kate Marsh and Nicola Frith, eds. *France's Lost Empires: fragmentation, nostalgia, and la fracture coloniale* (Lanham, MD: Lexington Books, 2011) and Kate Marsh, *India in the French Imagination: Peripheral Voices, 1754-1815* (London: Pickering & Chatto, 2009).

¹⁶ Ina Baghdiantz McCabe, *Orientalism in Early Modern France: Eurasian Trade, Exoticism, and the Ancien Régime* (New York: Berg, 2008), 1.

This study will use the history of the rise and precipitous fall of the *Nouvelle Compagnie des Indes* as a lens through which to examine how France thought of itself in relation to India and the wider world in a period of revolutionary economic and cultural change. Even after the Seven Years' War, India continued to play an important – if highly conflicted – role in French economic and geopolitical debates. I will apply the methodologies and approaches of scholars of the French Atlantic in order to put colonial and metropolitan events in dialogue with one another in both a different and broader imperial setting. The equation of French colonial history with Atlantic history in the eighteenth-century is problematic for several reasons. Firstly, the networks of some actors, such as those of companies, merchants, and financiers, transcended any simple boundary that one could draw between the Atlantic and Indian Ocean arenas, as they were linked by trade flows and overlapping interpersonal connections.¹⁷ On the other hand, other contemporary French intellectual and economic actors saw profound and important divergences between the Atlantic and Indian Ocean worlds in terms of geopolitics and political economy. The principal question facing late eighteenth-century French colonial observers of India – namely, imperial resurgence or strategic abandonment – had little application to the lucrative markets of the French Caribbean, and the *comptoirs* of French Asia were seen as economically distinct from the agricultural, slave economies of the Atlantic or even the Mascarene Islands. To understand eighteenth-century French political economy in its full complexity, India must be put back into the story of the French Indian Ocean world and beyond.¹⁸

¹⁷ As discussed in Emma Rothschild, *The Inner Life of Empires: an eighteenth-century history* (Princeton: Princeton UP, 2011); Pierre Gervais, “Neither imperial, nor Atlantic: a merchant perspective on international trade in the eighteenth century,” *History of European Ideas* 34 (2008): 465-73.

¹⁸ See also Blake Smith, “Myths of South Asian Stasis: Trade with India in Late Eighteenth-Century French Thought,” *Journal of the Economic and Social History of the Orient* 59, no. 4 (2016): 499-530.

This story is shaped around the history of the *Nouvelle Compagnie des Indes* as an idea and as an institution, and as a result, it does not obey the usual geographical boundaries or accepted periodizations given to the French Revolutionary era. Its geographical focus is to follow the Company wherever it goes – from the Place Vendôme to the banks of the Ganges, from London to Pondicherry, from Lorient to Philadelphia – to explore the broader ramifications of the Company’s commercial and political ties in each of those places. The chapters are framed around key moments in the Company’s lifespan, rather than by the accepted moments of rupture between the Old Regime and the French Revolution, or by the different political “phases” of the Revolution itself. This allows the reader to see the tumultuous events of this era – which often happen in the background, rather than the foreground of the narrative – in a new light, from the perspectives of unexpected actors, who themselves often saw the continuities and ruptures of revolutionary change in ways distinct from the ideological or material dichotomies often forced upon it by historians. The result is that the project focuses less on what was ‘revolutionary’ about the Revolution and more on the unexplored richness and complexity of economic life in revolutionary times.

The history of political economy, capitalism, and economic life has recently become a major force in the study of the Revolutionary era, especially when, by showing the ways economic life was ideological and political as well, it has facilitated explorations of the Revolution’s “material origins” while still attending to cultural contexts.¹⁹ However, aside from

¹⁹ A highly selective bibliography would include: Catherine Larrère, *L’Invention de l’économie au XVIII^e siècle: du droit naturel à la physiocratie* (Paris: Presses universitaires de France, 1992); Richard Whatmore, *Republicanism and the French Revolution: An Intellectual History of Jean-Baptiste Say’s Political Economy* (New York: Oxford UP, 2000); Michael Kwass, *Privilege and the Politics of Taxation in Eighteenth-Century France: Liberté, Égalité, Fiscalité* (New York: Cambridge UP, 2000); Jay M. Smith, *Nobility Reimagined: The Patriotic Nation in Eighteenth-Century France* (Ithaca: Cornell UP, 2005); John Shovlin, *The Political Economy of Virtue: Luxury, Patriotism, and the Origins of the French Revolution* (Ithaca: Cornell UP, 2006); Michael Sonenscher, *Before the Deluge: Public Debt, Inequality, and the Intellectual Origins of the French Revolution* (Princeton: Princeton UP, 2007); Amalia D. Kessler, *A Revolution in Commerce: The Parisian Merchant Court and the Rise of Commercial*

the copious work on labor and the French ‘corporate’ guild system, the history of ‘corporations’ and overseas trading companies in early modern French history is comparatively lacking.²⁰ As far as the three *Compagnies des Indes* are concerned, this is in part due to the sense that, unlike their Anglo-Dutch counterparts, often seen as harbingers of the modern corporation, they have little relevance for the study of the origins of modern capitalism.²¹ In this assessment, unlike its rivals, which developed modern institutions of democratic shareholder governance, the *Compagnie des Indes* was “*la chose du Roi*”: mismanaged by the King, his ministers, and speculating aristocratic elites, and embodying “patrimonial” capitalism at its most reactionary, only to collapse in its encounter with its more progressive and entrepreneurial Anglo-Dutch competitors.²² However, economic historians have rethought the basis of this argument – the notion that early modern France was economically ‘backward’ – by demonstrating intuitively

Society in Eighteenth-Century France (New Haven: Yale UP, 2007); Cheney, *Revolutionary Commerce*, 19-20; Sophus A. Reinert, *Translating Empire: Emulation and the Origins of Political Economy* (Cambridge, MA: Harvard UP, 2011); Terjanian, *Commerce and its Discontents*; Clare Haru Crowston, *Credit, Fashion, Sex: Economies of Regard in Old Regime France* (Durham: Duke UP, 2013); Michael Kwass, *Contraband: Louis Mandrin and the Making of a Global Underground* (Cambridge, MA: Harvard UP, 2014); Rebecca L. Spang, *Stuff and Money in the Time of the French Revolution* (Cambridge, MA: Harvard UP, 2015); Rafe Blaufarb, *The Great Demarcation: The French Revolution and the Invention of Modern Property* (New York: Oxford UP, 2016); Paul Cheney, *Cul de Sac: Patrimony, Capitalism, and Slavery in French Saint-Domingue* (Chicago: University of Chicago Press, 2017). For economic life as ideological and cultural, see Emma Rothschild, *Economic Sentiments: Adam Smith, Condorcet, and the Enlightenment* (Cambridge, MA: Harvard UP, 2001); David Todd, *Free Trade and its Enemies in France, 1814-1851* (Cambridge: Cambridge UP, 2015).

²⁰ Two of the most important works on corporatism in the Revolutionary era remain William H. Sewell, *Work and Revolution in France: the language of labor from the Old Regime to 1848* (New York: Cambridge UP, 1980), and Steven L. Kaplan, *La fin des corporations* (Paris: Fayard, 2001). For a more recent approach, see Katie L. Jarvis, “Exacting Change: Money, Market Women, and the Crumbling Corporate World in the French Revolution,” *Journal of Social History* (2017). For new work on French trading companies from a legal-historical perspective, see Malick Ghachem, “‘No Body to be Kicked?’ Monopoly, Financial Crisis, and Popular Revolt in 18th-Century Haiti and America,” *Law & Literature* 28, no. 3 (2016).

²¹ K.N. Chaudhuri, *The Trading World of Asia and the English East India Company, 1660-1760* (Cambridge: Cambridge UP, 1978), 19; Oscar Gelderblom, Abe De Jong, and Joost Jonker, “The Formative Years of the Modern Corporation: the Dutch East India Company VOC, 1602-1623,” *Journal of Economic History* 73, no. 4 (2013); Robert Fitzgerald, *The Rise of the Global Company: Multinationals and the Making of the Modern World* (Cambridge: Cambridge UP, 2015).

²² Crouzet, *Guerre économique*, 328; Julia Adams, *The Familial State: Ruling Families and Merchant Capitalism in Early Modern Europe* (Ithaca: Cornell University Press, 2005).

that this assessment was always made against a supposedly normative, frequently oversimplified, and inevitably ascendant Anglo-model of state finance, and later, industrialization. As a result, new studies have been far more attentive to historical contingency and the necessity of evaluating early modern French economic life – its institutions and the behavior of economic actors themselves – in their own proper historical context, rather than by pitting them against anachronistic understandings of market behavior.²³

Examining the historical context of economic institutions is particularly necessary in the case of early modern corporations since, as the insights of recent scholarship on the British East India Company have revealed, they were a peculiarly hybrid species. Although they were private, commercial trading companies in some respects, they were also sovereign, political actors, as these “company-states” raised armies and navies, conducted diplomacy, minted money, and exercised sovereignty over the territories they conquered.²⁴ Contemporary British observers were both aware and wary of their Company’s inordinate political powers: this “state in the guise of a merchant,” as Edmund Burke warned, threatened the rise of an *imperium in*

²³ Several key works positing French economic ‘backwardness’ include David S. Landes, *The Unbound Prometheus: Technological Change and Industrial Development in Western Europe from 1750 to the present* (Cambridge: Cambridge UP, 1969); Tom Kemp, *Economic Forces in French History* (London: Dobson, 1971); Douglass C. North and Robert Paul Thomas, *The Rise of the Western World: a new economic history* (Cambridge: Cambridge UP, 1973), ch. 10. For newer approaches, see Patrick O’Brien and Caglar Keyder, *Economic Growth in Britain and France, 1780-1914: Two Paths to the Twentieth Century* (London: George Allen & Unwin, 1978); Philip T. Hoffman, Gilles Postel-Vinay, and Jean-Laurent Rosenthal, *Priceless Markets: The Political Economy of Credit in Paris, 1660-1870* (Chicago: University of Chicago Press, 2000); Jeff Horn, *The Path not Taken: French Industrialization in the Age of Revolution, 1750-1830* (Cambridge: MIT Press, 2006); Kenneth Pomeranz, *The Great Divergence: China, Europe, and the Making of the Modern World Economy* (Princeton: Princeton UP, 2000); Pierre Gervais, “Why Profit and Loss Didn’t Matter: The Historicized Rationality of Early Modern Merchant Accounting,” in *Merchants and Profit in the Age of Commerce, 1680-1830*, ed. Pierre Gervais, Yannick Lemarchand, and Dominique Margairaz (London: Pickering & Chatto, 2014); Natacha Coquery and Matthieu de Oliveira, eds. *L’échec a-t-il des vertus économiques?* (Paris: Comité pour l’histoire économique et financière de la France, 2015).

²⁴ Philip J. Stern, *The Company-State: Corporate Sovereignty and the Early Modern Foundations of the British Empire in India* (New York: Oxford UP, 2011); Arthur Weststeijn, “The VOC as Company-State: Debating Seventeenth-Century Dutch Colonial Expansion,” *Itinerario* 38 (2014); William A. Pettigrew et al., “Dossier: Corporate Constitutionalism,” *Itinerario* 39, no. 3 (2015).

imperio, whose wealth might corrupt Britain's domestic, representative political institutions.²⁵

While the early *Compagnies des Indes* were also sovereigns over their *comptoirs* in India, these French company-states never wielded powers on the same scale as their British counterpart, and as such rarely inspired similar anxieties about divided sovereignty – anxieties that were, in fact, strongly felt in the late Old Regime in the case of France's domestic privileged orders and guilds.²⁶ As to be expected, different forms of government and political circumstances at home fostered different sets of anxieties: absolutist France had little reason to worry about the corrosive influx of “nabob” wealth to corrupt a non-existent Parliament. However, the comparison does reveal the unexceptional nature of the *affaire de la Compagnie des Indes*: traffic in influence was the routine business of early modern trading companies everywhere.

Understanding trade in the early modern context entails grappling with how novel, problematic, or even “revolutionary” it seemed to actors at the time. The transformations wrought by the commercial society emerging out of the European Age of Exploration were not always welcome ones. In this period of “archaic globalization,” intellectuals and political actors saw commerce as a disruptive and destabilizing force, defined by competition, “jealousy of trade,” and war – and eighteenth-century France was, in some respects, no exception to this pattern.²⁷ The geopolitical repercussions of the Seven Years' War made the risks and

²⁵ Tillman W. Nechtman, *Nabobs: Empire and Identity in Eighteenth-Century Britain* (Cambridge: Cambridge UP, 2010); Robert Travers, *Ideology and Empire in Eighteenth-Century India: The British in Bengal* (New York: Cambridge UP, 2007); Nicholas B. Dirks, *The Scandal of Empire: India and the Creation of Imperial Britain* (Cambridge, MA: Belknap Press of Harvard UP, 2006).

²⁶ Pierre Rosanvallon, *Le modèle politique français: la société civile contre le jacobinisme de 1789 à nos jours* (Paris: Seuil, 2004).

²⁷ C. A. Bayly, *The Birth of the Modern World, 1780-1914: Global Connections and Comparisons* (Malden: Blackwell, 2004), ch. 1; Istvan Hont, *Jealousy of Trade: international competition and the nation-state in historical perspective* (Cambridge, MA: Belknap, 2005); J.G.A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton: Princeton UP, 2003).

debilitating costs of overseas empire clear to many French political and intellectual observers. Scholars looking to examine the French Revolution in “global perspective” have not failed to note that these pressures from overseas competition shook public confidence in the monarchy and other domestic, Old Regime institutions.²⁸ From the political-economic perspective, this often took the form of early *laissez-faire* thinking that, in the French case, emphasized a reworking of the spatial and geographic boundaries of the French empire and an inward-looking and agrarian philosophy that often questioned the desirability of commercial empire itself.²⁹ However, commerce was not only “revolutionary” in an ideological sense, but in a material one as well. Early globalization engendered new consumer patterns and commodity networks that could also be politically disruptive, as they helped forge new ideas of class and citizenship and sometimes prompted armed resistance to seemingly reactionary prohibitive laws.³⁰ As once rare and prohibited foreign luxury goods – such as the beautiful painted cottons from India known as *indiennes* – became so commonplace as to be regarded as necessities, anxious French observers responded with attempts to engineer more ‘patriotic’ consumption patterns, such as through the emulation of Indian (and later, British) textile industries in order to secure French economic

²⁸ Suzanne Desan, Lynn Hunt, and William Max Nelson, eds. *The French Revolution in Global Perspective* (Ithaca: Cornell UP, 2013); Paul Cheney et al., “La Révolution française à l’heure du global turn,” *Annales Historiques de la Révolution Française* 374 (2013): 157-185. For a more skeptical assessment, see David A. Bell, “Questioning the Global Turn: The Case of the French Revolution,” *French Historical Studies* 37, no. 1 (2014): 1-24.

²⁹ Cheney, *Revolutionary Commerce*; Hont, *Jealousy of Trade*, ch. 5.

³⁰ For the politically disruptive side of consumer behavior, see William H. Sewell, “The Empire of Fashion and the Rise of Capitalism in Eighteenth-Century France,” *Past & Present* 206 (2010): 81-120; and Kwass, *Contraband*. For eighteenth-century consumer behavior in general, see Maxine Berg, *Luxury and Pleasure in Eighteenth-Century Britain* (New York: Oxford UP, 2005); Jan de Vries, *The Industrious Revolution: Consumer Behavior and the Household Economy, 1650 to the present* (New York: Cambridge UP, 2008); Felicia Gottmann, *Global Trade, Smuggling, and the Making of Economic Liberalism: Asian Textiles in France, 1680-1760* (New York: Palgrave Macmillan, 2016); John Styles, *The Dress of the People: everyday fashion in eighteenth-century England* (New Haven: Yale UP, 2007); Madeleine Dobie, *Trading Places: Colonization and Slavery in Eighteenth-Century French Culture* (Ithaca, NY: Cornell UP, 2010).

independence.³¹ This project is not a history of eighteenth-century material culture, but it acknowledges that the idea of the *Compagnie des Indes* was nested into a broader reckoning with new consumer patterns that linked the issues of colonial markets, the slave trade, and nascent domestic industrialization with those of commerce, investment, and geopolitical interests.

Recognizing these linkages entails taking our understanding of Enlightenment economics beyond a baseline assumption of a similarly ‘revolutionary’ intellectual transition between absolutism and an aggressive ‘mercantilism’ to a pacifistic, anti-slavery, anti-privilege, and proto-liberal *laissez-faire* vision.³² Scholars understand now that neither of these economic traditions – in either their French or British incarnations – were as internally, ideologically coherent as their nineteenth and twentieth-century interlocutors claimed them to be.³³ These traditions – if they can be even be called such – were very fluid and overlapping, and new studies have instead emphasized the role of empiricism, historical precedent, and the emulation of specific concepts, practices, and policies in place of a rigid understanding of warring ideological

³¹ On the transformation from luxury to necessity, see Colin Jones and Rebecca L. Spang, “*Sans-culottes, sans café, sans tabac*: shifting realms of necessity and luxury in eighteenth-century France,” in *Consumers and Luxury: Consumer Culture in Europe, 1650-1850*, ed. Maxine Berg and Helen Clifford (Manchester: Manchester UP, 1999); E.C. Spary, *Eating the Enlightenment: Food and the Sciences in Paris* (Chicago: University of Chicago Press, 2012), ch. 2. For the idea of ‘patriotic’ consumption, see Spary, *Feeding France: New Sciences of Food, 1760-1815* (Cambridge: Cambridge UP, 2014).

³² Albert O. Hirschman, *The Passions and the Interests: political arguments for capitalism before its triumph* (Princeton: Princeton UP, 1977); Kessler, *Revolution in Commerce*, 3; Shovlin, *Political Economy of Virtue*, ch. 4. The ‘revolutionary’ nature of the rise of *laissez-faire*, with regards to the Physiocrats, is discussed in Alexis de Tocqueville, *L’Ancien Régime et la Révolution* (Paris: Gallimard, 1964), liv. III, ch. 3. For a discussion from the perspective of their natural rights theories, see Dan Edelstein, *The Terror of Natural Right: Republicanism, the Cult of Nature, and the French Revolution* (Chicago: University of Chicago Press, 2009), ch. 2.

³³ Steve Pincus, “Rethinking Mercantilism: Political Economy, the British Empire, and the Atlantic World in the Seventeenth and Eighteenth Centuries,” *The William and Mary Quarterly* 69, no. 1 (2012); Philippe Minard, *La Fortune du colbertisme: état et industrie dans la France des Lumières* (Paris: Fayard, 1998); Reinert, *Translating Empire*, 283; Philip J. Stern and Carl Wennerlind, eds. *Mercantilism Reimagined: Political Economy in Early Modern Britain and Its Empire* (New York: Oxford UP, 2014).

schools.³⁴ ‘Mercantilism’ – a flawed and problematic term – cannot be reduced to jealousy, imperial conquest, and bullionism, and *laissez-faire* in the eighteenth-century was neither a straightforwardly Montesquieuan vision of *doux commerce*, nor a mere precursor to modern liberalism. By emphasizing economic practices instead of ideologies, one finds far more nuances in views on economic privilege, and that ideas of the peaceful nature of commerce were not unique to *laissez-faire* theorists. Throughout the eighteenth-century, policymakers and political economists sought to use commerce and commercial treaties as key instruments of creating lasting, peaceful political settlements.³⁵ As contemporary policymakers oscillated between ideas that we now see as conflicting and oppositional – such as the establishment, abolition, and subsequent reimplementation of the *Compagnie des Indes* – they were hesitantly testing different approaches to the management of this radically new commercial society.

This project aims to situate the *Nouvelle Compagnie des Indes* at the nexus of the debate over the political role of trade in late eighteenth-century France. One significant divergence from the British and Dutch cases is that, for a significant part of this story – between 1769 and 1785 – there was no *Compagnie des Indes*. This lack of institutional continuity meant that after 1769, its absence opened up a space in which the role and idea of the Company itself could be debated, reformed, and reconceived. As political figures, intellectuals, and private financial actors debated whether to create a new company, they reexamined the problems the past companies had caused, the economic and geopolitical roles a company was supposed to serve,

³⁴ Cheney, *Revolutionary Commerce*; Reinert, *Translating Empire*.

³⁵ John Shovlin, “War and Peace: Trade, International Competition, and Political Economy,” in *Mercantilism Reimagined: Political Economy in Early Modern Britain and Its Empire*, ed. Philip J. Stern and Carl Wennerlind (New York: Oxford UP, 2014): 305-327. For the artificiality of the separation of theory and practice in early modern economic writings, see Loïc Charles, Frédéric Lefebvre, and Christine Théré, eds. *Le cercle de Vincent de Gournay: savoirs économiques et pratiques administratives en France au milieu du XVIIIe siècle* (Paris: INED, 2011), 19, which rightly points out that writers such as Vincent de Gournay served as royal administrators, and that their writings should be read accordingly.

and how the institution could manage those conflicting roles and responsibilities. “Corporate constitutionalism” has been defined as the “duality between subjection to and autonomy from higher state authorities at home and abroad,” or as Philippe Haudrère formulated it, that the *Compagnie des Indes* was simultaneously “a state enterprise and a private society.”³⁶ These constant pulls – of responsibilities to the state, state-like responsibilities, and private, commercial obligations – meant that the Company was constantly negotiating a diverse array of political and economic relationships. As a result, this study will examine the recreated Company in all its different contexts: global and local, constitutional and commercial. It was a state actor never fully independent from the imperatives of royal (or revolutionary) policy, a colonial actor struggling to negotiate relationships with Indian and other European powers, and a private, financial firm integrated into Parisian and global financial and banking networks. Under the broader auspices of each of these roles, different actors, with vastly different motivations, sought to control the Company for their own purposes. Their efforts elucidate the struggle to rethink French political, economic, and imperial power in the late eighteenth-century.

In the first place, the Company was at the very core of how French intellectual and political actors conceptualized their place in India after the Seven Years’ War and continued to work at carving out a place for France – economically and diplomatically – in the rapidly changing political landscape of the late eighteenth-century subcontinent. The French did not ‘abandon’ the idea of empire in India, but the loss of the Seven Years’ War forced a reexamination of the foundations of that tattered empire and a reevaluation of the means by which it could be preserved or expanded. The late eighteenth-century was not simply a moment

³⁶ William A. Pettigrew, “Corporate Constitutionalism and the Dialogue between the Global and the Local in Seventeenth-Century English History,” *Itinerario* 39, no. 3 (2015), 493; Philippe Haudrère, “La Direction Générale de la Compagnie des Indes et son administration au milieu du XVIIIe siècle,” in *L’administration des finances sous l’Ancien Régime* (Paris: Comité pour l’histoire économique et financière de la France, 1997), 121: “à la fois une entreprise d’État et une société privée.”

of anti-imperialism among French elites: it was one of political experimentation with different kinds of imperial authority.³⁷ Early modern empires were not by necessity violent monoliths: they were often poorly managed, administratively incoherent entities whose claims to ‘sovereignty’ over places, people, regions, and things were often “strategic, symbolic, and limited.”³⁸ The particularly symbolic role of a trading company was well-understood by policymakers who, after 1769, bemoaned the lack of French credit in the eyes of Indian trading partners and European competitors due to the lack of a formal company.³⁹ There was thus a strong practical appeal to the “company model of empire,” but it was an increasingly unsettling one.⁴⁰ The British East India Company was unmatched in power and territorial expanse, but the price of this seemed (accurately) to French observers to be a regime of brutal violence, unsustainable debt, and resultant government intrusion into the Company’s affairs. Accordingly, French administrators who sought to build a new *Compagnie des Indes* insisted on creating a new, more viable kind of company: one that exercised power through trade, not sovereignty or its seemingly attendant – and costly – violence. The *Nouvelle Compagnie des Indes* was not just “an affair of speculators.” It was also an attempt, in the last years of the Old Regime, to assert

³⁷ For eighteenth-century anti-imperialism, see Jennifer Pitts, *A Turn to Empire: The Rise of Imperial Liberalism in Britain and France* (Princeton: Princeton UP, 2005); Sankar Muthu, *Enlightenment against Empire* (Princeton: Princeton UP, 2003).

³⁸ Lauren Benton, *A Search for Sovereignty: Law and Geography in European Empires, 1400-1900* (Cambridge: Cambridge UP, 2010), 4; Benton, *Law and Colonial Cultures: Legal Regimes in World History, 1400-1900* (Cambridge: Cambridge UP, 2002); Paul Cheney and Loïc Charles, “The Colonial Machine Dismantled: Knowledge and Empire in the French Atlantic,” *Past & Present* 219 (2013): 127-163. These approaches stand in contrast to the arguments in Partha Chatterjee, *The Black Hole of Empire: History of a Global Practice of Power* (Princeton: Princeton UP, 2012).

³⁹ Chaudhuri, *Trading World*, 462 calls the European East India Companies “the symbols and manifestation” of the dramatic commercial transformation of early modern Europe.

⁴⁰ Jane Burbank and Frederick Cooper, *Empires in World History: Power and the Politics of Difference* (Princeton: Princeton UP, 2010), 173.

French grandeur and credit in Europe and Asia through a vision of empire by commercial influence.⁴¹

The view that economic power functions as a geopolitical and imperial tool has strong resonance in other studies of empire and indeed to the present day. But it would be wrong to impute the exploitative aims of the later “imperialism of free trade” to Enlightenment ideas whose practitioners genuinely – if to us, improbably – believed both in the antithesis of trade and conquest, and that commerce was a form of advocacy for colonized subjects rather than a means of exploiting them.⁴² Moreover, some (though not all) of the administrative figures behind the creation of the *Nouvelle Compagnie des Indes* genuinely believed in the possibility of using mutually beneficial commercial policies to end France’s long, brutal imperial confrontation with Britain. The grip of Anglophobia on the French imagination in the eighteenth-century was not as total as once believed: this period of a supposed “second Hundred Years’ War” actually saw many individual and state-level initiatives of collaboration and peaceful coexistence between these supposedly hereditary enemies.⁴³ *Anglomanie* and Anglophobia, collaboration and competition, were both considered serious alternatives in French political discourse, at least until the bellicose system of the later French Revolution and Napoleonic era set in.⁴⁴ In spite of the

⁴¹ On the political significance of credit in the Old Regime, see Crowston, *Credit, Fashion, Sex*.

⁴² John Gallagher and Ronald Robinson, “The Imperialism of Free Trade,” *Economic History Review* 6, no. 1 (1953): 1-15. On the importance of reading Enlightenment economic visions in context, see Rothschild, *Economic Sentiments*.

⁴³ For the idea of a “second Hundred Years’ War,” see Jean Meyer and John Bromley, “La Seconde Guerre de Cent Ans, 1689-1815,” in *De Guillaume le conquérant au Marché commun: dix siècles d’histoire franco-britannique*, ed. François Bédarida, François Crouzet, and Douglas Johnson (Paris: Albin Michel, 1979). For the importance of Anglophobia to eighteenth-century French nationalism, see David A. Bell, *The Cult of the Nation in France: Inventing Nationalism, 1680-1800* (Cambridge, MA: Harvard UP, 2001). For recent challenges to this approach, see Renaud Morieux, *Une mer pour deux royaumes: la Manche, frontière franco-anglaise (XVIIe-XVIIIe siècles)* (Rennes: PUR, 2008); Todd, *Free Trade*, 17; Shovlin, “War and Peace.”

⁴⁴ For the intellectual and practical oscillations between *Anglomanie* and *Anglophobie*, see Reinert, *Translating Empire*, 137; Todd, *Free Trade*, 14.

frequency of war, the last decades of the eighteenth-century were an era of surprising fluidity and experimentation when it came to Franco-British affairs, not unlike the later, post-Napoleonic “French Imperial Meridian.”⁴⁵

The fortunes of the *Nouvelle Compagnie des Indes* ebbed and flowed with these economic and diplomatic experiments. The Company was publicly reviled when it was seen to have gone too far in its conciliatory overtures towards Britain, such as in an attempted collaboration with the East India Company in 1785. Its controversial and hated monopoly privileges, reinstated in spite of opposition from many royal administrators, predictably garnered the instant hostility of the domestic industries and merchants whose own economic interests were jeopardized. As such, the Company became a rallying point for critics of the seeming incompetence of Old Regime commercial policy.⁴⁶ These criticisms came from financial actors of diverse stripes and motivations, yet all of them – even members of the much-maligned Company itself – blamed the Old Regime as the cause of their financial woes.⁴⁷ With the coming of the Revolution, the Company was increasingly seen as a corrupt and preposterous invention of the Old Regime. That historians still use such language today to describe it is a lasting historical legacy of its critics, as evinced by Mirabeau’s pointed invective in the above epigraph. While this project demonstrates the intellectual and geopolitical complexities behind the formation of the Company, it does not shirk from the fact that the Company remained an important contemporary source of controversy, hostility, and scandal. The very attempt to reform the *Compagnie des Indes* – by repudiating its pretensions to sovereignty in India and

⁴⁵ David Todd, “A French Imperial Meridian: 1814-1870,” *Past and Present* 210 (2011): 155-186.

⁴⁶ Cheney, *Revolutionary Commerce*, 195.

⁴⁷ On the importance of recognizing the often conflicting motivations of economic and financial actors, see Hoffman, Postel-Vinay, and Rosenthal, *Priceless Markets*, 179, 204-205; Kessler, *Revolution in Commerce*, 10.

demanding a renewed focus on commerce, finance, and investment – in some sense created the very preconditions for the speculative scandals and corruption that its architects had hoped to prevent. As suggested in the case of the East India Company, political and financial corruption was in some sense the *modus operandi* of these institutions. However, with the contingencies of revolutionary change, certain ways of doing business went from accepted norms to anathemas.

Chapter One interrogates the historical and intellectual context of the creation of the *Nouvelle Compagnie des Indes*. Although the bankruptcy and destruction of the previous Company in 1769 is commonly seen as part of a broader *laissez-faire* assault on Old Regime economic privileges, I argue that contemporaries viewed it as a temporary, administrative measure, and that the idea of a state-run trading company continued to resonate in the 1770s and 1780s. French policymakers still commonly believed that a company was not only the best method of conducting trade in the East Indies, but also an important device for maintaining French credit – both financial and diplomatic – among their European rivals and Indian partners. Leading intellectual figures of the period, hailing from both the so-called ‘mercantilist’ and *laissez-faire* traditions, viewed the Indies trade as different from that of the plantation colonies of the French Atlantic: it was a canonical example of how commerce could be detrimental to the nation by encouraging dependency on luxurious, exotic goods and drawing France into costly imperial wars. As policymakers debated how to create a “new” *Compagnie des Indes* after 1769, they reflected critically on the causes of the institution’s past failures and largely identified them as result of the Company’s problematic dual role as a commercial body with sovereign powers, such as administration and war, that undercut its commerce and its solvency. A hypothetical ‘new’ company, stripped of sovereignty and focused exclusively on peaceful trade, would not only be assured financial security, but would be naturally disinclined towards imperial conflicts

that France could ill-afford. As such, this ‘purely commercial’ company seemed to offer a path towards establishing lasting peace with Britain in the East.

Chapter Two examines a conflicting strain of French thought on India in the post-Seven Years’ War period and its implications for the future of the *Compagnie des Indes*. Although many historians have observed that, after 1763, France never had anything resembling a coherent plan to ‘reconquer’ its lost territories, for some officials and intellectuals, India remained an important venue for military confrontation with Britain, both during and after the American Revolutionary War (1778-1783). In their writings and policies, several prominent intellectuals and ministerial figures, from Denis Diderot to the Naval Minister, the *maréchal* de Castries, argued for an aggressive, *revanchiste* imperial agenda that drew on both a burgeoning sense of French nationalism and the allegedly humanitarian pretext of liberating Indian colonial subjects from the tyranny of British rule. Such an agenda could only be carried out by the King and his military, without the interference of a powerful trading company whose pretensions to sovereign power were misaligned with broader, imperial interests. In practice, however, naval administrators also championed the idea of a weak, ‘purely commercial’ company, fully subordinated to state interests, as a tool of gradual, clandestine rearmament in the East Indies.

Chapter Three argues that the creation of the *Nouvelle Compagnie des Indes* in 1785 was the culmination of a political battle between the ministerial proponents of these two conflicting views of France’s role in India and the future of the Franco-British relationship. Whereas Castries and his allies sought to eventually rekindle hostilities with Britain in the Indian Ocean, other prominent political figures, such as the Foreign Minister, the comte de Vergennes and his intellectual allies, such as the Physiocratic political economist Dupont de Nemours, sought to establish lasting peace with Britain on the basis of equal and reciprocal commercial relations.

This chapter shows that the two commercial pillars of this putative system were the creation of a new, ‘purely commercial’ *Compagnie des Indes* – established under the auspices of Vergennes’ ally Calonne, the Controller-General – and the drafting of a new, bilateral trade agreement, eventually known as the “Eden Treaty” of 1786. Calonne’s contribution was to shape the Company in accordance with a specific, constitutional understanding of the use of granting commercial privileges in order to solicit support from financial elites, in the form of loans, for the increasingly indebted monarchy. These geopolitical and financial aims were mutually reinforcing, as the Company’s monopoly was expressly designed in ways intended both to strengthen it as a focus of investment and undercut Naval plans for military engagement in the Indian Ocean. The Company was thus envisioned as a symbolic political and diplomatic entity, part of a broader initiative to rebuild France’s international credit through peaceful collaboration with Britain. However, the Eden Treaty, the Company’s monopoly, and its own attempts at collaboration with the British were all seen to have detrimental economic effects – especially on France’s growing cotton industries, seen as necessary substitutes for the Indies trade – that permanently undercut their public legitimacy.

Moreover, the Company’s incorporating principle – that it was a ‘purely commercial’ body, totally divorced from the sovereign and political aspects of empire – foundered in practice with the Company’s operations in India, as I show in Chapter Four. The Company constantly found itself at the center of diplomatic and imperial questions it was unable to anticipate or control. The Company’s risk-averse shareholders and directors were uninterested in imperial pursuits, but with increasing fiscal cuts facing the King’s royal administrators in the Indian *comptoirs*, the Company was frequently forced to pay for the sovereign and military expenditures of French India. At the same time, the monarchy’s financial inability to commit to

its fragile Indian empire seriously undercut the Company's trading power on the subcontinent, where it found itself easily outmaneuvered by its wealthy, armed British counterpart in Bengal, or at the mercy of France's would-be Indian ally, Tipu Sultan of Mysore, who remained unwilling to trade his kingdom's products to the French unless their government would commit to a military alliance against the British. While most histories have focused solely on the European side of the *Nouvelle Compagnie*'s affairs, this chapter assembles the unknown stories of the Company's agents and their trading networks and places them alongside those of better-known Indian and British actors in order to reveal the limitations of metropolitan colonial schemes when implemented on the ground.

Chapter Five shows how the fate of the *Compagnie des Indes* became a contested political question domestically on the eve of the French Revolution. In Paris, the Company became an epicenter of seemingly unethical forms of financial speculation, which fueled a major stock market crash in 1787. Amidst the political fallout of this crisis, the Chambers of Commerce in several of France's port cities and colonies launched a lobbying campaign against the Company. Although far from universally pro-free trade and anti-monopoly in their aims, merchants and their intellectual allies attacked the Company as a corrupt institution established against the interests – and without due consultation – from France's commercial elites. On the other side, the Company's directors were increasingly hostile to ministerial meddling in their affairs, and they insisted that the monopoly was their property and could not be revoked without indemnity. Faced with looming bankruptcy, Louis XVI's new ministers tenaciously supported the Company over its opposition, in recognition of the fact that its disestablishment would undermine the now desperately needed support of financial elites that, in Calonne's original conception, the Company had been designed to secure. The failure of the campaign helped

solidify merchant hostility to the Old Regime and inspired subsequent demands for commercial representation at the impending meeting of the Estates-General. The Company thus became a focus for growing challenges to the French monarchy's ability to manage commercial and imperial affairs, and the consequences of the campaign demonstrate the fraught and contingent nature of debates over privilege and property in practice.

Chapter Six explores the fate of the Company in the early years of the French Revolution (1789-1792). In the face of rapidly changing ideas of privilege, monopoly, and property, the revolutionary National Assembly took up the fate of the *Compagnie des Indes*' privilege in early 1790. Although the Revolution and the disestablishment of the Old Regime had significantly transformed ideas about the validity of privileges, it did not transform the overarching set of geopolitical and economic concerns that originally informed the founding of the Company. As revolutionary legislators explored France's geopolitical place in India, the problematic role of the Indies trade in the French economy, and the imperative of developing textile industries that could supplant it, some revolutionary figures argued that select monopolies and economic prohibitions were compatible, or even necessary, to the new order. This account reveals the vitality and contingency of revolutionary economic debates, as legislative actors began to grapple with the practical implications of abolishing economic privilege. Although the Assembly did eventually abolish their monopoly, the response of the Company's restive shareholders provides a further lens on the behavior of economic actors during the French Revolution. Within the Company's conflicting parties of directors, shareholders, and speculators, many who had long been disaffected with the Old Regime saw an opportunity to use the Revolutionary moment and its ideology to articulate a new vision of the Company as an entirely private and apolitical commercial actor. The optimistic (if still opportunistic) outlook of the financial actors behind

this curious business experiment challenges the common view that the Revolution was a period of extreme economic disruption and dislocation.

This experiment was short-lived, as I show in my concluding Chapter Seven, which explores the Company's ultimate Revolutionary downfall. In 1793, Revolution turned to a global war that saw the seizure of France's Indian possessions by Britain, ending the Company's trade with Asia. However, it remained a contested entity in Parisian Revolutionary politics. Despite its seemingly newfound private, apolitical status, Revolutionary actors evinced a continued understanding of the Company's relationship to government finances – here, a destabilizing one, as speculation in its shares was seen to have debilitating effects on the value of the enfeebled Revolutionary paper currency, the *assignat*. When the Convention responded by ordering the Company's suppression and liquidation, its directors conspired to pay off willing Jacobin deputies in the notorious *affaire de la Compagnie des Indes*. This corruption scandal provides insights into the limits of the revolutionary, Jacobin discourse of 'virtue' in practice: the Revolution may have eliminated Old Regime forms of institutionalized corruption, but this only fostered new, equally undesirable legislative ones. The project concludes by reflecting on the Company's financial, political, and intellectual afterlives. Its revolutionary liquidation may have marked the end of the *Compagnie des Indes* as an institution, but the idea of a trading company – even a monopolized one – continued to resonate in some early nineteenth-century political-economic writings. Even as ideas of empire changed, the core ideological problems faced by the Company's architects and agents remained the same. As new imperial actors faced the continuing, oppositional pulls of visions of an empire of trade or conquest, they grappled with the problematic legacies of French empire in India in order to shape Napoleonic and nineteenth-century ideologies of imperial resurgence.

Chapter 1

Opération détestable: Political Economy and the Question of the Compagnie des Indes after 1769

In 1769, France's *grande Compagnie des Indes* vanished. Bankrupt from decades of war debts, the monarchy rescinded its monopoly and opened the French Indian Ocean world to free trade from the metropole. However, only a few short years after the company's destruction, a consensus began to build in administrative circles that the revocation of the monopoly was a mistake and that France's free trade experiment in the East Indies had failed, or was doomed to fail. Plans for the reestablishment of the *Compagnie des Indes* were being discussed by the Naval ministry as early as 1771, and the naval minister wrote to the French governor of Chandernagor to reassure him that the present system of free trade would not last, and that a new company would be reestablished as soon as circumstances permitted.¹ Rumors about its impending creation swirled from the Paris streets to the highest ministerial circles, and in 1783, one Parisian editor, Nicolas Ruault, prematurely reported its reestablishment, angrily denouncing such an "*opération détestable*."²

Ruault's hostility is easy to account for, in certain respects, as he was living through an age when privileged institutions like monopoly trading companies were under fire from both intellectual circles and public opinion. Modern historians of economic thought often see the disestablishment of the *Compagnie des Indes* in 1769 as one example among many other, concurrent, early liberal *causes célèbres*. In eighteenth century France, political economists attacked the colonial *exclusif*, waged war on the regulation of the grain trade, and ended

¹ These plans are principally located in ANOM, C² 108-109, for instance C² 108, "Projet d'établissement d'une nouvelle Compagnie des Indes," 14 January 1772 (f° 121). ANOM, B 147, Boynes to Chevalier, 24 January 1772.

² Nicolas Ruault, *Gazette d'un Parisien sous la Révolution: lettres à son frère, 1783-1796*, ed. Anne Vassal (Paris: Perrin, 1976), 15.

seemingly futile ‘mercantilist’ prohibitions against colonial goods, such as *indiennes*.³ However, many of these initiatives were repealed almost as soon as they were implemented, revealing that, in practice, political imperatives often counted for more than ideological alignments. To account for the oscillations in French economic policy in the last decades of the Old Regime, including the abolition and subsequent revival of the *Compagnie des Indes*, one must recognize that certain economic questions transcended ideological dichotomies.⁴

The development of eighteenth-century political economy also looks very different when focusing on the Indian Ocean world – and India to be precise – as the East Indies trade had something of a political economy of its own in eighteenth-century French thought. Both so-called *laissez-faire* and mercantilist thinkers viewed it almost unanimously as structurally and culturally different from its Atlantic counterpart. It was, as the abbé Raynal described it, “in an order unto itself.”⁵ This perception of difference owed to ideas of the deleterious nature of the Indies trade inherited from Western antiquity, a strong sense of cultural difference grounded in contemporary, Orientalized views of the East Indies as obeying ‘immutable’ commercial laws, and an understanding that the dynamics of trade in Asia refracted European diplomacy and rivalries.⁶ These issues loomed larger than ever in the aftermath of France’s defeat in the Seven Years’ War, forcing both intellectuals and royal administrators to reevaluate and reconsider the means by which France would continue to participate in Indian trade.

³ This is the view offered in Shovlin, *Political Economy of Virtue*, ch. 4; Terjanian, *Commerce and its Discontents*, ch. 4; Gottmann, *Global Trade*, ch. 5. For an account of the struggles over the grain trade, see Steven L. Kaplan, *Bread, Politics and Political Economy in the Reign of Louis XV* (The Hague: Martinus Nijhoff, 1976).

⁴ Reinert, *Translating Empire*; Cheney, *Revolutionary Commerce*, 6.

⁵ Guillaume-Thomas Raynal, *Histoire philosophique et politique des établissements et du commerce des Européens dans les deux Indes*, eds. Anthony Strugnell and et al, (Ferney-Voltaire: Centre International d’études du XVIIIe siècle, 2010), liv. V, ch. 35, §14: “le commerce de l’Inde est dans un ordre particulier.”

⁶ For the development of the Orientalized, European view of the East as static, see Edward W. Said, *Orientalism* (New York: Vintage, 1978), 70, 96.

This chapter is the story of one company's destruction, and how the intellectual and practical foundations were laid for another, different kind of company. The suspension of the Company's monopoly in 1769, when viewed from an administrative perspective as well as an intellectual one, owed as much to practical considerations as it did to ideological ones, and the 'free trade' regime established in its wake remained contested by even its most liberal advocates. Situated in the longer arc of French economic thought on the East Indies in the eighteenth-century, I demonstrate why the idea of a company continued to have practical currency after 1769. However, as administrators and intellectuals experimented with this idea, they insisted that any 'new' company would have to be established according to new principles so as to avoid the corruption and failings of its predecessor, an undeniably "detestable operation." Many of their critiques focused on resolving the seeming incompatibility of the former Company's dual identities as a commercial institution and a sovereign body, while simultaneously preserving its important economic, strategic, and symbolic roles. The battle over the *Compagnie des Indes* shows that questions of diplomacy and practice shaped ideas and institutions of early political economy, as royal officials worked to reconceive the problematic relationship between the commercial corporation and the state.

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Although the idea of creating an East India trading company similar to the nascent English one had drawn the attention of Henri IV, Sully, and Richelieu among others, the first true *Compagnie des Indes orientales* was not created until 1664, under the famous Controller-General, Jean-Baptiste Colbert. With the creation of the *Compagnie des Indes* – among other 'mercantilist' policies – Colbert was widely seen as emulating an Anglo-Dutch corporate model

to replicate their commercial successes in Indian Ocean for France.⁷ The Company was granted lands on the Breton coast that would eventually become known as the city of “Lorient,” and it launched its first expeditions by 1668 and established its headquarters at Pondicherry on India’s eastern Coromandel Coast.⁸ Although most of this early trade was centered on Pondicherry and the Gujarati port of Surat on the western Malabar Coast – an epicenter of Indian Ocean trade that long predated the arrival of Europeans – the French aimed at commercial expansion and the creation of new *comptoirs*.⁹ In 1688, the Company petitioned the Mughal Emperor, Aurangzeb, for written *firman*s granting the French trading rights equal to the other European companies, including secure access to the lucrative province of Bengal, where the French had established a small *comptoir*, Chandernagor, near the English establishment of Calcutta on the Hooghly River.¹⁰ However, disruptions from Louis XIV’s wars continually undercut these endeavors. By the end of the Nine Years’ War in 1697, the Company was virtually bankrupt and unable to continue operations. As a result, between 1698 and 1719, the Company repeatedly ceded the exercise of its monopoly to a series of smaller, merchant firms in the port city of St-Malô.¹¹

⁷ Haudrère, *Compagnie française*, v.1, 23-25; David Todd, *L’identité économique de la France: libre-échange et protectionnisme, 1814-1851* (Paris: B. Grasset, 2008), 23.

⁸ For the founding of Lorient, see Le Bouëdec, *Port et l’arsenal de Lorient*, and more recently, Catherine Guillevic, *L’impact d’une ville nouvelle dans la Bretagne du XVIIIe siècle: Lorient & la Compagnie des Indes* (Rennes: PUR, 2015).

⁹ For the pre-colonial importance of Surat, see Pedro Machado, *Ocean of Trade: South Asian Merchants, Africa and the Indian Ocean, c.1750-1850* (New York: Cambridge UP, 2014).

¹⁰ Marie Ménard-Jacob, *La Première Compagnie des Indes, 1664-1704: apprentissages, échecs et héritage* (Rennes: PUR, 2016), 209.

¹¹ The St-Malô grants are described in Ibid., 282-86, and Haudrère, *Compagnie française*, v.1, 27-29. The text of the contracts themselves, by which the Company’s monopoly was ‘loaned’ to the St-Malô merchants, are found in *Recueil ou Collection des titres, édits, déclarations, arrêts, réglemens, & autres pièces concernant la Compagnie des Indes Orientales établie au mois d’Août 1664[...]* (Paris: Boudet, 1755-1756), v.2, 298-301, 637-645.

In 1719, a second Company was formed under the auspices of the Controller-General John Law. Law rescinded the monopoly of the Colbert Company and granted his own, existing *Compagnie d'Occident* a privilege over trade to the Indian and Pacific Oceans.¹² This new company, taking the title of *Compagnie des Indes*, possessed a monopoly on the entirety of French trade from Louisiana to India – including the lucrative colony of Saint-Domingue and control of the Atlantic slave trade – in addition to managing the French tax collection body, or General Farm. The new *Compagnie des Indes* and Law's nascent *Banque Royal*, the two pillars of his famous "System," were intended to raise public funds to pay off the crippling national debt incurred by Louis XIV's wars. This was, in truth, a radical scheme that sought to end France's traditional dependency on a network of designated *financiers* by placing credit in the hands of the general, debt-holding public.¹³ Although modern economists and historians have observed that Law's ideas were not financially unsound, the fate of the project is well known. Speculation in Law's bank notes and the shares of the *Compagnie des Indes* drove their values to heights out of all measure with reality, and the ensuing bubble left French finances as damaged – or worse – than they had been before.¹⁴ It is often argued that this crisis had a lasting legacy on French

¹² Ibid., v.3, 220-228 (edict of May 1719).

¹³ For overviews of Law's System and its conceptual foundations, see Haudrère, *Compagnie française*, v.1, 48-51, and Sonenscher, *Before the Deluge*, 118-20. The conventional account of the threat Law's system posed to the existing, "patrimonial" system of French finance is found in Herbert Lüthy, *La Banque Protestante en France de la Révocation de l'Edit de Nantes à la Révolution* (Paris: S.E.V.P.E.N., 1959-1961), v.1, a view that is largely corroborated in J.F. Bosher, *French Finances, 1770-1795: from Business to Bureaucracy* (Cambridge: Cambridge UP, 1970), 16-17, and Adams, *Familial State*, 166-71. For recent (but oppositional) accounts of the dramatic ways Law sought to manipulate public opinion in the name of public finance, see Thomas E. Kaiser, "Money, Despotism, and Public Opinion in Early Eighteenth-Century France: John Law and the Debate on Royal Credit," *Journal of Modern History* 63, no. 1 (1991); Crowston, *Credit, Fashion, Sex*, 71-78.

¹⁴ Haudrère, *Compagnie française*, v.1, 60-71. For a thorough, but sometimes rather presentist account of the System's collapse, see Edgar Faure, *La banqueroute de Law: 17 juillet 1720* (Paris: Gallimard, 1977), 428-517. Joseph Schumpeter called Law's monetary theories generations ahead of his time in Joseph A. Schumpeter, *History of Economic Analysis*, ed. Elizabeth Boody Schumpeter (New York: Oxford UP, 1954), 321-22. For more modern assessments of the System's viability, see Larry Neal, *"I Am Not Master of Events": The Speculations of John Law and Lord Londonderry in the Mississippi and South Sea Bubbles* (New Haven: Yale UP, 2012); David Stasavage,

economic behavior in the form of an enduring hostility to paper money, but it is worth noting that whatever the financial consequences of the collapse, much of the “panic” of 1720 has been convincingly shown to be of *ex post facto* creation.¹⁵

Despite the troubled financial beginnings of the second, sometimes called the ‘*grande*’ *Compagnie des Indes* (which will be referred to subsequently as the Law Company), it was in the decades following the famous “Mississippi Bubble” that the Company saw its greatest expanse and prosperity. Between 1740 and 1755, its sales often rivaled those of their British counterpart.¹⁶ While the Company eventually lost its monopolies over the Atlantic slave trade, the Antilles, and Louisiana, it retained possession of the Mascarene Islands of Île-de-France and Île Bourbon as well as its lucrative rights to the proceeds of the tobacco sales conducted by the General Farm.¹⁷ This period also saw the greatest extent of French territorial possessions and influence in India, where, like its British counterpart, the Law Company exercised *privilèges régaliens* – sovereign powers of war, peace, and financial administration – over its dominions as a “company-state.”¹⁸ Under the Governor of Pondicherry, Joseph-François Dupleix (1741-1754), the French sphere of influence stretched almost continuously from the French *comptoir* of

Public Debt and the Birth of the Democratic State: France and Great Britain, 1688-1789 (Cambridge: Cambridge UP, 2003), 93.

¹⁵ John Shovlin, “Jealousy of Credit: John Law’s “System” and the Geopolitics of Financial Revolution,” *Journal of Modern History* 88 (2016); Rebecca L. Spang, “The Ghost of Law: Speculating on Money, Memory and Mississippi in the French Constituent Assembly,” *Historical Reflections* 31, no. 1 (2005).

¹⁶ Haudrère, *Compagnie française*, v.1, 313.

¹⁷ The best study of the tobacco monopoly remains Jacob M. Price, *France and the Chesapeake: A History of the French Tobacco Monopoly, 1674-1791, and of Its Relationship to the British and American Tobacco Trades* (Ann Arbor: University of Michigan Press, 1973).

¹⁸ Philippe Haudrère, “La Direction Générale de la Compagnie des Indes et son administration au milieu du XVIIIe siècle,” in *L’administration des finances sous l’Ancien Régime* (Paris: Comité pour l’histoire économique et financière de la France, 1997), 121; Stern, *Company-State*.

Mahé on the Malabar Coast to Bengal. Dupleix firmly believed that territorial dominion – and its attendant agricultural revenues – was the only secure method of financing the Company. As such, the era of Dupleix thus saw the emergence of what French historians often term *nababisme*: the co-option of the territorial rights and prerogatives of Indian princes through treaties. As such, Dupleix is often cited as the counterpart – if not the forerunner – of his better-known British rival, Robert Clive.¹⁹ Under Dupleix's leadership, the French Company and their Indian allies fought the British for control of South India in the First (1746-1748) and Second (1749-1754) Carnatic Wars. Though often fought to a stalemate, the French under Dupleix inflicted several serious defeats on their British rivals, including the capture of the British Presidency at Madras in 1746.

Although Dupleix insisted that his schemes of territorial conquest were in the best financial interest of the Company, his military exploits on the subcontinent did not meet with uncritical approval at home. Although the shareholders of the French Company had comparatively little power compared to their British counterparts, on both sides of the channel, proprietors complained that military conquests came at the expense of commerce, and thereby, dividends.²⁰ At the instigation of the shareholders, Dupleix was recalled to France in 1754, and serious efforts were made on the part of the British and French companies in Europe to establish

¹⁹ Dupleix's views on the importance of territorial possessions to the Company's revenue stream is explained in his famous memorandum of October 16, 1753, cited in Haudrère, *Compagnie française*, v.2, 731-732. The term *nababisme* originates with G. Jouveau-Dubreuil, *Dupleix, ou l'Inde conquise* (Paris: s.n., 1942). For a more recent account of Dupleix's politics, see Gregory Mole, "L'Économie politique de Joseph Dupleix: commerce, autorité et deuxième guerre carnatique, 1751-1754," *Outre-mers* 103, no. 388-389 (2015).

²⁰ For the hostility of British shareholders to territorial conquest, see P.J. Marshall, *The Making and Unmaking of Empires: Britain, India, and America, c.1750-1783* (Oxford: Oxford UP, 2005), 135.

a lasting, political truce on the subcontinent.²¹ However, the British government refused to permit the companies to form a politically-binding treaty, and the outbreak of the Seven Years' War in Europe in 1756 quickly entrained a Third Carnatic War. Under the command of Thomas Arthur de Lally-Tollendal, the French forces were dealt humiliating defeats in both Bengal and the Carnatic, and Pondicherry fell to the British in 1761. Lally paid for this defeat with his life five years later, when he was executed for treason, and the role of the Company's own shareholders in demanding Lally's blood profoundly unsettled one of their most famous members, Voltaire.²² However, the extraordinarily heavy-handed treatment of Lally was due in no small part to the devastating blow that the loss of the Seven Years' War had dealt to the French psyche, eliciting widespread political discontent and fears of national decline.²³ In North America, France lost its claims to Canada and Louisiana, and in the aftermath of Lally's defeat in India, France was only able to recover the enclaves of Pondicherry, Chandernagor, Mahé, Karaikal, and Yanam in the peace of 1764. The costs incurred by the war – both military and commercial – left the Law Company, like its predecessor, on the verge of bankruptcy.

The collapse of the Law Company has long been understood – by its contemporaries and by subsequent historians – as owing to the supposed deficiencies of French capitalism. As the embittered Voltaire complained, despite the Company's "imposing appearance...French genius"

²¹ John Shovlin, "Turning from Empire: Treaty Negotiations between the French and English East India Companies, 1753-1755," forthcoming; Haudrère, *Compagnie française*, v.2, 743-744; Marshall, *Making and Unmaking of Empires*, 127.

²² François-Marie-Arouet dit Voltaire, *Fragments sur l'Inde, sur le Général Lally, et sur le Comte de Morangies* (S.l.: s.n., 1773), 141.

²³ This theme is addressed in David A. Bell, *The Cult of the Nation in France: Inventing Nationalism, 1680-1800* (Cambridge, MA: Harvard UP, 2001), 105; Shovlin, *Political Economy of Virtue*, 5; Cheney, *Revolutionary Commerce*, 177; Smith, *Nobility Reimagined*, 143.

appeared to be lacking when it came to commercial affairs.²⁴ This view that France's monarchical constitution was unsuited for commerce – the province of the 'republican' Dutch and English – was common to writers of the day. The stamp of the monarchy was particularly heavy on the *Compagnie des Indes*: the shareholders met infrequently, were governed by directors appointed by the *Conseil d'État*, and in spite of their singular success in obtaining Duplex's recall, they had little meaningful influence over the society's business.²⁵ The capital of the King and his court – and subsequently, Parisian bankers and finance – dominated the *Compagnie des Indes* to the extent that one historian termed it the "Versailles of commerce."²⁶ The Company's comparative lack of true commercial expertise troubled many French intellectual observers. The abbé Raynal was not alone in complaining that the Company acted more like "a society of [tax] farmers, rather than of merchants."²⁷ From the abbé de Saint-Pierre to the orientalist Abraham-Hyacinthe Anquetil-Duperron, intellectuals took umbrage at the fact that the Company's elevation of nobles among their administrative ranks – especially among the eventual shareholder representatives, known as the *syndics* – undercut the naturally egalitarian

²⁴ Voltaire, *Fragments sur l'Inde*, 7-9, 159-160: "apparence imposante...génie Français."

²⁵ Louis Dermigny, "East India Company et Compagnie des Indes," in *Sociétés et Compagnies de commerce en Orient et dans l'Océan Indien*, ed. Michel Mollat (Paris: S.E.V.P.E.N., 1970), 460-61. In Herbert Lüthy's phrase, the Company was treated as "la chose du Roi," and its shareholders were only consulted in the most serious of crises, see Herbert Lüthy, "Necker et la Compagnie des Indes," *Annales. Histoire, Sciences Sociales* 15, no. 5 (1960), 860-61.

²⁶ Jules Sottas, *Histoire de la Compagnie royale des Indes orientales, 1664-1719: une escadre française aux Indes en 1690* (Paris: Plon, 1905), 5 and the more recent Adams, *Familial State*, 132 insist that the "ingérence despotique" of the State "actively hampered the economic development of the *Compagnie des Indes*. For a more nuanced legal-historical argument, see Reza Dibadj, "Compagnie des Indes: Governance and Bailout," in *Origins of Shareholder Advocacy*, ed. Jonathan GS Koppell (New York: Palgrave Macmillan, 2011), 184-85. For the Company as a "Versailles de commerce," Dermigny, "East India Company et Compagnie des Indes," 459, and Weber, *Compagnie française des Indes*, 123-32. Dupont de Nemours said that 1/3 of the shares issued in the Law affair were owned by the King and the directors alone: Pierre Samuel Dupont de Nemours, *Du Commerce et de la Compagnie des Indes* (Amsterdam: Delalain, 1769), 136-37.

²⁷ Raynal, *Histoire philosophique*, liv. IV, ch. 19, §1: "une société de fermiers, plutôt que de négociants." For more recent assessments of this claim, see Danièle Bègue, *L'organisation juridique de la Compagnie des Indes* (Paris: Domat-Montchrestien, 1936), 63; Dibadj, "Compagnie des Indes," 180.

spirit of commerce.²⁸ This lack of mercantile representation in the Company had practical implications that exacerbated tensions with its merchant critics. Unlike the British Company, which – lacking its own fleet – successfully coopted merchants in the form of a ‘shipping interest’ who received lucrative freight contracts from the Company, the French Company was a navy in miniature, possessing its own, costly fleet.²⁹

However, French contemporaries often argued that the real cause of the decline of the Law Company was a structural, institutional problem: the mutual incompatibility of the Company’s dual identity as both a commercial enterprise and a sovereign entity. Just as the interests of the merchant and the sovereign increasingly seemed diametrically opposed for many British observers, such as Adam Smith, this union seemed profoundly at odds with one another to French intellectuals as well.³⁰ In the 1760s, Voltaire called the wrecked Company a “two-headed cadaver that conducted war & commerce equally badly.”³¹ The famous *Intendant de Commerce*, Jacques-Marie-Claude Vincent de Gournay, who led a ‘circle’ of economic reformers, had warned of this paradox in the 1750s, when the Company faced bankruptcy due to the cost of Dupleix’s wars. Gournay wrote that it was wrong to direct the Company’s expenditures and administrative resources towards war, because this would come at the

²⁸ Charles-Irénée-Castel de Saint-Pierre, *Ouvrages de morale et de politique* (Rotterdam: Beman, 1733-1741), v.5, 228; Abraham Hyacinthe Anquetil-Duperron, *Dignité du Commerce, et de l’État de Commerçant* (S.l.: s.n., 1789), 116.

²⁹ For the British policy and the ‘shipping interest,’ see C.H. Philips, *The East India Company, 1784-1834* (Manchester: Manchester UP, 1961), 80-81. After 1720, the *Compagnie des Indes* consistently owned roughly 75 ships, see Crouzet, *Guerre économique*, 316-17. Ménard-Jacob, *Première Compagnie des Indes*, 15, calls the Company “une structure maritime.”

³⁰ Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. Edwin Cannan (Chicago: University of Chicago Press, 1976), bk. IV, ch. VII, pt. III, 153-154.

³¹ Voltaire, *Fragments sur l’Inde*, 158: “cadavre à deux têtes qui avait fait également mal à la fois le commerce & la guerre.”

detriment of “the spirit of commerce,” which was increasingly regarded as innately peaceful.³²

The forcible acquisition of territory by a commercial entity could never be justified, since for Gournay, the business of war and commerce were both distinct and contradictory in their aims. If companies were in the business of conquest, Gournay said, “sooner or later, commerce will need to abandon companies, or companies abandon commerce.”³³

Although the Law Company’s fiscal woes had both long and short-term causes, by the latter part of the 1760s, they threatened to jeopardize state finances as well. The Company had been supported by several years of subsidies, but by the late 1760s, the state itself was on the verge of a bankruptcy (which occurred in 1770) and was no longer able to continue this support. However, as the Controller-General L’Averdy wrote in 1764, if the Company could not actively trade, France risked the humiliation of becoming entirely dependent on other European trading companies to supply its markets with Indian goods.³⁴ L’Averdy’s successor, Étienne Maynon d’Invault, one of Gournay’s former acolytes, concluded that the only solution was to end the monopoly and allow privateers to trade to India. Maynon d’Invault thus turned the Company’s books over to the abbé André Morellet – also an alumnus of the Gournay circle – to publish a pamphlet that would establish the basis of a ministerial palace coup against their privilege. This work, published as *Mémoire sur la situation actuelle de la Compagnie des Indes*, was intended as a public *exposé* of the Company’s corrupt administration. Morellet demonstrated that the

³² Jacques-Claude-Marie Vincent de Gournay, “Observations sur le rapport fait à M. le Contrôleur-Général, par M. de S*** le 26 Juin 1755, sur l’État de la Compagnie des Indes,” in *Mémoire sur la situation actuelle de la Compagnie des Indes* (Paris: Desaint, 1769), x: “l’esprit de commerce.”

³³ Ibid., xvi: “il faut donc tôt ou tard que le commerce abandonne les Compagnies, ou que les Compagnies abandonnent le commerce.” This view was shared by the Physiocrats, see Nicolas Baudeau, *Idées d’un citoyen sur la puissance du Roi et le commerce de la Nation dans l’Orient* (Amsterdam: s.n., 1763), 30-31; Dupont de Nemours, *Compagnie des Indes*, 199.

³⁴ Joël Félix, *Finances et politique au siècle des Lumières: le ministère L’Averdy, 1763-1768* (Paris: Comité pour l’histoire économique et financière de la France, 1999), 184-85.

Company had never really been profitable, that its dividends had frequently been paid to its greedy shareholders using ample government subsidies, and that the Indies trade itself had been mismanaged under monopoly governance to the detriment of France's economy as a whole.³⁵ As such, the Company's interests were diametrically opposed to those of the state and the public. If opened up to free trade, a commerce that had languished in the hands of the Company would flourish, as the earlier experience of France's Atlantic and Caribbean colonies had shown: "with liberty, commerce can do anything."³⁶

The shareholders responded with a spirited – if not altogether coherent – attempt to defend their property and the Company itself. Since the end of the war, the shareholders had entered a state of veritable "revolt" to defend their property rights and control the Company's future, whether it continued trading, liquidated, or converted itself into a *caisse d'escompte*, or discount bank, as the prominent shareholder Isaac Panchaud proposed.³⁷ This frequently entailed doing battle with not only the ministers, but the Company's directors themselves, who were seen as ministerial appointees, fundamentally hostile to the interests of their investors. On that account, the shareholders frequently agreed with the Company's critics as to the institution's endemic corruption. One of the most vocal of these shareholders was Jean-Jacques Duval d'Épremesnil: the son of a late, prominent administrator of the *Compagnie des Indes* who had been born in Pondicherry in 1745, he would soon sit in the Parlement of Paris. Duval d'Épremesnil denounced the present administration for its "luxury, ineptitude, vanity, bad faith

³⁵ André Morellet, *Mémoire sur la situation actuelle de la Compagnie des Indes* (Paris: Desaint, 1769), 121, 375, 191-192, 180-181.

³⁶ Ibid., 207, 211: "le commerce peut tout avec la liberté."

³⁷ See Louis-Léon-Félicité, comte de Lauraguais, *Mémoire sur la Compagnie des Indes, précédé d'un discours sur le commerce en général* (Paris: Lacombe, 1769); Lüthy, "Necker et la Compagnie des Indes," 872-73.

[and] negligence,” and he and his colleagues demanded corporate accountability and shareholder oversight, in the manner enjoyed by their British and Dutch counterparts.³⁸

Jacques Necker, a leading Protestant Genevan banker, shareholder, and partner in the Parisian bank Thellusson, Necker et C^{ie}, gave the most powerful and coherent defense of the Company against Morellet and the ministers. In a published speech to the shareholder assembly, Necker attempted to mobilize his colleagues in “defense of their property &...their honor” by emphasizing that, in contrast to Morellet’s portrayal of the society as greedy and self-serving, the Company had served several vital national interests. Far from being an “odious society” of “greedy citizens,” the *Compagnie des Indes* had pioneered French trade with Canada, Louisiana, and China, and it had built and cultivated the Mascarene Islands, all of which came at the expense and often at loss to the shareholders. As recompense for their services, the ministry now sought to use Morellet’s arbitrary standards of “public utility” to threaten their property.³⁹ The existence of a privilege was not tyrannical, but the fact that the ministry could threaten to revoke it – violating the collective property of the shareholders – was. Invoking an argument that had been made by Jean-François Melon, John Law’s former secretary and author of the famous *Essai politique sur le commerce*, Necker claimed that a *privilège exclusif* could not be legitimately regarded as a “violation of society’s rights,” because the granting of such privileges – especially to companies trading to the East Indies – was a practice invented by Britain and Holland, those

³⁸ Cited in Kenneth Margerison, “The Shareholders’ Revolt at the Compagnie des Indes: Commerce and Political Culture in Old Regime France,” *French History* 20, no. 1 (2006), 38.

³⁹ Jacques Necker, *Réponse au Mémoire de M. l’Abbé Morellet, sur la Compagnie des Indes, imprimée en exécution de la Délibération [...] du 8 Août 1769* (Paris: Imprimerie Royale, 1769), 5, 4, 12, 24-25: “défense de leur propriété &...de leur honneur,” “société odieuse,” “citoyens avides,” “utilité publique.”

nations “most attached to liberty.”⁴⁰ He thus portrayed the Company as a small, besieged republic of “shareholder-citizens” fighting against ministerial tyranny, and in doing so, Necker appealed to contemporaneous ideals of the patriotic nature of commerce.⁴¹

This attempt by the Company’s investors to depict themselves as patriotic, citizen-shareholders soon received a devastating rejoinder from Pierre-Samuel Dupont (later de Nemours), an economist who was part of the reform movement that he himself eventually termed *Physiocracy*. The ‘Physiocrats,’ or *économistes*, were a small, elite group of political-economic thinkers, followers of the royal physician François Quesnay, whose economic philosophy, established in his 1758 *Tableau économique*, argued that all true wealth derived from agriculture, and that commerce and industry – derivatives of this natural process – produced no value of their own and were thus economically ‘sterile.’⁴² Privileging nature and reason over history and precedent, Quesnay and his followers believed that France was not in harmony with this agrarian, “natural order,” and that achieving such a balance would require the destruction of corporations, guilds, privileges, and any economic restrictions that stifled free trade and the production of real wealth. As such, Physiocratic political economy effectively called for the complete dismantling of the Old Regime.⁴³

The Physiocrats had similarly radical views of the major institutions of the French commercial empire. Their “agriculturalist political economy” effectively regarded commerce

⁴⁰ Ibid., 6: “violation des droits de la société,” “les plus attachées à la liberté.” This argument originates in Jean-François Melon, *Essai politique sur le commerce, Nouvelle Edition augmentée de sept Chapitres, & où les lacunes des Editions précédentes sont remplies* (S.l.: s.n., 1736), 60.

⁴¹ Margerison, “Shareholders’ Revolt,” 26; Shovlin, *Political Economy of Virtue*.

⁴² Hont, *Jealousy of Trade*, chapter 5; Larrère, *Invention de l’économie*, 5; Liana Vardi, *The Physiocrats and the World of the Enlightenment* (Cambridge: Cambridge UP, 2012).

⁴³ See Cheney, *Revolutionary Commerce*, 5, ch.5. For the Physiocrats and natural law, see Edelstein, *Terror of Natural Right*, 101-11.

and conquest as equivalent, as both were grounded in a spirit of monopolization and innately predisposed to fostering violence within and between nations.⁴⁴ Commercial prohibitions and controls, such as the *exclusif* system, by which only French merchants were permitted to trade in French colonies, amounted to a *de facto* civil war between colony and metropole.⁴⁵ The Physiocrats sought an agrarian empire of colonies, equal in legal status and rights to any province of the metropole, and cultivated by free men, not slaves.⁴⁶ By contrast, commercial empire – exemplified by the Indies trade – was a dangerous delusion. As the abbé Roubaud wrote in 1768, the apparent riches of India deceived nations into “[basing] their grandeur on the seas [and] the winds” instead of the real wealth of their own countryside.⁴⁷ The trade was only worthwhile for small commercial nations with no arable land, like Holland – a country with the natural wealth of France only wasted its resources in such an enterprise.⁴⁸ By any Physiocratic metric, both the *Compagnie des Indes*’ monopoly and the Indies trade itself were pernicious, both economically and politically.

⁴⁴ Hont, *Jealousy of Trade*, 372. This argument proceeds largely from the writings of the abbé Roubaud and is examined in Paul Cheney, “A False Dawn for Enlightenment Cosmopolitanism? Franco-American Trade during the American War of Independence,” *The William and Mary Quarterly* 63, no. 3 (2006), 157.

⁴⁵ The quintessential account of the history of the *exclusif* is Jean Tarrade, *Le commerce colonial de la France à la fin de l’Ancien Régime: l’évolution du régime de l’Exclusif de 1763 à 1789* (Paris: Presses universitaires de France, 1972). An example of this Physiocratic language of mercantile war is found in Pierre-Joseph-André Roubaud, *Le politique indien, ou considérations sur les colonies des Indes orientales* (Paris: Lacombe, 1768), 55.

⁴⁶ Cheney, *Revolutionary Commerce*, 166; Pernille Røge, “A Natural Order of Empire: The Physiocratic Vision of Colonial France after the Seven Years’ War,” in *The Political Economy of Empire in the Early Modern World*, ed. Sophus A. Reinert and Pernille Røge (Basingstoke: Palgrave Macmillian, 2013), and her forthcoming book, *Reinventing the Empire: Political Economy, France, and the African and Caribbean Colonies, c.1750-1815*. For slavery, see Pernille Røge, “‘La clef de commerce’: The changing role of Africa in France’s Atlantic empire ca. 1760-1797,” *History of European Ideas* 34 (2008).

⁴⁷ Roubaud, *Politique indien*, 4: “prendre pour base de leur grandeur, les mers, les vents.”

⁴⁸ Ibid., 78-79, 117; Baudeau, *Idées d’un citoyen*, 9-10; Pierre Samuel Dupont de Nemours, *Physiocratie, ou constitution naturelle du gouvernement le plus avantageux au genre humain* (Leiden: s.n., 1768), 178-80.

In his *Du Commerce et de la Compagnie des Indes*, a polemic intended to buttress Morellet's case for the abolition of the monopoly, Dupont transformed the Company into a symbol of the structural corruption of the Old Regime. The centerpiece of the text, first published in three installments in the Physiocratic journal *Ephémérides du Citoyen*, was a history of the *Compagnie des Indes*, focusing on the Law affair of 1720, which in Dupont's hands became a morality tale about the dangers of speculation—and its perennial association with the Company.⁴⁹ From a Physiocratic perspective, the affair epitomized the nation's ignorance as to the true source of wealth. Law, a master charlatan, deliberately deceived the public with a series of promises so implausible as to the profitability of his System that any reasonable person should have believed them to be a “fairy tale.” However, the public was eager to believe these seductive illusions of riches, and the result was an “inconceivable delirium” of speculation, or as he termed it – using a morally-laden neologism of the day – *agiotage*.⁵⁰ The multitude raced to buy without thinking of the need to pay, and the “national spirit was debased” as rich, wealth-producing lands were sold in order to purchase sterile, worthless paper.⁵¹

Dupont imbued his narrative with a tone of moral panic that indicted the Company, finance, and monopoly more broadly. The Company, Dupont argued, was never a properly commercial institution: it was a financial one. Based in Paris and governed by Parisian *moeurs*, it was endowed with an “rent-seeking spirit [*esprit rentier*]” that made its members apt at extorting subsidies from the government that were distributed falsely as dividends in lieu of

⁴⁹ The novelty of this text's use of the historical genre, given that most Physiocratic work was explicitly theoretical, is discussed in Cheney, *Revolutionary Commerce*, 151.

⁵⁰ For the etymologies of *agiotage/agioteur*, see Malick Ghachem, “At the Origins of Public Credit: A Story of Stock-Jobbing and Financial Crisis in Pre-Revolutionary France,” in *The Financial Crisis of 2008: French and American Responses, Proceedings of the 2010 Franco-American Legal Seminar*, ed. Martin Rogoff (Portland, ME: University of Maine School of Law, 2011), 174-75.

⁵¹ Dupont de Nemours, *Compagnie des Indes*, 103, 90, 119 (“conte de fées”), 142, 104-105.

actual profits.⁵² Some of these subsidies were intended as indemnities for monopolies – over the Louisiana territory, for example – surrendered to the King. However, as a privilege did not constitute a legitimate form of property in the Physiocratic view, its seizure merited no indemnity. The Nation itself was a victim of the Company's schemes, since public funds were used to compensate *monopoleurs* for a right that had been stolen from it.⁵³

The *Conseil d'État*, now with a wealth of public, intellectual evidence on its side, abrogated the monopoly of the Law Company by royal *arrêt* on August 13, 1769. However, the Company continued to win several powerful defenders. In his private writings, the *philosophe* Denis Diderot condemned the seemingly mercenary nature of Morellet's ministerially commissioned attack on the Company and fretted about the potential for the unjust spoliation of the Company by the state.⁵⁴ The Parlement of Paris engaged in a more public assault. In their *représentations*, the *parlementaires* accused the ministry of attacking the property of the shareholders and their families. The affair represented the repudiation of “public establishments founded on duly verified laws,” as the monopoly created under Colbert in 1664 had been registered by the Parlement of Paris (whereas the August *arrêt* had not been). This condemnation fit with the Parlement's politics in the period, which were characterized by a strong defense of a “corporate vision of society” against ministerial despotism and Physiocracy, making the Company a logical rallying point.⁵⁵ The ministry insisted that the monopoly had not,

⁵² Ibid., 174.

⁵³ Ibid., 161-62.

⁵⁴ Denis Diderot, “Dossier de la Compagnie des Indes,” in *Œuvres complètes*, eds. Herbert Dieckmann, Jacques Proust, and Jean Varloot (Paris: Hermann, 1975), v. 20, 211-234; see also Georges Dulac, “Les Gens de lettres, le banquier, et l'opinion: Diderot et la polémique sur la Compagnie des Indes,” *Dix-huitième siècle* 26 (1994), 187.

⁵⁵ Jules Flammeront, ed. *Remontrances du Parlement de Paris au XVIIIe siècle* (Paris: Impr. Nationale, 1888-1898), v.3, 69: “établissements publics fondés sur des lois dûment vérifiées.” For the *Parlement's* motivations, see Bailey Stone, *The Parlement of Paris, 1774-1789* (Chapel Hill: UNC Press, 1981), 121, 133, 179-180.

in fact, been *revoked*, but rather only *suspended* “until it is otherwise ordained by His Majesty,” a wording that deliberately left open the possibility of a future reinstatement.⁵⁶ Yet, in the meantime, the state and financial apparatuses of the Law Company were gradually liquidated and dismantled. The monarchy took over the administration of the Indian *comptoirs* and the Mascarene Islands in 1764, a move that formally severed French commercial and sovereign power in the East. On the financial side, the Company formally went into liquidation in early 1770 – a process that lasted until 1795 – and in exchange for the king assuming the Company’s copious debts, the shareholders’ assets were converted into long-term state bonds.⁵⁷

Because of the prominent roles played by Morellet and Dupont in the *affaire*, the events of 1769 are often viewed not only as an endpoint in the history of the *Compagnie des Indes*, but also as indicative of an upswing in *laissez-faire* thinking in the era.⁵⁸ However, the settlement created in 1769 obtained few real defenders, least of all among the monopoly’s *laissez-faire* critics, who regarded the newly instated ‘free trade’ regime as insufficiently liberal. As the Company – in whose name France’s Mughal *firman*s remained – was still the legal bearer of French trading rights in India, its directors were charged with regulating and issuing passports to all privateers seeking to conduct the Indies trade. Additionally, not only did the town of Lorient retain its monopoly over the *retours* of the trade (that is to say, all ships returning from the East Indies were obligated to dock there), but the ministry also introduced a new tax on privateers’ imports from the Indies, the five percent *droit d’indult*, which was intended to subsidize the cost

⁵⁶ *Recueil de pièces utiles pour l’instruction de l’affaire de la Compagnie des Indes* (S.l.: s.n., s.d.), 2: “l’exercice du privilège exclusif de la Compagnie des Indes...sera & demeura suspendu jusqu’à ce qu’il en soit, par Sa Majesté, autrement ordonné.”

⁵⁷ Haudrière, *Compagnie française*, v.2, 806. As part of the agreement, which involved the shareholders offering the royal treasury a hefty private loan, the *Conseil* fixed the share price at 2500 lt, and these bonds continued to be traded as *Actions des Indes à 2500 liv.* until the final liquidation of the Company in the French Revolution.

⁵⁸ Gottmann, *Global Trade*, ch. 5.

of the new, royal administration under the French Navy in the Indian *comptoirs* and the Mascarenes.⁵⁹ Both Parlement and Dupont viewed these as destructive restrictions on liberty, and Dupont published a second edition of his *Du Commerce et de la Compagnie des Indes* with a new preface explicitly protesting the new trade regime.⁶⁰ Thus, even though the abrogation of the monopoly took place under the auspices of a reform-minded ministry, in practice it had less to do with a full commitment to establishing a comprehensive free trade regime in the East, and more to do with the financial imperative of ending the state's subsidization of the Company. The rhetoric of free trade – as Diderot seemed to suspect – was an instrument in the service of this administrative cause. The fate of the Law Company was prompted by necessity, not ideology.

Moreover, there was a historical precedent for the administrative events of 1769, and this precedent prompted some contemporaries to see the 'suspension' of the Company's monopoly as only provisional. As mentioned above, in the last years of the similarly bankrupt Colbert Company, its monopoly privileges had been contractually alienated to a series of private merchant firms in St-Malô. These firms had the right to trade in the name of the *Compagnie des Indes*, in whose name the privilege still legally resided, and they retained that right until Law created his Company in 1719. The passport regime Dupont de Nemours decried was an updated reprise of this idea: the "free trade" regime thus continued to understand France's East Indian trading rights as residing in two parallel grants – the 1664 monopoly and the *firman*s of 1688 – that did not cease to legally exist. The Company had only ceded their exercise to privateers, perhaps only temporarily. As the abbé Raynal wrote in the *Histoire des deux Indes*, the Company's use of its

⁵⁹ The *droit d'indult* was established in the *arrêt* of 6 September 1769, in *Recueil de pièces utiles pour l'instruction de l'affaire de la Compagnie des Indes*, 20-22, and affirmed in *Arrêt du Conseil d'État du Roi, portant règlement pour la perception du droit d'Indult sur les Marchandises provenant du commerce de l'Inde, du 29 Novembre 1770* (Paris: Simon, 1770). The tax was fixed at 5% for the *retours* from India and China and 3% for products from the Mascarenes.

⁶⁰ Flammeront, *Remontrances*, v.3, 70-73; Dupont de Nemours, *Compagnie des Indes*, 3-18.

privilege was “only suspended...the liberty granted [to privateers] is but a precarious liberty.”⁶¹

Raynal despised the Company’s monopoly and hoped that this “precarious liberty” would survive, but soon after his *magnum opus* was published in 1770, the *Conseil d’État* began considering proposals to reinstate Law’s *Compagnie des Indes*, or perhaps, to create a new one.

* * *

What motives could there be for the reinstatement of an institution so uniformly derided as poorly governed, inefficient, and corrupt? The reason was that the ultimate fate of the *Compagnie des Indes* as an idea was linked to another problem: “the nature of the Indies trade” itself, as Dupont explained it. The Indies trade was not, in his view, something to be encouraged: it was an “onerous commerce” that could never be truly *free*, because it had – and would – always require an enormous amount of state subsidy due to the inevitable cost of war.⁶² The Indies trade seemed to exemplify the problems identified by the Physiocrats in their attack on the bellicose nature of commercial society itself – as contrary to the pacific, agrarian natural order – and this was a systemic issue that opening the trade to privateers could not solve.⁶³ While this might seem a peculiarly Physiocratic concern, it was an anxiety about the Indies trade shared by the majority of their contemporaries. The question of the *Compagnie des Indes* was never straightforwardly an issue of free trade against monopoly. In practice, the Company’s fate was joined with broader reflections on the trade’s economic consequences and political imperatives: issues that were rendered only more pressing by the disastrous Seven Years’ War.

⁶¹ Raynal, *Histoire philosophique*, liv. IV, ch. 27, §8: “le privilege a été suspendu, mais il n’a été que suspendu...la liberté accordée n’est qu’une liberté précaire.”

⁶² Dupont de Nemours, *Compagnie des Indes*, 21 (“la nature du Commerce de l’Inde”), 63 (“Commerce onéreux”), 16, 259.

⁶³ Roubaud, *Politique indien*, 5: “doutes sur l’avantage du commerce des Colonies & de l’Empire des Indes.”

Trade with India was understood in eighteenth-century French political economy as a separate category of commerce from other forms of colonial trade, as France's Indian possessions were not regarded as part of the empire in the same way the Atlantic colonies were. This was a structural observation, rather than a straightforward distinction between the "distinctly differentiated domains" of the *deux Indes*.⁶⁴ In contemporary terminology, the *établissements de l'Inde* were not conceived of as *colonies* at all, but rather as *comptoirs* – the term by which the five French cities in India would be known popularly until decolonization in the 1950s.⁶⁵ This distinction between *colonie* and *comptoir* was developed first by Jean-François Melon, but later more famously by François Véron de Forbonnais, a member of the Gournay circle, in his 1753 *Encyclopédie* entry "Colonie," which offered a typology of colonial settlements throughout human history. A modern colony, in this classification, was a place of settlement and cultivation, typified by European settlements in the Americas. A *comptoir*, by contrast, was an archaic form, created by merchants or monopoly companies for the purpose of commerce only, with – in theory – no view towards conquest or aggrandizement.⁶⁶ Although generally held to oppose one another in colonial matters, a variant on this distinction appears in Physiocratic writings that emphasized the importance of agrarian, settlement colonies – including the Indian Ocean Mascarene Islands – as not only economically productive, but also effectively provinces of France. By contrast, commercial establishments such as the Indian *comptoirs*, were

⁶⁴ Tarrade, *Commerce colonial*, v.1, 62-63: "deux domaines nettement différenciés...le commerce véritablement colonial est celui des Antilles."

⁶⁵ The usage of the word *comptoir* in the nineteenth and twentieth-centuries is discussed in Marsh and Frith, *France's Lost Empires*, 3.

⁶⁶ Melon, *Essai politique*, 39-40; François Véron de Forbonnais, "Colonie," in *Encyclopédie, ou Dictionnaire raisonné des sciences, des arts et des métiers*, ed. Denis Diderot and Jean d'Alembert (Paris: Briasson, 1753). This distinction was commonly used in ministerial memoranda, such as ANOM, F³ 48, "Réflexions sur les Colonies Asiatiques, des colonies en général," anon., c. 1780 (f° 5).

economically sterile. According to the abbé Baudeau, it would be “a very dangerous error” to confound the Indies trade with other forms of economic life.⁶⁷

Since antiquity, Europeans had often regarded commercial contact between East and West as potentially dangerous, and this idea continued to resonate in eighteenth-century thought. This anxiety stemmed in large part from the wider eighteenth-century debate on the moral (or immoral) character of luxury: whether it was an innocuous byproduct of the civilizing force of commerce, or whether luxury, or commercial society itself, were moral hazards.⁶⁸ This was the view of the Physiocrats: luxury only distracted people and their governments from the true source of wealth in agriculture, and its overabundance had been a harbinger of the decline of empires, namely Rome.⁶⁹ In the case of Indian luxury, this took on a strongly gendered element, as the public usage of many Indian goods, such as *indiennes*, was associated with women, which only seemed to reinforce the neo-Roman idea that luxury corrupted masculine virtue. These anxieties were perhaps even more pervasive on the other side of the Channel, where unease with the wealth of the returning ‘nabobs’ of the British East India Company caused many to worry about the potential for corruption and the corrosion of British liberties at home.⁷⁰ While monarchical France had no clear analog for this particularly republican quandary, from

⁶⁷ Baudeau, *Idées d'un citoyen*, 5: “une erreur très dangereuse.”

⁶⁸ The best overview of the luxury debate remains Istvan Hont, “The early Enlightenment debate on commerce and luxury,” in *The Cambridge History of Eighteenth-Century Political Thought*, ed. Mark Goldie and Robert Wokler (Cambridge: Cambridge UP, 2006). See also J.G.A. Pocock, *The Machiavellian Moment: Florentine Political Thought and the Atlantic Republican Tradition* (Princeton: Princeton UP, 2003), 492-93.

⁶⁹ François Quesnay, “Dossier «Luxe»,” in *Œuvres économiques complètes et autres textes*, ed. Christine Théré, Loïc Charles, and Jean-Claude Perrot (Paris: INED, 2005); François Quesnay, “Hommes,” in *Ibid.*, 315.

⁷⁰ For this debate in Britain, see Berg, *Luxury and Pleasure*, 234-36; for France, Gottmann, *Global Trade*, 89-95. The classic study of the ‘nabobs’ in eighteenth-century English political culture is T.G.P. Spear, *The Nabobs: A Study of the Social life of the English in eighteenth-century India* (London: Oxford UP, 1932). For two more recent studies, see Nechtman, *Nabobs*, and Maya Jasanoff, *Edge of Empire: Lives, Culture, and Conquest in the East, 1750-1850* (New York: Vintage, 2005).

Montesquieu to Raynal, many French authors similarly fretted about the potential for European *moeurs* to degenerate “in the voluptuous climate of the Indies.”⁷¹

The contaminating nature of the Indies trade was further underscored by another antique legacy: a persistent anxiety about specie export. Roman authors complained that trade with India, China, and Arabia, driven by the thirst for effeminate luxuries, drained the empire of its precious metals, and this vision of the Indies as a money pit retained its classical salience in eighteenth-century discourse, from Montesquieu onwards.⁷² The abbé Raynal gave perhaps the most famous eighteenth-century eulogy for the riches lost in the East Indies:

...India has always swallowed the world’s treasures....Silver still takes the same route at present. It flows continuously from the Occident to the heart of the Orient...It is thus for the Indies that the mines of Peru are opened; it is thus for the Indians that the Europeans have sullied themselves with so many crimes in America.⁷³

In Raynal’s time, the majority of the silver that flowed to Asia came from Spanish America, in the form of *piastres* purchased by European merchants in the Spanish trading hub of Cadiz.⁷⁴

The symbolism of this was not lost on Raynal. For him, silver was the blood that united the

⁷¹ Raynal, *Histoire philosophique*, liv. IV, ch. 24, §1: “dans le climat voluptueux des Indes.”

⁷² Pliny the Elder, *Natural History*, trans. H. Rackham (Cambridge, MA: Harvard UP, 1945), XII:41; Charles de Secondat, baron de Montesquieu, *The Spirit of the Laws*, eds. Anne M. Cohler, Basia C. Miller, and Harold S. Stone, trans. Anne M. Cohler, Basia C. Miller, and Harold S. Stone (New York: Cambridge UP, 1989), bk. 21, ch. 1.

⁷³ Raynal, *Histoire philosophique*, liv. V, ch. 33, §10: “l’Inde a englouti dans tous les tems les trésors de l’univers...L’argent prend encore aujourd’hui la même route. Il coule sans interruption de l’Occident au fond de l’Orient...C’est donc pour les Indes que les mines de Pérou sont ouvertes; c’est donc pour les Indiens que les Européens se sont souillés de tant de crimes en Amérique.” This view of India persisted into twentieth-century economic thought, see John Maynard Keynes, *Indian Currency and Finance* (London: Macmillan, 1913), 99-100.

⁷⁴ For Cadiz, see Guy Rowlands, *The Financial Decline of a Great Power: War, Influence, and Money in Louis XIV’s France* (Oxford: Oxford UP, 2012), 95, and for the most famous French firm involved in the silver trade, see Michel Zylberberg, *Capitalisme et catholicisme dans la France moderne: la dynastie Le Couteulx* (Paris: Publications de la Sorbonne, 2001), ch. 4. Illustrative of the conceptual incoherences of the *Histoire* is the fact that there is a parallel passage where Diderot (Raynal being the author of the above) insists that Spanish silver is a commodity like any other and the product of a reciprocal exchange for French goods: Raynal, *Histoire philosophique*, liv. V, ch. 33, §9. For current analyses of the “sink” myth, see Prasannan Parthasarathi, *Why Europe Grew Rich and Asia Did Not: Global Economic Divergence, 1600-1850* (Cambridge, UK: Cambridge UP, 2011), and André Gunder Frank, *ReOrient: Global Economy in the Asian Age* (Berkeley: University of California Press, 1998).

crimes of the two empires in the West and East Indies, draining from Europe to Asia along the same path that it had followed, without interruption, since antiquity. Although usually associated exclusively with ‘mercantilism,’ this concern about the ‘deficit’ nature of the Indies trade was common to much political and economic thought, from Véron de Forbonnais to Physiocratic thinkers like the abbé Roubaud and Dupont, who engaged in the common trope of depicting India as a “sewer” into which European precious metals were thrown. Dupont even repeated the myth that, emblematic of both their lack of economic sophistication and avarice, Indian merchants and weavers wastefully interred their wealth in the ground with human burials.⁷⁵

In the aftermath of the Seven Years’ War, the economic and political stakes of the debate over the Indies trade changed profoundly. No longer were the pernicious effects of luxury conceived of in a morally abstract sense, but rather in terms of a direct reckoning with the physical costs of luxury as embodied by the consequences of France’s defeat. This is best exemplified by the surprising intellectual *volte face* of an individual who had, in previous decades, been a strong voice in favor of the beneficial character of luxury: Voltaire. His 1773 *Fragments sur l’Inde* presented a cogent case for the negative effects of the Indies trade as a whole. This pamphlet, part propaganda for the rehabilitation of the martyred comte de Lally, part commercial treatise, aimed at depicting India as an illusory imperial prize for which much innocent Indian and European blood was shed.⁷⁶ Commerce in general might have softening and civilizing effects on society, but as control of the Indies trade had become a perverse “object of

⁷⁵ Lüthy, *Banque Protestante*, v.2, 377: “le fait fondamental: le commerce d’Asie est alors globalement, et *a priori*, déficitaire.” François Véron de Forbonnais, *Éléments du commerce* (Paris: Briasson, 1754), v.1, 53; Dupont de Nemours, *Compagnie des Indes*, 40; Roubaud, *Politique indien*, 1: “un égoût.” The ‘burial’ myth appears in numerous other prominent sources, including Bedos, *Le négociant patriote, contenant un tableau qui réunit les avantages du commerce[...]* (Paris: Royez, 1784), 223n, and appears to have originated in the influential Georges Roques, *La manière de négocier aux Indes, 1676-1691: la compagnie des Indes et l’art du commerce*, ed. Valérie Bérinstain, (Paris: École française d’Extrême Orient, 1996), 29.

⁷⁶ Marsh, *India in the French Imagination*, 96.

war,” it was now a “ruinous luxury” and a “tax” Europeans had self-imposed. For Voltaire, the Indies trade thus represented a particular and “highly problematic” kind of luxury, not because of its moral effects, but because of its responsibility for a costly, wasteful, and bloody war.⁷⁷

In part due to Physiocratic influence, the anxiety about specie export similarly transformed into a broader sense that, while reciprocity was the true foundation of commerce between nations, the Indies trade was patently unreciprocal.⁷⁸ Contemporaries assured themselves that Asian sellers only insisted on payment in specie rather than exchange in kind, because they were ‘backward’ and unaccustomed to European fineries, but modern scholars are well aware that early modern India and China were sophisticated commercial and artisanal societies simply had no market for shoddily manufactured European wares.⁷⁹ However, for contemporary French observers, this situation represented a profoundly unequal and unreciprocal exchange – even in the later part of the eighteenth-century when European bills of exchange had long since superseded actual bullion shipments as the primary method of payment for French purchases in India. Intellectuals and administrators alike continued to uniformly proclaim the Indies trade to be “onerous,” “thankless,” or even “vicious in itself.”⁸⁰ The merchant author

⁷⁷ Voltaire, *Fragments sur l’Inde*, 10, 4-5: “objet de guerre,” “luxue ruineux,” “impôt.” Felicia Gottmann, “Intellectual history as global history: Voltaire’s *Fragments sur l’Inde* and the problem of enlightened commerce,” in *India and Europe in the Global Eighteenth Century*, ed. Simon Davies, Daniel Sanjiv Roberts, and Gabriel Sánchez Espinosa (Oxford: Voltaire Foundation, 2014), 146. Other contemporary sources also describe Indian luxuries as a ‘tax,’ see Gaston-Laurent Cœurdoux and Nicholas-Jacques Desvaulx, *L’Inde philosophique entre Bossuet et Voltaire. Vol. II: Mœurs et Coutumes des Indiens*, ed. Sylvia Murr (Paris: Ecole française d’Extrême-Orient, 1987), 188, which describes the trade as a “tribut que notre luxe paye à l’industrie des Indiens.”

⁷⁸ On the importance of reciprocity in Physiocracy, see François Quesnay, “Dossier «Commerce»,” in *Œuvres économiques*, 787-88.

⁷⁹ Om Prakash, *Bullion for Goods: European and Indian Merchants in the Indian Ocean Trade, 1500-1800* (New Delhi: Manohar, 2004); Parthasarathi, *Why Europe Grew Rich*.

⁸⁰ Abraham Hyacinthe Anquetil-Duperron, *Voyage en Inde, 1754-1762: relation de voyage en préliminaire à la traduction du Zend-Avesta*, eds. Jean Deloche, Manonmani Filliozat, and Pierre-Sylvain Filliozat (Paris: École française d’Extrême Orient, 1997), 165: “onéreux...[sans] utilité réelle”; ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy: “un Commerce ingrat”; C² 110, untitled, c. 1782 (f° 206): “vieux en soy.” Similiar

Bedos, exempted the Indies trade from his examination of the patriotic effects of commerce, only to bemoan that all “little Europe” had to show for its attempt to dominate Asia was “irretrievably lost money.”⁸¹

This lack of reciprocity led many economic thinkers to seek methods by which France could renounce and prohibit trade with India. This had, historically, been the French attitude towards Indian imports. Between 1686 and 1759, the importation, production, and usage of *indiennes* (also called *toiles peintes*) had been banned in the name of defending existing French woolen and silk industries – and for roughly the same period, similar prohibitions and mentalities governed in Britain.⁸² However, by the mid-eighteenth century, it was becoming increasingly apparent to economic observers that the consumption of Indian cloth goods had become so widespread that all prohibitions were doomed to fail.⁸³ Dupont argued that there was a simple solution to this predicament: the pernicious Indies trade could be entirely erased in favor of beneficial, reciprocal exchange within Europe. In his view, France should redirect its wealth from the tombs of Indian merchants to investment in the fruits of its agriculture – especially wines, oils, and liqueurs – which could then could be exchanged with British, Dutch, or Danish

views are expressed in C² 109, “Compagnie des Indes,” by Dubuc (f° 198); C² 110, “Mémoire sur le Commerce de la France en Asie,” c. 1783 (f° 203); François-Marie-Arouet dit Voltaire, *Précis du siècle de Louis XV* (Geneve: s.n., 1769), v.2, 161: “grand et ruineux commerce de l’Inde.”

⁸¹ Bedos, *Négociant patriote*, 257: “la petite Europe a l’ambition de dominer la grande Asie; on y réussit par de chétives ventes au Bengale, & par l’argent perdu sans retour.”

⁸² The ban had been modified in 1749 to allow for the domestic production of *indiennes* as long as they were printed on either domestically-woven cloth or cloth imported by the *Compagnie des Indes*. See Dobie, *Trading Places*, 101. For similar attitudes and policies in Britain, see Daniel Defoe, *The trade to India critically and calmly consider’d, and prov’d to be destructive to the general Trade of Great Britain[...]* (London: Boreham, 1720); Nechtman, *Nabobs*, 78; Pincus, “Rethinking Mercantilism,” 21.

⁸³ Kwass, *Contraband*; Gottmann, *Global Trade*.

merchants for Indian wares.⁸⁴ However, as avoiding dependency on British-Indian imports had been the concern of a host of writers from the abbé de Saint-Pierre to Anquetil-Duperron, Dupont rallied few partisans to an idea that meant the *de facto* recognition of British economic ascendancy on the subcontinent.⁸⁵ As a result, some more Anglophobic observers continued to promote the traditional idea of complete prohibition: it would hurt England most if France could “forever banish” Indian goods.⁸⁶

Most administrators therefore recommended that the only way to successfully – and profitably – end “the abusive use of merchandise from India” would be to encourage French industries to copy and produce goods that could directly replace them.⁸⁷ This view was shared by several prominent *philosophes*. In his *Encyclopédie* article “Cotton,” Diderot argued that, armed with the fine, raw cotton grown in the Antilles, French manufacturers were more than equipped with the skills and resources to imitate the fine cloth of the East Indies.⁸⁸ Voltaire was also a strong proponent of the development of industry, which he regarded as essential to human progress, and he did not fail to see in it a potential remedy for the defects of the Indies trade.⁸⁹ In a letter he wrote to Dupont (who shared the traditional Physiocratic hostility to industrial

⁸⁴ Dupont de Nemours, *Compagnie des Indes*, 28-29, 40-41. Some *mémoristes* agreed with him: ANOM, C² 109, “Réflexions sur le Commerce des Indes Orientales” (f^o 150).

⁸⁵ Saint-Pierre, *Ouvrages*, v.5, 223 (in “Projet pour perfectionner le Commerce de France”); Anquetil-Duperron, *Voyage en Inde*, 166.

⁸⁶ AE Courneuve, 8CP/552, Adhémar to Vergennes, 26 February 1785 (f^o 262): “bannir à jamais...les productions de l’Inde”; ANOM, C² 113, “Commerce de l’Inde,” 17 June 1785 (f^o 234-235).

⁸⁷ ANOM, C² 110, “Mémoire sur le Commerce de la France en Asie,” c. 1783 (f^o 203): “l’usage abusif des marchandises de l’Inde”; F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy: “des nouvelles branches d’industrie...pour remplacer les marchandises de l’Inde.”

⁸⁸ Denis Diderot, “Coton,” in *Encyclopédie, ou Dictionnaire raisonné des sciences, des arts et des métiers*, ed. Denis Diderot and Jean d’Alembert (Paris: Briasson, 1753).

⁸⁹ Florian Schui, *Early debates about industry: Voltaire and his contemporaries* (New York: Palgrave Macmillan, 2005).

production), Voltaire wrote that “true riches...are in our industry...the earth and labor are the source of everything,” encouraging the Physiocrat to see agriculture and industry as linked.⁹⁰ An emphasis on developing France’s own cotton manufactures, using the produce of colonial soil, seemed to offer a way to avoid the strict, Physiocratic bifurcation between productivity and sterility. In fact, some thinkers, such as Diderot, leaning on the Scottish Enlightenment view of the ‘wonders’ of imitation, argued that the introduction of new and novel commodities to Europe had stimulated the development of new industries – furnishing new source of work to the best artisans – and that these early attempts at import substitution should be strongly encouraged.⁹¹

This change in vision represents a French analog for the realization that “national power was reflected in a strong consumer goods sector.”⁹² If consumer taste for *indiennes* could not be altered – as authors from Dupont to Diderot often begrudgingly conceded – then that taste needed to be directed in such a way as to render it economically productive, since the Indies trade itself was not.⁹³ Demonstrating the ability of French cotton industries to compete with Indian imports was no small intellectual precondition for the success of the revocation of the *indiennes* ban in 1759.⁹⁴ However, unlike other European prohibitions in the era – namely, the British one – the French ban prohibited domestic production, meaning that the French cotton industry of *indienneurs* had largely been ‘exiled’ to Switzerland or France’s border provinces,

⁹⁰ François-Marie-Arouet dit Voltaire, *Les œuvres complètes de Voltaire*, eds. Theodore Besterman and et al. (Banbury: Voltaire Foundation, 1968-2015), 337-38 (letter to Dupont, 16 July 1770): “les vraies richesses...sont dans notre industrie...la terre et le travail sont la source de tout.”

⁹¹ Raynal, *Histoire philosophique*, liv. V, ch. 33, §8.

⁹² Berg, *Luxury and Pleasure*, 88.

⁹³ Dupont de Nemours, *Compagnie des Indes*, 20-21; Baudeau, *Idées d’un citoyen*, 4; Raynal, *Histoire philosophique*, liv. V., ch 34, §37.

⁹⁴ Gottmann, *Global Trade*, ch. 4-5.

such as Alsace, which were not subject to the same laws.⁹⁵ Accordingly, writers in the Foreign Ministry in the 1780s picked up on the earlier ideas of Diderot and Voltaire, that if those industries were repatriated to France itself, they would represent a promising industrial future for both arms of cotton production, weaving and printing. These authors struggled to assure skeptical readers that, as the British example attested, there was no contradiction between continuing to promote a flourishing trade with India – necessary to supply the *indienneurs* with printable cottons (*toiles blanches*) – while encouraging the growth of domestic industries.⁹⁶

There were potent reasons, however, to doubt this vision of a European, industrial future – whether French or British – and its ability to supplant European reliance on the Indies trade. Georges Gougenot de Croissy, a *secrétaire du Roi* (and future director of the *Nouvelle Compagnie des Indes*) wrote in 1780 that no European nation could seek to profitably replicate both the quality and cheapness of Indian cloth, because labor costs in Europe were simply too high by comparison.⁹⁷ Adequately mimicking the quality of Indian products was of equal concern, but not only because of anxieties about contraband sold to French buyers. Rather, *indiennes* were an essential commodity used in the West African slave trade, and discerning African traders were often unwilling to accept lower-quality European knock-offs.⁹⁸ Thus, both

⁹⁵ Comparisons of the French and British laws are found in Berg, *Luxury and Pleasure*, 19, 78; Gottmann, *Global Trade*, 9.

⁹⁶ AE Courneuve, 7MD/74, “Considérations sur les manufactures de mousseline de callico dans le grande Bretagne,” December 1788 (f° 182-192); “Mémoire sur l’Angleterre,” Marquis de Biencourt, April 1784 (f° 30vo).

⁹⁷ ANOM, C² 110, “Précis sur l’Etat actuel des Etablissemens de la France aux Grandes Indes[...],” by Georges Gougenot, 1780 (f° 156-157): “l’industrie est l’avantage et la ressource de l’homme indigent.” For British authors’ use of this same argument about South Asian labor, see Prasannan Parthasarathi, “Rethinking Wages and Competitiveness in the Eighteenth-Century: Britain and South India,” *Past & Present* 158, no. 1 (1998), and Berg, *Luxury and Pleasure*, 78.

⁹⁸ The role played by African consumer demand on cotton production is discussed in Giorgio Riello and Tirthankar Roy, eds. *How India Clothed the World: The World of South Asian Textiles, 1500-1850* (Leiden: Brill, 2009); Céline Cousquer, *Nantes: une capitale française des indiennes au XVIIIe siècle* (Nantes: Coiffard, 2002), 151-57; Carolyn

to supply French printing industries with *toiles blanches* and to support the all-important Atlantic slave trade, French engagement in the Indies trade was seen as patently necessary for France's participation in the modern, commercial economy, in spite of the hostility it generated among economists for its luxurious and unreciprocal nature. These sentiments were only compounded by the French loss of the Seven Years' War and the fears it provoked about economic dependence on Britain in Asia. Because political-economic views of the Indies trade were informed by anxieties about the 'draining' of wealth, the lack of reciprocal exchange, the need to protect the interests of domestic *indienneurs*, and as will be seen, concerns about preserving the appearance of French influence and credit in India, even after 1769, it seemed to some observers that the reinstatement of a state-controlled company was needed.⁹⁹

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The emergence of trading companies in early modern Europe has often been understood as a response to the challenges and risks of early modern maritime trade, which K.N. Chaudhuri termed "unsystemic hazards."¹⁰⁰ According to this view, while there may have been administrative divergences between the British, Dutch, and French companies, their basic structures owed to concrete, on-the-ground realities, namely, the perilous nature of the long sea voyages and the near identical imposition of taxes and restrictions on European merchants by Asian rulers. When Europeans first arrived in the Indian Ocean world, they "entered a highly organized and complex economic network in the Indian Ocean with well-established trade

Keyes Adenaike, "West African Textiles, 1500-1800," in *Textiles: Production and Demand*, ed. Maureen Fennell Mazzaoui (Aldershot: Ashgate, 1998), 258.

⁹⁹ ANOM, C² 113, "Notes sur un mémoire intitulé Notions sommaires sur le Commerce de l'Inde et de la Chine," undated (f^o 178-vo); "Commerce de l'Inde," 17 June 1785 (f^o 234): "la maniere la moins desavantageuse possible est celle d'une Compagnie, ou association nationale."

¹⁰⁰ See the summary of current economic history literature on this theme in Gelderblom et al, "Modern Corporation," 1051. Chaudhuri, *Trading World*, 39.

conventions...over which they lacked mastery,” and as a result, they faced a considerable number of political and financial risks.¹⁰¹ The directors and defenders of the British East India Company routinely insisted that the Asian trade was not possible without a large, joint-stock financial backing, capable of sustaining such risks and with the resources to build infrastructure on the other side of the world. However, it is equally clear to historians that the adoption of certain economic practices and organizations, such as monopoly companies, was often dictated by European “attitude[s]...towards Asian powers.”¹⁰² The purported ‘necessity’ of certain economic structures to conduct the Indies trade was grounded in a set of pervasive European cultural assumptions about Asian states, markets, and the nature of European politics in the East Indies. After 1769, as France embarked on its free trade experiment, these ideas took on new political importance.

Just as France’s Indian *comptoirs* were regarded as economically distinct from its *colonies*, these distinctions extended also into the realm of cultural difference. Recent scholarship has convincingly demonstrated that economic ideas about the East Indies trade in the early modern period were grounded in an Orientalized view of India as a static society. This view functioned as a method by which Europeans reckoned with Asia’s “central” place in the early modern world economy, and the undeniable fact that Asian markets and societies were as – or more – dynamic and complex than their own.¹⁰³ This vision of India was first presented to seventeenth-century French audiences in the widely read *Voyages* of François Bernier, who described Mughal society and state as behaving according to immutable laws and principles.

¹⁰¹ Kapil Raj, “Mapping Knowledge Go-betweens in Calcutta, 1770-1820,” in *The Brokered World: Go-Betweens and Global Intelligence, 1770-1820*, ed. Simon Schaffer et al. (Sagamore Beach: Science History Publications, 2009), 108.

¹⁰² Chaudhuri, *Trading World*, 44-45 and Stern, *Company-State*, 57, 85.

¹⁰³ Frank, *ReOrient*, 53; Smith, “Myths of South Asian Stasis.”

Bernier's account had a strong influence on the development of Montesquieu's vision of the Indies in the *Esprit des Lois*, which offered an authoritative account of a static Indian society that, due to the forces of climate determinism, obeyed fixed laws of commerce, religion, and government. Arguing that climate was constitutive of character, Montesquieu posited that individuals in the Torrid Zone were naturally weak and disposed to treachery, and late eighteenth-century accounts, both manuscript and printed, evince that his views continued to be widely held.¹⁰⁴

This unpredictability seemed to present risks to the European traders seeking to do business in the East. Anxieties about trickery and deception often pervaded cultural encounters in the early modern Indian Ocean rim, and the directors of the British East India Company often evinced a "deeply held belief" that European traders were "victims rather than...aggressors" in Asia.¹⁰⁵ This observation holds equally true for French perceptions of the functioning of Indian markets, as the level of local, cultural knowledge necessary to trade was perceived as

¹⁰⁴ Montesquieu, *Spirit of the Laws*, bk. 21, ch. 3; for his importance in French economic thought, see Cheney, *Revolutionary Commerce*, ch. 2. For his relevance for French understandings of India and 'oriental despotism,' see Rolando Minuti, "L'Inde dans l'oeuvre de Montesquieu," in *L'Inde des Lumières: discours, histoire, savoirs (XVIIe-XIXe siècle)*, ed. Marie Fourcade and Ines G. Zupanov (Paris: EHESS, 2013), and Dobie, *Trading Places*, 37-43. As Dobie discusses, Anquetil-Duperron bemoaned the excessive influence of Montesquieu's views on Asian cultures, as he himself contested them, see Abraham Hyacinthe Anquetil-Duperron, *Considérations philosophiques, historiques et géographiques sur les deux mondes (1780-1804)*, ed. Guido Abbattista (Pisa: Scuola Normale Superiore, 1993), and Jennifer Pitts, "Empire and Legal Universalisms in the Eighteenth Century," *American Historical Review* 117, no. 1 (2012). For Bernier and his influence on Montesquieu, see François Bernier, *Un libertin dans l'Inde moghole: les voyages de François Bernier (1656-1669)*, eds. Frédéric Tinguely, Adrien Paschoud, and Charles-Antoine Chamay (Paris: Chandeigne, 2008), and Minuti, "L'Inde dans l'oeuvre de Montesquieu." For other late-eighteenth century accounts that use Montesquieu's view, see Pierre Sonnerat, *Voyage aux Indes Orientales et à la Chine: fait par ordre du roi, depuis 1774 jusqu'en 1781[...]* (Paris: s.n., 1782); Pierre Sonnerat, *Nouveau Voyage aux Indes Orientales (1786-1813)*, eds. Jean Deloche and Madeleine Ly-Tio-Fane (Pondicherry: Institut Français de Pondichéry, 2010); Louis Laurent de Féderbe, comte de Modave, *Voyage en Inde du Comte de Modave, 1773-1776: Nouveau mémoires sur l'état actuel du Bengale et de l'Indoustan*, ed. Jean Deloche (Paris: École française d'Extrême-Orient, 1971), 288; Cœurdoux and Desvaulx, *L'Inde philosophique*; Louis de Jaucourt, "L'Inde," in *Encyclopédie, ou Dictionnaire raisonné des sciences, des arts et des métiers*, ed. Denis Diderot and Jean d'Alembert (Paris: Briasson, 1753), v.8, 662.

¹⁰⁵ Sanjay Subrahmanyam, *Three Ways to be Alien: Travails & Encounters in the Early Modern World* (Waltham: Brandeis UP, 2011); Chaudhuri, *Trading World*, 113.

extraordinarily high. This view was exemplified in the late seventeenth-century manuscript of Georges Roques, *La manière de négocier aux Indes*. This loyal servant of the Colbert Company drew a picture of chaotic and perilous Indian markets, in which the European buyer risked not only cultural miscommunications, but also being swindled or cheated by the highly savvy – and in his view, malicious – brokers who mediated between cloth weavers and their European customers.¹⁰⁶ According to Roques, these brokers were adept at playing their European customers against one another, such that having multiple bidders for the same products would inevitably lead to the buyers being cheated with higher prices and poorer quality goods. This view of the ‘multiple buyers’ problem continued to be widely held by economic theorists after 1769, including the reform-minded future Controller-General, Anne-Robert-Jacques Turgot, and it was often cited as one of the principal disadvantages of the post-1769 free trade regime.¹⁰⁷ A monopoly company acting as a single buyer, by contrast, presented a more feasible and cost-effective method for Europeans to navigate Indian markets.

A company regime also seemed to correspond better to the political aspects of the Indies trade. Another facet of the Montesquian narrative of climate determinism was his theory of ‘oriental despotism,’ which remained widely held in eighteenth-century France in spite of several vocal challenges by intellectuals such as Anquetil-Duperron. For the European trader, as the abbé Baudeau wrote in 1763, this meant that, since Asian sovereigns did not recognize the

¹⁰⁶ The original is located in BnF, Fonds français 14614. The entirety of manuscript has been published in French in Roques, *Manière de négocier aux Indes*. Portions of this manuscript are printed in English translation in Indriani Ray, *The French East India Company and the Trade of the Indian Ocean*, ed. Lakshmi Subramanian, (Calcutta: Munshiram Manoharlal, 1999), chapters 1-2. For Roques’ hostility to Indian merchants, see Gottmann, *Global Trade*, 23.

¹⁰⁷ Anne-Robert-Jacques Turgot, *Œuvres de Turgot et les documents le concernant, avec biographie et notes*, ed. Gustave Schelle, (Paris: F. Alcan, 1913-1923), v.3, 108: Turgot to Morellet, 25 July 1769. Other sources that discuss this problem include ANOM, C² 113, “Notes sur un mémoire intitulé Notions sommaires sur le Commerce de l’Inde et de la Chine,” undated (f^o 178-vo).

legitimacy of European *droit public*, a trader's property was never guaranteed to be safe from seizure.¹⁰⁸ The safest one could hope for was authorization to trade in the form of *firman*s, issued by the Mughal Emperor to the representatives of the early European companies in the seventeenth-century. A company invested with *firman*s thus appeared to offer the only method of secure trade that could command respect from Indian princes. In this essentialized view, the Indies trade operated according to static laws to which Europeans had to conform to meet the fickle expectations of Asian sovereigns. If European traders failed "to conform to a logic mandated by Asian officials," they faced humiliation and commercial rejection.¹⁰⁹ As Lauren Benton observed, crossing early modern legal and cultural spheres required the establishment of "routines that generated, if not trust, at least firm expectations about behavior."¹¹⁰ Trade, like diplomacy, demanded interactions according to a fixed repertoire of practices, and for many writers, a monopoly company seemed the linchpin.¹¹¹

However, maintaining credit in the eyes of Indian princes and trading partners was not the only political consideration at stake. Eighteenth-century writers and administrators recognized that the East Indies trade reflected the logics of intra-European diplomacy, competition, and war, and as such embodied the problems of commercial reason of state. As a member of the Gournay circle – if perhaps its most conventionally 'mercantilist' one – Véron de

¹⁰⁸ Baudeau, *Idées d'un citoyen*, 5.

¹⁰⁹ Adam Clulow, *The Company and the Shogun: The Dutch Encounter with Tokugawa Japan* (New York: Columbia UP, 2014), 61, and Adam Clulow, "The Art of Claiming: Possession and Resistance in Early Modern Asia," *American Historical Review* 121, no. 1 (2016). For other perspective on the need for Europeans to conform to a host of ritual-diplomatic expectations in contact with Asian sovereigns, see William Dalrymple, *White Mughals: Love and Betrayal in Eighteenth-Century India* (London: HarperCollins, 2002), 125; James L. Hevia, *Cherishing Men from Afar: Qing Guest Ritual and the Macartney Embassy of 1793* (Durham: Duke UP, 1995).

¹¹⁰ Benton, *Law and Colonial Cultures*, 26.

¹¹¹ For the idea of imperial "repertoires of rule," see Jane Burbank and Frederick Cooper, *Empires in World History: Power and the Politics of Difference* (Princeton: Princeton UP, 2010), 3.

Forbonnais was generally hostile to privileges and monopolies, yet admitted that among prudent nations, exclusive companies were admissible for “certain trades that demand objectives & a political system...that the rivalry or ambition of *particuliers* would have trouble following.” In his view, the Indies trade, far from resembling the relationship between metropole and colony, better resembled the political economy of foreign trade (*commerce extérieur*), which was “so tightly linked to political interests, that it assumes their nature.”¹¹² This view that the Indies trade was closely related to the European balance of power was shared by Anquetil-Duperron, who in spite of his reverence for Indian cultures, shared the assumption that the Indies trade was economically deleterious to France. The only reason to engage in it was to diminish and impede the commerce of one’s European rivals, or to “to augment, or at least sustain, [one’s] credit by the appearance of a universal trade,” as Britain had done.¹¹³

This notion that conduct in the Indies trade was expressly tied to the performative imperatives of European power politics yielded the view that a *Compagnie des Indes* was “an integral part of French grandeur and power.”¹¹⁴ Jean-François Melon observed that a powerful company in Asia served the state at home, and in reply to Morellet in 1769, Jacques Necker drew heavily from Melon’s thinking in order to demonstrate that the Company, far from representing the economic interests of only a handful of individuals, was actually a source of pride and patriotism for the state itself. Building on an anecdote in Melon’s *Essai politique*, Necker recounted how Louis XIV himself presided over the first assembly of the *Compagnie des Indes*

¹¹² Véron de Forbonnais, *Éléments du commerce*, v.2, 187: “les compagnies exclusives ne sont admises chez les peuples intelligens que pour certains commerces, qui exigent des vûes & un système politique dont l’état ne veut pas faire la dépense ou prendre l’embarras; & que la rivalité ou l’ambition des particuliers auroit peine à suivre.” Ibid., v.1, 61: “si étroitement liée avec les intérêts politiques, qu’elle contracte de leur nature.”

¹¹³ Anquetil-Duperron, *Voyage en Inde*, 165-66: “d’augmenter, ou du moins de soutenir, leur crédit par l’apparence d’un commerce universel.”

¹¹⁴ Margerison, “Shareholders’ Revolt,” 50.

in order to encourage the cream of aristocracy to invest, thereby strategically directing their own vanity towards the broader interests of the state.¹¹⁵ In Necker's view, this mission contrasted sharply with the merchants whose rights his adversary Morellet sought to defend, who worked only in the name of their own private interests.¹¹⁶ The Parlement of Paris took a similar view in their *Représentations* against the revocation of the Company's monopoly. To the *parlementaires*, the loss of the Company was damaging to France's global standing. The Company had been created in 1664 as part of "the magnificent project of carrying the glory of the French name and the power of [His Majesty] to the ends of the earth," and some writers similarly bemoaned that the ministers who had lost the Seven Years' War had allowed the Company, yet another "monument" to the grandeur of France built by Louis XIV and Colbert, to be destroyed.¹¹⁷ This political valence was a key distinction between Morellet and Necker. While Morellet had been concerned with asserting the trading rights of the 'nation,' Necker sought to demonstrate, like an anonymous naval administrator wrote a few years later, that "a *Compagnie des Indes* is an affair of state."¹¹⁸

In this conception, without a company, France would be viewed as a second-rate power by both Indian and European actors, compounding the humiliating legacy of the Seven Years'

¹¹⁵ Melon, *Essai politique*, 157-158, 61. Necker, *Réponse au Mémoire*, 7: "il fallut échauffer les esprits par le patriotisme & les aiguillonner par la vanité." See also Dulac, "Gens de lettres," 185.

¹¹⁶ Necker, *Réponse au Mémoire*, 8, 49.

¹¹⁷ Flammeront, *Remontrances*, v.3, 69: "le magnifique projet de porter la gloire du nom français et la puissance de V.M. jusqu'aux extrémités du monde." ANOM, F^{2C} 12, "Mémoire sur le Commerce des Indes," anon., copies dated 1773 and 1784: "contre le Voeu de la Nation, accoutumée depuis un siecle entier à respecter un Monument élevé par Louis XIV et M. de Colbert."

¹¹⁸ Margerison, "Shareholders' Revolt," 37, 45 notices this difference in usage of language, but rather unconvincingly assumes that Necker must have intended 'nation' rather than 'state,' as part of his appeal to patriotism. ANOM, C² 108, "Mémoire sur le Commerce de l'Inde," anon., November 1772 (f° 199vo): "une Compagnie des Indes est une affaire d'Etat."

War. This was extraordinarily troubling to ministerial authors writing after 1769, who found it unsettling that “all the Great powers have Companies for the Indies trade” except for France, whose rivals would undoubtedly view this fact as “a sign of decline.”¹¹⁹ The Law Company had once commanded respect in both Indian and European eyes, a respect that could never be garnered through the uncoordinated efforts of private merchants, as Voltaire argued, since the British would only see French privateers as “little interlopers” who could be easily crushed.¹²⁰ According to one ministerial author, in choosing whether to have a company, France faced a choice between the ascendant legacy of Britain or the forgotten legacy of Portugal in India.¹²¹ A company thus seemed perhaps the only way to protect French commercial interests in India, and more importantly, to ensure that French influence continued to be respected. It was a matter “of politics, of the glory of the King, and the interest of the state” to recover their lost splendor.¹²²

Thus, the idea that a company – in one form or another – was somehow a necessary instrument of the East Indies trade was an idea that even the most ardent of reformers could not quite break from. Vincent de Gournay – who was never as ‘liberal’ himself as his contemporary interlocutors, Turgot and Morellet, insisted he was – took a surprising position in this regard.¹²³

¹¹⁹ ANOM, C² 110, untitled *mémoire* by D’Esmondant, 17 July 1781 (f^o 182): “toutes[sic] les Grandes puissances, ont des Compagnies formés pour le Commerce des Indes”; ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy: “un signe de décadence.”

¹²⁰ ANOM, F³ 48, “Réflexions sur les Colonies Asiatiques, des colonies en général,” anon., c. 1780 (f^o 4); Voltaire, *Œuvres complètes*, 337 (letter to Dupont de Nemours, 16 July 1770): “des petits interlopes.”

¹²¹ ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy: ““autrefois vainqueurs de l’Inde...[et] maintenant oublié et avili.”

¹²² ANOM, C² 108, “Mémoire sur le Commerce de l’Inde,” anon., November 1772 (f^o 195): “de la politique, de la gloire du Roy, et de l’interet de l’Etat de nous retrouvons...dans l’Inde...l’asplendeur ou nous nous y sommes vues.”

¹²³ As argued in Takumi Tsuda, “Un économiste trahi, Vincent de Gournay (1712-1759),” in *Traité sur le Commerce de Josiah Child, avec les Remarques inédites de Vincent de Gournay*, ed. Takumi Tsuda (Tokyo: Kinokuniya, 1983), 445-85; Larrère, *Invention de l’économie*, 135.

Unlike the Physiocrats, Gournay's work was grounded in rigorous contextualism and deference for historical experience and practice.¹²⁴ A notable example was his interest in the seventeenth-century economic works of Josiah Child, an English merchant, prolific writer, and a longtime East India Company director. Child's view, as presented in *A New Discourse of Trade* (which Vincent de Gournay translated and annotated in 1752), posited that trading companies were necessary for all commercial ventures, such as the East Indies trade, that involved long-distances, contact with non-Christian peoples, and possibly the protection of a military force.¹²⁵ In his Notes on Child, Gournay did not dispute that "the method of doing the Indies trade by companies...is without a doubt the best, since it is the one that all European nations generally follow."¹²⁶ The French *Compagnie des Indes*, however, was in desperate need of reform. Its monopoly needed to be liberalized to the benefit of private traders, and its administration reformed as a preventative against corruption.¹²⁷ For Gournay, the institutional shape of the Company deserved strong criticism, but history, and the experience of free, commercial nations seemed to testify unanimously to the superiority of the national, joint-stock company model for conducting the Indies trade.

¹²⁴ Paul Cheney, "L'histoire du commerce. Genre littéraire et méthode en économie politique," in *Le cercle de Vincent de Gournay: savoirs économiques et pratiques administratives en France au milieu du XVIIIe siècle*, ed. Loïc Charles, Frédéric Lefebvre, and Christine Théré (Paris: INED, 2011); Cheney, *Revolutionary Commerce*, ch. 3.

¹²⁵ Josiah Child, *A New Discourse of Trade, wherein is Recommended several weighty Points relating to Companies of Merchants, the Act of Navigation, Naturalization of Strangers[...]* (London: Sowle, 1698), 102-03; Josiah Child and Jacques-Marie-Claude Vincent de Gournay, *Traité sur le Commerce de Josiah Child, suivis des Remarques de Jacques Vincent de Gournay*, ed. Simone Meyssonier (Paris: Harmattan, 2008), 121. Véron de Forbonnais reproduced Child's argument verbatim in his article "Compagnie de Commerce," in *Encyclopédie, ou Dictionnaire raisonné des sciences, des arts et des métiers*, ed. Denis Diderot and Jean d'Alembert (Paris: Briasson, 1753). For Gournay's translation work, see Reinert, *Translating Empire*, ch. 3.

¹²⁶ Child and Vincent de Gournay, *Traité sur le Commerce*, 131: "la méthode de faire le commerce des Indes par compagnies, qui est sans doute la meilleure, puisque c'est celle qui suivent généralement toutes les nations de l'Europe."

¹²⁷ Ibid., 127.

Even after 1769, some *philosophes* continued to contemplate the necessity of replacing the now defunct *Compagnie des Indes*. In a letter to Dupont, Voltaire confidently wrote that the Indies trade “can never flourish in the hands of *particuliers*.”¹²⁸ Diderot, disgusted with the intellectual inadequacy of Morellet and Necker’s pamphlet war, confessed that he found the problem of the Indies trade beyond human reason itself.¹²⁹ He felt that Morellet and Necker had ignored the more urgent questions of whether the trade, in which so much French wealth was “helplessly” lost, was indeed economically necessary.¹³⁰ The abbé Raynal (in part of the 1770 *Histoire des deux Indes* indeed attributed to him), offered a more definitive statement. Raynal wrote that “the nature of things, in truth, demands a powerful association” for the Indies trade. The trade being subject to so many maritime and political hazards, Raynal believed that government intervention would always be necessary to offer protection and properly regulate the number of voyages per year and the quantities of goods imported. Monopolies, Raynal readily admitted, were deplorable, but “the rationale that opposes privileges proves nothing against companies.”¹³¹ As long as it was reconceived on new grounds, a company could be a benevolent, productive institution.

Although usually thought of as among the most radical economic reformers of the period, the Physiocrats were also surprisingly ambivalent regarding the merits of freedom of trade to the East Indies. In their view, the East Indies trade was the embodiment of the belligerent and

¹²⁸ Voltaire, *Œuvres complètes*, 337 (letter to Dupont, 16 July 1770): “puisse jamais être florissant entre les mains des particuliers.”

¹²⁹ Diderot, *Œuvres complètes*, v.18, 105; v.20, 233. See also Dulac, “Gens de lettres,” 197.

¹³⁰ Diderot, *Œuvres complètes*, v.20, 233-234: “où une bonne partie de notre argent va se perdre sans ressource.” This passage demanded an intervention from “notre [cher] Napolitain,” the abbé Galiani, author of the *Dialogues sur le commerce des bleds* (1770).

¹³¹ Raynal, *Histoire philosophique*, liv. V, ch. 35, §4-9, 22: “la nature des choses exige à la vérité une association puissante,” “les raisons qui s’élèvent contre les privilèges ne prouvent rien contre les compagnies.”

jealous nature of commercial empire. Wars were, as Dupont put it, the “regular & inseparable scourges” of direct trade with the East Indies, and he admitted with regret that if direct trade to India was to continue, the costly burden of maintaining a protective, military presence in the *comptoirs* would have to continue. As he observed, the trade of any given nation in India was only safe insofar as other European powers believed that nation to be willing and capable of going to war over the harassment of a single commercial ship. Dupont thus objected to Morellet’s view that the Indies trade could be conducted by privateers in a strictly commercial manner; since the first European nation had committed “the folly” of seeking to meddle in the power politics of the subcontinent, no other nation could hope to operate there without sovereign, protective authority.¹³² Accordingly, the abbé Baudeau outlined a curiously hybrid Physiocratic project for the Indies trade in 1763. The trade being expensive, impractical, and unsafe for privateers, Baudeau proposed the creation of a *Messagerie Navale* under French military protection, in which large ships would be owned by a state-run *Compagnie des Indes* that would operate under “a special privilege,” but would be required to sell its freight at generous rates to all.¹³³ Freight rights would thus be as broad as possible, but actual contact between French and Indian merchants would remain comparably restricted. Dupont eventually adopted this plan as a policy objective. Even the highly ideological Physiocrats, for whom free trade was a seemingly universal mantra, a reformed – but still state-managed company – was seen as the ideal model for the Indies trade.

Gournay’s view that history and precedent spoke strongly in favor of trading to India by means of a monopoly company thus had a large audience. According to the Parlement of Paris, the destruction of the *Compagnie des Indes* represented the repudiation of “ancient views, whose

¹³² Dupont de Nemours, *Compagnie des Indes*, 57, 256-257, 252: “fléaux réguliers & inséparables,” “la folie.”

¹³³ Baudeau, *Idées d’un citoyen*, 11: “un privilège spécial.”

wisdom seems justified by the experience of over a century and the example of all European nations,” and this theme was also unsurprisingly developed by Jacques Necker, who argued that the attack on the Company was nothing short of an attack of theory against the precedents offered by the most prominent commercial nations.¹³⁴ Perhaps even more concerning was the idea that, without a Company – in whose name France’s *firman*s from the Mughal Emperor had been issued – France’s trading rights on the subcontinent might become legally invalid. For this reason, even the abbé Morellet himself was forced to concede that the monarchy should adopt the public, legal fiction that all merchants in France were members of “the truly *French* Company of all of the Nation’s merchants.”¹³⁵ This was not only to protect French interests in the eyes of Indian rulers, but also to conserve “the dignity of the King with foreign companies, mainly the English [one].”¹³⁶ Without at least the fiction of a Company, France’s trading rights seemed vulnerable to both Indian and European encroachments.

In practice, news of the creation of a new Company could not come a moment too soon for the former agents of the defunct Law Company, who complained to each other constantly of the difficulties they faced as independent traders.¹³⁷ Many of their accounts focused on the seeming pervasiveness of British harassment against French officials, ships, merchants, and Indian weavers, meaning that French trade in India – above all in the British “bridgehead” of

¹³⁴ Flammeront, *Remontrances*, v.3, 70: “des vues anciennes dont l’expérience de plus d’un siècle et l’exemple de toutes les nations européennes sembleraient justifier la sagesse”; Necker, *Réponse au Mémoire*, 48: “votre ouvrage est une attaque continuelle livrée à l’expérience par la théorie & aux fait par les possibilités.”

¹³⁵ Morellet, *Mémoire sur la situation actuelle*, 190: “la Compagnie vraiment *Françoise* de tous les Négocians de la Nation” (emphasis original).

¹³⁶ ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1773 copy: “la dignité du Roy avec les Compagnies Etrangères, principalement avec la Compagnie Angloise.”

¹³⁷ See, for instance, the 1772-1774 correspondence between Joseph Sanson and Moncrif de la Grange in AN, T 263, Papiers Moncrif, box 10.

Bengal – now seemed to only operate shamefully *sous le bon plaisir* of the English.¹³⁸

According to the 1782 report of the traveler Pierre Sonnerat, since French buyers were being excluded from Indian markets, the merchants of Pondicherry were increasingly destitute and unable to adequately stock the privateer vessels that arrived in harbor. Sonnerat claimed that, as a result, incoming French vessels sold their freight to British agents – a clandestine method for the latter to sneak fortunes back to Europe in contravention of their own country's monopoly.¹³⁹ Even the city of Lorient frequently petitioned the *Conseil d'État* to reinstate the Company, regarding its monopoly as an essential source of local prosperity.¹⁴⁰ As the free trade regime was seen as both dishonorable and unsustainable, the destruction of the *Compagnie des Indes* was increasingly viewed, as Necker thought it would be, as a sacrifice made “on the basis of a vague and uncertain theory.”¹⁴¹

This consistent portrayal of the free trade experiment as a failure is highly ironic. As statistical evidence from the *Bureau de la Balance du Commerce* shows, the import levels of the free trade era had been consistently higher than the years of Company rule.¹⁴² Materially

¹³⁸ P.J. Marshall, *Bengal: the British bridgehead, Eastern India, 1740-1828* (New York: Cambridge UP, 1987). ANOM, C² 110, untitled, c. 1782 (f^o 208); C² 108, Bruny to Boynes, 11 December 1771 (f^o 32-32vo), “Reponse à une Memoire sur l’Inde faite a Fontainebleau,” 30 October 1772 (f^o 154). AE Courneuve, 8MD/5, untitled, 1784 (f^o 115) complains of “combien d’insultes faites au pavillion du Roi.” Lastly, ANOM, C² 109, “Memoire tendant à prouver la nécessité du rétablissement du privilège de la Compagnie des Indes[...],” Louis Marin Dusaulchoy, 27 April 1774 (f^o 163-171), complains that *particuliers* are unable to procure goods in Indian markets.

¹³⁹ Sonnerat, *Voyage*, v.1, 25-26.

¹⁴⁰ AE Courneuve, 8MD/5, “Réflexions sur un projet d’établissement d’une Compagnie des Indes,” by the États de Bretagne, 1772 (f^o 40-50); 8MD/7, *Replique du Maire de l’Orient, à un Mémoire des Directeurs du Commerce*[...], 1775 (f^o 103-118).

¹⁴¹ ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1773/1784 copies: “la foy douteuse d’une Theorie vague et incertaine.”

¹⁴² For various trade estimates of the period, see Ambroise-Marie Arnould, *De la Balance du Commerce, et des relations commerciales extérieures de la France dans toutes les parties du globe, à la fin du règne de Louis XIV et au moment de la Révolution* (Paris: Buisson, 1791-1795), v.3, table 13, and Ruggiero Romano, “Documenti e prime considerazioni intorno alla Balance du Commerce della Francia dal 1716 al 1780,” in *Studi in onore di Armando*

speaking, independent traders had been remarkably successful at entering those allegedly opaque and fickle Asian markets, even if a large portion of their returns, as was suspected, owed to freight from other Europeans. However, in spite of this, ministerial memoranda consistently painted the free trade regime as a problem to be rectified at the soonest possible opportunity. Even Dupont, writing as a ministerial adviser in 1784, wrote that merchants under the free trade regime “only earned mediocre returns in the best years,” and that the trade had caused many of them to go bankrupt.¹⁴³ This statistical blindspot indicates that this pervasive accusation of ‘unprofitability’ was simply a euphemism for an entirely different set of concerns. The commonplace assertion that “the Indies trade was not made for liberty” was motivated by a sense that the trade was not being conducted in a manner suitable to its essential diplomatic and military interests, and that this could only be rectified by the state taking the business in hand by forming a new, chartered company.¹⁴⁴

The marquis de Bussy, governor of Pondicherry (1783-1785), represents a case-in-point of this mentality. In 1783, Bussy sent a letter to his superiors at Versailles explaining that, in his view, many of the problems facing France in India owed to a simple issue of credibility. The French state had committed “a very big mistake...in substituting the name of the King for that of the Company.” In Bussy’s view, the Company and its armies had enjoyed a certain kind of credit among its Indian allies, whereas the King’s forces – though perhaps deserving of more

Sapori, ed. Antonio Noto (Milan: Istituto Editoriale Cisalpino, 1957). Weber, *Compagnie française des Indes*, 619-622 is similarly skeptical of the consistent complaints as to the ‘unprofitability’ of free trade. My thanks to Loïc Charles for guidance on this point.

¹⁴³ ANOM, C² 113, “Examen des difficultés[...],” by Dupont, 1784 (f° 89): “le commerce particulier...ne fait dans les meilleures années que de médiocres affaires.”

¹⁴⁴ ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy: “le Commerce de l’Inde n’est point fait pour la liberté.”

respect than those of a simple “Company of merchants” – did not.¹⁴⁵ France’s heyday in India had been under the Company and Dupleix, who had been committed to building infrastructure and maintaining alliances with local princes, whereas the seemingly all-powerful French King’s efforts to do the same had come up woefully lacking. In Bussy’s view, the memory of the *Compagnie des Indes* still elicited respect among France’s Indian allies, and only its reestablishment could signal the seriousness of French interests, both imperial and commercial.

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The ‘end’ of the *Compagnie des Indes* in 1769 did not in any sense mark an end to the view that the Indies trade obeyed a particular kind of political economy that necessitated the active role of the state. In no other trading arena on earth did Véron de Forbonnais’ maxim “the balance of Commerce is truly the balance of power” seem quite so literal.¹⁴⁶ This extended even to the reformist Physiocrats, who in spite of their hostility to the bellicose nature of commercial society, freely admitted that the Indies trade was not possible without employing the logic of commercial reason of state, especially in the aftermath of the devastating Seven Years’ War. As the East Indies trade was perceived as governed by a fixed repertoire of economic and political practices, French conduct needed to conform to those practices in order to maintain credibility in both Indian and European eyes. Accordingly, both intellectuals and policymakers often argued that the free trade regime established in 1769 was politically and economically unsound, and that the establishment of a new *Compagnie des Indes* was inevitable. As the curiously hybrid ideas of intellectuals such as the abbé Baudeau and the abbé Raynal reveal, the only question that remained was how to create one.

¹⁴⁵ AE Courneuve, 8CP/545, Bussy to Castries, 28 September 1783 (f° 55vo): “une très grande faute...de substituer le nom du Roy à celui de la Compagnie,” “Compagnie de marchands.”

¹⁴⁶ Véron de Forbonnais, *Éléments du commerce*, v.1, 93-94: “la balance du Commerce est véritablement la balance des pouvoirs.”

Any such attempt had, in the Law Company's bankruptcy and collapse, a poor precedent of failure. Voltaire and the merchant author Bedos echoed the sentiments of many of their contemporaries in observing that the failings of the *Compagnie des Indes*, compared to the successes of its British and Dutch counterparts, owed to the natural deficiencies of monarchical government and its incompatibility with a naturally republican institution such as a joint-stock company.¹⁴⁷ If the constitutional climate of France was hostile to commerce, as Paul Cheney has described it, how could this particular Anglo-Dutch model be adapted to France? Jean-François Melon's view offered a starting point: a company's soundness was not determined by the constitutional government of its country, but rather its own financial structure and the sagacity of its administration.¹⁴⁸ Accordingly, most administrators after 1769 agreed that any starting point for creating a new *Compagnie des Indes* was the complete repudiation of the institutional structure of its ancestor. Although the Law Company's surviving directors – still occupied with their own liquidation and issuing passports to privateers – petitioned for the restitution of the monopoly, the view that the company had failed was so pervasive that no one believed it could be simply reinstated.¹⁴⁹ Instead, most *mémoristes* argued that a radical break with the past was

¹⁴⁷ Bedos, *Négociant patriote*, 193-94. A similar theme is repeated in the comte de Modave's account: "le peu de succès qu'ont toujours eu [les] grandes entreprises maritimes [françaises] par un vice dont il est aisé de deviner la cause et qui durera apparemment autant que leur monarchie": Féderbe, *Voyage en Inde*, 67.

¹⁴⁸ Melon, *Essai politique*, 63: "ce n'est ni le Gouvernement Monarchique, ni le Gouvernement Républiquain qui soutiennent les Compagnies; c'est la solidité de leurs établissemens; c'est la sagesse de leur administration."

¹⁴⁹ ANOM, C² 113, "Mémoire," undated (f° 48-54vo), "Les Directeurs de la Compagnie des Indes" (f° 59-61). In 8AQ 326, Calonne to Boullongne, 22 March 1784, the Controller-General behind the creation of the New Company informs the Law Company's directors that their liquidation is an "ordre immuable."

needed. A new company would only succeed if its administration was founded on “new principles,” having “nothing in common with...the old one.”¹⁵⁰

The most important of these principles was that any ‘new’ Company was to be an ‘exclusively commercial’ enterprise, with no sovereign or military obligations in either India or the Mascarene Islands. It was well understood that the burden of administrative and military expenditures had spelled the financial ruin of the Law Company, and in turn, its devastating effects on state finances. Thus, as plans for a new *Compagnie des Indes* began to take shape, they almost unanimously rejected the idea that companies should exercise sovereignty, make war, and conquer: the duties of the sovereign spelled certain doom for a trading company’s solvency. In any new arrangement, the cost of maintaining the Indian *comptoirs* would continue to be footed by the military, and the two separate administrations – Naval and Company – would exist side-by-side in harmony, reinforcing each other as the sovereign and commercial pillars of the French state in India.¹⁵¹ As Georges Gougenot explained in 1780, a reformed administration, stripped of the power to act militarily in India would be spared from the delusions of the “false grandeur” of territorial conquest and would instead focus on its commerce, leaving the ever more intricate questions of Indian (and European) diplomacy to the only authority qualified to rule on that subject – the state.¹⁵²

¹⁵⁰ ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy: “nouveaux principes”; C² 109, “Memoire & Observations, concernant l’Etablissement d’une nouvelle Compagnie des Indes,” by Duval, undated (f^o 35): “rien de commun avec...l’ancienne.”

¹⁵¹ ANOM, B 147, Boynes to Chevalier, 24 January 1772, explained that the new company would lack “l’exercice des droits de souveraineté” and thus “ne sera pas exposée aux dépenses qui ont opéré la ruine de l’ancienne”; C² 108, Bruny to Boynes, 11 December 1771 (f^o 30vo-31).

¹⁵² ANOM, C² 110, “Précis sur l’Etat actuel des Etablissements de la France aux Grandes Indes[...],” by Georges Gougenot, 1780 (f^o 160vo, 162): “fausse grandeur.”

The removal of the Company's sovereign prerogatives was widely seen as having a further positive effect: the limitation of corruption. While some intellectuals and administrators trumpeted the need for a strong trading association, they equally rallied behind Dupont's vision of the Company as a symbol of Old Regime corruption and venality at its worst. The abbé Raynal argued that its endemic corruption had been a significant cause of its decline, and Vincent de Gournay had once argued that private corruption seemed endemic to all European trading companies.¹⁵³ Citing the example of the British East India Company – which was itself increasingly coming under fire for its corrupt practices in the 1770s and 1780s – administrators and ministers at Versailles, including the marquis de Boynes and Gougenot, argued that stripping the Company of sovereign prerogatives would limit the ability of directors and agents to abuse their positions in the name of private fortune.¹⁵⁴ The Company, being the representative of France in India, could not be allowed to become “[a] sovereign republic in a monarchical kingdom”: its principles and its business needed to be carefully fostered and overseen by the state.¹⁵⁵ Some reformers argued that this oversight should not only come from the *Conseil d'État*, but also – in keeping with the truly *commercial* spirit of the new company – from its proprietors themselves. To avoid the upheavals that shook the Law Company in its final years, the new company's shareholders would need to be actively engaged in corporate governance by

¹⁵³ Raynal, *Histoire philosophique*, liv. V, ch. 35, §31. Vincent de Gournay, “Observations sur le rapport,” x-xi: “inhérent à leur constitution.”

¹⁵⁴ ANOM, C² 110, “Précis sur l'Etat actuel des Etablissemens de la France aux Grandes Indes[...],” by Georges Gougenot, 1780 (f^o 163); C² 108, Bruny to Boynes, 11 December 1771 (f^o 30vo-31).

¹⁵⁵ ANOM, C² 108, “Reflexions sur le projet d'une nouvelle Compagnie des Indes,” 1772 (f^o 130): “[une] république souveraine dans un royaume monarchique.” Another formulation of this *imperium in imperio* argument appears in C² 109, “Memoire,” anon, undated (f^o 54).

the holding of more regular and transparent shareholder assemblies.¹⁵⁶ But most importantly, the new Company needed to be composed of merchants – rather than Parisian financiers – in order to rectify a criticism of the French Company that went back to the abbé de Saint-Pierre. Only through patient and systematic reform could “a new body...corrected by past events, establish itself on permanent, equitable principles, and render to the State...all of the advantages which it cannot fully enjoy without such an establishment.”¹⁵⁷

This vision of the *Compagnie des Indes* as a purely commercial institution was actually quite novel. Although normal in the early modern period, French observers now considered the exercise of sovereign prerogatives by corporate bodies as a fatal flaw of the model pursued by their European rivals. Dupont remarked that, without the financially spectacular victories of the Seven Years' War, the British East India Company would have undoubtedly suffered the same fate as its French rival, and it still might.¹⁵⁸ French observers keenly noted that their rival's territorial empire in Bengal was appearing increasingly financially unsustainable, in spite of the vast resources at its disposal.¹⁵⁹ In other words, after 1769, the supposed superiority of British institutions did not consistently throw “into stark relief the shortcomings of French institutions.”¹⁶⁰ Although French observers still sought to emulate the ‘company model,’ they

¹⁵⁶ ANOM, C² 108, “Mémoire” by Montaran, 17 December 1771 (f^o 40); C2 110, “Tableau de l’activité des Nations modernes[...],” undated (f^o 113vo).

¹⁵⁷ ANOM, F³ 48, “Réflexions sur les Colonies Asiatiques, des colonies en général,” anon., c. 1780, 5: “un corps nouveau...corrigé par les événemens passés, s’établit sur des principes permanents, équitables, et qui rend[ra] à l’Etat...tous les avantages dont il ne peut jouir en plein sans un établissement pareil.”

¹⁵⁸ Dupont de Nemours, *Compagnie des Indes*, 56.

¹⁵⁹ C. A. Bayly, *Imperial Meridian: The British Empire and the World, 1780-1830* (London: Longman, 1989), 96, 5. French commentaries on the unenviable financial position of the British East India Company are found in AE Courneuve, 7MD/18, “Observations sur la situation actuelle des Affaires de la Compagnie des Indes,” 1783 (f^o 200), and 8CP/548, Dusson to Vergennes, 16 March 1784 (f^o 88-88vo).

¹⁶⁰ Cheney, *Revolutionary Commerce*, 131.

worked to reform and adapt it according to new, more sustainable principles. A ‘purely commercial’ enterprise seemed to offer a lasting resolution not only to the problems that had plagued the Law Company, but to those that, as Vincent de Gournay had explained, were inherent to all trading companies.

As such, a ‘purely commercial’ company might even work towards gradually promoting those very ideas of *doux commerce* that were, at the moment, so foreign to the political economy of the Indies trade. The creation of a new French Company was seen as a method of asserting influence in the Indian Ocean, hence the fact that in the peace of 1783 after the American Revolutionary War, the French Foreign Ministry was careful to demand that French trading rights in India would be guaranteed by the British to be “safe, free and independent....whether they exercise it individually, or united in a Company.”¹⁶¹ The circulation of this treaty prompted the rumors as to the imminent, and “detestable” reconstitution of the *Compagnie des Indes* seen at the beginning of this chapter. But this new Company was not to be an “*operation détestable*,” built of private corruption and mercantile jealousy, but rather one that would secure a peaceful parity with France’s European rivals in Asia. Upon this new company’s birth, some officials argued that efforts should be made towards “a treaty of permanent peace beyond the Cape of Good Hope” between the British and French Companies and their respective countries, who would henceforth collaborate – not compete – in this critical imperial arena.¹⁶² These proposals reflect the very hybridity of French economic thought: they utilized methods traditionally

¹⁶¹ *The definitive treaty of peace and friendship, between His Britannick Majesty, and the most Christian king: signed at Versailles, the 3d. of September, 1783* (London: Harrison and Brooke, 1783), 13.

¹⁶² ANOM, C² 164, “Projet politique d’arrangement dans l’Inde entre les françois et les anglois[...],” c. 1775: “un traité de paix permanente au dela du Cap de bonne esperance.” AE Courneuve, 8MD/4, “Projet d’une Ligue offensive et déffensive[sic], entre les françois et les anglois[...],” January 1773 (f° 82-89).

associated with ‘mercantilism’ and commercial reason of state, but deployed them in the name of *doux commerce* and pacifism.

The idea that the Indies trade could become a lasting venue for peace and collaboration was not a view unanimously shared among French officials. Others felt that France had made one specific contribution to the repertoire of European rule in Asia that had been gravely underestimated. It was Dupleix who had first conceived of the idea of building a territorial empire in India through the systematic co-option of local princes: the method that had made the British the colonial masters of the Indian subcontinent.¹⁶³ Voltaire wrote that the brilliance of Robert Clive owed entirely to the vision of “grandeur &...richesses” first glimpsed by Dupleix, and this view was shared even by harsh critics of French Empire in Asia.¹⁶⁴ Out of short-sightedness and mismanagement, the French had allowed this glory to slip away, and as one naval officer explained, the British erected a “colossus of fortune...on our ruins.”¹⁶⁵ However, according to some French administrators, not only was that colossus extremely precarious, its very existence was an injustice committed against both France and the Indian people themselves, that, with or without a company, the French had a historical destiny to rectify.

¹⁶³ ANOM, C² 245, “Memoire sur l’Inde,” Louis Monneron, 1782; F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy.

¹⁶⁴ Voltaire, *Précis du siècle de Louis XV*, 141; Roubaud, *Politique indien*, 85.

¹⁶⁵ ANOM, C² 109, “Compagnie des Indes,” Dubuc (f° 199vo): “colosse de fortune...sur nos ruines.”

Chapter 2

The Pen and the Sword: Visions of *Revanche* and the Problem of Company Governance

Even in the decades after France's humiliating defeats in the Seven Years' War, many French intellectual and administrative figures continued to regard India as a realistic venue for imperial action. With historical hindsight, it is easy to dismiss these visions as little more than imperial bluster, but they were no "myth."¹ These views were seriously held by their proponents, for whom the idea is often historiographically known as policy of *revanche*, or 'revenge' against Britain for France's humiliation. This term is most commonly used in reference to the policies of Étienne-François, duc de Choiseul, one of Louis XV's principal ministers during and after the Seven Years' War, who focused relentlessly on planning for another war by which French credit and the French Empire could be reestablished at the expense of Britain.² One of Choiseul's protégés and his eventual successor as minister of the Navy, Charles-Eugène-Gabriel de La Croix, marquis (later *maréchal*) de Castries, working in the 1780s, sought to place India at the center of this strategy to an even greater degree than his mentor had.

Yet, the idea of *revanche* in India had a far broader ideological reach. It was an important theme of many significant works of intellectual discourse in the late Old Regime, including those of prominent figures such as Diderot, Anquetil-Duperron, the abbé Raynal, and the future French Revolutionary, Jacques-Pierre Brissot. These ideas, when appropriated by administrators working under the Naval ministries of Choiseul and Castries – as well as certain economic theorists, such as the Physiocrats – were expressed in a repertoire of policy solutions

¹ Sudipta Das, *Myths and Realities of French Imperialism in India, 1763-1783* (New York: Lang, 1992). A contemporary adaptation of Das' argument is found in Ruggiu, "French Colonial Policy."

² For the origins of the use of the term *revanche*, see François Dutacq, "La politique de revanche du duc de Choiseul au lendemain du traité de Paris," *Bulletin de la Section de Géographie* 40 (1925).

aimed at economically and militarily reinforcing France's tattered foothold in the Indian Ocean. As such, I use the term *revanchiste* to describe a host of intellectual and ministerial authors who all shared the same basic set of ideologies, geographic strategies, and assumptions about the ability of France to recover, if not its lost empire, at least its lost glory in India. This entailed a certain degree of experimentation and reconceptualization of the very meaning of empire, one that also diverged from any simple attempt to emulate their British rivals. Just as the sovereign, British, "company model of empire" seemed fiscally undesirable to French contemporaries, the conquest of India seemed equally unsustainable, due to its relentless cruelty. As a result, *revanchistes* relentlessly claimed the ideological mantle of Enlightened liberation rather than imperial conquest. These authors insisted – however implausibly – that the new aim of French Empire in India was not to 'reconquer,' but rather to wage a just war, in consortium with Indian sovereigns, to overthrow and expel British tyranny from the subcontinent.

These visions of French resurgence in India had a deeply problematic – and sometimes outright hostile – relationship to the idea of the *Compagnie des Indes*. On the one hand, the *revanchistes* generally concurred with the view that the Indies trade was economically deleterious, and that a trading company was a necessary tool of French influence in Asia. However, their military motives required a different kind of reckoning with the failed legacy of the Law Company. The Law Company's sovereignty in India had indeed led to ruin: the ruin of France's Indian empire itself. The loss of the Seven Years' War owed to the Company's financial and military mismanagement, and as such, *revanchistes* asserted that sovereignty over French imperial territories lay with the King and his military alone. As one Naval official put it in the early 1770s, only disaster could result from a situation in which "the pen commanded the

sword.”³ Although French territorial possessions in the Indian Ocean had been placed under Naval administration after the Law Company’s collapse, the creation of a new company with undetermined rights and prerogatives could undermine national, military interests. Economic theorists argued for a ‘strictly commercial’ company, because the ‘pen’ of commerce alone would promote peace and *doux commerce* in a trade dominated by mercantile jealousy, but *revanchistes* wanted one that would not interfere with the rule of the ‘sword.’ Commerce itself was necessarily subordinate to the all-important political goal of reasserting French military influence on the subcontinent. Such a view mandated the creation of a very particular, circumscribed, and *strictly commercial* new company indeed, and as such had a particular role to play in the conflict over the making of the *Nouvelle Compagnie des Indes*.

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By the late 1770s and early 1780s, *revanchiste* French observers felt strongly that, far from being unassailable, British rule in India had never been more precarious, and that the moment for the French to act was at hand. Voltaire concluded his 1773 *Fragments sur l’Inde*, a polemic against the scapegoating of the comte de Lally for France’s wartime losses, with the ominous coda that “everything on earth changes.”⁴ This sense of the inevitability of British decline pervaded intellectual and ministerial writings of the period. Raynal, the abbé Roubaud, the abbé Morellet, and the governor of French India, Jean Law de Lauriston (the famous financier’s nephew), all observed that all Europeans, by meddling in Indian politics and teaching Indian princes European methods of warfare, had in some sense created the tools of their own

³ ANOM, C² 108, “Memoire sur le Commerce de l’Inde,” anon., Nov. 1772 (f° 197): “la plume commandoit l’épée.” For the widespread use of this contemporary terminology, see Haudrère, *Compagnie française*, v.1, 242-248.

⁴ Voltaire, *Fragments sur l’Inde*, 162: “tout change sur la terre.”

inevitable destruction, but the present supremacy of British rule made them the *de facto* target.⁵

The comte de Mirabeau wrote in the 1780s that the British had been exposed to their subjects as little more than “regimented assassins,” and that those subjects were at long last recognizing that “their Tyrants [were] not invincible.”⁶

French observers believed that the precariousness of British rule in India was a direct result of its abiding cruelty, and this idea had ample precedents in the history of imperial ideologies. The ‘black legend’ of the exceptional brutality of Spanish rule in the New World exerted a profound influence on British and French imperial theorists in the early modern period, who often self-consciously strove to differentiate their own forms of commercial empire from this legacy of savage conquest.⁷ However, for many French thinkers in the late eighteenth-century, the mantle of this black legend was usurped by more recent revelations of British crimes committed in India. This ‘British black legend’ owed much to Diderot’s account of the Bengal famine of 1770 in the *Histoire des deux Indes*, the human toll of which he demonstrated was exacerbated by British mismanagement, tyranny, and indifference to suffering, revealing a “revolting contrast” between Britain’s liberal politics at home – once the idol of French Enlightenment *Anglomaniacs* – and abroad.⁸ This theme was vividly illustrated in the writings

⁵ AE Courneuve, 8MD/7, “Mémoire,” anon., c. 1785 (f° 169vo); ANOM, C² 164, anon. mémoire, 1775; Morellet, *Mémoire sur la situation actuelle*, 155; Raynal, *Histoire philosophique*, liv. V, ch. 34, §26; Jacques-François Law de Lauriston, *État Politique de l’Inde en 1777*, ed. Alfred Martineau (Paris: Honoré Champion, 1913), 73-74; Roubaud, *Politique indien*, 19; Féderbe, *Voyage en Inde*, 457.

⁶ Honoré-Gabriel Riqueti, comte de Mirabeau, *Doutes sur la Liberté de l’Escaut réclamée par l’Empereur; sur les causes & sur les conséquences probables de cette Réclamation* (London: Faden, 1785), 81: “assassins enrégimentés,” “leurs Tyrans ne sont point invincibles.”

⁷ Anthony Pagden, *Lords of all the World: Ideologies of Empire in Spain, Britain and France, c. 1500-c.1800* (New Haven: Yale UP, 1995), 87-88; Dobie, *Trading Places*, 38.

⁸ For a modern examination of the constitutive role of violence in British rule in India, see Partha Chatterjee, *The Black Hole of Empire: History of a Global Practice of Power* (Princeton: Princeton UP, 2012). Raynal, *Histoire philosophique*, liv. III, ch. 38, §24: “contraste révoltant.” See also Sankar Muthu, *Enlightenment against Empire* (Princeton: Princeton UP, 2003), 87-90; Anthony Strugnell, “A view from afar: India in Raynal’s *Histoire des deux*

of Jacques-Pierre Brissot de Warville, whose 1784 *Tableau de la Situation Actuelle des Anglois dans les Indes orientales* reads at times as an even more sensationalized reworking of the *Histoire*, in which he chronicled Britain's barbarism, greed, and thirst for Indian blood. This cruelty often extended to the treatment of other Europeans, as it was common for independent Dutch, French, and Danish traders to suffer harassment, or even violence, at the hands of British agents, especially in Bengal.⁹ Early French nationalism was in part forged in opposition to a narrative of 'British barbarism,' and this same mechanism was at work in the creation of French imperial ideologies in India.¹⁰

Alongside this 'black legend,' ideologues of *revanche* articulated a similar myth that extolled the humanity and charity of French rule in India in its heyday.¹¹ In the *Histoire des deux Indes*, all European nations were presented as bearing the crimes of slavery in the West Indies, but Raynal's East Indian story had only one villain: Britain. By contrast, his account of the ambitious former Governor-General Joseph-François Dupleix's administration depicted a calculating man driven by relentless ambition for his country, but not by cruelty.¹² The comte de Modave, a French adventurer writing in the 1770s, similarly wrote in his travels that while

Indes," in *India and Europe in the Global Eighteenth Century*, ed. Simon Davies, Daniel Sanjiv Roberts, and Gabriel Sánchez Espinosa (Oxford: Voltaire Foundation, 2014), 22. Similar accounts are found in Sonnerat, *Nouveau Voyage*, 49-55; Cœurdoux and Desvaulx, *L'Inde philosophique*, 189; and Roubaud, *Politique indien*, 87.

⁹ Jacques-Pierre Brissot de Warville, *Tableau de la situation actuelle des anglois dans les Indes orientales, et de l'État de l'Inde en général*[...] (Paris: Perisse, 1784), 233-35. For similar rhetoric, see Maistre de la Tour, *Histoire d'Ayder-Ali-Khan, nabab-bahader, Roi des Canarins*[...] (Paris: Cailleau, 1783), v.1, 248-249; Pierre-Augustin-Caron de Beaumarchais, *Le Vœu de toutes les nations, et l'intérêt de toutes les puissances, dans l'abaissement de l'humiliation de la Grande-Bretagne* (S.l.: s.n., 1778).

¹⁰ Bell, *Cult of the Nation in France*, ch. 3.

¹¹ Marsh, *India in the French Imagination*, ch. 6.

¹² Raynal, *Histoire philosophique*, liv. IV, ch. 22. This omission is discussed in Marsh, *India in the French Imagination*, 31-32.

perhaps no European nation was entirely free of the stain of conquest in India, French hands were much less “soiled than others by all of these horrors.”¹³ Dupleix had treated his client princes in good faith – as partners, not as slaves – as exemplified by the French commitment to Chanda Sahib, the murdered pretender to the throne of Arcot. The legacy of Dupleix’s *nababisme* had thus been not only stolen, but perverted by the British. Anquetil-Duperron wrote that unlike the greedy Dutch or the malevolent English, the French continued to be respected by Indians as noble warriors.¹⁴ French writers assured themselves and their readers that, in Indian eyes, they were not only loved and admired, but viewed as the only European power who could be trusted “to be true to its commitments,” and that given this legacy, Indian subjects desperately awaited their aid.¹⁵

As such, intellectual writings of the post-Seven Years’ War era almost unanimously insisted that the goal of French *revanchisme* in India was not territorial acquisition, but rather an altruistic, humanitarian mission to overthrow British tyranny and return the subcontinent to its own rulers. This mentality achieved its greatest expression in Diderot’s writings in the *Histoire des deux Indes*, in which he offered France a new vision of imperial glory:

The French, seen as the liberators of Hindustan, will emerge from [their present] state of humiliation...They will become the idol of the princes & peoples of Asia, if the revolution

¹³ Féderbe, *Voyage en Inde*, 288: “[moins] souillée que les autres de toutes ces horreurs.”

¹⁴ Abraham Hyacinthe Anquetil-Duperron, *Voyage en Inde, 1754-1762: relation de voyage en préliminaire à la traduction du Zend-Avesta*, eds. Jean Deloche, Manonmani Filliozat, and Pierre-Sylvain Filliozat (Paris: École française d’Extrême Orient, 1997), 168-69. One of his arguments was the ahistorical fact that French rule in India had never elicited retaliatory cruelties such as the Black Hole of Calcutta.

¹⁵ This view appears in Roubaud, *Politique indien*, 122; AE Courneuve, 7MD/18, “Refutation de l’opinion que les Marates [...] chasseront de l’Inde les anglais[...],” 1780 (f° 194); ANOM, F³ 48, “Réflexions sur les Colonies Asiatiques, des colonies en général,” anon., c. 1780 (f° 26): “sçache être fidèle à ses engagements”; Brissot de Warville, *Tableau*, 199.

they will have brought becomes for them a lesson in moderation. Their commerce will be extended & flourishing, as long as they know to be just.¹⁶

By holding itself to a high standard of ethical conduct, France would forge a different, but greater, imperial legacy for itself than Britain ever had: they would be hailed and respected as liberators, not conquerors. To substitute the name of France for Britain in India would be wrong: France would only seek to profit from her efforts by expanding her trade in the region. The abbé Morellet had in some sense anticipated this view. In his 1769 writings against the Law Company, he insisted that no European power would ever supplant Britain in India, and the only way for France to build credit among local princes would be through peaceful – and free – trade.¹⁷ But trade, in the *revanchiste* view, was only possible as an after-effect of a war against British tyranny in the East. As Brissot put it, in an uncanny anticipation of his later, revolutionary thought, “the interests of commerce, even the glory of nations, should only come after the rights of humanity.”¹⁸

The writings of Naval officials at the time indicate that they were steeped in these *revanchiste* ideas and used them to formulate specific policies aimed at French resurgence in the Indian Ocean arena. Whereas Britain had built an empire on the basis of atrocity and terror, France had the undeniable destiny of becoming “the true conqueror of India”: a conqueror who returned usurped lands to their original owners.¹⁹ In practice, this entailed a series of attempted

¹⁶ Raynal, *Histoire philosophique*, liv. IV, ch. 33, §1: “Alors les François, regardés comme les libérateurs de l’Indostan, sortiront de l’état d’humiliation... Ils deviendront l’idole des princes & des peuples de l’Asie, si la révolution qu’ils auront procurée devient pour eux une leçon de modération. Leur commerce sera étendu & florissant, tout le tems qu’ils sauront être justes.”

¹⁷ Morellet, *Mémoire sur la situation actuelle*, 155.

¹⁸ Brissot de Warville, *Tableau*, 329: “les intérêts du commerce, la gloire même des Nations, ne doivent aller qu’après les droits de l’humanité.”

¹⁹ As suggested in Kenneth Margerison, “French Visions of Empire: Contesting British Power in India after the Seven Years War,” *English Historical Review* 130, no. 544 (2015), 591-93. ANOM, C² 165, “Mémoire sur l’Inde,”

alliances with Indian powers and an informal renunciation of conquest. Scholars have compared this on one hand to European, state system *realpolitik* applied to India, or as another application of France's North American 'middle ground' strategy.²⁰ The majority of these plans focused on the two Indian powers judged most capable of casting the British out of India: the powerful Hindu Maratha Confederacy and the Muslim kingdom of Mysore. By uniting them, along with other princes such as the nawab of the Carnatic and the nizam of Hyderabad, the duc de Choiseul and his fellow ministers believed France could create an unstoppable anti-British coalition, and French envoys accordingly worked at forming alliances with these powers throughout the period. When the adventurer J.-A. Pallobot de Saint-Lubin was sent to Pune to negotiate a treaty with the Marathas in 1776, it was branded as an "perpetual alliance" between France and the Confederacy, suggesting an *entente* between two equal parties and representing a break with the Montesquieuan view of despotic, 'oriental' powers existing outside the global state system.²¹ However, given that the territorially impoverished French Empire unquestionably represented the weaker half of these negotiations, courting the Marathas and Mysore as 'equals' was not so much an intellectual transformation as it was a feeble diplomatic acknowledgement of reality.

While the French may have implicitly recognized the reality of their own tactical

undated: "le vrai conquérant de l'Inde." Variations appear in: C² 109, "Seconde partie du memoire sur l'Inde," c. 1773 (f° 91-91v); Cœurdoux and Desvaulx, *L'Inde philosophique*, 189.

²⁰ Ruggiu, "French Colonial Policy"; Blake Smith, "Diplomacy and its Forms of Knowledge: Anquetil-Duperron, the Balance of Power, and India in the French Global Imaginary, 1778-1803," in *L'Inde des Lumières: discours, histoire, savoirs (XVIIe-XIXe siècle)*, ed. Marie Fourcade and Ines G. Zupanov (Paris: EHESS, 2013); Margerison, "French Visions," 594.

²¹ The documents pertaining to his negotiations are located in AE Courneuve, 8MD/4. Upon his return to France, he wrote J.-A. Pallobot de Saint-Lubin, *Mémoires historiques, politiques et économiques, sur les révolutions anglaises dans l'Indostan* (Utrecht: Wild, s.d). One of the planned supplementary volumes was to contain a project of universal defensive alliance between France, European continental powers, the new United States, and all Indian sovereigns against Britain. Regarding the Marathas specifically, see Smith, "Diplomacy," 217-18. This same argument is made about Anquetil-Duperron's political thought more broadly in Jennifer Pitts, "Empire and Legal Universalisms in the Eighteenth Century," *American Historical Review* 117, no. 1 (2012), 104-08.

weakness, they totally misconstrued the motivations and politics of their Indian counterparts. Anquetil-Duperron favored an alliance with the Hindu Maratha princes out of a sense that their claims to dominion – unlike those of any Islamic power in India – were not founded on conquest, and plenty of Naval officials agreed.²² However, public opinion generally supported the sultan of Mysore, Haidar Ali, who was often depicted as a model enlightened despot and military genius on the level of Frederick the Great.²³ Both Haidar and his son and successor, Tipu Sultan, also demonstrated an uncanny ability to draw aspiring French officers into their service, notably the Chevalier de la Motz de Lallée, who was for over a decade both a commissioned officer in the French army as well as a mercenary soldier in the service of Mysore.²⁴ Nevertheless, many of the most important naval officials in the 1770s and 1780s considered Haidar and Tipu to be short-sighted, quick tempered, and acting in bad faith – conceptions replete with often self-conscious anti-Islamic prejudice.²⁵ Given this ministerial vacillation between the two poles, the French Navy's solution was to fund and arm both Mysore and the Marathas, out of the hope of

²² Smith, "Diplomacy," 215-16. Anquetil-Duperron argues this in Abraham Hyacinthe Anquetil-Duperron, *Recherches historiques et géographiques sur l'Inde[...]* (Berlin: P. Bourdeaux, 1786-1787). See also ANOM, C² 164, "Mémoire [...] tendante à procurer à la France l'alliance des Marattes [...]," 1773; C² 109, "Mémoire Important[...]," Millin de Grandmaison, 27 November 1774 (f^o 125-127). In spite of the continued French diplomatic obsession with the Marathas, in the 1780s they gradually – but reluctantly – drifted into the British sphere of influence instead, see Stewart Gordon, *The Marathas: 1600-1818* (Cambridge: Cambridge UP, 1993), 168.

²³ Brissot de Warville, *Tableau*, 322: "attentif au bien de ses Sujets...Général, Intendant, Munitionnaire, Négociateur, Régisseur, grand Justicier...L'amour de la Justice étoit sa qualité dominante." Similar praises are found in Maistre de la Tour, *Histoire*; Cœurdoux and Desvaulx, *L'Inde philosophique*, 184, 187.

²⁴ For Lallée's career in service to Mysore, see Alfred Lehuraux, "Rustum Jung (Chevalier de Lalée): a French leader of Basalât Jung, Haider-Ali, and Tipú-Sultan," *Journal of the Royal Asiatic Society of Great Britain and Ireland* 3/4 (1956) and Jasanoff, *Edge of Empire*, 156-59. Many furloughed French soldiers also joined the Mysorean army, see ANOM, C² 190, Moracin to Luzerne, 30 September 1789 (f^o 183).

²⁵ Among these included Law de Lauriston, Bussy, Suffren and Souillac. See Aniruddha Ray, "France and Mysore: a History of Diverse Strategies," in *State and Diplomacy under Tipu Sultan: documents and essays*, ed. Irfan Habib (New Delhi: Tulika, 2001), 129-30; Margerison, "French Visions," 608; Mohibbul Hasan, *History of Tipu Sultan* (Calcutta: World Press Private, 1971), 114; ANOM, C² 170, "Compte à rendre et ordre à prendre de Sa Majesté sur les dernières dépeches de M. de Bussy," Souillac to Cossigny, 8 October 1785.

one day realizing their universal ‘coalition.’ As this view ignored the realities of the territorial rivalry between the two powers, French efforts to cultivate these dueling alliances in the late 1770s led to little more than heightened suspicions and mutual distrust.²⁶ When war broke out again between Britain and France in 1778, neither power came to France’s aid, and Pondicherry fell within months.

Another consequence of France’s weak territorial position in India after the Seven Years’ War was to refocus energies on other possible geographic venues that could be conceived of as “stepping stones” to India in the event of a future war. The most important of these was unquestionably the Mascarene Islands: France’s colonies of Île-de-France and Île Bourbon (now known as Mauritius and Réunion). Located directly along the trading route to India, these islands – and the larger Île-de-France in particular – were regarded as “the key to the Indies [*la clef des Indes*],” the ideal launching point for a future military invasion.²⁷ This idea originated with Bertrand-François Mahé de la Bourdonnais, the Law Company’s Governor of the Mascarenes from 1735-1746. In his view, Île-de-France could serve as an *entrepôt* for French military and commercial resources in the Indian Ocean, and thereby a base for a future invasion, and this “position in French strategic thinking” only grew in importance after the Seven Years’ War during Choiseul’s ministry.²⁸ The islands, like the Indian *comptoirs*, had been under Company governance, but were also granted to the crown upon its collapse and bankruptcy. In the late 1770s, as the Navy reformed the administration of their new Indian possessions, officials

²⁶ Kenneth Margerison, “Rogue Diplomacy: Sartine, Saint-Lubin and the French Attempt to Recover ‘Lost India,’ 1776-80,” *French History* 30, no. 4 (2016).

²⁷ Two examples: Bedos, *Négociant patriote*, 69, and ANOM, C² 110, “Mémoire sur le Commerce de la France en Asie,” c. 1783 (f° 204), which features the variant “l’observatoire de l’Asie.”

²⁸ Vaughan, *Creating the Creole Island*, 33-35; ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy. For Choiseul, see Margerison, “French Visions.”

considered relocating the *chef-lieu* of France's Indian Ocean establishments from the readily seizable Pondicherry to Île-de-France. In this same period, when they vetted plans for a new *Compagnie des Indes*, naval officials were determined to conciliate the economic interests of the islands – now opened to free trade with the metropole – with the establishment of a new company. Whatever the monopoly prerogatives of a new Company might be, most naval proposals insisted on the preservation of Île-de-France as a free port, in the belief that luring foreign traders to the island would enrich its local economy, with commensurate effects on its viability as a military establishment.²⁹

This view of the strategic importance of the Mascarene Islands extended even to tepid supporters of French Indian Ocean empire, such as the Physiocrats. Dupont de Nemours adopted Mahé de la Bourdonnais' vision of Île-de-France as a commercial *entrepôt*, and he advocated in his writings that France should make Île-de-France a free port, sell off the Indian *comptoirs*, and obtain Indian goods through means of reciprocal exchange with other European merchants.³⁰ The Mascarene Islands were potentially cultivable – therefore, they were *colonies*, rather than the pernicious, commercial *comptoirs* – and the Physiocrats regarded them as an agricultural experiment waiting to happen. To that end, the first royal administrator of Île-de-France was drawn from their followers: the aptly named Pierre Poivre, appointed in 1766, sought to make the island an agrarian, production capital of the theretofore Dutch-dominated spice trade.³¹ While Poivre's agricultural experiment was unsuccessful and short-lived, this did not stop

²⁹ For Île-de-France as *chef-lieu*, see ANOM, C² 109, "Compagnie des Indes," Dubuc (f^o 203-207vo); for *entrepôt*, see C² 108, "Projet d'établissement d'une nouvelle Compagnie des Indes," 14 January 1772 (f^o 122vo).

³⁰ Dupont de Nemours, *Compagnie des Indes*, 272-75. This idea continued to be floated in naval *mémoires* after the American Revolution: ANOM, C² 110, untitled, c. 1782 (f^o 211vo-212).

³¹ Vaughan, *Creating the Creole Island*, 65-75.

successive administrators from vaunting the islands as potential “gardens of Eden” for the cultivation of spices, cotton, and indigo.³² The Physiocrats applied this same mentality to Madagascar, for which there were numerous plans of colonial annexation and settlement in the eighteenth-century. The abbé Baudeau viewed the three islands collectively as a “second Metropole” in the Indian Ocean that, by using slave labor (at the outset), would eventually become a significant agricultural and military establishment.³³ Although Physiocrats like Baudeau were traditionally hostile to slavery, the Navy tenuously joined their plans to visions of French master of the comparatively underexploited – by Europeans, at least – east African slave trade.³⁴ Given the commodity links between the Indies trade and the slave trade, Île-de-France could be productively converted into an *entrepôt* for both.³⁵ Thus, these visions of the Mascarene Islands represented a curious convergence of agrarian, Physiocratic ideology – normally held to be both antislavery and anti-militaristic – and the broader administrative plan for a war of *revanche*.

There was also an increasing interest by advocates of military *revanchisme* in India in the idea of developing, or in the parlance of the time, ‘reviving’ the ancient route to India through the Middle East, either overland or by sea via Suez in Egypt. Projects of this nature had been readily considered under both Colbert and Dupleix, but after the Seven Years’ War, there was a

³² ANOM, C² 109, “Réflexions sur le Commerce des Indes Orientales,” undated (f° 150): “jardins d’Eden.”

³³ Baudeau, *Idées d’un citoyen*, 8, 19-29: “seconde Métropole.”

³⁴ For the importance of the East African slave trade in non-European commercial networks, see Pedro Machado, *Ocean of Trade: South Asian Merchants, Africa and the Indian Ocean, c.1750-1850* (New York: Cambridge UP, 2014). For the debate on slavery and free labor in Physiocratic thought, see Pernille Røge, “The Question of Slavery in Physiocratic Political Economy,” in *Governare il mondo: l’economia come linguaggio della politica nell’Europa del Settecento*, ed. Manuela Albertone (Milano: Feltrinelli, 2009).

³⁵ For the development of the east African slave trade, see AE Courneuve, 8MD/7, “Mémoire,” anonymous, c. 1785 (f° 194vo-197); ANOM, C² 110, “Précis sur l’Etat actuel des Etablissements de la France aux grandes Indes[...],” Georges Gougenot, 1780 (f° 135vo-141); Vaughan, *Creating the Creole Island*, 77-78.

flourish of interest, not only because Egypt was increasingly viewed as a staging ground for a future invasion of India, but because an Arabian route to India was regarded as safer for French merchants, who might thereby avoid entanglements with the British navy.³⁶ Under Choiseul, plans were drawn up calling for the annexation of Egypt in order to preempt concerns about possible Russian and British incursions into the Ottoman Empire that might threaten a French route to Asia.³⁷ By the early 1780s, the new naval minister, Charles-Eugène-Gabriel de La Croix, marquis de Castries, personally commissioned several exploratory expeditions to India to test these routes.³⁸ Suez presented particular challenges, as the Ottoman Empire was generally unwilling to grant trading rights to European merchants in the Red Sea. As a result, by the mid-1780s, Castries began working secretly with the French ambassador to the Sublime Porte, Marie-Gabriel-Florent-Auguste Choiseul-Gouffier (the famous duke's cousin), who sent an envoy to Egypt to obtain a series of diplomatic and commercial guarantees from the Mameluk chieftain,

³⁶ For Colbert, see François Charles-Roux, *Le projet français de commerce avec l'Inde par Suez sous le règne de Louis XVI* (Paris: Société de l'histoire des colonies françaises, 1925), xiv-xvi; for Dupleix, Indrani Ray, "Trade In Basra in the Mid-Eighteenth Century," in *The French East India Company and the Trade of the Indian Ocean*, ed. Lakshmi Subramanian (Calcutta: Munshiram Manoharlal, 1999). For other post-Seven Years' War projects on this subject, see ANOM, F⁴ 20, "Mémoire...sur le Commerce à entreprendre par la nation française, à Bassora, Bagdat[...]," by Petro de Perdrian, 1768, and "Mémoire sur le commerce et sur la Navigation de la Mer Rouge," 1776; ANOM, F^{2C} 12, "Voyage de Pondichery en France par le Golphe de Perse [et] les Déserts de l'Arabie[...] fait en 1760 par le Sr. Poncet de La Riviere"; AE Courneuve, 8MD/7, "Memoire sur la nouvelle route aux Indes orientales," by Louis de Langier, 7 December 1774 (f^o 97-102), and "Plan sur le Commerce de l'Inde[...]," 1780, (f^o 160-166); AE Courneuve, 7MD/18, "Observations [...] sur [...] la voye de Suez," 1780 (f^o 181).

³⁷ François Charles-Roux, "La politique française en Égypte à la fin du XVIIIe siècle," *Revue Historique* 91, no. 1 (1906); François Charles-Roux, "La politique française en Égypte à la fin du XVIIIe siècle (Suite et fin)," *Revue Historique* 91, no. 2 (1906).

³⁸ ANOM, F^{2C} 12, "Voyage dans l'Inde par les Déserts [...] par le Ch. de Dourdon," 1787-1788 ; "Voyage de Paris à Pondichery [...] par M. Froment," 1783-1784; ANOM, 25 DFC 94, "Mémoire et Itinéraire du Voyage fait aux Indes par terre [...] par Martin de Montcamp," 28 September 1787 (item 55). Holden Furber, *John Company at Work: a Study of European Expansion in India in the late eighteenth-century* (Cambridge, MA: Harvard UP, 1948), 65-66 incorrectly attributes these initiatives to the comte de Vergennes, whose views on the Suez route will be discussed in the next chapter.

Murad Bey, with an eye toward establishing French access to India through the Red Sea without the Porte's knowledge.³⁹

The reestablishment of a *Compagnie des Indes* did not, at the outset, figure among these strategies for the resurgence of French political influence in the Indian Ocean. In fact, even though the Law Company had been effectively an administrative arm of the Navy, due to the Navy's purview over all external commercial affairs, there was much naval hostility to the idea of a Company, to the point that Choiseul himself had hoped for the permanent abolition of the Company in 1769, rather than its suspension.⁴⁰ Experience had shown that, whenever the "pen" was privileged over military affairs, the rule of the "sword" was undercut. As such, their criticisms similarly crystallized around the problem of the Law Company's sovereignty in India. While economic theorists bemoaned that the 'burdens' of sovereign expenses and war had financially ruined the Law Company, *revanchistes* argued instead that the Company's mismanagement had been single-handedly responsible for the ruin of France's Asian empire and the humiliating losses of the Seven Years' War. This pessimistic view of company governance owed much to the narrative forged by Joseph-François Dupleix in his last years in France. Defending himself and his conduct against shareholder accusations of wasteful expenditure, Dupleix insisted that he had always acted in the best interest of both country and Company – though its directors were too short-sighted and parsimonious to see it – by pressing for the

³⁹ These rights were established in 1785 by the following conventions: AE Courneuve, 133CP/172, "Conventions préliminaires d'un Traité de Commerce et de Navigation de l'Inde par Suez...entre le très illustre et magnifique Seigneur le Prince Murat Bey...et le Sr. de Truguet," 10 January 1785 (f° 8-21), "Traité particulier passé entre M. de Truguet...et le Moualllem Joseph Cassab directeur des fermes et douanes de l'Egypte," 23 January 1785 (f° 32-34vo), "Traduction du Traité fait avec un Cheick arabe pour le transport des marchandises de Suez au Caire," 27 January 1785 (f° 42-42vo).

⁴⁰ L.M. Cullen, "History, Economic Crises, and Revolution: Understanding Eighteenth-Century France," *Economic History Review* 46, no. 4 (1993), 649.

expansion of France's territorial power in India.⁴¹ The marquis de Bussy had joined Dupleix as a strong, early critic of the Law Company's governance. As Bussy had once put it to Dupleix, nothing was more liable to ruin France's possessions in India than "that spirit of company and *comptoir*" that only viewed India in an extractive, commercial light.⁴² In Bussy and Dupleix's view, investment in conquest and territorial expansion was not only a prerequisite for the Company's own business expansion, but also a matter of national interest and grandeur.⁴³

By this logic, the sovereignty of the *Compagnie des Indes* represented an *imperium in imperio* that undermined that of the French monarchy and its military interests. This issue was well rehearsed in British debates on their East India Company, but since the *Compagnie des Indes* never wielded the same kind of political or financial power as did its rival, this language never had the same broad resonance in France that it did in Britain. However, some naval administrators recognized its usefulness in asserting crown – and thereby, their own – control over France's Indian possessions. Upon the granting of the *comptoirs* and the Mascarene Islands to the crown in the 1760s, one official wrote that a company that exercised sovereignty over French imperial possessions was nothing less than

a Republic in the middle of France; whose administration was the senate that corrupted two hundred thousand men; moved part of Asia, and exercised absolute power everywhere under the auspices of its credit. Intrigues, revolutions, armies, navy, commerce, profits, resources, privileges, possessions, establishments, sovereignties;

⁴¹ In briefs such as *Mémoire pour le Sieur Dupleix, contre la Compagnie des Indes, avec les pièces justificatives* (Paris: Leprieur, 1759).

⁴² Cited in Marc Chassaigne, *Bussy en Inde* (Chartres: Marchand, 1976), 61: "cet esprit de compagnie et de comptoir."

⁴³ For a recent examination of Dupleix's views on the relationship between credit and territorial power, see Gregory Mole, "L'Économie politique de Joseph Dupleix: commerce, autorité et deuxième guerre carnatique, 1751-1754," *Outre-mers* 103, no. 388-389 (2015).

everything concealed...the vices of an incomprehensible and unprecedented administration.⁴⁴

Company governance thus had a reputation for ruining both itself and national interests when given the power to actually manage the deployment of resources in the East Indies. As the comte de Modave had written in his *Voyages*, imperial authority could not be responsibly vested in “the absurd government of an ignorant and venal Company.”⁴⁵ The business of empire was, simply put, too important to be entrusted to an association of capitalists whose interests might override the true interests of the nation: sovereignty lay with the King and his military alone. Thus, whenever the time came to enact these *revanchiste* strategies, they would be the ones to do it.

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The moment for testing these ideologies and strategies for resurgence in Asia seemed to arrive with the French decision to intervene in the American Revolutionary War. Upon France’s entry, what had begun as a small-scale colonial rebellion became a truly global conflagration, and some French ministers – even those skeptical of the prospect of military intervention – believed that India was actually the true linchpin of the war. Anne-Robert-Jacques Turgot, the reform-minded Controller-General and alumnus of Vincent de Gournay’s circle, was anxious as to the potential cost of the war, but believed that India – not America – was the venue in which the greatest amount of damage could be inflicted on Britain at the least cost. British rule in India, he wrote, was “a colossus with clay feet...founded on violence, brigandage, and tyranny,”

⁴⁴ ANOM, F^{2C} 7, “Memoire sur la position actuelle des établissements français au delà du Cap Bonne Espérance[...],” by Lancerville, c. 1764: “une République au milieu de la France; dont l’administration étoit le senat qui soudoyait...deux cents mille hommes; faisoit mouvoir une partie de l’Asie, et exercoit partout, sous l’auspice de son credit, un pouvoir absolu. Intrigues, revolutions, armées, marine, commerce, profits, ressources, privilèges, possessions, établissements, souverainetés; tout couvroit alors...les vices d’une gestion incompréhensible, et sans exemple.”

⁴⁵ Féderbe, *Voyage en Inde*, 67: “le gouvernement absurde d’une Compagnie ignorante et vénale.” See also Pallobot de Saint-Lubin, *Mémoires historiques*, 105.

whose victims eagerly awaited a European war in which they could fight alongside France to defeat their common enemy.⁴⁶ Turgot thus embraced the vision of a France as India's liberator in the belief that supporting the rights and liberty of Indian princely states would furnish a cost-effective diversionary tactic from the Atlantic theatre. The eventual commander of the Indian expedition put it much more grimly. War in India stood to be advantageous to France because, "in spite of the superiority of our enemies...we have nothing to lose."⁴⁷

Although the French entered the war against Britain on the American front in 1778, it was not until the marquis de Castries acceded to the post of minister of the navy in 1780 that plans for an expedition to India began in earnest. Castries hailed from a prominent family of the *noblesse d'épée* and had served with distinction in the Seven Years' War, in both the Caribbean and in Europe. He largely owed his position to Jacques Necker, Turgot's successor as Director-General of Finances (the title of 'Controller' being restricted to French Catholics), whom he had known from the last years of the Law Company, in which Castries had served as one of the aristocratic *syndics*.⁴⁸ An aristocratic constitutionalist, Castries had been an ally of the duc de Choiseul, and although deeply Anglophobic, he believed that France should emulate Britain not only in its constitutional politics, but also in the size and capacity of its navy – an issue that would later bring him into contention with other ministers eager to control France's deficit.⁴⁹ In

⁴⁶ Anne-Robert-Jacques Turgot, *Œuvres de Turgot et les documents le concernant, avec biographie et notes*, ed. Gustave Schelle, (Paris: F. Alcan, 1913-1923), v.5, 413 ("Réflexions rédigées à l'occasion d'un Mémoire remis par de Vergennes au Roi[...]"): "un colosse dont les pieds sont d'argile; elle est toute fondée sur la violence, le brigandage et la tyrannie."

⁴⁷ AE Courneuve, 8MD/17, Suffren to Vergennes, 11 April 1783 (f° 247vo): "malgré la superiorité de nos ennemis peut nous etre avantageuse en ce que nous n'avons rien à perdre."

⁴⁸ Philippe Haudrère, *Les Français dans l'océan Indien: XVIIe-XIXe siècle* (Rennes: PUR, 2014), 287.

⁴⁹ Munro Price, *Preserving the Monarchy: the comte de Vergennes, 1774-1787* (Cambridge: Cambridge UP, 1995), 67-68; John Hardman, *Overture to Revolution: The 1787 Assembly of Notables and the Crisis of France's Old Regime* (New York: Oxford UP, 2010), 40-43.

spite of his bellicosity, some British observers praised his patriotism, “probity and independence,” although his resistance to later schemes of Anglo-French reconciliation would earn him the unflattering sobriquet of “that old Bitch” from his rivals.⁵⁰

Like Choiseul, Castries had long nurtured plans of *revanche* against Britain, especially in the Indian Ocean, which remained a geopolitical fixation for him throughout his ministerial tenure.⁵¹ When he assumed his office, Castries placed the renowned admiral Pierre-André de Suffren (thereafter known as the Bailli de Suffren) in command of a squadron of five ships of the line, destined for the East Indies, where they would join the French naval forces already at Île-de-France. Castries himself oversaw the outfitting and launching of the squadron from Brest in March 1781. With the diplomatic support of Spain and Holland – long seen as France’s ideal European partners in limiting British power in the Indian Ocean – Suffren’s squadron inflicted numerous defeats against the British navy and appeared poised to successfully land in India, where it would join the ground forces under the command of the marquis de Bussy and Tipu Sultan of Mysore, who had declared war on Britain in his own right in 1780.⁵² However, the American victory at Yorktown in 1781 and the beginnings of peace negotiations in Europe brought a premature end to the expedition, in spite of Castries’ relentless efforts to forestall

⁵⁰ National Archives, FO 27/18, Hailes to Carmarthen, 25 October 1786 (f° 408); FO 148/5, Eden to Dorset, undated.

⁵¹ Jean Tarrade, “Le Maréchal de Castries et la politique française dans l’océan Indien à la fin de l’ancien régime,” in *Révolution française et océan Indien: prémices, paroxysmes, héritages et déviances*, ed. Claude Wanquet and Benoît Julien (Paris: Harmattan, 1996).

⁵² Georges Gougenot de Croissy was especially intent on a formal Indian Ocean extension of the *pacte de famille* with Spain, see ANOM, C² 110, “Précis sur l’Etat actuel des Etablissemens de la France aux Grandes Indes[...],” by Georges Gougenot, 1780 (f° 152). For Suffren’s expedition, see Tarrade, *Commerce colonial*, v.1, 483-491; Tarrade, “Maréchal de Castries,” 39-43; Haudrère, *Les Français dans l’océan Indien*, 287-95.

peace – against British wishes – until the fleet could make landfall.⁵³ As France’s war in the East ended in some sense before it even began, this left them in an unenviable negotiating position at the time of the peace as to France itself, let alone their allies. By Bussy’s own admission, French diplomats effectively abandoned Mysore’s territorial interests, leaving Tipu Sultan to make a relatively unfruitful peace with Britain on his own.⁵⁴ Although he was made a *maréchal de France* for his efforts, the final peace treaty saw no French territorial gains in India, to Castries’ great chagrin. The peace only guaranteed “safe, free, and independent” French trading rights – by individuals or by a Company – and possession of the same five *comptoirs* of Pondicherry, Chandernagor, Karaikal, Yanaon, and Mahé, that had been assured in the ‘humiliating’ peace of 1763.

However, it was clear even to Castries that the peace of 1783 was not ‘humiliating’ like that of 1763; it was only incomplete. The war in the Indian Ocean had been well fought and thus was a promising test run for the next – inevitable – war. To prepare for it, Castries insisted on maintaining France’s navy at wartime levels, and critically, maintaining the French alliance with Holland for the Indian Ocean. The bailli de Suffren had long argued that France and Holland alone had the resources to forestall British supremacy in the East Indies, and this was in large part owed to the strategic importance of the Dutch settlement at Trinquemalay, Ceylon (now Trincomalee, Sri Lanka).⁵⁵ Suffren and Castries regarded Trinquemalay as an essential base for

⁵³ The idea that the war ended prematurely – and that the British had a stated interest in suing for peace before Suffren could land – is argued by Tarrade, *Commerce colonial*, v.2, 495-496. Castries’ ill-fated attempts to forestall the peace treaty are described in Orville T. Murphy, *Charles Gravier, Comte de Vergennes: French Diplomacy in the Age of Revolution, 1719-1787* (Albany: SUNY Press, 1982), 325.

⁵⁴ Bussy worried that “l’espèce d’abandon que par la paix, nous avons paru faire des intérêts de notre unique allié” would further hurt France in the eyes of other Indian princes. AE Courneuve, 8CP/546, Bussy to Vergennes, 20 November 1783 (f° 62).

⁵⁵ AE Courneuve, 8MD/7, untitled notes by Suffren, 1783 (f° 467-469); “Mémoire du Cte. de Suffren,” 1783 (f° 140-145); Mignonneau, *Considérations politiques par M. **** (Paris: s.n., 1783), 58.

the invasion of India – far more strategically useful than Île de France, over 3000 miles away.⁵⁶

French diplomats had been careful to assure Dutch possession of Trinquemalay after the peace of 1783, and Castries went on to formalize this alliance – in anticipation of an eventual rupture with Britain – in the form of a defensive pact in 1785.⁵⁷ This pact was publicly celebrated by the comte de Mirabeau, who looked forward to the day that it would be used to liberate India from its colonial oppressors, and writers such as Pallobot de Saint-Lubin and Brissot de Warville kept India in the public imagination and – especially in the case of the latter – argued that a war of liberation in India would be a fitting continuation of France’s engagement on behalf of the American colonists.⁵⁸

The idea that the 1780s afforded an opportunity for France in India was shared by many others, especially those closely monitoring and reflecting on contemporary events in Britain. Many war-inclined French observers well understood – and took delight in repeating – William Pitt the Younger’s axiom that the loss of America only increased the importance of India for the British Empire, which indicated to them that Britain’s present weakness afforded France an urgent opportunity to strike.⁵⁹ This was the view of the French ambassador to London, Jean-

⁵⁶ Regarding the strategic importance of Trinquemalay to French ambitions and the diplomatic efforts to preserve it for the Dutch, see AE Courneuve, 8CP/539, “Idées sur le rétablissement de nos colonies dans l’Inde [...],” November 1782 (f° 80); 8CP/540, Vergennes to Rayneval, 10 January 1783 (f° 137vo) and undated letter from Rayneval to Vergennes (f° 280-286); 8MD/18, Bussy to Vergennes, 4 August 1784 (f° 70-72). Castries’ visions for Trinquemalay are discussed in AE Courneuve, 8CP/552, *passim*.

⁵⁷ *Traité d’alliance entre le Roi et les Provinces-Unies, signé à Fontainebleau le 10 Novembre 1785* (Paris: Simon, 1786).

⁵⁸ Mirabeau, *Doutes*, 84-85; Brissot de Warville, *Tableau*, 329-30.

⁵⁹ The original quote was from the speech introducing the 1784 India Bill, see William Pitt, *The Speeches of the Right Honourable William Pitt in the House of Commons* (London: Longman, 1806), v.1, 180. Variants on it are reported in AE Courneuve, 8CP/549, Adhémar to Vergennes, 15 August 1784 (f° 311-346); ANOM, F^{2C} 12, “Mémoire sur le Commerce des Indes,” anon., 1784 copy; C² 113, “Le projet d’approvisionnement[...],” November 1784 (f° 110-110vo). This said, the idea of India as Britain’s ‘only’ remaining resource was being discussed by some French observers at the time of the peace treaty, see AE Courneuve, 8CP/540, “Réflexions sur les articles du traité

Balthazar, comte d'Adhémar. Throughout his tenure in London between 1783 and 1787, Adhémar devoted himself to convincing his superior, the Foreign Minister, Charles Gravier, comte de Vergennes, that France's engagement in the American Revolutionary War had devastated the domestic politics and finances of their "natural enemy."⁶⁰ Adhémar – and indeed many French observers of the time – noted that Britain's present debt was over four billion pounds, a potentially crippling sum, and he argued that France could profit from not only this financial overextension, but the political crises it was causing at home.⁶¹ Adhémar's letters of the period relentlessly reported on the violent Parliamentary debates over the reform of the East India Company and the recall of Warren Hastings, the soon-to-be indicted Governor General of Bengal, and deliberately painted a picture of total political disorganization and anarchy.⁶² The ambassador endeavored to persuade Vergennes that these circumstances presented a unique opportunity to strike militarily against Britain in India, without which, Britain would become a second-rate power, with France globally ascendant.⁶³ Failing that, Adhémar felt that one way to prove France's Indian Ocean intentions to their rival was to immediately form a new *Compagnie*

de paix relatif à l'Inde[...],” anon., 3 February 1783 (f° 345vo). This theme was also raised in Brissot de Warville, *Tableau*, 9.

⁶⁰ AE Courneuve, 8CP/552, Adhémar to Vergennes, 26 February 1785 (f° 254vo): “ennemi naturel.”

⁶¹ AE Courneuve, 8CP/539, “Mémoire sur la situation actuelle des finances d'Angleterre[...],” November 1782 (f° 116-125), and 7MD/46, *passim*. This vision of Britain as financially overextended in comparison with France was later articulated in Guillaume-Charles Maisoncelle, *Situation actuelle des finances de la France et de l'Angleterre* (Paris: Briand, 1789).

⁶² AE Courneuve, 8CP/548, Adhémar to Vergennes, 5 March 1784 (f° 25-26vo); 9 July 1784 (f° 116-123); 15 August 1784 (f° 311-346). The classic account of the debates over the Fox Bill and East India reform is Lucy S. Sutherland, *The East India Company in Eighteenth-Century Politics* (Oxford: Clarendon Press, 1952), ch. 13.

⁶³ AE Courneuve, 8CP/552, Adhémar to Vergennes, 26 February 1785 (f° 253vo).

des Indes – as permitted in the peace treaty – “on a respectable footing.” Since British public opinion, he wrote, “infinitely fears to see us with a Company; it is a strong reason to form one.”⁶⁴

Unbeknownst to Adhémar, the Navy under Castries was also beginning to consider the reestablishment of a Company. Given the history of Naval hostility to the *Compagnie des Indes*, this is perhaps best understood in light of Jacques Necker’s influence on Castries’ thinking. Necker’s earlier, prize-winning essay from 1773, the *Éloge de Jean-Baptiste Colbert* – regarded then and now as effectively a job application for the position of finance minister – praised the famous ‘mercantilist’ Controller-General for his rigorous empiricism and cited his policies as a working precedent to which all ministers could aspire.⁶⁵ In keeping with the spirit of his defense of the Law Company in 1769, he lauded Colbert for the creation of the *Compagnie des Indes* as a necessary and vital symbol of French power in the East.⁶⁶ Shortly after his ascension to the ministry in 1777, an anonymous public letter appeared – quite possibly authored by him – indicating that the Law Company’s destruction was now generally recognized as “a great folly.” A few months later, rumors that a new Company was to be imminently created reached the incredulous former Controller-General Turgot, who wrote to Dupont de Nemours that he would not believe such a thing until he saw it. If this was indeed Necker’s plan, his fall from power in

⁶⁴ AE Courneuve, 8CP/549, Adhémar to Vergennes, 15 August 1784 (f° 339-339vo): “de former sur un pied respectable une Compagnie des Indes”; “craint infiniment de nous voir une Compagnie; c’est un fort vehicule pour la former.”

⁶⁵ On the political significance of the *Éloge*, see Lüthy, *Banque Protestante*, v.2, 408 and Léonard Burnand, *Les pamphlets contre Necker : médias et imaginaire politique au XVIIIe siècle* (Paris: Garnier, 2009), 22. Regarding Necker’s empiricism, his biographer Jean Egret said that “un des traits fondamentaux de la pensée de Necker est une méfiance absolue à l’égard des jugements systématiques.” Jean Egret, *Necker: ministre de Louis XVI, 1776-1790* (Paris: H. Champion, 1975), 45.

⁶⁶ Jacques Necker, *Éloge de Jean-Baptiste Colbert, discours qui a remporté le prix de l’Académie Française, en 1773* (Paris: Brunet, 1773), 35-36.

early 1781 – before victory in the American Revolutionary War allowed the restoration of French trade with Asia – prevented him from acting on it.⁶⁷

With Necker's departure, Naval administrators adopted the idea of the *Compagnie des Indes* and began to shape it according to their own visions of French empire in India. One of the most prominent among them was Thomas de Conway, an Irish-born French commander who had served with some degree of infamy in the American war, having masterminded the abortive 'Conway cabal' against George Washington.⁶⁸ After his return to France, Conway's interests were refocused on French India, and he wrote a *mémoire* for Castries about how to shape French commercial interests there in alignment with military aims. The question of forming a new *Compagnie des Indes*, Conway explained, was entirely subservient to the larger question of whether postwar French ambitions in India included "political and military views," or whether France's aims were strictly commercial. If the former, then all of their efforts and resources needed to be devoted "without hesitation...[to] the destruction of English power in that part of the world." Understanding that this was Castries' principal motive, Conway wrote that the goal of furthering French commerce in India was little more than "the accessory" of the larger, more important goal of the eventual "liberty of India [*la liberté de l'Inde*]."⁶⁹ The Indies trade,

⁶⁷ M. De Lescure, ed. *Correspondance secrète inédite sur Louis XVI, Marie Antoinette, la cour et la ville, de 1777 à 1792* (Paris: Plon, 1866), v.1, 83 (letter of 29 July 1777): "une grande sottise." Turgot, *Œuvres de Turgot et les documents le concernant, avec biographie et notes*, v.5, 529 (Turgot to Dupont de Nemours, 25 September 1777): "on parle de rétablir une Compagnie des Indes. Je ne le croirai que quand je le verrai." For the disruption of Necker's plans, see Henry Weber, *La compagnie française des Indes (1604-1875)* (Paris: A. Rousseau, 1904), 627.

⁶⁸ For an account of the cabal, see Kenneth Rossman, "Conway and the Conway Cabal," *South Atlantic Quarterly* 41 (1948). My thanks to Chris Juergens for bringing this to my attention.

⁶⁹ ANOM, C² 113, "Mémoire sur l'Inde," by Conway, February 1784 (f° 17, 20vo, 29vo): "des vues politiques et militaires," "sans hésiter...la destruction de la puissance anglaise dans cette partie du monde," "L'objet principal de l'état est évidemment, nécessairement la liberté de l'Inde, et que l'exploitation de notre Commerce n'est que l'accessoire."

Conway explained, was both risky and unprofitable to any individual or company that conducted it, and thus could not be considered of any commercial importance for France.

Castries shared the common, pessimistic politico-economic view that the Indies trade was a “necessary evil” that drained the country of wealth in exchange for superfluous luxury goods. Like Diderot and others, Castries believed that there was no need to rely on pernicious Indian imports when it was now possible to make products of the same quality and style in France.⁷⁰ His views were further informed by the contents of the marquis de Bussy’s final reports from India before his death in early 1785. Trade, Bussy wrote, commanded little respect among Indian princes: only money and troops did. Exhausted from a series of territorial squabbles with the British – most recently, their refusal to return the port of Trinquemalay to the Dutch as agreed – Bussy wrote that the supposed guarantees of French freedom of trade in India would be illusory. Mocking the text of the peace treaty itself, Bussy saw “no chance of having a free, safe, and independent trade in India...[our] supposedly free trade will always be subject to the English.”⁷¹ Under these restrictive circumstances, the Indies trade would be the ruin of any French privateer or company that undertook it. These reports led Castries to recognize that the present circumstances “does not permit [one] to consider India in a commercially useful respect;” all British guarantees of French trading rights would be abridged in practice anyway.⁷²

⁷⁰ ANOM, C² 114, “Objets à terminer[...],” undated (f° 3): “mal nécessaire”; ANOM, C² 113, undated mémoire by Castries (f° 173).

⁷¹ ANOM, B, Feuilles Volantes, no. 430, Bussy to Castries, 4 August 1784: “point d’apparence de faire dans l’Inde un commerce libre, sûr et indépendant...[notre] commerce prétendu libre sera toujours soumis aux anglais.”

⁷² ANOM C² 170, “Compte à rendre et ordre à prendre de Sa Majesté sur les dernières dépeches de M. de Bussy”: “ne permet pas de considérer l’Inde sous un raport utile au commerce.”

All of his efforts were thus not directed towards the defense of commercial interests, but towards ways of “quietly prepar[ing]” for the next war.⁷³

The most vivid illustration of the low regard Castries held for French commercial prospects in India was his postwar plan to transfer France’s Indian Ocean capital from Pondicherry to the tiny, western *comptoir* of Mahé. Pondicherry was France’s oldest, largest, and most commercially lucrative Indian city, but its close proximity to the British Presidency of Madras made its geographical position unenviable in wartime. Its fortifications, destroyed in the Seven Years’ War and never fully repaired due to the expense, were the subject of constant financial handwringing.⁷⁴ Instead, the bailli de Suffren recommended that all future military fortifications should be built in locations far from English presidencies, and that Western India – pursuant to recent interest in developing a trade and communication route through the Red Sea – presented special advantages.⁷⁵ Mahé was also surrounded by potential Indian allies – Mysore and the Marathas – both of whom continued to be jointly regarded, however implausibly, as the keystones of a future ‘coalition’ against the British.⁷⁶ However, most of Castries’ naval subordinates, both in India and in Europe, regarded the relocation project as a strategic fallacy. Mahé lacked the local, territorial revenues that could support the upkeep of a military garrison, and its varied terrain and shallow river would be almost impossible to fortify and adequately

⁷³ ANOM, C² 164, “Projet de lettre pour M. le Mis de Bussi,” 25 October 1783: “préparer sourdement.” See also Tarrade, *Commerce colonial*, v.2, 677.

⁷⁴ Margerison, “French Visions,” 596-99.

⁷⁵ AE Courneuve, 8MD/17, Suffren to Vergennes, 11 April 1783 (f° 249vo).

⁷⁶ Tarrade, “Maréchal de Castries,” 44; ANOM, C² 165, anon. mémoire addressed to Bussy, 17 March 1783, Moracin to Castries, 10 April 1783.

dredge for large ships.⁷⁷ The abandonment of Pondicherry as the *chef-lieu*, therefore, seemingly made no financial or military sense in practice.

While these criticisms may have brought the Mahé project to a screeching halt, the view that commerce was necessarily subordinate to military goals was reflected in the Navy's views of the making of a new *Compagnie des Indes*. Thomas de Conway did not dispute that, as a political economic question alone, a company "certainly suits the nature of this trade better." The Indies trade was an economically – and culturally – risky enterprise, and a company was a recognized symbol of a nation's economic power. However, given the predispositions of such institutions to mismanage their territorial charges, any new company's role and power would need to be carefully controlled and limited by the ministry. Under no circumstances could the Company act as the sovereign of France's Indian *comptoirs*. However, a small, strictly commercial company that was entirely under the control of the Navy and willing to submit to its views "with docility and skill, [would become] an admirable cover for its projects." In Conway's view, commerce – whether conducted by privateers or a company – would serve as only a "mask" to the state's overarching military aims.⁷⁸ Such a mask would allow the Navy to bide its time as France clandestinely rearmed and rebuilt its resources in the East, while maintaining French commercial interests on the most respectable footing possible, given the circumstances. Political economists and *revanchistes* thus converged – for vastly different reasons – upon the idea that a sovereign company was fundamentally undesirable. But a small,

⁷⁷ ANOM, 29 DFC 103, dossier 32, "Note sur Mahé;" dossier 42, "Notes et réflexions sur le rétablissement de la colonie de Mahé" by Louis Marin.

⁷⁸ ANOM, C² 113, "Mémoire sur l'Inde," by Conway, February 1784 (f° 29vo, 18vo, 17vo): "convient certainement mieux à la nature de ce Commerce," "avec docilité et habileté, devient une couverte admirable à ses projets," "le masque heureux du plan militaire."

commercial company, whose pen could be commanded by the sword, could prove useful to the ambitions of the latter.

The idea of a small, limited company fit with Castries' overall reformist views of colonial political economy. This was exemplified by his advocacy of the new *exclusif mitigé* of 1784, which further relaxed the restrictions on the admission of foreign merchants to French colonies.⁷⁹ Enacted much to the chagrin of elites in metropolitan ports, the *exclusif mitigé* was aimed at enriching colonial economies both in the Atlantic and the Indian Ocean, by opening them to trade with the new United States. The measure similarly applied to the Indian Ocean, where the economic productivity and vitality of the Mascarene Islands, "the key to India," continued to be regarded as an essential precondition of a future invasion. Accordingly, Castries felt that any proposed *Compagnie des Indes* could not in any way restrict the commercial rights of the islanders. If a Company was to be formed, the generally "severe principles of prohibition" would need to be modified to accommodate the needs of colonial populations.⁸⁰

Although elite merchants in the metropole were disappointed by the implementation of the *exclusif mitigé*, Castries was determined to protect their trading rights against the threat of large-scale corporate monopolies. Castries had a penchant for working through existing merchant networks, and failing that, forcing existing monopoly companies to collaborate extensively with independent merchant houses.⁸¹ While Choiseul-Gouffier and his envoys were negotiating the treaties obtaining French access to Suez, Castries was busy assembling a coalition of merchants, under the leadership of the Marseillais notable Jacques Seimandy, who

⁷⁹ The best account of the reform of the *exclusif* in 1784 remains Tarrade, *Commerce colonial*, v.2, ch. 15-17.

⁸⁰ ANOM, C² 113, "1ere Question. La Liberté du Commerce des Isles[...]" (f° 166-167vo): "principes severes de la prohibition."

⁸¹ Tarrade, *Commerce colonial*, v.2, 522, 678.

would conduct the first expeditions to India through the Red Sea.⁸² He was also the primary instigator of a similar initiative in 1783 that formed a consortium of merchants from Nantes, Bordeaux, Marseille, St-Malô, Lorient, and Le Havre to jointly undertake a series of expeditions to China. He regarded this association as “a trial that could serve as a basis for the development of a *Compagnie des Indes*...[that might] simultaneously join the advantages of both a Company and liberty.”⁸³ Castries believed that the merchants who had been leaders of the Indies trade during the free trade period since 1769 should continue in that capacity in the future, and he was determined to conciliate the mercantile interests of the largest port cities with the formation of any new Company system. Sharing the widely-held concern that one of the gravest failings of the Law Company had been its lack of mercantile leadership, he insisted that any initiative to replace it be spearheaded by merchants, not Parisian bankers.

This hostility to finance crumbled in part when he was presented with another idea about the *Compagnie des Indes* that originated with a correspondent of Necker’s in London, the banker James Bourdieu. Little is known of the Bourdieu family other than their French Huguenot origins, as their papers – both personal and financial – seem to have entirely vanished. During the period of Necker’s ascendancy in the Law Company in the 1760s, Bourdieu’s firm (styled “Bourdieu & Chollet,” in partnership with a Swiss expatriate, Samuel Chollet) called themselves the London ‘agents’ of the French company, which was little more than a cover for the fact that they were Necker’s principal partner in the illicit ‘new system’ of financing French trade in

⁸² AE Courneuve, 133CP/172, Choiseul-Gouffier to Vergennes, 26 February 1785 (f° 110vo).

⁸³ ANOM, C² 113, “Notes des opinions que j’ai eû lorsqu’il a été question dans le Conseil de repndre le Commerce de l’Inde,” by Castries (f° 268): “un essai qui pouvoit servir de base au développement d’une Compagnie des Indes et comme un moyen indirect de connoître si ce système d’association ne réuniroit pas a la fois l’avantage d’une Compagnie et celui de la Liberté.” This document also lends credence for the hypothesis given in Frederick L. Nussbaum, “The Formation of the New East India Company of Calonne,” *American Historical Review* 38, no. 3 (1933), 478-79, that ministerial disillusionment with the outcome of this expedition, due to discord between the representatives of the various ports, motivated the creation of an actual monopoly company.

India.⁸⁴ In this system, the Law Company drew bills of exchange in India on rogue agents of the British Company. As these bills were paid in London, they not only granted the French easy access to British credit in India, but also gave the agents a convenient method of both laundering their ill-gotten gains and bringing them home to Britain. This practice of ‘remittance’ (as it was often dubbed by the British) continued during the free trade era – with Bourdieu still at the helm of it – and into the 1780s.

Although Bourdieu was not born in France, he maintained close ties with French financial and government elites, and since his own experience had clearly demonstrated the immense profitability of Anglo-French collaboration, he became something of an evangelizer for it. Bourdieu was a close advisor to the French Foreign Minister, the duc d’Aiguillon (1771-1774), which gave him a ringside seat to the famous scandal between the comte de Guines, then ambassador to Britain, and his financially speculating underling, Barthélemy Tort de la Sonde, as Bourdieu loaned Tort the funds used to speculate in Guines’ name.⁸⁵ More importantly, Bourdieu’s position gave him many opportunities to advise the French ministry on its India policy after the Seven Years’ War. In 1772, Bourdieu told Aiguillon that, upon the widely presumed “reestablishment of your *Compagnie des Indes*,” he hoped to use what influence he had with the directors of the British East India Company on Leadenhall Street to build an

⁸⁴ Speculations as to James Bourdieu’s origins are found in Herbert Lüthy, “Necker et la Compagnie des Indes,” *Annales. Histoire, Sciences Sociales* 15, no. 5 (1960), 864, and Price, *France and the Chesapeake*, v.2, 687. The best explanation of this financing scheme – and how Bourdieu was never, properly speaking, the Law Company’s ‘agent’ – is found in Lüthy, *Banque Protestante*, v.2, 381-383.

⁸⁵ A comprehensive discussion of the significance of this affair (but not Bourdieu’s involvement) is found in Sarah Maza, *Private Lives and Public Affairs: The Causes Célèbres of Prerevolutionary France* (Berkeley: University of California Press, 1993), 156-65. For Bourdieu’s role, see Price, *France and the Chesapeake*, v.2, 688, and Nussbaum, “New East India Company,” 483. In Nussbaum’s analysis, the repayment of Tort’s debt by the French government was offered to Bourdieu as a favor in the course of the negotiations for the establishment of the *Nouvelle Compagnie*, see AN, T 38 (1-2), pcs. 448 and 451.

advantageous financial relationship between the two companies.⁸⁶ He claimed that negotiations of that nature had already taken place in the 1760s, and he expressed the hope that such plans would eventually be revived. His ultimate scheme, as he explained in later years, was for the French Company to buy goods directly from the British – principally from the British-dominated region of Bengal, where since 1763, it was notoriously difficult for foreign merchants to operate. French merchants would sail their ships to Bengal, buy from the British warehouses in Calcutta, and pay via bills of exchange in London. Unlike the failed non-aggression pact between the two companies in 1754, Bourdieu proposed this as a strictly financial and commercial arrangement, with no political ramifications that – in his view – might cause either government to object.

In spite of his militant Anglophobia, Castries was the first minister to take up this plan. In early 1782, he discussed the idea with a prominent merchant from Lorient, Jacques-Alexandre de Goulade, who served as a commercial advisor to both him and his ministerial colleague, the comte de Vergennes.⁸⁷ Although Goulade remained largely hostile to the idea of a Franco-British consortium – in which the French would be little more than British ‘customers’ – Castries nonetheless designated him the *de facto* head of a new mercantile association for the East Indies. Goulade was accompanied by two other merchant colleagues from Lorient – Pierre Bernier, who was the brother-in-law of the Law Company’s former Lorient director, and Augustin Périer, who hailed from the famous Périer family of cloth merchants near Grenoble – who were joined

⁸⁶ AE Courneuve, 8CP/500, Bourdieu to Aiguillon, 24 November 1772 (f° 258-260vo): “rétablissement de vôtre Compagnie des Indes.”

⁸⁷ AE Courneuve, 8MD/17, Vergennes to Castries, 7 February 1782 (f° 137). Nussbaum, "New East India Company," 482 labels Goulade an unwavering ally of Vergennes (whose views on the Company, indeed, more closely approximated his own), but it appears that they met in the first place on Castries’ recommendation, see AE Courneuve, 8MD/17, Castries to Vergennes, 16 May 1783 (f° 274).

by the Paris bank of Guillaume Sabatier and Pierre Desprez.⁸⁸ In late 1783, Castries allowed the group to travel to London to meet with Bourdieu and to negotiate under his own ministerial auspices with the directors of the British East India Company.⁸⁹ While Bourdieu pressed the British government for its approval – seemingly on the grounds that the proposal would close off the avenues for illegal ‘remittances’ that he himself had created – the Cabinet informed him that they would entertain nothing further until the French ministry had actually created a new *Compagnie des Indes*.⁹⁰

While it might seem both incongruous and grossly opportunistic that Castries should have been the figurehead for any scheme of Anglo-French collaboration, there are some reasons for thinking that this plan offered more to him than meets the eye. Naturally, it was conceived as a purely commercial organization, leaving the sovereign prerogatives of the King and his Navy intact. Like his 1783 China expedition, it drew on the expertise of elite merchants in Lorient, rather than catering exclusively to the interests of Parisian bankers, as the Law Company had done.⁹¹ Moreover, as proposed by its three principal members – Gourlade, Périer, and Bernier – the putative ‘Company’ only requested a monopoly for India, and Castries planned to winnow

⁸⁸ For Bernier, see Conan, *Dernière Compagnie*, 193; Lüthy, *Banque Protestante*, v.2, 439. Documents relating to Bernier’s career as an *armateur* in the 1769-1785 era are located in AE Courneuve, 8MD/17 (f° 251-264). For Périer, see Yvonick Danard, “Augustin Périer, 1746-1794: administrateur de la Compagnie des Indes,” *La Chaloupe: Revue du Cercle Généalogique Sud-Bretagne Morbihan* 50 (1999), and Eugène Choulet, *La Famille Casimir-Périer: étude généalogique, biographique et historique d’après des documents des archives de Grenoble, de Vizille et de l’Isère* (Grenoble: Baratier, 1894), 12-13, 71-72. The papers of Sabatier & Desprez’s bank also appear to have not survived.

⁸⁹ AN, T 38 (1-2), “Exposé des services que M. James Bourdieu et sa maison de Londres ont rendus, avant, et durant la négociation du Traité entre les deux Compagnies des Indes de France et d’Angleterre” (pc. 548). This meeting is customarily dated to 1784, but since Bourdieu indicates that his report on the matter was submitted to the Duke of Portland, “alors Ministre en Angleterre,” it must have occurred prior to his fall in December 1783.

⁹⁰ ANOM, C² 110, Bourdieu to Bernier, 5 December 1783 (f° 233-234vo); Périer/Desprez to Gourlade, 9 January 1784 (f° 240-241vo).

⁹¹ Tarrade, *Commerce colonial*, v.2, 678: the China expedition “correspondait à ses conceptions personnelles.”

this down to only the province of Bengal.⁹² His ideal plan thus would have left the rest of the Indian subcontinent, the Red Sea, China, the East African slave trade, and the Mascarenes entirely open to privateers, which fit with Castries' overall *laissez-faire* colonial political economy.

Castries likely had significant financial motives as well. When the Law Company's monopoly was suspended, the Council had implemented a new 5% tax called the *droit d'indult* that was to be levied on all private merchants conducting the Indies trade.⁹³ The proceeds of the tax were specifically earmarked for the Naval administration, to pay for the maintenance of the military garrisons and settlements that were now placed under the King's charge. Many ministerial officials, including Georges Gougenot, believed that the current rate of the *droit d'indult* was inadequate and should be raised, and Gourlade and his allies acknowledged fully that their Company would pay it.⁹⁴ As privateer trade in Bengal was always risky due to the threat of British interference, this arrangement stood to secure – and perhaps significantly increase – naval tax revenues.

Thus, the plan as formulated by Gourlade and Bourdieu represented exactly the kind of small, limited, commercial company that naval administrators desired. Moreover, from 1770 onwards, all individuals who proposed the creation of a new Company took for granted that, like

⁹² ANOM, C² 109, untitled by Gourlade et al. (f^o 175). Castries' intent to only grant them Bengal is stated in C² 113, "Notes des opinions que j'ai eû lorsqu'il a été question dans le Conseil de reprendre le Commerce de l'Inde," by Castries, undated (f^o 268vo).

⁹³ See Haudrère, *Compagnie française*, v.2, 803. The 5% *droit d'indult* produced an average yearly revenue of 867,964lt 7s 6d between 1771-1779, see ANOM 8 AQ 377, "État du Produit de l'indult[...]."

⁹⁴ For Gougenot, ANOM, C² 110, "Précis sur l'Etat actuel des Etablissements de la France aux Grandes Indes[...]" (f^o 162vo); for Gourlade, C² 109, untitled (f^o 177vo). Similar review of these conditions appears in C² 113, "Lors de la suspension du privilege de la compagnie des indes" (f^o 94-101).

its predecessor, the Company would be entirely under the authority of the Naval ministry.⁹⁵ This not only meant that it would be a fertile training ground for future naval officers, but also that the Navy could use the company for its own ends, as Conway had argued in stating that a Company might serve as the clandestine “mask” of rearmament in the East Indies.⁹⁶ A Company controlled by the Navy, whose ships were sent empty to the Indian Ocean, offered a method of inexpensive freighting of munitions and troops to India. Castries was not bothered by the idea of his trading association acting as customers of the British Company. Rather, he regarded the arrangement as financially beneficial for France, since all goods would be paid for via bills of exchange in Europe rather than via the historically pernicious bullion drain to the East. The two companies would thus treat each other as equal financial partners.⁹⁷ Just like his China expedition, Castries saw this option as the only one able to “conciliate the differing opinions on the *exclusif* and freedom of trade to India,” and he presented it to the Council for adoption.⁹⁸

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Even after the Seven Years’ War and the American Revolution, French intellectuals and administrators were still actively thinking through the possibility of French imperial resurgence in India, around which had developed the mythology of a lost empire. *Revanchistes* believed that France could recover the glory of that empire, through a purportedly Enlightened, humanitarian conquest – the mission of *la liberté de l’Inde* – that promised to emancipate Indian subjects from European rule altogether. The persistence of this ‘humanitarian’ rhetoric has

⁹⁵ ANOM, C² 110, “Tableau de l’activité des Nations modernes[...]” undated (f° 113).

⁹⁶ ANOM, C² 110, untitled by D’Esmondant, 17 July 1781 (f° 182).

⁹⁷ AE Courneuve, 8MD/5, untitled, 1784 (f° 115); also see ANOM, C² 109, untitled (f° 172-179).

⁹⁸ ANOM, C² 113, “Observations sur une proposition faite par le commerce à l’Inde,” 1784 (f° 58): “qui puisse concilier les différentes opinions sur l’exclusif et la liberté du commerce de l’Inde.”

prompted some scholars to question the seriousness of French imperial ambitions in India after the Seven Years' War, due to a rather uncritical acceptance of this altruistic language.⁹⁹ When examined in comparative perspective, however, these invocations recall the manner in which European imperial conquest had often been justified under the cloak of just war rhetoric, such as by the Dutch and British East India Companies in the seventeenth-century, who had claimed the right to wage just wars in 'defense' of their Asian allies against incursions by other European powers. Claims of this nature often masked or anticipated attempts to undermine the sovereignty of the princes being 'defended,' and given the importance of natural rights thinking to French Enlightenment thought, it is unsurprising to see this language deployed *outré-mer* in a harbinger of France's later, republican *mission civilisatrice*.¹⁰⁰ Such claims aimed to justify imperial conquest *tout court* in the name of glory, not humanity. It is thus unsurprising to find that the principal ministerial advocates of this *revanchiste* policy – the duc de Choiseul and the *maréchal* de Castries – hailed from the traditional, *noblesse d'épée*.¹⁰¹ They appealed to a vision of French martial glory that, in the past, some *revanchistes* argued, had been gravely misdirected. As the adventurer and diplomat Pallobot de Saint-Lubin put it, throughout history, minor squabbles over

⁹⁹ This is the reading offered in Das, *Myths and Realities*, chapter 2, and to a lesser extent, Ruggiu, "French Colonial Policy."

¹⁰⁰ For the origins of this natural rights language in Francisco de Vitoria's writings on the New World, see Brian Tierney, *The Idea of Natural Rights: Studies on Natural Rights, Natural Law and Church Law, 1150-1625* (Atlanta: Scholar's Press, 1997), 271. For the alienation of sovereignty, see Edward Keene, *Beyond the Anarchical Society: Grotius, Colonialism and Order in World Politics* (Cambridge: Cambridge UP, 2002). For this practice by the Dutch, see Martine Julia van Ittersum, *Profit and Principle: Hugo Grotius, Natural Rights Theories and the Rise of Dutch Power in the East Indies (1595-1615)* (Leiden: Brill, 2006), 50-51, and Clulow, "Art of Claiming." For the British, see Stern, *Company-State*, 70, 192, and Chatterjee, *Black Hole of Empire*, chapter 2. For natural rights in the French Enlightenment, see Edelstein, *Terror of Natural Right*. For antecedents of the *mission civilisatrice*, see Massimiliano Vaghi, *La France et l'Inde: commerces et politique impériale au XVIIIe siècle* (Paris: Mimesis, 2016), 115; Anthony Strugnell, "Diderot's anti-colonialism: a problematic notion," in *New Essays on Diderot*, ed. James Fowler (New York: Cambridge UP, 2011); Strugnell, "View from afar." Both Strugnell essays strongly undercut the account of Diderot as an enlightened cosmopolitan offered in Muthu, *Enlightenment against Empire*, ch. 3.

¹⁰¹ Price, *Preserving the Monarchy*, 73.

“a small border town in Flanders, Germany, [or] Italy...[had] lit Europe ablaze,” while France remained in a “shameful and dangerous lethargy” as Britain built an Asian empire.¹⁰² If France could only awaken from this slumber, he argued, it too could muster the resources and the alliances to do the same.

These views, by definition, privileged military intervention over commerce. In fact, as the *revanchistes* shared the same basic assumptions about the pernicious nature of the Indies trade as did most economic theorists of the period, they viewed the so-called *liberté de l’Inde* as the necessary precondition of any truly fruitful, reciprocal exchange between France and India. Jean-Daniel Dumas, the Governor-General of the Mascarenes, put it in 1775, to create a new *Compagnie des Indes* without having first won a major offensive war against the British in the Indian Ocean, would be to send “a dwarf [into battle with] a giant.”¹⁰³ But creating a ‘giant’ of France’s own was no solution either. The *revanchistes* also shared the view that the irredeemable failures of the Law Company owed to the inherent incompatibility of its sovereign and commercial identities, and they looked warily towards the British East India Company as a model to be avoided, not emulated. However, unlike the defenders of the ‘pen,’ who fretted about the power of war to ruin commerce, the *revanchistes* objected to the tendency of commerce to ruin war. Empire and sovereignty were the sacred mandates of the state: under no circumstances could the ‘pen’ be allowed to command the ‘sword.’ Yet, the *revanchistes* were aware that, in some sense, the pen and the sword were inevitably intertwined, and perhaps, if structured correctly, mutually reinforcing. If the sword could command the pen – if a small,

¹⁰² AE Courneuve, 7MD/18, “Mémoire Politique sur l’Indostan,” by Saint-Lubin, 1775 (f° 133): “une petite ville frontière en Flandre, en Allemagne, en Italie...mis l’Europe en feu,” “honteuse et dangereuse léthargie.” See also Pallobot de Saint-Lubin, *Mémoires historiques*, iii. The comte d’Adhémar invokes the same argument in AE Courneuve, 8CP/552, Adhémar to Vergennes, 26 February 1785.

¹⁰³ Clements Library, University of Michigan, Jean-Daniel Dumas, *Traité de la Défense et de la Conservation des Colonies, par M. Dumas, Maréchal des Camps*[...] (Unpublished manuscript, 1775): “un nain qui va combattre un géant.”

largely symbolic company could quietly and clandestinely serve as the ‘mask’ of French imperial ambitions until the time was right for the next war, so much the better. After *la liberté de l’Inde* was achieved, France could look forward to productive commercial relations with the freed Indian states, who would no doubt be as grateful and acquiescent to French commerce as most contemporary observers believed that the new American Republic would be.

As absurd as this counter-factual may seem now, contemporary evidence presses against excessive determinism as to the fate of French empire in India. Even after the peace of 1783, the French presence in the Indian Ocean continued to arouse a great deal of British concern.¹⁰⁴ The British ambassador to France, the Duke of Dorset, wrote that “too much jealousy cannot be entertain’d with regard to the East Indies,” as France was already seeking to reassert itself in Asia – in preparation for a future war – by negotiating with Egyptian princes and harboring “serious designs” of creating a colony there.¹⁰⁵ Other British observers well understood the strategic importance of the Mascarenes and of French designs on Madagascar, and they forcefully argued that more energy should be directed towards their conquest so as to eliminate the French threat permanently.¹⁰⁶ It was clear that the belligerent members of the *Conseil d’État* wished to stir up the specter of “the liberties and rights of mankind” in order to turn “the Native Powers of India” against Britain.¹⁰⁷ As the comte d’Adhémar had indicated, British opinion did genuinely fear the creation of a new *Compagnie des Indes* and what it might mean for French

¹⁰⁴ Furber, *John Company at Work*, 9; Richard Whatmore, *Against War and Empire: Geneva, Britain, and France in the Eighteenth Century* (New Haven: Yale UP, 2012), 204.

¹⁰⁵ National Archives, FO 27/12, Dorset to Carmarthen, 8 July 1784 (f° 137); Dorset to Carmarthen, 22 July 1784 (f° 176vo-177); FO 27/13, Dorset to Carmarthen, 25 November 1784 (f° 209-210vo); FO 27/16, Dorset to Carmarthen, 30 June 1785 (f° 400).

¹⁰⁶ CPL, EICMC (091.92 Su56d), “A Description of the Islands of Madagascar, Bourbon, and Mauritius[...]” by Timothy Sullivan, 13 October 1780.

¹⁰⁷ National Archives, FO 27/18, Hailes to Carmarthen, 7 September 1786 (f° 364).

ambitions in the East. Throughout the course of the negotiations initiated by Castries between the two Companies, members of the British Company's Court of Directors were well aware of the potential that all of those supposedly empty French ships sailing to Bengal to pick up their cargoes might be bringing "troops & stores" with them. The Court was skeptical of an arrangement that seemed, quite literally, too good to be true, and they assumed that it "must be a very great convenience to [French] political views" as a result.¹⁰⁸ It would grant the French not only a "solid & permanent trade" with Bengal, but also the advantages of "concealed, but dangerous powers, which may be turned against this country with great effect in the case of a war."¹⁰⁹ When the Company was founded in 1785, a miscommunication led one of the British envoys to Versailles to believe that its first ship was actually a converted warship. He frantically wrote his superiors that, if this practice should continue, the establishment of the Company undoubtedly "mark[ed] designs much more hostile than commercial."¹¹⁰

The scheme proposed by Bourdieu for the creation of the *Nouvelle Compagnie des Indes* might seem, on the exterior, as one motivated principally by the desire to establish peaceful, collaborative economic relations between France and Britain after nearly a century of almost uninterrupted warfare. But historians must be mindful to not necessarily attribute "superior views" of international collaboration and pacifism to "flatly profitable transactions."¹¹¹ At its outset, the plan had the support of the most militantly Anglophobic of French ministers who sought to use the new Company as a "mask" for eventual retaliation against Britain in India. This is not to say, however, that such pacifistic and "superior" views were not held by any

¹⁰⁸ National Archives, PRO 30/8/111, Baring to Pitt, 9 October 1785 (f° 261-264).

¹⁰⁹ National Archives, PRO 30/8/361, "Mr. Baring's thoughts on the French proposal," undated (f° 38-40vo).

¹¹⁰ National Archives, FO 27/17, Hailes to Carmarthen, 4 August 1785 (f° 113vo). He was referring to the *Dauphin*.

¹¹¹ Lüthy, *Banque Protestante*, v.2, 598: "vues supérieures...transactions placement lucratives."

French administrators in the period. Some of Castries' most prominent contemporaries and ministerial rivals had an entirely different view of geopolitics and political economy that evinced a deep commitment to cultivating a lasting peace between France and Britain, in both Europe and Asia. For that reason, when they got wind of his scheme to establish a new *Compagnie des Indes* under his own auspices, they devoted themselves relentlessly to putting a stop to it.

Chapter 3

The Formation of the *Nouvelle Compagnie des Indes*

When the *Nouvelle Compagnie des Indes* was created by the royal *arrêt* of April 14, 1785, it bore virtually no resemblance to the vision held by the maréchal de Castries and his supporters. Where Castries and Conway had imagined a company that would serve as a vehicle for the Navy, quietly setting the financial and logistical groundwork for an eventual resumption of hostilities with Britain in the Indian Ocean, the *Nouvelle Compagnie* was removed from the Naval department's purview entirely and placed under the strictly commercial auspices of the Finance ministry, or *Contrôle-Général*. By 1785, all could agree that a company exercising sovereignty over France's Asian dominions was a disastrous idea in practice, but the extent of the Company's monopoly prerogatives remained in debate. Having been conceived as a small company with a limited privilege, the *Nouvelle Compagnie* was instead granted a monopoly over the entirety of the Indian Ocean arena, from the Red Sea to Japan, which threatened severe economic consequences for the inhabitants of the strategically important Mascarene Islands. Moreover, the Company was now tax-exempt, severing the Navy and its Indian *comptoirs* from a critical source of funding. In other words, its very institution was systematically designed to undercut the views of those who sought to reassert French military power in Asia.

The *Nouvelle Compagnie des Indes* became a battleground between two differing views of France's colonial future in India, and by proxy, of the political economy of the Franco-British relationship after the American Revolutionary war.¹ Each of these sides understood the Company's worth as both a political symbol and a practical tool, and they accordingly sought to shape it to their own ends. While Castries pressed and prepared for war, his rival in the Foreign

¹ Of the existing historical accounts, only Tarrade, *Commerce colonial*, v.2, 676-677 recognizes the ideological divides between the three ministers – Castries, Vergennes, and Calonne – as crucial to the Company's formation.

Ministry, the comte de Vergennes, like many other administrators, regarded the creation of a new, ‘purely commercial’ Company as a forerunner for the establishment of lasting peace between Britain and France in the Indian Ocean. It was in this view that the *Nouvelle Compagnie* was eventually created by him and his loyal ally, and the ministerial figurehead of the Company, the Controller-General Charles-Alexandre de Calonne. Calonne has been traditionally seen as the – perhaps corrupt – mastermind of the project, and the Company is accordingly viewed as little more than a favor to financial elites, and this perception is not entirely unfounded. With Vergennes’ support, Calonne created a decidedly financial institution that both expressed a specific understanding of the role played by corporations in state finances and would serve only as a symbolic representation of French power in Asia. The Company’s incorporation as a ‘purely commercial,’ financial institution was a political act designed to establish France’s aims in Asia as peace and trade, not resurgence and *revanche*. These political imperatives and financial goals were mutually reinforcing. Although the Company had been nominally reconceived as a ‘purely commercial’ institution, it was inevitably a political beast.

The *Nouvelle Compagnie* represented only one pillar of this broader strategy to upend a century of hostilities between France and Britain. Under the influence of his economic advisor, the Physiocrat Pierre-Samuel Dupont, Vergennes adopted the view that economic collaboration, free trade, and reciprocity could ultimately foster political peace, and accordingly, he also sought the creation of a new commercial treaty between the two countries. These two objectives – the creation of the Company and the drafting of this treaty, now generally known as the Eden Treaty – sometimes also came into conflict with each other, as both offered different views of the scope of this economic ‘reciprocity’ and had profoundly different implications for other key policy objectives, such as the now generally recognized importance of developing domestic French

textile industries that could substitute goods from the East Indies.² Vergennes – and the finance ministers with whom he collaborated in succession – viewed the Company and the treaty as the two pillars of France’s postwar economic order, representing a hybrid between ‘mercantilist’ and ‘*laissez-faire*’ ideas, practices, and institutions. Together, they were intended to establish France’s international ascendancy and credit after 1783 through the establishment of flourishing trade – a requirement that would prove notoriously difficult to satisfy.

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Charles Gravier, comte de Vergennes acceded to the post of minister of Foreign Affairs in 1774. Hailing from a family of the *noblesse de robe*, he had long been in diplomatic service as France’s envoy to the Ottoman Empire. On his ascension to the post, he became one of the principal advocates of French intervention in the American Revolutionary war, arguing that it represented an opportunity for France to undo the disgraceful legacy of the Seven Years’ War. In his view, its conclusion represented an “honorable peace” that reversed the “stain” of 1763, meaning that French officials could now finally put an end to the cycle of interminable Franco-British hostilities.³ As he explained to his protégé and *premier commis*, Mathias-Joseph Gérard de Rayneval, he did not share the “old prejudice” that there were “natural incompatibilities” between the French and the British, and accordingly, all of his efforts would be aimed at lasting conciliation.⁴ The existing peace was undeniably precarious and could only be assured with

² S.D. Chapman and S. Chassagne, *European Textile Printers in the Eighteenth Century: A Study of Peel and Oberkampf* (London: Heinemann, 1981), 105: “the important point is that in the middle of the eighteenth century the central administration was unsure of its basic policy.”

³ Louis-Philippe, comte de Ségur, *Politique de tous les cabinets de l’Europe, pendant les règnes de Louis XV et de Louis XVI[...]* (Paris: F. Buisson, 1802), v.3, 202-203: “paix honorable...tache”; Das, *Myths and Realities*, 10, 64.

⁴ AE Courneuve, 8CP/540, Vergennes to Rayneval, 1 February 1783 (f° 319v^o): “vieux préjugé...incompatibilités naturelles.” Vergennes’ views as to Britain after 1783 are often still misrepresented as innately militaristic, for instance Thierry Claeys, *Les institutions financières en France au XVIIIe siècle* (Paris: SPM, 2012), v.1, 886; Pierre

active engagement towards improving relations between the two countries and securing the balance of power in Europe. France, as Vergennes explained to Louis XVI, was a wealthy, strong country that should eschew aggression and conquest in the name of “maintaining public order...[and] the equilibrium of Europe.” Henceforth, Vergennes asserted, France would act as the “arbiter” of Europe, defending small, threatened states against larger powers.⁵

In a certain sense, his views mirrored those of the *revanchistes*: they both viewed a role for France where its power, in India and Europe, came from its advocacy of local sovereignties. However, as to India, that was where the similarities ended. While Vergennes had been a zealous prosecutor of the war in North America, he seriously questioned Castries’ obsessive commitment to the preservation and expansion of French power in India, and he sought to put a definitive end to his counterpart’s futile “politics of *revanche*.”⁶ In the final months of the American Revolutionary War, Vergennes relentlessly pressed to keep naval resources deployed in the Atlantic theatre rather than the Indian Ocean.⁷ When Rayneval and Vergennes began peace negotiations with Britain, although they publicly argued that victory allowed them to recover France’s losses of 1763, in private, Vergennes’ greatest worry was that “paltry” Indian territorial concessions would elicit Naval complaints.⁸ When it became apparent that the British

Pluchon, *Histoire de la Colonisation française* (Paris: Fayard, 1991), v.1, 750-752; Gérard Le Bouëdec, *Activités maritimes et sociétés littorales de l’Europe atlantique: 1690-1790* (Paris: Armand Colin, 1997), 117.

⁵ Ségur, *Politique*, v.3, 201, 215 (“Mémoire de M. de Vergennes à Louis XVI,” 29 March 1784: “maintien de l’ordre public...[et] l’équilibre de l’Europe,” “l’arbitre”). This interpretation comes from Murphy, *Vergennes*, 456, and Whatmore, *Against War and Empire*, 147-48.

⁶ Tarrade, *Commerce colonial*, v.2, 689: “politique de revanche.”

⁷ Curiously, the duc de Choiseul agreed with this assessment, as by 1778, he no longer considered Asia as worthy of serious political concern for France: “Plan de campagne contre l’Angleterre[...],” in Étienne-François, duc de Choiseul, *Mémoires du Duc de Choiseul, 1719-1785* (Paris: Plon, 1904), 429, 433.

⁸ AE Courneuve, 8CP/539, “Observations sur les Indes Orientales par rapport aux conditions du traité de paix,” November 1782 (f° 81-83). For a plan for obtaining increased territorial revenues near Pondicherry, see *ibid.*,

would offer nothing more than the restoration of the *status quo ante* in Asia, Vergennes abandoned France's own claims and deferred to his self-appointed role as an arbiter, demanding the return of the port of Trinquemalay to the Dutch in the name of justice for "all European trading nations."⁹ This advocacy was not a courtesy extended to France's Indian allies. As Vergennes hoped to establish a mutual non-intervention policy with the British as to internal Indian affairs, he diplomatically abandoned Tipu Sultan of Mysore.¹⁰

Vergennes' hostility to the Navy's Indian pursuits stemmed largely from a blunt recognition of the debilitating financial cost of continued war. Historians have often failed to recognize the extent to which the French war and naval ministries effectively managed their own financial affairs, with no form of central oversight until long after the expenses came due.¹¹ This problem became critical during the tenure of Jacques Necker's successor, Jean-François Joly de Fleury, when all of the bills drawn by Castries' Navy during the American war – often with Necker's backing – came due, and the necessity of securing new sources of revenue was imperative.¹² In concert with Joly de Fleury, in 1783 Vergennes created and subsequently presided over a *conseil des finances* intended to centralize the management and restructuring of France's substantial deficit. They were supported in this endeavor by Pierre-Samuel Dupont, now an economic advisor in the Foreign ministry. Through the *conseil des finances*, Dupont and

"Idées sur le rétablissement de nos colonies dans l'Inde[...]," November 1782 (f° 79-80). AE Courneuve, 8CP/539, Vergennes to Rayneval, 22 December 1782 (f° 282vo): "ne soit pas trop mesquin."

⁹ AE Courneuve, 8CP/539, Vergennes to Rayneval, 24 December 1782 (f° 294-300): "toute l'Europe commerçante aux Indes."

¹⁰ AE Courneuve, 8CP/539, "Projet d'Article sur les Indes Orientales," 18 December 1782 (f° 261); 8CP/540, Vergennes to Rayneval, 6 January 1783 (f° 65-74).

¹¹ Rowlands, *Financial Decline*, 35, 198.

¹² See BnF, Joly de Fleury 1432 (f° 108-111vo), 1439 (f° 209-209vo), 1440 (f° 122-132vo), 1441 (f° 126-127).

Joly de Fleury worked on schemes to increase French tax revenue that were highly similar to those that would be presented in the 1787 Assembly of Notables.¹³ For Vergennes, it was imperative to find methods of peacefully containing British power – both political and economic – as the military ones so desired by Castries and his partisans were financially unsustainable.

Under Dupont's Physiocratic influence, this prompted a reconsideration of the relationship between diplomacy and economic policy, specifically, how commerce could be used to promote French interests in a peaceful way, especially in India.¹⁴ The Foreign Ministry had a vision of French involvement in India that was diametrically opposed to Castries', who saw India as a venue for military action, but commercially insignificant. For Vergennes, trade was the sole advantageous reason for France to remain engaged in the East Indies, and as long as it was "done freely and tranquilly, nothing remain[ed] to be desired."¹⁵ This view was enshrined in Article 13 of the 1783 peace treaty, which restored possession of France's Indian *comptoirs* and promised the French "a safe, free and independent Trade...whether they exercise it individually, or united in a Company" in all parts of India, including British-controlled Bengal.¹⁶ These commercial opportunities would undoubtedly grow as a result of the war. As Georges Gougenot de Croissy wrote in 1780, a victory offered the chance to peacefully "consolidate and expand our trade" in Asia – partly as a result of opening new markets in the independent United States of America, who would presumably become customers for East Indian goods once furnished by the mother

¹³ Hardman, *Overture to Revolution*, 10.

¹⁴ Murphy, *Vergennes*, 454; Price, *Preserving the Monarchy*, ch. 3; Nussbaum, "New East India Company," 480.

¹⁵ AE Courneuve, 8CP/539, "Pour juger avec connoissance[...]," by Rayneval, December 1782 (f° 392-394): "se fait librement et tranquillement, il ne nous reste rien à desirer."

¹⁶ *The definitive treaty of peace and friendship, between His Britannick Majesty, and the most Christian king: signed at Versailles, the 3d. of September, 1783* (London: Harrison and Brooke, 1783), 13.

country.¹⁷ As such, in early 1782, at the start of the peace negotiations with Britain, Joly de Fleury and Vergennes produced a series of memoranda, outlining a plan by which France and its people could “enjoy the advantages of the peace.” Their top two administrative goals were the drafting of a new commercial treaty with Britain and the formation of a *compagnie des Indes*.¹⁸

The Foreign Ministry’s views on forming a company were grounded in the idea that a trading association alone was commensurate with the economic and diplomatic imperatives of French participation in the East Indies trade. In his writings, Rayneval perpetually evoked the idea that the post-1769 free trade regime had been seriously “disadvantageous,” to merchants and to the nation, and that the political and cultural complexities of the Indies trade necessitated the “joining of interests, an *intelligence unanime*.” Now, after France’s unqualified victory in the American Revolutionary war, one could hope for the full reestablishment of France’s trade – and reputation – in the East Indies. This prospect offered “a powerful motive for the reestablishment of the *Compagnie des Indes*.”¹⁹ Like many administrators before him, Rayneval argued that a Company, unlike the uncoordinated – and supposedly unprofitable – operations of privateers, was essential to the projection of French power and grandeur in the Indian Ocean. However, this

¹⁷ ANOM, C² 110, “Précis sur l’Etat actuel des Etablissements de la France aux grandes Indes[...],” Georges Gougenot, 1780 (f^o 135): “consolider et accroître notre commerce.” For the United States, ANOM, C² 110, “Mémoire,” 25 January 1783 (f^o 215-217vo). For an intellectual history of this moment of commercial optimism and its subsequent disappointments, see Cheney, “False Dawn for Enlightenment Cosmopolitanism.” Some American merchants were instead interested in forming an East India Company of their own, see James R. Fichter, *So Great a Profit: How the East Indies Trade Transformed Anglo-American Capitalism* (Cambridge, MA: Harvard UP, 2010), 39-45.

¹⁸ BnF, Joly de Fleury 1442, untitled (f^o 18): “goutter les avantages de la paix”; “Objets importants[...],” (f^o 35vo). Joly de Fleury consulted with Isaac Panchaud, banker and former shareholder of the Law Company, see AE Courneuve, 8MD/7, “Réflexions générales sur les Possessions et le Commerce[...],” by Panchaud, 8 February 1783 (f^o 417); Joly de Fleury to Vergennes, 12 February 1783 (f^o 424-428).

¹⁹ ANOM, C² 110, “Mémoire,” undated (post-1783) (f^o 256vo, 247-247vo): “desavantageux....une réunion d’interêts, une intelligence unanime”; “le rétablissement entier de notre consideration et de notre commerce dans cette partie du monde. Cette circonstance heureuse doit être un motif puissant pour le rétablissement de la Compagnie des Indes.” Though unsigned, I attribute authorship of this document to Rayneval, as the arguments are nearly identical to his signed writings in AE Courneuve, 8MD/5 (f^o 152-169vo).

influence would be asserted through commerce, not belligerence – a tension that might become apparent should the Company be controlled by Castries' Navy. This emphasis on peace and commerce unsurprisingly brought Vergennes into contention with his own subordinates, especially his belligerent ambassador to Britain, the comte d'Adhémar, who he accused of attempting to incite “a war of jealousy and ambition” and with whom he struggled to enforce his “peaceful principles.”²⁰

It is only at this point that the person most lastingly associated with the creation of the *Nouvelle Compagnie des Indes* entered the stage. In November 1783, Charles-Alexandre de Calonne, the former *Intendant* of Flanders, ascended to the post of Controller-General of Finances. Calonne is not a neutral figure in the history of the last years of the *ancien régime*. As it was with his contemporaries, among historians, Calonne has continued to have champions and bitter enemies. His predecessor and eventual rival, Necker, largely enjoyed a favorable reputation in the public eye, whereas Calonne was accused of stupidity and laxity, both financial and moral, and was a universal target of derision and condemnation during and after his ministry.²¹ This owed in large part to the perception at the time – patiently stoked by Necker, determined to defend the dubious figures in his 1781 *Compte Rendu au Roi* – that the deficit announced in 1787 was entirely of Calonne's making. While historians now largely recognize

²⁰ AE Courneuve, 8CP/551, Vergennes to Adhémar, 13 March 1785 (f° 79vo): “une guerre de jalousie et d'ambition”; 8CP/556, Adhémar to Vergennes, 10 May 1786 (f° 146vo): “principes pacifiques.” Other such reprimands are found in 8CP/548, Vergennes to Adhémar, 4 April 1784 (f° 185vo-186), 17 April 1784 (f° 264vo), 24 April 1784 (f° 286vo), 8 May 1784 (f° 337).

²¹ While Necker was also the target of scrutiny, readers of the *Compte Rendu* adored him, see Léonard Burnand, *Necker et l'opinion publique* (Paris: Honoré Champion, 2004). Jacques Necker, *Histoire de la Révolution Française, depuis l'Assemblée des Notables, jusques et y compris la journée du 13 vendémiaire an IV (18 octobre 1795)* (Paris: Librairie Historique, 1821), v.1, 29 wrote that Calonne's moral and financial profligacy “était en contraste avec la moralité de Louis XVI.” The abbé Morellet wrote that that France had been thrown into the abyss by “l'imprudence et l'incroyable legereté de mr. de Calonne,” see *Lettres d'André Morellet* (Oxford: Voltaire Foundation, 1991-1996), v.2, 83, 98. For post-ministerial attacks on Calonne, see Jean-Clément Martin, *Violence et Révolution: essai sur la naissance d'un mythe national* (Paris: Seuil, 2006), 55; Vivian R. Gruder, *The Notables and the Nation: the Political Schooling of the French, 1787-1788* (Cambridge, MA: Harvard UP, 2007), 182-183, 226.

that this deficit was long-term, many retain similar views of Calonne's character.²² His lasting reputation, not altogether uncharitably, has been one of admiration for his economic "clairvoyance" tempered with disdain for his sponsorship of "court capitalism," an association seemingly proven by his creation and patronage of the *Nouvelle Compagnie des Indes*.²³

His responsibility for the deficit seemed wholly believable at the time, because his ministry operated on a policy of aggressive spending, which took two distinct forms. Calonne came to power with the strong support of traditional *financiers*, the General Farm, and courtly elites, and he paid to keep those allies close, leading one British observer to remark that "no man was ever more systematical in his corruption."²⁴ At the same time, Calonne invested in the creation of public works and institutions, including domestic industry and manufacturing, and the massive building projects such as those at the ports of Cherbourg and Dunkirk.²⁵ As one historian has argued, this policy was founded on "*spending* as if the finances were never in a better state," in order to foster the appearance of growth and encourage confidence and

²² Philip T. Hoffman and Jean-Laurent Rosenthal, "New Work in French Economic History," *French Historical Studies* 23, no. 3 (2000) largely confirms Calonne's assessment that the most serious financial issue facing the monarchy in the last years of the Old Regime was its inability to tax. For the politics of the *Compte Rendu*, see Joël Félix, "The problem with Necker's *Compte rendu au roi* (1781)," in *The Crisis of the Absolute Monarchy: France from Old Regime to Revolution*, ed. Julian Swann and Joël Félix (Oxford: Oxford UP, 2013). The dispute over Calonne's reputation has been unsurprisingly a primarily French one, with notable opponents of Calonne being Henri de Jouvencel, *Le Contrôleur Général des Finances sous l'Ancien Régime* (Paris: Larose, 1901), 42, and to a lesser extent, the far more famous Lüthy, *Banque Protestante*, v.2, 686-711. These have been denounced by the thorough, but highly bizarre Olga Ilovaïsky, *La disgrâce de Calonne, 8 avril 1787: vers l'abrogation des exemptions de charges fiscales* (Paris: Comité pour l'histoire économique et financière de la France, 2008), 12 for having perpetuated "le classique portrait de dilapidateur aventureux et sans scruples." Favorable (and more erudite) accounts include G. Susane, *La tactique financière de Calonne* (Paris: Rousseau, 1901) and Robert Lacour-Gayet, *Calonne: financier, réformateur, contre-révolutionnaire, 1734-1802* (Paris: Hachette, 1963).

²³ René Stourm, *Les Finances de l'Ancien Régime et de la Révolution* (Paris: Guillaumin, 1885), v.2, 235; Boshier, *French Finances*, ch. 9; Shovlin, *Political Economy of Virtue*, 156. Claey's, *Institutions financières*, v.1, 864 follows in this vein, arguing that Calonne's skills were a mix of "clairvoyance et inconscience."

²⁴ National Archives, FO 27/18, Hailes to Carmarthen, 25 October 1786 (f° 402vo).

²⁵ Wilma Pugh, "Calonne's New Deal," *Journal of Modern History* 11 (1939), 299-302; Lacour-Gayet, *Calonne*, ch. 8.

investment.²⁶ This predisposition for spending in the name of confidence has led some to anachronistically claim that he was something of a Keynesian *avant la lettre*, yet Calonne's aggressive policy of deficit spending fits in the context of an Old Regime political economy grounded in the *grandeur* of the state and of the King personally.²⁷ Calonne's political views certainly tended in this direction. He shared with his soon-to-be ministerial ally Vergennes a hostility to the whims of public opinion and a strong commitment to preserving the absolute monarchy by privileging top-down "administrative and economic changes" over political ones, sympathies that were further shared with their advisor, Dupont.²⁸ These tendencies later blossomed into a career as a counterrevolutionary ideologue, but at the time, Calonne's economic *mise en scène* was a way to encourage investor confidence – in the state and the market – by projecting an image of wealth and grandeur, so as "to captivate the public, and give éclat to his administration."²⁹

The reincorporation of the *Compagnie des Indes* was not Calonne's idea alone, but he shaped it according to his own financial views, articulating a specific understanding of the relationship between corporations and the state. Like Rayneval and others, he lamented the

²⁶ Susane, *Tactique financière*, 180: "dépenser comme si vraiment jamais les finances n'avaient été en meilleur état."

²⁷ For critical analyses of the depiction of Calonne as a "proto-Keynesian," see Claeys, *Institutions financières*, v.1, 861-862 and Lüthy, *Banque Protestante*, v.2, 687-688. The most famous example of this tendency is the aptly titled Pugh, "Calonne's New Deal." On legitimating role of *grandeur* in the Old Regime, see Peter Burke, *The Fabrication of Louis XIV* (New Haven: Yale UP, 1992) and the essays in Joël Cornette, ed. *La Monarchie entre Renaissance et Révolution, 1515-1792* (Paris: Seuil, 2000).

²⁸ Gruder, *Notables*, 35. Price, *Preserving the Monarchy*, 132 explains the absolutist political affinities between Vergennes and Calonne. Dupont and the Physiocrats were unabashed proponents of enlightened despotism, see Hont, *Jealousy of Trade*, 471-72; Edelstein, *Terror of Natural Right*, 105-06. For Calonne's hostile views of public opinion, see his writings in AN, 297 AP 3 (Papiers Calonne), "Revolution inconcevable arrivée en France[...]" (dossier 131); "De l'opinion publique" (dossier 132).

²⁹ Murphy, *Vergennes*, 402. The authoritative account of Calonne's counterrevolutionary career is found in Lacour-Gayet, *Calonne*. National Archives, FO 27/17, Hailes to Carmarthen, 4 August 1785 (f° 113).

supposedly unprofitable nature of privateer trade since 1769, and he sought to create a company that would be “strong enough to compete with England’s.”³⁰ He did not mean ‘compete’ in an imperial sense, but a financial one: a company with a large market capitalization and a monopoly over the entire Indian Ocean would be a boon to investors, both domestic and foreign. Since John Law, the institution of the *Compagnie des Indes* had strong links to state finance, but Calonne embraced this at a new level. In order to fund France’s deficit, he constantly created “quid pro quo” opportunities for potential state creditors, allowing them to offset the losses incurred by loaning to the state through investment in semi-private companies.³¹ While in office, he enacted this “politics of exclusive privileges” by saving the failing *Caisse d’Escompte* and establishing insurance companies and the Paris water company, or *Compagnie des Eaux*. When the *Nouvelle Compagnie des Indes* was formed, almost half of its shares were reserved for purchase by bankers.³² By this logic, Calonne’s companies strongly resembled venal offices or *engagements*, by which state creditors were granted certain rights – here, the exercise of a monopoly – in exchange for money.³³ In Calonne’s hands, the *Nouvelle Compagnie des Indes* became a bank in the guise of a merchant.

³⁰ ANOM, 8AQ 326, Calonne to Boullongne, 22 March 1784; C² 113, “Notes des opinions[...],” by Castries (f^o 270vo): “assez forte pour se mesurer avec celle d’Angleterre.”

³¹ Horn, *Privilege of Liberty*, 127. See also Claeys, *Institutions financières*, v.1, 876-881; Isaac Panchaud, *Réflexions sur l’état actuel du crédit public de l’Angleterre et de la France* (S.l.: s.n., 1781), 45. Regarding the investment objectives of the Company, see National Archives, PRO PC/1/123, dossier 82, “Rapport fait au Conseil d’état par M. de Calonne, le 21 septembre 1786.” The Company was incorporated in conjunction with foreign efforts to procure foreign investment via the *emprunt de Flandres* of 1784, see Nussbaum, “New East India Company,” 484, AN, T 38 (1-2), “Mémoire,” 6 October 1791 (pc 488); 297 AP 2, “Précis de la Correspondance entre Mr. De Calonne, Mr. De Walckiers[...],” 15 March 1786 (dossier 230).

³² Tarrade, *Commerce colonial*, v.2, 674: “la politique des privilèges exclusifs.” ANOM, 8AQ 8, deliberation of 19 April 1785.

³³ For the uses of venal offices and *engagements*, see Blaufarb, *Great Demarcation*, 150-51. For Calonne’s sale of venal offices for similar purposes, see David Bien, *Interpreting the ancien régime*, eds. Rafe Blaufarb, Michael S. Christofferson, and Darrin M. McMahon (Oxford: Voltaire Foundation, 2014), ch. 5; Clive H. Church, *Revolution and Red Tape: The French Ministerial Bureaucracy, 1770-1850* (Oxford: Clarendon Press, 1981), 44.

The financial uses of such an institution gave Calonne strong reasons to join Vergennes in stopping Castries from forming a *Compagnie des Indes* without him. In early 1784, the two ministers became aware of Castries' efforts to create a trading company for Bengal associated with the British Company, and they resolved to put an end to this Navy-directed scheme.³⁴ Accordingly, when Castries presented his plan to the Council, Vergennes and Calonne vetoed it on the grounds that any arrangement where the French purchased from the British "would establish our dependence on the English in the eyes of the European powers and the Princes of India."³⁵ Almost immediately afterwards, Calonne met personally in Paris with the scheme's mastermind, James Bourdieu, and reinitiated the negotiations between the two companies under his own auspices. The new French Company would be removed from the Naval department and placed under the auspices of the *Contrôle-Général*, with the aim of preventing militaristic meddling in its affairs.³⁶ Bourdieu convinced Calonne that, although he had hoped to create a large and independent company, a contract between the British and French – exclusively for Bengal – stood to be highly lucrative, and both Calonne and Vergennes agreed that the negotiations with the British could, for the moment, continue.³⁷

³⁴ AE Courneuve, 8CP/549, Calonne to Vergennes, 30 July 1784 (f° 250). The accounts given in Nussbaum, "New East India Company," 484-85, and Charles Walton, "The Fall from Eden: The Free-Trade Origins of the French Revolution," in *The French Revolution in Global Perspective*, ed. Suzanne Desan, Lynn Hunt, and William Max Nelson (Ithaca: Cornell UP, 2013), 47 are thus mistaken as to the timing and responsibility for the original plan.

³⁵ ANOM, C² 113, "Notes des opinions que j'ai eû lorsqu'il a été question dans le Conseil de reprendre le Commerce de l'Inde," by Castries, undated (f° 269-269vo): "constateroit notre dépendance des anglois aux yeux des Puissances de l'Europe et des Princes de l'Inde."

³⁶ AN, T 38 (Papiers Huber) 1-2, "Exposé des services[...]" (pc 548).

³⁷ CPL, EICMC (091.92 Ea77p85) Bourdieu Chollet to Court of Directors, 13 August 1784; "Extract of a Memorial presented to M. de Calonne, the Contrôleur General of France[...]" Calonne to Bourdieu Chollet, 26 April 1784. Vergennes' awareness of the negotiations between Calonne and Bourdieu are discussed in AN, T 38 (Papiers Huber) 1-2, "Exposé des services[...]" (pc 548).

Vergennes' advisor Dupont unsurprisingly had strong opinions on this idea of forming a new *Compagnie des Indes* endowed with such a vast monopoly. As a Physiocrat, Dupont was hostile to the idea of a traditional, monopoly company, but he agreed that, since the pernicious Indies trade was “by its nature, the most disadvantageous that our nation can undertake,” some sort of state control was needed. Accordingly, he presented Vergennes with an alternative arrangement. He revived the abbé Baudeau's idea for a “messenger company” that would operate out of royal ships, selling its freight cheaply to privateers, even if endowed with a formal privilege. Whereas a traditional monopoly company would seek to increase its revenues by undersupplying the market, a “messenger” company would have incentives to cooperate and encourage independent traders. His plan thus reconciled “the existence of a Company and the freedom of trade.” Dupont believed that, as the trade provided no profitable, reciprocal exchange of French products, “the manner of exercising the Indies trade...should not be decided on principles of Commerce...[but] on principles of politics.”³⁸ As this ‘messenger company’ would use ships of the line to carry commercial freight, this would bring warships to the Indian Ocean that could be quickly armed in case of battle.³⁹ His view was thus surprisingly similar to those of his naval counterparts, like the comte de Conway, who regarded commerce as only a façade for rearmament. Perhaps for this reason, Vergennes ignored Dupont's view entirely.

³⁸ AE Courneuve, 8MD/11, “Recherches sur la nature de la Commerce de l'Inde et sur la meilleure forme que le Gouvernement de France y puisse donner[...],” by Dupont (f° 7-14): “par sa nature le plus desavantageux que puisse faire notre nation” (7), “l'existence d'une Compagnie et la liberté du Commerce” (13), “la maniere d'exercer le Commerce de l'Inde...ne doit pas se décider par les principes du Commerce...[mais] des principes de politique” (8vo).

³⁹ AE Courneuve, 8MD/5, Dupont to Vergennes, 29 December 1784 (f° 121-121vo); “Précis sur les differens Projets de Compagnie des Indes,” by Dupont (f° 122-126). Dupont subsequently deduced that Castries would be a more likely advocate for such a plan, and he approached him instead: Hagley, Winterthur Group 2, Series B, Box 24, W 2-4655, draft of a letter by Castries in Dupont's hand, 1784; ANOM, C² 113, Dupont to Castries, 27 December 1784 (f° 84) and appended *mémoire* “Examen des difficultés que peut rencontrer l'exécution[...]

Castries was now livid at what Vergennes and Calonne were doing. Whether sovereign or not, it was well established that a trading company would inevitably interfere with military aims in the Indian Ocean, unless the Navy could control it for its own purposes. This could not happen if the new *Compagnie des Indes* was under the Finance Ministry, and he angrily insisted that the rights of his own department were being abused.⁴⁰ If Calonne had his way, the directorate of the new company would likely be composed entirely of financiers and bankers, not merchants, the same vice “that destroyed the old one.”⁴¹ Castries faced no other choice than to denounce the credibility of both Calonne and Bourdieu to Louis XVI himself. He privately sent the king a letter – supposedly from a friend in London – that branded Bourdieu a willing pawn of the British, who hoped to see “a dishonorable company” formed as their puppet across the Channel. Moreover, the British Court of Directors not only saw Calonne as “new and Raw on the Indian affairs,” but also wondered openly “can we buy him” with a bribe of £200,000 in exchange for a contract between the two companies, favoring their own.⁴²

In spite of these accusations, Calonne’s plans continued apace, with the support of both Vergennes and Louis XVI. The Company remained in the finance department, with Jean-Nicolas de Boullongne, the son of a former controller-general, appointed as the royal *commissaire* who would review their ledgers.⁴³ However, for an institution whose purpose was

⁴⁰ ANOM, C² 113, Castries to Louis XVI (draft), 29 August 1784 (f^o 109-109vo), “Mémoire sur la forme établie en 1769[...]” (f^o 254-256vo). See also Tarrade, “Maréchal de Castries,” 45.

⁴¹ ANOM, C² 110, note by Castries, undated (f^o 226-226vo): “qui a fait perir l’ancienne.”

⁴² ANOM, C² 113, Castries to Louis XVI (draft), 29 August 1784 (f^o 109-109vo); “Copie de la lettre du Sr. Mxxxrier,” 20 August 1784 (f^o 104-105vo): “une compagnie deshonorante...peut-on l’acheter[sic].” This denunciation, and the subsequent rupture between Castries and Calonne, is discussed in Tarrade, *Commerce colonial*, v.2, 679-680.

⁴³ Yves Durand, *Les Fermiers Généraux au XVIIIe siècle* (Paris: Presses universitaires de France, 1971), 84-85 misidentifies the Company’s *commissaire* as the *Fermier-Général* Jean-Baptiste-Tavernier de Boulongne de

so decidedly financial, care was unquestionably taken to ensure that a majority of the directors of the *Nouvelle Compagnie* indeed hailed (at least partially) from mercantile backgrounds rather than from Parisian finance alone. Whatever might be said of Calonne's broader intentions in forming the Company, he did not view its directorial positions as personal sinecures: most of the directors had been selected by either Castries or Vergennes. In February 1785, the merchants assembled by Castries, Jacques-Alexandre Gourlade, Augustin Périer, and Pierre Bernier were linked with two brothers, Jean-Jacques and Thomas-Simon Bérard, in a project to send a ship, the *Dauphin*, to China.⁴⁴ Alongside Gourlade's long-time allies, Guillaume Sabatier and Pierre Desprez (whose bank occupied one seat), these six formed the core of the Company's twelve-person directorship. Of them, the Bérard brothers arguably became the most influential, to the point that it was generally assumed thereafter that Thomas-Simon was the Company's 'chairman,' even though no such title existed.⁴⁵ The Bérards were close allies of Vergennes, as Thomas-Simon participated in his and Dupont's attempt to disestablish the General Farm's tobacco monopoly.⁴⁶ Thomas-Simon shared Vergennes' diplomatic objectives and worldview and largely represented the minister's influence among the directors. Calonne had offered some

Magnanville, a cousin of Jean-Nicolas, who was guillotined in 1794. Jean-Nicolas died of natural causes in 1787 (as will be discussed in chapter 5).

⁴⁴ ANOM, C² 114, Castries to Calonne, 23 February 1785 (f° 6-7); 8AQ 2, arrêt of 20 May 1785.

⁴⁵ National Archives, FO 27/18, Dorset to Carmarthen, 19 January 1786 (f° 31), Hailes to Fraser, 16 March 1786 (f° 128): both Dorset and Hailes name Bérard as the "head of the French East India Company."

⁴⁶ The Bérards also held a major stake in the tobacco trade, and their role in the campaign against the Farm is discussed in Frederick L. Nussbaum, "American Tobacco and French Politics, 1783-1789," *Political Science Quarterly* 40, no. 4 (1925), and Price, *France and the Chesapeake*, v.2, 760-769. Documents from Vergennes' American commerce committee, of which Thomas-Simon became a member alongside Lafayette, Thomas Jefferson, and Dupont, are preserved in the Company's archives under ANOM, 8AQ 328.

of the positions to allies of Castries' – including several former directors of the Law Company – but this group unanimously resigned in the weeks before the Company's incorporation.⁴⁷

The protests owed to the fact that, as Calonne built the case for his New Company to investors, the prerogatives he granted it frequently operated at the explicit detriment of both the Law Company and the Navy itself. First, he decided that the privilege of the New Company would not be submitted for registration and approval by the Parlement of Paris. It was the view of the *Contrôle-Général* that, since the privilege of the Law Company had only been suspended in 1769, there was no need to register its reinstatement. Fearing that Parlement would scare off investors by opposing him in the name of the Law Company's shareholders and directors – still a legally constituted, if liquidating, corporation – Calonne decided only a royal *arrêt* was needed for the *Nouvelle Compagnie* to claim title to the privilege registered in 1664.⁴⁸ While there was a general consensus that the new Company should not exercise sovereignty in India, Calonne rather generously interpreted this to mean that the Company's lack of 'territorial jurisdiction' meant it did not need to pay for its own physical infrastructure. The Company's charter thus ordered the Navy to freely supply all of the necessary warehouses and offices both in the port of Lorient – restored as the Company's home port – and in the Indian *comptoirs*.⁴⁹ This exemption absurdly extended to Paris itself, as the *Conseil d'État* was obliged to rent a *hôtel particulier* on

⁴⁷ Calonne offered positions to Pierre-Antoine Pinson de Sainte-Catherine, Jacques Derabec, and Jean-François Mery d'Arcy (all veterans of the Law Company), Rodolphe-Emmanuel Haller (Necker's banking heir), and the famous merchant Pierre-Jacques Meslé de Grandclos. For their nominations and resignations, see CCIMP, H41, anon. letter dated 20 December 1784; Ibid., B 211, Rostagny to Chambre, 29 March 1785; ANOM, 8AQ 325, Haller to Boullongne, 29 March 1785. M. De Lescure, ed. *Correspondance secrète inédite sur Louis XVI, Marie Antoinette, la cour et la ville, de 1777 à 1792* (Paris: Plon, 1866), v.1, 549 (letter of 31 March 1785) identifies Castries' hostility as a probable cause of the resignations.

⁴⁸ ANOM, 8AQ 325, "Mémoire," unsigned, undated (copy of same also located in C² 113 (f° 276-284vo)).

⁴⁹ The struggle over the buildings is detailed in ANOM, 8AQ 326, Castries to Calonne, 17 June 1786; C² 113, "Colonies," (f° 296-297); 8AQ 328, Castries to Calonne, 31 March 1787; 8AQ 8, deliberations of 26 May 1786.

the rue de Gramont as the Company's headquarters.⁵⁰ Neither would it own its own ships: like its British counterpart, it would freight all its ships through a new contract with a merchant in Lorient, Arnous Dessauls.⁵¹ However, the most notorious of these concessions was the fact that Calonne made the Company tax exempt. The *droit d'indult*, created in 1769 to fund the cost of the Navy's sovereign expenditures in India, would not apply to their imports, depriving the Navy of a critical source of revenue.⁵²

The structure of the Company's monopoly, however, proved the final breaking point between Calonne and Castries. The proposal that Gourlade, Bernier, and Périier had made to Castries months before had requested only a monopoly for India – which Castries intended to winnow down to only Bengal – leaving Mocha in Yemen, the Red Sea, China, the East African slave trade, and the Mascarenes open to privateers. Calonne, however, was at various points determined to grant his new Company a monopoly on everything from the Cape of Good Hope to the Strait of Magellan – including the all-important Mascarene Islands.⁵³ In other words, Calonne, in granting the Company a large monopoly to inspire investor confidence, reinforced Vergennes' geopolitical aim of putting an end to the Navy's *revanchiste* plans. This proposed Company now stood to undermine and destroy France's long term "political and military aims" in the Indian Ocean. The islands, the essential launching point for any new invasion of India, would "only be useful insofar as they are allowed to prosper," and this meant that they could not

⁵⁰ ANOM, 8AQ 329, "Bail à Loyer," 13 May 1785, signed by Jean-Nicolas de Boullongne for the *Contrôle-Général*, and Louis-Vincent Roger de Chalabre, the proprietor.

⁵¹ ANOM, 8AQ 8, deliberation of 25 July 1785. See also Le Bouëdec, *Port et l'arsenal de Lorient*, v.2, 180-182.

⁵² *Arrêt du Conseil d'État due Roi, portant Établissement d'une nouvelle Compagnie des Indes, du 14 Avril 1785* (Paris: Imprimerie Royale, 1785), 15.

⁵³ ANOM, C² 113, "Nouveau Projet d'Arrêt du Conseil" (f^o 130-130vo); "Compagnie des Indes: Projet d'Arrêt," December 1784 (f^o 132vo).

be placed under a restrictive, monopoly regime.⁵⁴ Castries tried to get Calonne to defer any final decision on the scope of the monopoly, but Calonne insisted that the Company could not be incorporated without a clear, explicit statement of its privileges, because potential investors would not “expose their fortunes in an *affaire* whose essential points [remained] unsettled.”⁵⁵ In the end, Calonne agreed that the Mascarenes should be formally exempt from the Company’s monopoly, and their inhabitants could conduct the *commerce d’Inde en Inde* in the Indian Ocean (known in English as the ‘country trade’) – with the exceptions of China, Japan, and the Red Sea. However, inhabitants of the Mascarenes would be prohibited from bringing Asian goods into the metropole, and metropolitan merchants trading to the Mascarenes or conducting the east African slave trade would be subject to passports issued by the Company.

In Castries’ view, these restrictions remained tantamount to a full monopoly on the Indian Ocean trade, and he fretted that the financial interests of Calonne’s department were being given undue preference over colonial ones.⁵⁶ He found the restriction of the *commerce d’Inde en Inde* particularly deplorable, as it was well known that the British Company was considerably more generous to privateers in the ‘country trade.’⁵⁷ The problem of the east African slave trade threatened to have a wider colonial impact. Allowing the Company to impose restrictions on the

⁵⁴ ANOM, C² 114, Castries to Calonne, 2 April 1785 (f^o 28): “vûes politiques et militaires”; Castries to Calonne, 17 March 1785 (f^o 27): “ne peuvent être utiles qu’autant qu’on les fera prospères.” The victorious returning admiral, the Bailli de Suffren, supported Castries in his fight against Calonne: ANOM, C² 114, “Observations de M. le Bailly de Suffren,” 1785 (f^o 29).

⁵⁵ ANOM, C² 114, Calonne to Castries, 10 April 1785 (f^o 30-30vo): “exposer leur fortune dans une affaire dont tous les points essentiels ne seroient pas réglés.”

⁵⁶ ANOM, C² 114, Castries to Calonne, 7 April 1785 (f^o 46); Tarrade, “Maréchal de Castries,” 46.

⁵⁷ ANOM, C² 114, Castries to Calonne, 23 July 1786 (f^o 66-66vo): “restrictions qui la rendent illusoire.” Emily Erikson, *Between Monopoly and Free Trade: The English East India Company, 1600-1757* (Princeton: Princeton UP, 2014); H.V. Bowen, *The Business of Empire: The East India Company and Imperial Britain, 1756-1833* (Cambridge: Cambridge UP, 2006), 21.

slave trade under the pretense of protecting its monopoly could operate to the economic detriment of France's Caribbean sugar islands.⁵⁸ Although Calonne insisted that the Company would have enough ministerial oversight such that the directors could not shamelessly impose "arbitrary formalities that would make liberty illusory," Castries' fears were realized within months, when the directors were stalling on issuing passports to merchants for the slave trade.⁵⁹ Moreover, the Company's monopoly stood to raise the prices on Indian commodities such as cowry shells and *indiennes* – essential products used in the slave trade. Placed under these restrictions, critics of the monopoly predicted that France's most glorious colonies would soon face a serious "shortage of slaves."⁶⁰

From Castries' perspective, an equally damning aspect of the Company's monopoly was the fact that it now held control over French commercial operations in the Red Sea and at Suez, which Castries was secretly negotiating with Murad Bey via the French ambassador, Choiseul-Gouffier. However, by the time the finished treaties arrived in France, the *Nouvelle Compagnie*, with its monopoly over trade in the Red Sea, had already been formed, preempting the initiatives of the coalition of Marseillais traders under Jacques Seimandy that Castries had worked to assemble.⁶¹ Castries and Choiseul-Gouffier, afraid that their work would vanish in the web of

⁵⁸ ANOM, C² 113, "Observation sur l'article 5[...]" (f° 187-191), and "Observations sur l'arrêt du Conseil d'Etat du Roi, portant établissement d'une nouvelle Compagnie des Indes, du 14 avril 1785," by Cossigny (f° 212-217vo).

⁵⁹ ANOM, C² 114, "Extrait de l'Arrêt du Conseil[...]" (f° 38): "formalités arbitraires qui pourroient en rendre la liberté illusoire." See also 8AQ 326, Castries to Calonne, 19 June 1785; Calonne to Boullongne, 1 May 1785. In December 1785, the Company formally renounced all pursuit of the slave trade and agreed to issue any requested passports for it "sans aucune restriction, comme le désire M. le Maréchal de Castries," see 8AQ 8, deliberation of 17 December 1785.

⁶⁰ Pierre-Louis de Lacretelle and André Blonde, *Memoire à consulter et consultation pour les négocians faisant le commerce des marchandises des Indes, contre la Nouvelle Compagnie des Indes* (Paris: Couturier, 1786), 35: "disette des Noirs"; ANOM, C² 113, "Colonies," 7 January 1785 (f° 253-vo).

⁶¹ AE Courneuve, 133CP/172, Choiseul-Gouffier to Vergennes, 26 February 1785 (f° 110vo).

the Company's monopoly, pleaded with Louis XVI to remove the Red Sea from its jurisdiction. However, Vergennes remained resolutely hostile to anything that might aggravate tensions with either Britain or the Ottoman Porte, and as such, supported Calonne instead.⁶² Choiseul-Gouffier and Castries were disgusted, especially with Calonne, whom they feared might publicize their secret treaties with the Bey in the hope of raising the Company's stock price.⁶³

As Castries feared, the Company evinced little interest in developing the Suez route. The new directors duly appointed an agent to reside at Mocha, one of the traditional *comptoirs* of the Law Company, as even in the 1780s, coffee from Mocha was regarded as superior to its increasingly common (and cheaper) Antillean counterpart.⁶⁴ However, the directors showed little interest in conducting a potentially risky expedition up the Red Sea at the behest of the Navy, and they balked at the idea of sharing their privilege with Seimandy's association, considering it a retroactive attempt to limit the scope of their monopoly.⁶⁵ Under pressure, they hired Seimandy as their *Directeur pour le Commerce de Suez* at Marseille under the agreement that he would coordinate their expeditions from India to Marseille, via Mocha, Suez, and Cairo.⁶⁶ Although Seimandy shared his years of expertise in the Mediterranean and established

⁶² Charles-Roux, *Projet français de commerce*, 67, 77, 83. AE Courneuve, 133CP/173, "Commerce des Indes par la mer Rouge," Castries to Louis XVI, 1 October 1785 (f° 151-156vo).

⁶³ AE Courneuve, 133CP/173, Choiseul-Gouffier to Vergennes, 10 October 1785 (f° 160vo). ANOM, 8AQ 349-351, Castries to Paris administration, 14 May 1786; AE Courneuve, 133CP/173, mémoire by Castries, 22 December 1785 (f° 245).

⁶⁴ The agent appointed to Mocha was Moncrif de la Grange, a son of a noble family, whose papers are preserved in AN, T 263. For Mocha in the time of the Law Company, see Manning, *Fortunes à Faire*, 162-68. For the continued preference for Mocha coffee, see Spary, *Eating the Enlightenment*, 88-90.

⁶⁵ ANOM, 8AQ 349-351, "Mémoire pour Messieurs les Administrateurs de la Compagnie des Indes."

⁶⁶ ANOM, 8AQ 349-351, "Mémoire sur l'Etablissement de la Compagnie de Suez proposé par Mr. de Seimandy," 16 August 1785, "Traité passé entre Messieurs les Administrateurs[...] et Mr. Jacques Seimandy, ecuyer négociant de Marseille;" "Du 27 août 1785."

connections between the Paris directors and the French consul at Cairo, Charles Magallon, all of his efforts came to naught. Although Castries relentlessly pressed the directors to launch an expedition, the Ottoman invasion of Egypt by Hasan Pasha the following year gave them further cause to stall.⁶⁷ An expedition was finally launched in late 1787, but it encountered innumerable delays in the Indian Ocean, and its goods did not arrive in Marseille until the early months of the French Revolution – long after the hapless Seimandy had been surreptitiously dismissed from Company service.

In short, the Naval ministry's *revanchiste* views of the reassertion of French military power in India came out of the affair of the *Nouvelle Compagnie des Indes* appearing dimmer than ever. The partnership of Calonne and Vergennes created a company that served the former's financial aims on the *Bourse* and the latter's intention to restrict the power of the bellicose Castries in Indian affairs. Their views were mutually reinforcing: stripping away the Company's sovereignty and forestalling all of the military functions Castries destined it to fill only strengthened the Company's "rent-seeking spirit." The scale of the Company's monopoly and privileges was so vast that it seemed destined for success, leading one British observer to comment that "the great encouragement given by the Government...makes [the Company's shares] not altogether an unreasonable object of speculation."⁶⁸ Calonne's plan to make the *Compagnie des Indes* a centerpiece of domestic and foreign investment seemed all too brilliant and representative of contemporary economic dynamism – or as some would say, both then and

⁶⁷ ANOM, 8AQ 349-351, Castries to Paris administration, 1 October 1786. Thus, the Mediterranean 'successes' of the *Nouvelle Compagnie des Indes* are a bit overstated in Horn, *Privilege of Liberty*, 126.

⁶⁸ National Archives, FO 27/17, Hailes to Carmarthen, 1 December 1785 (f° 267vo).

now, speculative furor.⁶⁹ The geopolitical imperatives the Company was destined to fill on one side reinforced certain financial outcomes – sometimes undesirable ones – on the other.

In the short term, the price of this financial maneuver was the alienation of mercantile interests in France's major port cities. Representatives of the ports' influential Chambers of Commerce quickly realized that Castries was their only ally in the *Conseil d'État*, and challenging the New Company on its prerogatives was a cause he took up with relish.⁷⁰ The incorporation of the Company had disrupted many privateer voyages in progress, and Calonne showed no intention of compromising the Company's monopoly by being accommodating to the relentless petitions of their advocates in the Chambers of Commerce. The restrictions levied against privateers were particularly hard to swallow, as it was apparent to all but Calonne himself that his Company was simply too small to trade to all of the places included under its monopoly, having only an initial market capitalization of twenty million *livres tournois* (less than a third of their supposedly comparable British rival).⁷¹ Pierre-Louis de Lacretelle, a famous lawyer and early critic of the Company, seized upon this issue, showing that between being granted a monopoly over “three-fourths of the globe” and enjoying as many financial concessions and exemptions as they did, “never has a Company in France obtained such advantages as this one.”⁷² The implication was clear: such advantages could not have been procured without

⁶⁹ Lynn Hunt, “The Global Financial Origins of 1789,” in *The French Revolution in Global Perspective*, ed. Suzanne Desan, Lynn Hunt, and William Max Nelson (Ithaca: Cornell UP, 2013), 39-40.

⁷⁰ CCIMP, B19, deliberations of 19 April 1786 (pg 295-296); B211, Rostagny to CC Marseille, 2 August 1785: “ce que nous avons le plus à craindre, c'est le desir que l'on a de favoriser la Nouvelle Compagnie des Indes.” ANOM, 8AQ 326, Castries to Paris administration, 3 November 1786.

⁷¹ In ANOM, 8AQ 326, Castries to Calonne, 6 February 1785, 20 February 1785, Castries demands that China be removed from the monopoly, as the Company's operations were insufficient. In 1785, the British East India Company had a total market capitalization of £3,200,000, see Bowen, *Business of Empire*, 97.

⁷² Lacretelle and Blonde, *Consultation*, 46, 37: “les trois quarts du globe,” “jamais aucune Compagnie en France, n'a obtenu d'aussi grands avantages que celle-ci.”

corruption, in one form or another. As these incriminations became a recurring pattern, the representatives of France's major commercial interests would learn to seize upon them as a method of attacking, and potentially destroying, the hated Company.

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The only part of Castries' plan to survive under Calonne was the proposal that the *Nouvelle Compagnie des Indes* would contractually purchase some of its merchandise from the British East India Company. James Bourdieu's plan to create an Anglo-French "cartel" fit perfectly with Calonne's established strategy of making the Company an enticing investment prospect for French and foreign bankers alike.⁷³ A contract with the British would guarantee the Company's investors lucrative returns from the notoriously perilous British-held province of Bengal. With Calonne's blessing, one of the Company's directors, Augustin Périer, was sent to London in late summer 1785 to draft a treaty with the British Court of Directors.⁷⁴ The three-year agreement would commit the French to purchasing forty *lakhs* (4,000,000) of rupees per year in goods from the British company, paying 15% in commissions and fees to cover procurement and storage costs.⁷⁵ The goods would be delivered to French agents in the British warehouses in Calcutta, to be shipped back to Lorient on French ships. For the duration of the contract, the British would hold £200,000 in French collateral, and all payment would be made via bills of exchange payable in London, guaranteed by Bourdieu & Chollet, acting as the financial agent and principal insurer for the French Company. Although acknowledging the trading rights granted to the French by Article 13 of the 1783 peace treaty, the agreement

⁷³ Nussbaum, "New East India Company," 490.

⁷⁴ AN, T 38 (Papiers Huber) 1-2, "Exposé des services[...]" (pc 548).

⁷⁵ Equal to 9,600,000 *livres tournois* or £400,000, based on the currency conversion rates given in Furber, *John Company at Work*, 349.

contained a non-competition clause by which the French Company – and thereby, the French nation – would renounce all trade in Bengal for the duration of the agreement.⁷⁶

Périer felt that, even with all these conditions, the treaty presented potent advantages for the French, and it unsurprisingly garnered many enthusiastic supporters in Leadenhall Street. The British Company's chairman, William Devaynes, estimated a hefty 33% return on investment, and he thought that the assurances offered by Périer were "more than either Jew or Dutchman would venture to ask in a transaction of this nature."⁷⁷ This was also the opinion of his ministerial superiors in Whitehall. Upon the enactment of William Pitt the Younger's India Act of 1784, the indebted British company was financially restructured and placed under the supervision of a ministerial Board of Control with the power to influence the Company's governance and patronage, often to the directors' chagrin.⁷⁸ But as far as the French Company was concerned, the Act – and Pitt's ascendancy – was good news. In 1783, when Périer last pitched the treaty in London, the Duke of Portland, then Prime Minister, had opposed it as humiliating to "his nation's pride," because it would reduce the British to a "factor" of the French.⁷⁹ However, on his arrival to power, Pitt – and eventually, his Board – immediately

⁷⁶ English and French copies of the final treaty are in AE Courneuve, 8MD/5, "Heads of Articles as the basis of a treaty and agreement between the English and French East India Companys[sic]" (f° 190-201vo); "Projet d'Articles qui peuvent servir de baze au Traité et Convention à faire entre les Comp^{tes} anglaise et française des Indes-Orientales[...]" (f° 202-215). Périer's original proposal, which did not include the non-competition clause and had a lower collateral, is located in BL, IOR I/1/17, "Bases des arrangements de Commerce que la Compagnie des Indes de France[...]," 11 August 1785.

⁷⁷ CPL, EIC Manuscripts (091.92 D492L), Devaynes to Dundas, 5 September 1785 (p.5-6). Devaynes' enthusiasm for the arrangement was further encouraged by a bribe of £1500. The French Company's inexplicable attempt to *recover* this sum after the failure of the treaty – alleging that it was an 'advance' rather than a bribe – is discussed *passim* in ANOM, 8AQ 8.

⁷⁸ Sutherland, *East India Company*, 409; Philips, *East India Company*, 34; Bowen, *Business of Empire*, 75-76.

⁷⁹ ANOM, C² 109, Périer and Desprez to Gourlade, 9 January 1784 (f° 241vo): "l'amour propre de sa nation...facteur."

showed himself favorable to the idea.⁸⁰ The 1784 act aimed in no small part at curbing illicit practices by rogue Company agents, including the well-known practice of “remittance” of illegal profits through French bills of exchange.⁸¹ An agreement by which all French commerce in Bengal would pass exclusively through legitimate financial channels in Europe would severely undercut the remittance network to the benefit of the Company’s own bottom line.⁸² After Périer’s arrival, Pitt and the Board accordingly told the directors that working with the French would “be very advantageous to the Company’s Interest” as long as their agreement remained “merely in a commercial light.”⁸³

The Board of Control’s overt enthusiasm for the treaty threatened to be its kiss of death, as the resulting struggle exposed significant political fault lines within the East India Company itself. A group within the Court of Directors, centering on the veteran director Laurence Sullivan and his ally Warren Hastings, strongly resented Whitehall’s intrusions into Company business and made the French treaty into a *cause célèbre* of their own.⁸⁴ This was made clear by the rambling and insubstantial denunciations made by another of their allies, John Manship, who called the French proposal “a Heap of the greatest Absurdities” and made abundantly clear that

⁸⁰ As shown in Bourdieu’s negotiations throughout 1784: CPL, EICMC (091.92 Ea77p85), Bourdieu Chollet to Devaynes, 4 June 1784; minutes of Secret Court of Directors, 18 August 1784.

⁸¹ Furber, *John Company at Work*, 30. National Archives, FO 27/17, Carmarthen to Hailes, 5 August 1785 (f° 116-116vo), Hailes to Carmarthen, 18 August 1785 (f° 132-133vo), indicate an awareness that Bourdieu’s firm was still largely in charge of this shadow network.

⁸² National Archives, PRO 30/8/361, “Mr. Baring’s thoughts on the French proposal,” undated (f° 38-40vo).

⁸³ BL, IOR I/1/17, “To the Court of Directors[...],” 4 November 1785 (f° 84); “At a Secret Court of Directors the 15th August 1785/the 17th August 1785.”

⁸⁴ Sutherland, *East India Company*, ch. 13; Holden Furber, “The East India Directors in 1784,” *Journal of Modern History* 5, no. 4 (1933), 480; George K. McGilvary, *Guardian of the East India Company: The Life of Laurence Sullivan* (London: Tauris, 2006), 270, 277, but it should be noted that this author misinterprets the controversy as a one over general French trading rights in Bengal, which had already been guaranteed in the peace treaty.

the primary cause for his discontent was the Board's support for it.⁸⁵ The most damning censure of the proposal came from Hastings himself. In a public letter, Hastings called the treaty "a Mortal Blow" to the British Company: reduced to the status of a "Factor," the Bengal Presidency itself would henceforth be "subservient" to the French Company's whims.⁸⁶ Such an arrangement would destroy Britain's international standing: the contract would produce "dishonorable reflections in the eyes of surrounding Nations," and the French would undoubtedly find ways to use it to assert their own importance "among the native Princes of India."⁸⁷ Francis Baring, one of Whitehall's loyalists among the directors, keenly isolated the real reason for this opposition. In keeping French traders out of Bengal through the planned non-competition clause, the French would be precluded from "any clandestine trade by means of the Capitals which would otherwise be furnished them by our Servants, for the purposes of bringing home their fortunes circuitously through France as heretofore."⁸⁸ Their motives exposed – and the profits offered by the treaty undeniable – the Court of Directors approved the arrangement in late November 1785. Périer returned to France to present his work to the New Company and the *Conseil d'État*.⁸⁹

As it had done in London, the treaty exposed fault lines at Versailles as well. Before the Company was even formed, Vergennes' advisors had been fulminating against it. Mirroring the arguments of the treaty's British opponents, they also argued that any arrangement by which the

⁸⁵ BL, IOR I/1/17, Manship to Ct. of Directors, 25 August 1785 (f° 28-29); Manship to Ct. of Directors, 9 November 1785 (f° 92).

⁸⁶ Ibid., "Extract of a Letter from Warren Hastings Esq. to Laurence Sullivan Esq.[...]" (f° 130-137).

⁸⁷ Ibid., "At a Secret Court of Directors held on Wednesday the 7th December 1785" (f° 155, 157-158). This speech was made by Nathaniel Smith.

⁸⁸ Ibid., "The Observations of Francis Baring Esq. upon Mr. Hastings' Paper of Sentiments[...]" (f° 140, 141).

⁸⁹ Ibid., "No. 96: At a Secret Court of Directors held on Wednesday the 30th November 1785" (f° 102-103); ANOM, 8AQ 8, deliberation of 16 December 1785.

French Company would be a customer of its British rival would be both economically and politically humiliating. Dupont pointed out that the British Company would enjoy guaranteed profits, whereas the French Company would shoulder the hefty risks of shipment from India, meaning that losses would be passed on directly to French consumers, compounding the negative effects of the monopoly.⁹⁰ Unsurprisingly, Vergennes received even more of an earful from his ever-belligerent underling, the comte d'Adhémar in London. Though Adhémar supported the creation of a new Company, he deplored Bourdieu's idea – and the man personally – and did everything he could to sway Vergennes against both. There was no point, he wrote, in humiliating France by founding “a mediocre establishment.” The contract represented an annual tribute paid to the British at the expense of “our *considération* in India,” undercutting the results of the “glorious peace” that France had just won.⁹¹ However, in spite of these criticisms, Vergennes defended the plan to the incredulous Adhémar, noting that it was only temporary – until France's *comptoirs* had been fully reestablished – and applied strictly to Bengal.⁹²

This changed when Périer arrived with the contract, and Vergennes discovered just how political this ‘commercial’ agreement was.⁹³ Since one of their principal motives in establishing the *Nouvelle Compagnie* had been the view that French international credit and standing would be enhanced by it, he and Rayneval violently rebuked an arrangement that seemed to confirm

⁹⁰ AE Courneuve, 8MD/5, Dupont to Vergennes, 29 December 1784 (f° 121).

⁹¹ AE Courneuve, 8CP/549, Adhémar to Vergennes, 9 July 1784 (f° 123-124); 8CP/550, Barthélemy to Vergennes, 12 October 1784 (f° 135-135vo); 8CP/552, Adhémar to Vergennes, 26 February 1785 (f° 260vo, 256-256vo): “un établissement médiocre...notre considération dans l'Inde”; Ibid., Adhémar to Vergennes, 22 March 1785 (f° 383vo): “paix glorieuse.”

⁹² AE Courneuve, 8CP/551, Vergennes to Adhémar, 13 March 1785 (f° 79vo). Again, Vergennes' motives about the treaty between the two companies are frequently misrepresented, such as in Nussbaum, “New East India Company”, and Walton, “Fall from Eden,” 47.

⁹³ National Archives, PRO PC/1/123, Dossier 18, Vergennes to Calonne, 10 December 1785: “peuvent intéresser et blesser la politique.”

little more than France's "tributary" status in India vis-à-vis Britain. The proposed non-competition clause for Bengal plainly undercut the trading rights established in the 1783 peace treaty, and Rayneval argued that France was in position to demand no less than their full exercise.⁹⁴ As much as Calonne and his Company might insist on the purely commercial nature of the arrangement, Rayneval insisted that there was no such as an "entirely mercantile interest in India."⁹⁵ The Indies trade was deeply political by its nature, and in politics, "nothing can replace *la considération d'une grande Puissance*." As the representative of the French nation in India, the Company's conduct had to strictly conform to "the dignity of the crown." The fact that privateers were seen to freight their ships to the British during the free trade era had offered one of the practical pretexts for establishing a new Company. If the Company now sought to do the same, then it was "not only useless, but embarrassing."⁹⁶

The Foreign Ministry's hostility to the treaty was disappointing to Calonne and the Company, but not unanticipated. The Company's directors had told Périer that they were not in a position to "renounce" any of the rights accorded in the peace treaty, and they themselves resented that most of the contractual guarantees established in the agreement worked exclusively in British favor, and not vice-versa.⁹⁷ Calonne was similarly dissatisfied with the outcome of the negotiations. He agreed with Vergennes that the treaty, as written, was disadvantageous to both

⁹⁴ AE Courneuve, 8MD/5, "Observations des Administrateurs [et] Remarques [de M. de Rayneval]," 1785 (f° 152): "nous rendre tributaires de la Compagnie angloise, et de nous avilir dans l'Inde"; "Mémoire" by Rayneval, January 1786 (f° 173): "nous montrer avec une contenance assurée, et de demander haûtement l'exercice de nos droits."

⁹⁵ AE Courneuve, 8MD/5, untitled, unsigned mémoire (f° 234): "intérêt absolument mercantile dans l'Inde." See also 8MD/11, "Aperçu concernant le commerce de l'Inde," Rayneval to Calonne, 1785 (f° 49vo).

⁹⁶ AE Courneuve, 8MD/5, "Observations des Administrateurs [et] Remarques [de M. de Rayneval]," 1785 (f° 152-169vo): "rien ne sauroit remplacer la considération d'une grande Puissance" (152), "la dignité de la couronne," (164), "non seulement inutile, mais même embarrassante[sic]" (158).

⁹⁷ ANOM, 8AQ 15, Paris administration to Périer, 17 August 1785; BL, IOR, I/1/17, "Bases des arrangements de Commerce que la Compagnie des Indes de France désireroit prendre avec la Compagnie des Indes Angloise," 11 August 1787.

the Company and French *considération*, but he remained optimistic that the Bengal non-competition clause could be omitted, and that the rest of the articles could be easily amended.⁹⁸ Vergennes was not, however, willing to permit a second round of negotiations, and Calonne told the directors in early February 1786 that he would assist them in finding a way to “decently disengage” from their British counterparts.⁹⁹ In a letter addressed to his directors – but intended for circulation to the British – Calonne succinctly explained that any treaty that infringed French rights and damaged “our *considération* in Asia” was “inadmissible.”¹⁰⁰

This battle played out on a smaller scale within the Company itself. Having acted as the principal negotiator between the French Company (even before it existed) and its British counterpart, James Bourdieu made it clear throughout the process that he expected to be rewarded with the position of their agent in London, and indeed, the draft treaty designated him as such.¹⁰¹ However, as soon as it became apparent that the treaty would not be approved, the directors began to abandon him. This effort was spearheaded by Vergennes’ ally, Thomas-Simon Bérard, who took a page from Rayneval’s playbook and argued that the appointment of Bourdieu represented an infringement of the Company’s right to choose its own agent and an attempt by the British to meddle in their internal affairs.¹⁰² Accordingly, a majority of the directors surreptitiously reversed their positions and voted with Bérard to dismiss Bourdieu. In a

⁹⁸ AE Courneuve, 8MD/5, Calonne to Vergennes, 1 January 1786 (f° 178).

⁹⁹ ANOM, 8AQ 8, deliberations of 1 February 1786: “se dégager décemment.”

¹⁰⁰ ANOM, 8AQ 328, Calonne to Paris administration, 18 March 1786: “notre considération dans l’Asie...inadmissible.” See also National Archives, PRO PC/1/123, dossier 82, “Rapport fait au Conseil d’etat par M. de Calonne, le 21 septembre 1786.”

¹⁰¹ AN, T 38 (Papiers Huber) 1-2, letters from James Bourdieu dated 15 February 1786, 18 February 1786, 8 March 1786, 27 March 1786 (pc 547).

¹⁰² AN, T 38 (Papiers Huber) 3-7, Bourdieu to Huber, 16 April 1790 (pc 21); Bourdieu to Huber, 20 April 1790 (pcs 24-28).

further insult, Bérard secured the position for his own ally, Charles Herries, brother of the more famous banker Robert Herries, who had long been Bourdieu's bitter rival for the General Farm's London tobacco contract.¹⁰³ This overt favoritism to his enemy left Bourdieu sulking for years and prone to periodic lashing out against Calonne, Bérard, and above all Vergennes. In his view, the new *Compagnie des Indes* owed its very existence to the groundwork he had personally laid, and decades later, he was still given to bemoan that Vergennes had only opposed the treaty of the two companies "because it had been done without him."¹⁰⁴

While it would certainly be unfair to reduce Vergennes' views to the hostile assessment given by Bourdieu, it was not entirely unfounded. The minister had his own strong commitment to fostering economic collaboration with Britain, but it was expressed instead in the other prong of his original plan for the postwar economic order: the creation of a new, bilateral commercial treaty. Commerce between the two states remained regulated by the 1713 Treaty of Utrecht, whose prohibitionist regulations operated mostly in Britain's favor. Vergennes intended to use a new treaty – a further stipulation of the 1783 peace – to not only obtain more favorable terms for France, but also to establish peace "on the Basis of Reciprocity and mutual Convenience."¹⁰⁵ The view that economic collaboration and reciprocity were preconditions for peace was broadly shared by reformers in the Atlantic world at this time, and Vergennes had been exposed to it through the influence of his Physiocratic advisor, Dupont. For Vergennes, only a system

¹⁰³ The papers for Charles' bank have apparently not survived; however, some papers pertaining to the Herries' work in France in the 1780s are in the Lloyds Banking Group Archives, A/26/4-5 (Herries, Farquhar & Company Records). For Herries' rivalry with Bourdieu, see Price, *France and the Chesapeake*, v.2, 687, 738-739, 751.

¹⁰⁴ AN, T 38 (Papiers Huber) 1-2, "Exposé des services[...]" (pc 548), AM Bordeaux, 122 S 33 (Fonds Monneron), Bourdieu to Louis Monneron, 11 December 1801: "parcequ'on l'avoit fait sans lui."

¹⁰⁵ For the Treaty of Utrecht, see Cheney, *Revolutionary Commerce*, 27. The stipulation was contained in Article 18 of *Treaty of Peace and Friendship*, 15.

grounded on *laissez-faire* principles, reciprocity, and *equal* partnership – unlike what the two Companies proposed – would form a solid basis for a lasting and necessary peace.¹⁰⁶

For Calonne, on the other hand, any commercial treaty with Britain would need to be carefully conciliated with the undeniable imperative of French industrial development. He was strongly committed to encouraging the development of French industry through the ‘traditional’ methods of regulation, prohibition, and subsidy: more funds were granted to French industrialists during his ministry than under any of his eighteenth-century peers.¹⁰⁷ A large percentage of these subsidies were destined for France’s cotton industries. After the repeal of the ban on *toiles peintes* in 1759, many of France’s expatriate *indienneurs* returned to their home country and established printing factories. By the end of the century, and under Calonne in particular, the *Contrôle-Général* began to turn its attention towards the development of cotton-weaving manufactures that could furnish these printers with domestically-produced white cloth, or *toiles blanches*, thereby substituting imports from India and other European countries.¹⁰⁸ In his letter rejecting the Company treaty, Calonne announced the ministry’s intention to “entirely renounce” the Indies trade in favor of French cotton manufacturing.¹⁰⁹ However, like Vergennes, he was also influenced by Dupont’s (now his own *Intendant* of Commerce) Physiocratic thinking, which led him to recognize that French industrial development might also be stimulated through

¹⁰⁶ Whatmore, *Against War and Empire*, 186-189, 200-204; Tarrade, *Commerce colonial*, v.2, 695. For Dupont’s influence on Vergennes, Murphy, *Vergennes*, 403, 437; Vardi, *Physiocrats*, 189-90. The sincerity of his pacific motives was frequently noted by the later British negotiator, William Eden: BL, Add MS 34423, Eden to Pitt, undated (f° 175); Add MS 34424, Eden to Carmarthen, 13 February 1787 (f° 60).

¹⁰⁷ Pugh, “Calonne’s New Deal,” 301 calculates that 10% of all of the industrial subsidies accorded in the last fifty years of the Old Regime were granted during Calonne’s tenure. See also Lacour-Gayet, *Calonne*, ch. 8; Tarrade, *Commerce colonial*, v.2, 689.

¹⁰⁸ Chapman and Chassagne, *European Textile Printers*, 155-57.

¹⁰⁹ ANOM, 8AQ 328, Calonne to Paris administration, 18 March 1786: “renoncer entièrement.”

exposure to foreign competition. As he told Vergennes, France had much to gain from “the establishment of a freer connection” with Britain.¹¹⁰

The *Compagnie des Indes* played a controversial role in the commercial treaty’s preliminaries. When the British government stalled Vergennes about the treaty, Calonne decided to bring them to heel by temporarily “tighten[ing]” France’s prohibitive laws against British imports.¹¹¹ In keeping with his established pattern, he found a way to do this that explicitly favored – and further enhanced – the Company’s already capacious monopoly. The *arrêt* of July 10, 1785, one of several targeting British trade, announced a total prohibition on the importation of all cotton goods, both *toiles peintes* and *blanches*, except those imported by the Company. While this *arrêt* claimed to ‘renew’ the prohibitions on cotton goods that existed prior to 1759, it did not target consumers as the old laws had. Rather, it explicitly stated that its intention was to favor and encourage the production and use of domestically produced cotton goods.¹¹² However, aware that the laws were expressly directed at them, the British envoys to Versailles begged Whitehall to move forward with the drafting of the treaty, and the cabinet duly appointed William Eden as negotiator and sent him to France to begin talks with Rayneval.¹¹³

Although it achieved its desired political aim, the *arrêt* of July 10 was a bureaucratic nightmare that only further compromised the Company’s already damaged reputation. Issued under the pretext of aiding the development of French cotton industries, it instead proved

¹¹⁰ AE Courneuve, 8CP/549, Calonne to Vergennes, 30 July 1784 (f° 251): “l’établissement d’une communication plus libre.”

¹¹¹ Ibid., Calonne to Vergennes, 30 July 1784 (f° 251): “resserrer.”

¹¹² ANOM, 8AQ 2, *arrêt* of 10 July 1785; Hagley, Winterthur Group 2, Series B, Box 25, W 2-4672: “Observations sur les délais prescrits par l’arrêt du 10 juillet” by Dupont and Boyetet : the ban was decreed “non par l’intérêt particulier de la Compagnie des Indes...mais pour l’intérêt et l’avantage des Manufactures nationales établies et à établir.”

¹¹³ National Archives, FO 27/17, *passim*.

intrusive and disruptive. The edict conspicuously conflated the two arms of cotton production, printing and weaving, and while claiming to help the latter, it inadvertently hurt the former. As the Company had only just begun to launch its first ships to India in July 1785, no legal cotton cloth would enter France for at least a year, potentially devastating the *indienneurs* who relied on *toiles blanches* from abroad as a raw material in production. This “double prohibition” on both kinds of cloth thus operated in practice as a ban on both consumption *and* production, as some merchant critics were quick to observe.¹¹⁴ In an attempt to mitigate this problem, Calonne only made the situation worse. He gave the Company’s directors permission to purchase Indian cloth goods from other European trading companies and to market them in France as if they came from India. By this agreement, the Company was nominally prohibited from purchasing from the British East India Company – and the bulk of their purchases came from Portugal and Denmark – but in practice, the directors flouted this prohibition, with Calonne’s tacit assent, as long as they took care to “avoid publicity.”¹¹⁵ Although news of their London operations inevitably got out – infuriating both the public and Vergennes – the Company did not end this practice until May 1787.¹¹⁶

The *arrêt* of July 10 and the Company’s foreign purchasing practices made apparent that the Company’s monopoly had been established at the detriment of the nation as a whole. Castries bitterly told Calonne that, if his Company was not yet able to fully provision French markets with goods, it would be better to receive the difference from French merchants than

¹¹⁴ Lacretelle and Blonde, *Consultation*, 6.

¹¹⁵ ANOM, 8AQ 8, deliberation of 7 June 1786: “éviter la publicité”; deliberation of 17 November 1785; 8AQ 15, Paris administration to Périer, 17 November 1785.

¹¹⁶ ANOM, 8AQ 118, entry of 16 October 1785; 8AQ 221, Paris to Lorient administration, 10 November 1786; 8AQ 15, Paris administration to Périer, 19 December 1785; 8AQ 8, deliberation of 15 May 1787; 8AQ 15, Paris administration to Sauvage, 21 May 1787.

from foreign companies.¹¹⁷ Cloth merchants in Lorient, Paris, and Dijon petitioned the *Conseil d'État* demanding the abrogation of the law, or at minimum, exemptions for themselves. The Company's monopoly had raised the price of white cottons for French *indienneurs* – to profit rival European companies. Privileges that violated the rights of consumers and the interests of France's "national manufacturers" were necessarily "contrary to natural liberty."¹¹⁸ In light of these complaints, Dupont and his fellow *Intendant*, Édouard Boyetet, argued for exceptions to the ban, and Calonne largely relented in practice. Upon petition to the Company, merchants were able to continue importing cotton cloth from abroad after the 'deadlines' in the July 10 law, and Calonne gave indefinite exemptions to the important cotton industries in Alsace and Lorraine, as well as all cotton goods entering or leaving the free port of Marseille.¹¹⁹ The latter exemption was granted in part because Calonne recognized that Levantine and Swiss cotton imports in Marseille were the backbone of the port's activity in the Atlantic slave trade. However, as the Company's directors in Paris continually opposed these exemptions, they created further administrative obstructions that only fomented more public resentment against them.

This opposition by the cloth merchants and manufacturers formed the basis of the first significant challenge to the Company's monopoly. A coalition representing, among others, the

¹¹⁷ ANOM, 8AQ 326, Castries to Calonne, 22 January 1786.

¹¹⁸ AE Courneuve, 8MD/18, "Au Roi, et a Nos Seigneurs du Son Conseil[...]," 5 July 1786 (f° 266-271); ANOM, 8AQ 326, "Au Roi...Les Gardes et Adjoins du Corps des Marchands Drapiers et Merciers de Paris," August 1785: "fabriques nationales[sic]...contraires à la liberté naturelle". See also AN, F¹² 641, "Copie des observations pour les Négociants de Dijon sur l'Arrêt du Conseil d'Etat du Roi du 10 Juillet 1785," 6 September 1785.

¹¹⁹ Hagley, Winterthur Group 2, Series B, Box 25, W 2-4672: "Observations sur les délais prescrits par l'arrêt du 10 juillet" by Dupont and Boyetet. The petitions sent to the Company by merchants seeking waivers from the July 10 law are found in ANOM, 8AQ 12, 20-21. For Alsace, ANOM, 8AQ 326, La Porte to Calonne, 27 July 1785; 8AQ 2, *arrêt* of 19 July 1785. For Marseille, ANOM, 8AQ 326, Colonia to Boullongne, 19 July 1785; CCIMP, B211, Rostagny to CC Marseille, 2 August 1785 and 17 September 1785, "Mémoire du député de Marseille au Conseil Royal de Commerce sur les toiles provenant du Commerce du Levant"; B64, CC Marseille to Calonne, 5 September 1785 (f° 46vo-47vo); B19, deliberations of 1 September 1785 (pgs 119-120). Their reclamations are also discussed in AN, F¹² 654, *passim*.

merchants of Paris, Versailles, Bordeaux, and Lyon, hired the star lawyer of the Parisian bar, Pierre-Louis de Lacretelle, to prepare a *mémoire* in their defense against both the Company and the *arrêt* of July 10. Lacretelle was an attorney who sought out highly public and controversial cases, and he saw in the merchants' ordeal against the *Nouvelle Compagnie des Indes* a chance to further build his reputation.¹²⁰ In his *Mémoire*, Lacretelle and his co-author, the lawyer André Blonde, argued that the ban was ill-conceived as a measure to 'defend' French cloth industries: they had never been stronger or more productive prior to the law, and if one believed in the virtues of prohibitions, allowing the *Nouvelle Compagnie* to indefinitely provision French markets with goods purchased from other European companies certainly undercut their utility in practice. This was no longer a matter of granting a *privilège* for the Indies trade – an idea that some writers had legitimately supported – this was a monopoly on all Indian merchandise in France, and as such, it was indefensible. The law of July 10 was not a true prohibition, but “a tax in favor of the Company.”¹²¹

Arguments for and against the Company and its prohibitions both constantly invoked the necessity of industrial regeneration and the imperative of breaking French dependency on Indian luxury goods, and both sides were similarly dissatisfied in practice. The petition of the *Marchands-Drapiers* of Paris acknowledged that the hated law undoubtedly aimed at “directing

¹²⁰ For Lacretelle's reputation as a lawyer, see David A. Bell, *Lawyers and Citizens: The Making of a Political Elite in Old Regime France* (New York: Oxford UP, 1994), ch. 6. For his ambitions, see Pierre-Louis de Lacretelle, *Œuvres de P.L. Lacretelle aîné, membre de l'ancien institut, et actuellement de l'Académie française* (Paris: Bossange, 1823), v.2, 445: “Ainsi la compagnie des Indes devait faire la réputation de trois hommes de lettres, M. l'abbé Morellet, M. Necker; j'étais le troisième.” The other towns represented were Dijon, Tours, Chalons-sur-Saone, Troyes, Rouen, and Besançon.

¹²¹ Lacretelle and Blonde, *Consultation*, 5, 48-49: “un impôt au profit de la Compagnie.” For the legal-historical significance of this text, see Ghachem, “Origins of Public Credit.”

consumer taste towards pleasures more conform to superior views.”¹²² Even Dupont, who was naturally hostile to both the privilege and this seeming reinstatement of the prohibitive textile regime, told Calonne that the Company might render itself useful to French manufacturers in this vein if it passed on the financial savings of its many concessions to producers instead of charging monopoly prices.¹²³ At the same time, other royal administrators and prominent industrialists, including the *indienneurs* of Nantes and the famous Christophe-Philippe Oberkampf, openly supported the ban and demanded its enforcement.¹²⁴ However, between the *Contrôle-Général*’s continual granting of exemptions and the Company’s own lackadaisical enforcement, advocates of the prohibitive regime were profoundly disappointed. The *arrêt* of July 10 had granted the Company itself extraordinary prerogatives of search and seizure in enforcing the cotton ban themselves – prerogatives that rapidly became a target for merchants writing against the Company. But apart from seizures enforced on arriving ships in Lorient, this prerogative was never used, and goods prohibited by the law continued to circulate widely.¹²⁵ When the negotiations with the British were completed, administrators within the *Contrôle-Général* itself were baffled as to which laws applied to the importation of British cloth: the July laws or the free

¹²² ANOM, 8AQ 326, “Au Roi...Les Gardes et Adjointes du Corps des Marchands Drapiers et Merciers de Paris,” August 1785: “diriger le goût des Consommateurs vers des jouissances plus conformes à [des] vues supérieures.”

¹²³ Hagley, Winterthur Group 2, Series B, Box 25, W 2-4679: “Observations” by Dupont (undated, but after 10 July 1785).

¹²⁴ ANOM, 8AQ 326, Colonia to Boullongne, 10 February 1786; Colonia to Boullongne, 2 August 1785; “L’arrêt dont vous avez bien voulu[...],” undated by Colonia. For Nantes, AD Loire-Atlantique, C 749, *Mémoire pour les Fabricans d’Indiennes de la Ville de Nantes*, 30 December 1786. For Oberkampf, Chapman and Chassagne, *European Textile Printers*, ch. 11.

¹²⁵ Objections to the scope of these prerogatives are discussed in Lacretelle and Blonde, *Consultation*, 62-63. Regarding the continued circulation of cotton contraband, see AE Courneuve, 8CP/555, Calonne to Vergennes, 15 March 1786 (f° 267-268vo); 7MD/74, Grimoult to Calonne, 23 December 1785 (f° 37-46vo) and attached *mémoire* (f° 47-59vo).

trade principles of the new treaty.¹²⁶ The mutual “incoherence” of these measures was driven by political imperatives that largely disregarded potential economic consequences.¹²⁷ The July law was a political maneuver that both alienated merchant interests and dissatisfied industrial ones.

The Eden Treaty demonstrated this administrative incoherence in more than one way. While the July laws that spurred on the negotiation of the treaty evoked the importance of prohibitions in defending French textile industries, the treaty opened French markets to legal competition from British cotton goods. Its architects even proposed to allow the legal importation of goods from the British East India Company itself. This idea primarily owed to the influence of Dupont, who had long argued that the ‘pernicious’ Indies trade could be eliminated in favor of a reciprocal, intra-European commerce, in which valuable French agricultural products like wine, oils, *eaux-de-vie*, and vinegars – the focus of the negotiations with Britain – would be exchanged for Indian goods.¹²⁸ Dupont advised Rayneval to offer a full mutual exchange of French wines for Bengali cottons: this, he argued, was a situation of true equality and reciprocity, as the cotton manufactures of Bengal were equal in stature and quality to the *vignobles* of France.¹²⁹ Rayneval agreed entirely. Renouncing the “detrimental” Indies trade would give “invaluable” advantages to domestic productions – and perhaps not only textile ones.¹³⁰ The vetoed treaty between the two companies had vividly illustrated the problem. If France were to buy British Indian goods, would it not, Rayneval asked, be “better to prefer the

¹²⁶ ANOM, 8AQ 327, Colonia to Brot, 21 April 1787.

¹²⁷ Céline Cousquer, *Nantes: une capitale française des indiennes au XVIIIe siècle* (Nantes: Coiffard, 2002), 177, 178.

¹²⁸ Dupont de Nemours, *Compagnie des Indes*, 40-42.

¹²⁹ Hagley, Winterthur Group 2, Series A, Box 2, W 2-246: Dupont to Rayneval, 27 July 1786.

¹³⁰ AE Courneuve, 7MD/74, “Reflexions détachées sur notre commerce l’avec l’Angl^e” by Rayneval, 1785 (f° 80): “commerce fâcheux...un avantage inappréciable[sic].”

warehouses of Leadenhall to those of Calcutta?”¹³¹ That way, any temporary disadvantages for France’s growing textile industries would be offset by clear advantages for their prized agricultural exports.

Although this proposal did not make it into the final treaty, it is illustrative of the treaty’s contentious historical reputation. The classic historical accounts of the treaty insist that Rayneval was a poor negotiator, willing to capitulate on details in the name of securing Vergennes’ broader political objectives.¹³² According to this interpretation, the treaty was a misguided economic blunder. Some historians have gone as far as to argue that the treaty, by being overgenerous to British imports at the expense of French manufacturers, led to an “industrial crisis” in 1788 that foreshadowed (or even, precipitated) the economic downturn leading to the French Revolution.¹³³ However, while the records of the *Bureau de la Balance du commerce* indeed showed a trade deficit with Britain after the treaty, some scholars have rightly suggested that this probably represented a legalization of existing contraband networks, rather than an actual rise in British imports.¹³⁴ By many metrics, French industries – even cotton ones – were indeed capable of competition with Britain at the time, and calling the treaty a

¹³¹ AE Courneuve, 7MD/74, “Reflexions détachées sur notre commerce l’avec l’Angl^e” by Rayneval, 1785 (f° 80vo): “mieux de préférer ses magasins de Leadenhall à ceux de Calcutta?” Rayneval made the same argument about privileging reciprocal, European exchanges in reply to the Company’s directors in 8MD/5, “Observations des Administrateurs [et] Remarques [de M. de Rayneval],” 1785 (f° 160). His offer to Eden on this matter is discussed in National Archives, PRO 30/8/110, Eden to Pitt, 6 April 1786 (f° 11vo-12).

¹³² François Dumas, *Étude sur le Traité de Commerce de 1786 entre la France et l’Angleterre* (Toulouse: É. Privat, 1905); Camille Bloch, “Le Traité de Commerce de 1786 entre la France & l’Angleterre, d’après les papiers du Plénipotentiaire anglais,” in *Études sur l’Histoire Économique de la France (1760-1789)* (Paris: Picard, 1900), 268. A more tempered iteration of this view, as to the sincere philosophical commitments of the French negotiators, is offered in Stourm, *Finances*, v.2, 58-60.

¹³³ Charles Schmidt, “La crise industrielle de 1788 en France,” *Revue Historique* 97, no. 1 (1908). This view is rather uncritically adopted in Walton, “Fall from Eden.”

¹³⁴ Arnould, *Balance du Commerce*, v.1, 182 posits a trade deficit of 50 million *livres tournois* in the three years following the treaty. For the argument about contraband, see W.O. Henderson, “The Anglo-French Commercial Treaty of 1786,” *Economic History Review* 10, no. 1 (1957); Crouzet, *Guerre économique*, 100.

‘miscalculation’ is often motivated by a predetermined view of British industrial ascendancy, or a misguided searching for the economic ‘causes’ of the French Revolution.¹³⁵

As most modern historians of the Eden Treaty have conceded, regardless of the debatable economic impact of the treaty, contemporaries regarded it as a debilitating failure and a sign of French weakness.¹³⁶ Anquetil-Duperron described the Eden Treaty as a “fatal blow” to French industry, “concluded *à huis clos*” between docile French ministers who became the willing pawns of the British, without bothering to consult regional commercial interests.¹³⁷ The problem of the treaty being concluded in secret was one of the principal objections of one of Calonne’s own employees, Édouard Boyetet – Dupont’s co-Intendant of Commerce – who published documentation insisting that he had consistently protested the treaty as damaging to French industrial interests. Boyetet claimed that Vergennes himself insisted that the treaty not be shared with the regional Chambers of Commerce, because they would certainly try to derail it.¹³⁸ The Chambers of Commerce responded forcefully, arguing that foreign policy had been allowed to shamelessly steamroll their economic interests.¹³⁹ Dupont attempted to salvage the situation as best as he could, arguing in an open letter to the Chamber of Commerce of Normandy in Rouen, a capital of French textile production, that the significance of the treaty, in fostering cooperation

¹³⁵ Horn, *Path not Taken*, ch. 3; Pierre H. Boulle, “Slave Trade, Commercial Organization, and Industrial Growth in Eighteenth-Century Nantes,” *Revue française d’histoire d’outre-mer* 59 (1972).

¹³⁶ See the essays by Marie Donaghay, “The Best Laid Plans: French Execution of the Anglo-French Commercial Treaty of 1786,” *European History Quarterly* 14 (1984), and “The Exchange of Products of the Soil and Industrial Goods in the Anglo-French Commercial Treaty of 1786,” *Journal of European Economic History* 19, no. 2 (1990).

¹³⁷ Abraham Hyacinthe Anquetil-Duperron, *Dignité du Commerce, et de l’État de Commerçant* (S.l.: s.n., 1789), 84, 213: “coup funeste...conclu à huis clos.”

¹³⁸ Édouard Boyetet, *Recueil de Divers Mémoires, relatifs au Traité de Commerce avec l’Angleterre, faits avant, pendant et après cette négociation* (Versailles: Baudouin, 1789).

¹³⁹ AE Courneuve, 7MD/74, “Nouvelles Observations de la Chambre de Commerce de Picardie[...],” 12 February 1788 (f° 174-177); “Observations générales sur les effets du traité[...],” 1788, anon. (f° 178-181vo).

and peace between former enemies, remained essential to the economic and political interests of the nation as a whole.¹⁴⁰ But these views had little significance in the minds of entrepreneurs – and their workers – whose livelihoods now seemed threatened by “incoherent” state policy. Whatever the intentions and results of the treaty itself, it remains undeniable that it publically undermined the credibility of the monarchy in economic matters.¹⁴¹ The *Compagnie des Indes* and the Anglo-French Commercial Treaty, conceived of as the two pillars of the postwar economic order in which France would stand ascendant, stood in total discredit.

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The creation of the *Nouvelle Compagnie des Indes* and the drafting of the Eden Treaty were intended as the bases of France’s postwar economy. Like the *revanchistes*, their advocates similarly viewed France as ascending to new glory, although the two groups diverged profoundly as to the methods by which that could be achieved.¹⁴² Vergennes and his collaborators sought to put an end to what some historians have called the “second Hundred Years’ War” between France and Britain in the eighteenth-century.¹⁴³ Yet despite the persistence of war, in the case of both the *Compagnie des Indes* and the negotiation of the Eden Treaty, there was willingness on both sides to find methods of economic conciliation and collaboration. William Eden shared Vergennes’ view that reciprocal commerce could provide a lasting basis for peace and hoped that, although their agreement had failed, the two East India Companies could find other ways to

¹⁴⁰ Pierre Samuel Dupont de Nemours, *Lettre à la Chambre du Commerce de Normandie; sur le mémoire qu’elle a publié relativement au Traité de Commerce avec l’Angleterre* (Paris: Moutard, 1788), 74-75.

¹⁴¹ Jeff Horn, “‘A Beautiful Madness’: Privilege, the Machine Question and Industrial Development in Normandy in 1789,” *Past & Present* 217 (2012), 158, 174-175.

¹⁴² See the discussion of French ascendancy in Whatmore, *Against War and Empire*, 205.

¹⁴³ See, for instance, the arguments in Meyer and Bromley, “Seconde Guerre de Cent Ans,” and Crouzet, *Guerre économique*.

work towards “the harmony and the mutual good of the two Nations.”¹⁴⁴ In other words, both sides of each negotiation evinced genuine commitments to partnership, albeit amidst serious trepidation about the consequences and scale of collaboration. Just as Rayneval, Vergennes, and Calonne were denounced as paid agents of the British, Eden and the Pitt administration were also railed for seemingly selling their own country’s economic interests to France.¹⁴⁵

In France, the Company and the Treaty became hated symbols of Old Regime commercial mismanagement. They exemplified an administrative willingness to throw aside commercial and manufacturing interests – without consulting them – in the name of abstract foreign policy aims, and Boyetet denounced them side-by-side in his writings against the treaty and Calonne’s administration.¹⁴⁶ Political cartoons portrayed allegories of commerce hung from a lamppost, with its hands tied by the Eden Treaty, and its feet weighted down by institutions like the *Compagnie des Indes*.¹⁴⁷ The Company and the Treaty were intended to evoke France’s economic power, by creating an institutional peer for the British East India Company and negotiating an agreement founded on partnership and reciprocity. In practice, both seemed to demonstrate that French commercial actors were little more than British clients. Since 1769,

¹⁴⁴ BL, Add MS 34421, Eden to Rayneval, 28 June 1786 (f° 358): “l’harmonie et le Bien mutual des deux Nations”; Add MS 34422, Eden to Rayneval, 5 August 1786 (f° 15). Rayneval and Calonne expressed a willingness to revisit the failed treaty as per BL, Add MS 34421, Eden to Pitt, 6 July 1786 (f° 377); William Eden, *The Journal and Correspondence of William, Lord Auckland*, ed. Robert John Eden (London: Bentley, 1861-1862), v.1, 149 (Eden to Pitt, 27 July 1786).

¹⁴⁵ Louis Petit de Bachaumont, *Mémoires secrets pour servir à l’histoire de la république des lettres en France, depuis MDCCLXII jusqu’à nos jours* (London: Adamson, 1781-1789), v.36, 79 claimed that Calonne and Vergennes received 3.4 million *livres* from the British in exchange for the Eden Treaty. Crouzet, *Guerre économique*, 93; National Archives, FO 27/20, Carmarthen to Eden, 17 October 1786 (f° 263); BL, Add MS 34422, Eden to Vergennes, 31 December 1786 (f° 128-131); BL, Add MS 34423, “For the General Advertiser, to the French Party in England” (f° 112).

¹⁴⁶ Boyetet, *Recueil*, v.1, 9; v.2, 45-48.

¹⁴⁷ BnF, “Le Triomphe de la Finance,” (Paris, s.d.), and “L’allégorie est assez Claire, pour se passer de Comentaire” (Paris, s.d.).

plans to reestablish the *Compagnie des Indes* had focused on the need for French independence in the ‘pernicious’ Indies trade, while simultaneously developing substitute industries at home. While the agreement between the companies had been rejected on the grounds that it established French dependency on Britain, the Eden Treaty seemed to contemporaries to have established that system – to the detriment of domestic industry – nationwide.

The Company had been intended to inspire respect and credit in foreigners, particularly the British. At the outset, British observers had fretted that a new company might serve as a vehicle for French rearmament, but soon the mask fell away. When one of the Company’s ships, the *Dauphin*, returned to much celebration and excitement, one British envoy noted that if such a fuss could be made about the arrival of a single ship, then “the condition of the Company is not very flourishing.”¹⁴⁸ Arthur Young, visiting the port of Lorient during the Company’s tenure, remarked that the splendid, “royal munificence” of the buildings – which the *Nouvelle Compagnie* had inherited, not built – seemed an awkward match with the “trifling” nature of its business.¹⁴⁹ As Rayneval’s denunciation had foretold, a Company that relied on its rivals to survive was an embarrassment, and though the Anglo-French “cartel” failed, this is exactly what happened in practice – for several years – after the haphazard implementation of the July laws. An East India Company that could conduct all its business in London and Copenhagen was no East India Company at all. As Pierre-Louis de Lacretelle wrote, the *Nouvelle Compagnie* was an insult to the *grandeur* of its ancestors. As its monopoly outsized both its capital – and seemingly, its institutional will – some places in the Indian Ocean rim would never again see

¹⁴⁸ National Archives, FO 27/18, Hailes to Carmarthen, 6 July 1786 (f° 278-279vo).

¹⁴⁹ Arthur Young, *Travels during the Years 1787, 1788, and 1789, undertaken more particularly with a View of ascertaining the cultivation, wealth, resources, and national prosperity, of the Kingdom of France* (Bury St. Edmund’s: W. Rackham, 1792), v.1, 87. This was written in September 1788.

French ships. When Colbert and Louis XIV had created their Company in 1664, it had been in consultation with merchants and to universal acclaim. But Lacretelle asked, “is it with [such] glorious trappings & public acclamation that the new *Compagnie des Indes* now rises?”¹⁵⁰

The Company thus appeared to be a political charade, and although imagined as a symbol of French credit and power overseas, it did not seem to inspire confidence in anyone beyond the investors and speculators of the Paris *Bourse*. It achieved Calonne’s financial aims of creating a particular, constitutional bargain with the state’s creditors, and Vergennes had wielded it as a political tool in his battle over the future of the relationship between France and Britain. In practice, this meant that every attribute of the Company itself – from the scope of its monopoly to the veto of its agreement with the British – was deeply political. Although the Company had been reconceived and recast as a ‘purely commercial’ enterprise, separated from the exercise of sovereign power in India, it remained a political and constitutional entity. If the *Nouvelle Compagnie* really was a private, ‘purely commercial’ institution, there would have been no grounds on which to oppose the politically offensive ‘cartel’ between the French and British companies: the agreement would have been only a “Bargain between Merchants,” as one of its British advocates had suggested.¹⁵¹ Yet, at its core, a *Compagnie des Indes* remained understood as a public-private partnership by which commercial privileges were exchanged for certain diplomatic conduct and financial favors to the state. The clear separation of ‘sovereign’ and ‘commercial’ power imagined by royal administrators and theorists was, in practice, illusory. When the Company’s agents landed in India, they would find this to be the case far more than they had realized.

¹⁵⁰ Lacretelle and Blonde, *Consultation*, 46, 42: “Est-ce avec ce glorieux appareil & cette acclamation publique que la nouvelle Compagnie des Indes s’élève aujourd’hui?”

¹⁵¹ BL, IOR I/1/17, “The Observations of Francis Baring Esq. upon Mr. Hastings’ Paper of Sentiments[...]” (f° 140).

Chapter 4

Between the Colossus and the Tiger: the Company in India

The *Nouvelle Compagnie des Indes*' first two ships, the *Calonne* and the *Boullongne*, departed Lorient side-by-side on August 1, 1785. The Indian Ocean world into which they were sailing was, for the French, increasingly returning to its *status quo ante bellum*. Article 13 of the peace treaty signed in 1783 provided only that Britain would guarantee to France "a safe, free and independent Trade" in India, as France had enjoyed in the past, and that the British would ensure French sovereignty over the *comptoirs* of Pondicherry, Chandernagor, Karaikal, Yanoan, and Mahé.¹ However, given France's weak political and financial position in India, the enforceability of these promises was a non-trivial matter. Neither war nor peace resolved the structural and fiscal problems facing the French state in India.

The Company's three principal establishments on the Indian subcontinent were located at Pondicherry on the Coromandel Coast, Chandernagor in Bengal, and Mahé on the western Malabar Coast. The circumstances facing the agents in these three locations could not have been more disparate. In Pondicherry, France's large, garrisoned Indian Ocean capital, the Company's agent was able to strike a peaceful *détente* with the nearby, secondary British Presidency at Madras and profit from connections with a long-standing network of French-allied Indian commercial elites. However, the separation of power planned by the Company's architects – that sovereignty would reside with the King and his Navy, and commercial power with the Company – did not work as envisioned. The financial penury of the French state, to say nothing of many Naval officials' determination to exploit a Company that had been created in opposition to their

¹ *The definitive treaty of peace and friendship, between His Britannick Majesty, and the most Christian king: signed at Versailles, the 3d. of September, 1783* (London: Harrison and Brooke, 1783), 13.

own views, continually eroded this separation in practice in the aims of propping up an increasingly desperate colonial state.

The problems faced by the Company's agents in Chandernagor and Mahé were of a different stripe. In Chandernagor, a tiny, defenseless French settlement in the British-dominated province of Bengal, the Company's trade was subject to constant surveillance and harassment from its more powerful British counterpart.² As much as Calonne and Vergennes could pretend in Europe that their creation was the institutional peer of its rival, their subordinates in India cautioned them that this was a "chimera" in which little stock could be put.³ In practice, the British wielded the power to impede French trade, and the small, unarmed Company was unable to do anything about it without support from its own government. By contrast, in the impoverished settlement of Mahé, the obstacles to the Company's trade came from France's tenacious, would-be ally, Tipu Sultan of Mysore, who was unimpressed and disinterested in the Company's commercial affairs – unless it could somehow furnish him the French military assistance he sought in his struggle against the British. As far as its relations with foreign powers was concerned, the Company was placed in liminal space: it was neither a fully independent actor, nor did it have the state support it desperately needed.

These contrasting experiences all reveal the inherent paradox of the Company's incorporating principle. The *Nouvelle Compagnie* was intended as an 'exclusively commercial' enterprise, stripped of the costly obligations of territorial sovereignty, administration, diplomacy, and war in India seen as responsible for the Law Company's failure. The experience of its

² By the terms of the Peace of 1763, Chandernagor was prohibited from having defensive fortifications other than a small moat used for drainage. During the American Revolution, the Calcutta Council filled in this moat: AE Courneuve, 8CP/545, "Mémoire," 23 October 1783 (f° 206-211).

³ AE Courneuve, 8MD/17, untitled mémoire by Moracin, 1782 (f° 79): "l'Egalité parmi les nations Europeenes[sic] est une chimere à laquelle personne ne croît plus."

agents on the ground, however, demonstrates that the Company found itself – sometimes intentionally, sometimes unintentionally – at the nexus of French financial, diplomatic, and imperial interests in India. As French diplomats and military officials struggled to negotiate the terms of the postwar era – still grappling with the choice between *revanche* and a compromised peace – the Company’s agents often found their commercial objectives compromised by political circumstances, both domestic and foreign, beyond their control.

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Pondicherry: The Unwilling Royal Treasurer

The *Calonne*’s first stop was in Pondicherry, and upon the ship’s arrival, the crew sought out Jean-François Moracin, the fifty-five-year-old *ordonnateur* of the colony. A cousin of the Parisian banker Jean-Joseph Laborde, Moracin had followed his uncle into the service of the Law Company and had served in India for almost twenty-eight continuous years as both a royal administrator and the Company’s liquidator.⁴ Moracin seems to have been one of those rare figures able to simultaneously maintain the friendship and admiration of the two ministerial *ennemis intimes*, Vergennes and Castries, as he was an advisor to both and a decorated military officer.⁵ Moracin was informed upon the *Calonne*’s arrival that he had been named as one of the managing directors of the new Company, that he had been appointed by his fellow directors as their Pondicherry agent, and effectively, the acting supervisor of all of the Company’s agents

⁴ ANOM, C² 170, Moracin to Castries, 4 October 1785. AE Courneuve, 8MD/17, “Mémoire” (f° 162-163vo). Early correspondence between Léon de Moracin (Jean-François’ uncle) and his first-cousin Laborde is found in University of Minnesota, James Ford Bell Library, “Moracin Correspondence: Pondicherry, India, dated from 1741-1793;” Jean-François was thus Laborde’s first cousin, once removed. Léon de Moracin is referred to in passing by Voltaire in *Fragments sur l’Inde*, 109.

⁵ Frederick L. Nussbaum suggests that Moracin was especially close to Vergennes, see “New East India Company,” 488, but based on his correspondence, Moracin appears to have been friendly with both. He was a *chevalier de l’ordre de Saint-Louis*.

stationed in the Indian Ocean.⁶

Although he had served the Law Company skillfully, Moracin's foremost concerns were not commercial, but rather focused on the preservation of France's increasingly precarious foothold in India. He wrote extensively on the problems of administration faced in the *comptoirs*. In particular, he argued that France's Indian colonies suffered from excessive decentralization: local administrators wielded too much power, often worked at cross-purposes, and most importantly, their policies could change substantially from administration to administration.⁷ He became particularly anxious when he found out in October 1785— from a copy of the *Gazette de France* — that a new *Compagnie des Indes* had been founded the previous April. Moracin immediately wrote to Castries, requesting that in order to calm the royal agents in the various *comptoirs*, the minister personally guarantee that the agents currently employed by the Navy at locations throughout the subcontinent receive a dual appointment as the Company's agent in those places, as such an arrangement would be effective and cost saving for both the state and the company.⁸ In ultimately accepting his own dual appointment, however, Moracin became concerned about potentially conflicting interests between the two offices. He assured Castries privately, however, that his first allegiance was to the Navy, going as far as to suggest that his multiple offices could only stand to benefit it in wartime, as it would put the Company's on-site funds at the disposal of the *service du Roi*.⁹ On the most basic administrative level, the separation of commercial and sovereign power between Company and state was illusory.

⁶ ANOM, 8AQ 2, arrêt of 5 May 1785.

⁷ ANOM, C² 170, Moracin to Castries, 4 October 1785.

⁸ ANOM, C² 170, Moracin to Castries, 9 October 1785. Cossigny offered his support for such a proposal, see Conan, *Dernière Compagnie*, 64-65.

⁹ ANOM C² 176, Moracin to Castries, 23 January 1786 (f^o 37); 8 May 1786 (f^o 103).

The *comptoir* at Pondicherry had been the political and military capital of France's Indian establishments since its founding, but had fallen to the Dutch and British no fewer than three times, most recently in 1782. At that time – when the city had barely recovered from the siege of the Seven Years' War – its defensive fortifications were yet again destroyed by the British, and the population was left severely impoverished.¹⁰ The hopes that the white, French population pinned on a local commercial renaissance after the restitution of the city to France in February 1785 were promptly dashed the following April, when the monopolistic *Nouvelle Compagnie* was instituted, preventing the merchant inhabitants from trading with the metropole, in the Red Sea, or to China. When the *Calonne* arrived in Pondicherry in January 1786, it added insult to injury, as it carried only a sparse array of European wares for the needy population, who formally lodged their grievances with Moracin and the Governor, David Charpentier de Cossigny.¹¹ Cossigny shared his superiors' resentment against the Company, but in this regard he was far outmatched by his successor, none other than Castries' former advisor, Thomas de Conway. Conway, enraged that his own ideas about the *Compagnie des Indes* were not adopted, spoke freely of his hatred for Calonne's company and openly sympathized with the plight of merchants in both Pondicherry and metropolitan France. However, Moracin was remarkably adept at managing the expectations of these hostile parties. Until his retirement and departure for France in 1791, Moracin would also serve as President of Pondicherry's *Conseil Supérieur*, and as the coming of the French Revolution made the fate of the Company's monopoly apparent, he

¹⁰ Labernadie, *Vieux Pondichéry*, 375-79.

¹¹ This incident later became a public grievance against the Company in France: André Morellet, *Mémoires relatifs à la discussion du privilège de la nouvelle Compagnie des Indes* (Paris: Demonville, 1787), 42. For the petition, see ANOM, 8AQ 40, "Mémoire à Messieurs de Cossigny...et Moracin," 26 February 1786.

became increasingly brazen in openly sympathizing with the plight of his *concitoyens*.¹²

Like its predecessor – though to a far greater extent – the new Company had little direct interaction with the overwhelming majority of the Indian populations governed by the French in the environs of Pondicherry. It instead operated through its own bureaucracy of elite Tamil Brahmin families as agents of French power. These agents were also the Company's primary contractors, and while generally treated by the French as equal business partners, Europeans often deliberately kept their agents in debt, so as to financially obligate them to remain in service.¹³ As had been the case historically, French agents were primarily drawn from the caste groups of the *Mudaliars* and the *Pillais*. In the 1780s, the two groups fought over the right to the position of *divan*, a title invented under the governorship of Law de Lauriston (1765-1777) to replace the position of *dubash*, or *courtier*, as it had been known under the regime of the Law Company. The position was a shadow of its previous incarnation, as none of the later *divans* ever wielded the kind of political power held by the position's most famous occupant, Ananda Ranga Pillai, who had served as *dubash* to Dupleix in the heyday of the Law Company's power.¹⁴ Nonetheless, the title gave its occupant a *de facto* monopoly on French contracts, which primarily consisted of cloth, for European export, and salt, used in the intra-Asian

¹² He went as far as to sign several petitions to the *Assemblée Nationale* demanding the destruction of the Company's monopoly. See ANOM, C² 191 (f° 130-168).

¹³ Haudrère, *Français dans l'océan Indien*, 21; K.S. Mathew, "Indian Merchants and the French during the Seventeenth and Eighteenth Centuries -- A Study of Partnership," in *Indo-French Relations*, ed. K.S. Mathew and S. Jeyaseela Stephen (Delhi: Pragati Publications, 1999); Indrani Ray, "The Multiple Faces of the Early Eighteenth Century Indian Merchants," in *The French East India Company and the Trade of the Indian Ocean*, ed. Lakshmi Subramanian (Calcutta: Munshiram Manoharlal, 1999).

¹⁴ The diary of Ananda Ranga Pillai remains one of the most important existing sources on political and economic life in eighteenth-century Pondicherry: Anantarankam Pillai, *The private diary of Ananda Ranga Pillai, dubash to Joseph François Dupleix, governor of Pondicherry: a record of matters political, historical, social, and personal, from 1736-1761*, eds. J. Frederick Price and K. Rangachari (New Delhi: AES, 1985).

‘country trade.’¹⁵ In the intervening years, however, the Mudaliars had usurped this position from the Pillais, much to the chagrin of Tiruvengadam Pillai, Ananda’s nephew and the heir of the position, who was now saddled with the far less lucrative and more bureaucratically demanding responsibilities of *chef des Malabars* – effectively governor of the entire Tamil population under French control.¹⁶ To alleviate some of these tensions and retain these two powerful clans in the Company’s service, Moracin saw to it that while Nayinathai Mudaliar retained the title of *divan*, Ananda Pillai was granted the title of *courtier en titre* for the Company, which procured for him the admittedly lesser function of managing the warehouses and shipments.¹⁷

While Voltaire once observed that, under Dupleix, Madras and Pondicherry had been greater rivals than London and Paris themselves, the 1780s saw a relatively peaceful balance of power on the Coromandel Coast.¹⁸ Apart from the three British Presidencies – Calcutta, Madras, and Bombay – the French *chef-lieu* remained the most highly fortified and equipped European establishment on the subcontinent. Although the dying marquis de Bussy bemoaned the squabbles attendant on the retrocession of the French territories on Coromandel – especially those concerning seven small enclaves, known as the *jonkans* of Villianur – the years after his

¹⁵ The *divan* was also required to conduct numerous jurisdictional affairs in the name of the King. For example, Nayinathai Mudaliar was responsible for receiving the districts of Villianur and Bahour from the British in February 1785, see ANOM, B, Feuilles Volantes, no. 817, “Ordre...à Nainaté Modéliar, Divan de la nation française, à l’effet de prendre possession des districts de Villenour et Bahour au nom de S.M.T.C[...]” 11 February 1785.

¹⁶ For details on the Pillai family’s claims, see Tiruvengadam’s petition in ANOM C² 172, Tirangadonpoulé to Monneron, 24 March 1786 (f° 217); A. Krishnasamipillai, “The Family of Ananda Ranga Pillai: some geneological data,” *Revue historique de Pondichéry* 10 (1972); Rangappa Thiruvengadam Pillai, *The Diary of Rangappa Thiruvengadam Pillai: 1761-1768*, trans. S. Jeyaseela Stephen (Pondicherry: IIES, 2001).

¹⁷ Nayinathai Mudaliar’s contract with Moracin for the *Nouvelle Compagnie* is found in ANOM, B, Feuilles Volantes no. 908, “Accord passé sous seing privé entre Jean François Moracin...et Naynaté Modéliar, Divan du Roi,” 8 April 1786. See also 8AQ 344, Anana Pillai and Naynatté Mudaliar to administration, 30 October 1792; 8AQ 15, instructions to the comité de Pondichéry, 5 November 1791 (f° 146vo).

¹⁸ Voltaire, *Fragments sur l’Inde*, 13.

death in early 1785 saw an effective *détente* between the British and the French in the region.¹⁹

In fact, the British Presidency and the French establishment often cooperated with one another.

When disaster struck in nearby Yanaon in 1787 in the form of a severe hurricane and the death of the senior French agent, Moracin obtained assistance from Archibald Campbell, the Governor of Madras, who ordered his employees in the region to assist the new French agent there with the recovery of contracts and receivables.²⁰

Independent financial houses in Madras and Pondicherry also collaborated, but in complete secrecy, since British subjects in India – whether or not in Company service – were prohibited by Parliament from dealing with foreigners. In the course of his trading operations, Moracin worked with notable British financiers including George Smith, Robert Ewing, the firm of Pelling DeFries, Paul Benfield, and Francis Lautour, in order to procure both cargoes and bills of exchange. While the British agents had to conceal their associations with Moracin, prompting him to always endorse his bills in blank, Moracin's account books record the transactions he made with his British correspondents in copious detail.²¹ As these 'remittances' were an essential service for rogue British agents attempting to sneak their ill-gotten fortunes back to Europe, the French Company was providing an appreciated service to British financiers. In fact, the only significant snub that Moracin suffered at the hands of the British occurred in 1787, when it became publicly known in Madras that the French government was contemplating the

¹⁹ The difficulties facing Bussy during the retrocession are discussed in Alfred Martineau, *Bussy et l'Inde française, 1720-1785* (Paris: Société de l'histoire des colonies française, 1935), 390-406. See also BL, IOR I/1/8, *passim*; AE Courneuve, 8CP/554, Castries to Vergennes, 28 September 1785 (f° 177).

²⁰ ANOM, 8AQ 40, Moracin to Paris administration, 7 February 1788; Moracin to Demars, 20 June 1787.

²¹ For Ewing and Smith, see ANOM 8AQ 344, Moracin to Paris administration, 31 December 1787; for Pelling DeFries, see BnF, NAF 8935; for Francis Lautour, see 8AQ 15 and 240, *passim*. Paul Benfield was the future partner of Walter Boyd, a British expatriate who was a *commissaire* in the *Compagnie des Indes* from 1787-1794, see Furber, *John Company at Work*, 47-50. For the endorsements in blank and the identities of the creditors, see 8AQ 344, Moracin to Paris administration, 28 March 1788, and the register in 8AQ 240.

revocation of the Company's monopoly. As a precautionary measure, British creditors refused to accept bills payable from the Company's accounts.²² But when Moracin offered to open new accounts with the same creditors under his own name, business proceeded as usual. In other words, creditworthiness was the only condition of Anglo-French collaboration on the Coromandel Coast.

The most serious problems that Moracin faced were administrative: having to balance his duties as an employee of a legally independent corporation and as a servant of the perennially indebted French state. Unlike the British – who even on the Coromandel Coast enjoyed an annual revenue of over £3,000,000 – the French administration in India was constantly strapped for cash, due to a combination of unreliable shipments of *piastres* from Europe and their limited territorial revenues, which never exceeded 500,000 *livres tournois* in the years before 1789.²³ As in Europe, the principal causes of French debt in India were military: the maintenance and reconstruction of military garrisons, ships, and fortifications in Pondicherry alone cost more than five times their total revenue. Moracin and Conway worked on many projects to obtain higher agricultural revenues in nearby Karaikal, but none ever came to fruition.²⁴ As a result, unlike its British counterpart, the French naval administration remained beholden to bullion shipments from Europe. This became an increasingly contentious issue after 1785, since the new Company's privilege entailed a total exemption from the *droit d'indult*. The fact that the new

²² The Company's political woes in France were publicized in the *Gazette de Leyde* and the *Madras Courier*. ANOM, 8AQ 344, Moracin to Paris administration, 28 March 1788.

²³ The Madras Presidency had a revenue of £3,092,195 in 1794-1795, see *Journals of the House of Commons*, v. 50, 608. For the French revenues, see ANOM, C² 176, Moracin to Castries, 8 May 1786 (f^o 80); C² 186, Conway to La Luzerne, 26 June 1788 (f^o 39). This figure represented all French revenues in India, not just those on the Coromandel Coast.

²⁴ ANOM, 29 DFC 103 (Karaikal), dossiers 17, 18, 21; C² 186, Moracin to Luzerne, 7 February 1788 (f^o 24). As of 1786, Karaikal accounted for 150,000 lt in annual revenues.

Company was not sovereign, yet entirely tax-exempt, was a brilliant financial sleight of hand by Calonne that was strongly appreciated by investors, but as far as the Navy was concerned, it was an administrative disaster. Although Moracin and Conway were friends, Conway could not help but relentlessly chide him for being the representative of a Company whose existence had caused irreparable financial damage to the maintenance of French power in India.

At Versailles, Castries devised ways to force the Company to help the Navy shoulder the costly burdens of sovereignty. Shortly after the Company's formation, he ordered that all of the Indian territories that had neither territorial revenues nor military value were to be managed by the Company.²⁵ This included the so-called *petits comptoirs* in Bengal and the relatively unused *loges* at Calicut, Surat, and Mocha. When informed of these orders, Moracin protested that since the Company was not sovereign, it could not legally exercise jurisdiction over those *comptoirs*, which made them more prone to seizure by the British – a particularly critical observation in the case of Bengal, as will be shown.²⁶ As soon as the Company's directors in Paris found out, they ordered him to defund the *comptoirs* and withdraw any agents with political commissions.²⁷ Conway was livid. In his view, the Company, already a tax-exempt leech on the King's treasury, owed its country the service of ensuring that those *comptoirs* remained in French hands.²⁸

A yearlong reprieve from having to fund the *petits comptoirs* was naturally inadequate to remedy the insolvency of the French state in India, and this continued to erode the separation between the sovereign and the Company. Beholden as ever to incoming shipments of bullion,

²⁵ ANOM, C² 236, Castries to Bussy(dec.), 12 May 1785 (f^o 82).

²⁶ ANOM, C² 176, Moracin to Cossigny, 30 Nov 1786 (f^o 4).

²⁷ ANOM, 8AQ 40, Moracin to Paris administration, 18 December 1786; 8AQ 15, Paris administration to Moracin, 26 October 1787.

²⁸ ANOM, C² 186, correspondence of Moracin and Conway, August 1788 (f^o 172-173).

the Pondicherry government began increasingly to rely on *lettres de change* payable in Europe, and Moracin used his Company connections in Paris – namely his fellow directors, Sabatier and Desprez – to procure loans for the Navy.²⁹ However, the loans were not enough either, and when the royal administration found itself insolvent in summer 1786, on his own initiative, Moracin gave them 160,000 rupees (or 400,000 *livres tournois*), virtually the entire contents of the Company’s *caisse* in Pondicherry.³⁰ Recognizing that this was a significant breach of his duties to the Company, he proceeded to hide this substantial loan from both the Company and the Naval minister for almost a year. When he finally confessed, he told Castries that given the financial crisis in the royal administration, his two offices were incompatible: “as long as the King’s treasury is needy...the Company’s *caisse* will be regarded...as a secure resource...that must always come to the aid of *la chose publique*.”³¹ Castries was undoubtedly delighted, seeing as Vergennes and Calonne had systematically cut off every other means by which the Company was useful to the Navy. Its directors were not so pleased. Although Moracin insisted that it was always in the Company’s interest to encourage good relations with the *service du Roi* – “the *Compagnie des Indes* being now an affair of State” – his explanation fell on deaf ears.³² Moracin was mistaken, they wrote, to regard the Company as a state matter. It was only “a commercial house,” and Moracin had betrayed the most important trust of all – that of their shareholders – by

²⁹ ANOM, C² 186, Moracin to Sabatier & Desprez (f° 43-70).

³⁰ ANOM C² 183, “Etat des fonds de la Compagnie des Indes versés au Trésor du Roy à Pondichéry[...],” 15 March 1787 (f° 95). He instructed Decourt and Boyer, the agents at Mahé, to give a similar loan of 40,000 rupees to the navy when their *comptoir* was in debt in late 1787, see 8AQ 347, Decourt/Boyer to Moracin, 25 April 1788.

³¹ ANOM, C² 183, Moracin to Castries, 11 March 1787 (f° 74): “tant que le thrésor du Roy sera indigent...la caisse de la compagnie sera regardée peut être[sic] trop generalement, comme une ressource assurée & qui doit toujours venir au secours de la chose publique.” Moracin repeated this same argument to Montmorin after the Trinquemalay incident explained below, see C² 186, Moracin to Montmorin, 20 February 1788 (f° 34).

³² ANOM, 8AQ 344, Moracin to Paris administration, 18 March 1787: “la Compagnie des Indes étant aujourd’hui une affaire d’Etat.”

committing funds to non-commercial operations. If he wanted to prove his good intentions, he could promptly make use of his dual appointment to pay back the Company treasury.³³

This reprimand did not arrive in time to inform Moracin's course of action when the so-called "Dutch Crisis" erupted in mid-1787. The crisis was triggered when armed conflict broke out in Europe between the increasingly authoritarian Dutch *Stadhouder*, William V, supported by Britain and Prussia, and the republican Dutch Patriot party, supported by France. By mid-summer, both Britain and Prussia seemed poised to intervene in support of the *Stadhouder*, threatening to decimate the Patriots and overthrow the Dutch Republic.³⁴ With France committed to protect the Patriots, it appeared that Britain and France would go to war again for the second time in a decade.

A Dutch régime change would have serious ramifications for France in the Indian Ocean. Castries firmly supported the 1785 Franco-Dutch defensive alliance as a method of deterring – and hopefully one day, defeating – Britain in the Indian Ocean.³⁵ The linchpin was its guarantee of French access to the Dutch port of Trinquemalay on the island of Ceylon as a launching point for a future invasion. The Crisis threatened to upend this plan. If the Patriot government fell, a confirmed British ally would occupy a port that lay within 250 miles by sea of Pondicherry. Anticipating certain war with Britain and the fall of Holland to an Anglo-Prussian coalition, Castries sent a dispatch to Conway on August 15 – a month before the invasion of Holland began – ordering him to assemble a French fleet at Pondicherry, sail for Ceylon, seize Dutch

³³ ANOM, 8AQ 15, Paris administration to Moracin, 31 October 1787: "une maison de commerce."

³⁴ Orville T. Murphy, *The Diplomatic Retreat of France and Public Opinion on the eve of the French Revolution, 1783-1789* (Washington, D.C.: The Catholic University of America Press, 1998), 85-86.

³⁵ Jeremy Black, *From Louis XIV to Napoleon: the Fate of a Great Power* (London: Routledge, 1999), 137; Murphy, *Diplomatic Retreat*, 83.

Trinquemalay, and establish a military garrison there.³⁶ The chance for a new war of *revanche* appeared to have arrived.

When Conway received the dispatch the following February, he was stunned. His commitment to Castries' policy of *revanche* seems to have flagged upon his arrival in the Indian Ocean when actually faced with the fiscal and structural limitations of French power. He told Castries that he doubted the ability of his fleet to capture Trinquemalay, let alone hold and provision it.³⁷ Required, however, to obey his orders, Conway immediately faced a frightening dearth of ships, supplies, and most importantly, coin. Fortunately, he knew exactly how to rectify that situation. He immediately wrote to Moracin, informing him that the Company's two ships in harbor, the contents of the Company warehouses, and all of the funds in the Company's treasury were being commandeered in the name of the King. Moracin immediately obeyed the requisition order and informed his captains to prepare their ships to sail with Conway's fleet. Armed with the Company's funds and supplies, Conway assembled a motley fleet of six ships – three naval, three commercial – which provided a convenient way of ignoring Castries' formal order to relocate an entire military garrison to Ceylon, since the resources were simply not available for such an enterprise.³⁸

The expedition was ultimately a failure. The fleet made it no further than Karaikal, halted by adverse winds and, in all likelihood, an abundance of pessimism on Conway's part. On the return trip, he told Moracin he was relieved by "the demonstrated inability of executing the

³⁶ ANOM, C² 180, Castries to Conway, 15 August 1787 (f° 27-32vo).

³⁷ ANOM, C² 184, Conway to Castries, 12 February 1788 (f° 49-56); Conway to Montmorin, 17 February 1788, (f° 57-61).

³⁸ ANOM, C² 185, Conway to Moracin, 15 February 1788 (f° 52-52vo); Moracin to Conway, 15 February 1788 (f° 52-52vo); C² 184, Conway to Montmorin, 27 February 1788 (f° 62-64).

Minister's orders."³⁹ As it turned out, Castries' much sought-after war of *revanche* against Britain had come to naught on the European front as well. Though Vergennes had died in February 1787, his policy of *détente* with the British survived under his successor, the comte de Montmorin and the new *premier ministre*, the archbishop Loménie de Brienne. Ultimately – for reasons both financial and diplomatic – France did not intervene to save its Dutch Patriot allies from the Anglo-Prussian invasion. Disgusted with this show of weakness, Castries resigned from his ministry only ten days after issuing his orders to Conway.⁴⁰

However, the financial damage of the failed 'Trinquemalay expedition' had been done. The Navy was 2.5 million *livres tournois* in debt to the Company alone. The administration in Paris was livid with Moracin, and they decided as a result he was simply not to be trusted with cash funds anymore. His actions thus had inadvertent consequences for the way Company business was henceforth conducted in Pondicherry. The Company's decision to tightly restrict the volume of specie being sent to Pondicherry – to limit the risk of its use by the *service du Roi* – meant that Moracin was increasingly forced to buy from British and French *fournisseurs* whose contracts were payable in Europe. This meant that their Tamil Brahmin contractors, like Nayinathai Mudaliar, were being increasingly shut out of French business.⁴¹ The alienation of these powerful local elites was arguably the most severe financial consequence of the loans, as the directors' complaints that the loss of these funds caused the Company serious financial

³⁹ ANOM, C² 185, Conway to Moracin, 1 March 1788 (f° 56): "l'impuissance démontrée d'exécuter les ordres du Ministre."

⁴⁰ For Montmorin's views, see Black, *Louis XVI to Napoleon*, 139; for Castries' resignation, see Tarrade, "Maréchal de Castries," 48.

⁴¹ See, for instance, BnF, NAF 8935, Lagrenée to Sehir la Fontaine, 18 Jul 1792 (f° 402-vo), where the former complains to the latter that the Company was wrongfully depriving Nayinathai Mudaliar of contracts he had title to as *divan*.

damage were blatantly false.⁴²

The consequences of the expedition for France's Indian Ocean empire as a whole were more dire. The Trinquemalay affair served to prove once more to the ministers at Versailles what was already generally known to them: that France's Indian possessions were costly to maintain and only profitable to the handful of merchants who traded there.⁴³ It seems quite fitting that authorization of the expedition should have been one of Castries' last acts as Naval minister, as he was the last of Louis XVI's ministers to believe that a French military resurgence in India was not only desirable, but financially feasible. The Trinquemalay expedition was the culmination of a long series of miscalculations that undercut his revanchist dreams.

The debts incurred due to the Trinquemalay affair thus played a direct role in what is known as the 'evacuation' of Pondicherry, which began in fall 1789. The evacuation consisted in the effective military abandonment of Pondicherry, and the relocation and consolidation of all remaining French naval and ground forces in the Indian Ocean at Île de France in the Mascarenes.⁴⁴ Both Conway and Castries' successor, the comte de La Luzerne, seem to have independently come to the conclusion that such a measure was necessary and inevitable. Conway told Luzerne that France's fiscal situation in India was bluntly unsustainable, and that if such a relocation were to occur, France's territorial revenues would be adequate to pay for a

⁴² As evinced by the ample dividend of 160 lt/share paid in 1789, as per ANOM, 8AQ 9. All of Moracin's loans to the state were reimbursed in their entirety (minus interest) by October 1790: see 8AQ 9, deliberations of 26 May 1790, 15 June 1790 and 22 October 1790.

⁴³ For the origins of this perception during the Choiseul ministry, see François-Joseph Ruggiu, "French Colonial Policy," 27.

⁴⁴ Technically, Yanaon, Chandernagor, Karaikal, and Mahé were 'evacuated' too, but seeing as none of them had many troops on site (Chandernagor, for instance, having none), the term "l'évacuation de Pondichéry" was most commonly used by contemporaries. The political dimensions of the evacuation are discussed in Michael Rapport, "'Complaints lost in the wind' - French India and the crisis of the absolute monarchy: a global dimension?" in *The Crisis of the Absolute Monarchy: From Old Regime to the French Revolution*, ed. Julian Swann and Joël Félix (Oxford: Oxford UP, 2013).

small security force of 1000-1200 Indian *sepoys* troops, which could stay behind as a safeguard to French commerce. It would behoove French state interests, he wrote – in a clear jab at his former superior – to “renounce...so-called Indian politics, the Peru of charlatans.”⁴⁵ Luzerne, whose views as to India were diametrically opposed to his predecessor’s, did not resent this sarcastic mark of insubordination. He noted instead on one of Conway’s letters that “we have anticipated his views,” and that such orders had already been transmitted.⁴⁶

Although Moracin willingly planned and participated in the evacuation, going as far as to loan out – this time under meticulously crafted contracts – several Company ships for these purposes, he must have taken it as a severe setback. As early as 1783, he wrote to Castries to caution him that the strategic obsession with Île de France was misguided, and that it was necessary to recognize that India was the real target, for which Île de France was “only the accessory.”⁴⁷ He had spent his life in service to the French state in India, and although he did not fully share Castries’ *revanchisme*, he profoundly regretted this seemingly final renunciation of all French claims upon the subcontinent.

The story of Moracin and the *Nouvelle Compagnie* in Pondicherry illustrates how the theoretical separation of commercial and political power prescribed for the new Company was unfeasible in practice. Not only were state and commercial interests vested in the same person, but the Company was called upon – against its will – to finance the perpetuation of France’s increasingly precarious imperial visions in India. The King, through his military governors, had been decisively established as the sovereign of the Indian *comptoirs* after the destruction of the

⁴⁵ ANOM C² 186, Conway to Luzerne, 26 June 1788 (f° 39): “renoncer...à la prétendue politique indienne, le Perou des charlatans.”

⁴⁶ ANOM, C² 190, “Inde,” 4 September 1789 (f° 20): “on a prevenû ses vues.”

⁴⁷ ANOM C² 165, Moracin to Castries, 10 April 1783: “il faut donc enfin généralement reconnoître que l’Inde est le principal, et l’isle de France seulement l’accessoire.”

Law Company. However, this entailed an unpleasant reckoning with the costs that the nation, not the “company-state,” would henceforth bear. As the Navy came to rely on the *Nouvelle Compagnie* to pay their expenses, it only served to illustrate, to skeptics on the ground and at home, the painful inadequacies of France’s continued presence in India. The Company became a witness to – and participant in – the financial twilight of France’s Indian empire.

* * *

Bengal: France’s Invisible Empire

When the *Boullongne* arrived in Chandernagor in Bengal in February 1786, the new Company’s three arriving agents – Joseph Sanson, Laurent Deonna, and Gabriel Develey – sought out the military commandant, Louis-Charles Dangereux, in order to inform him that, like Moracin, he too was to have a dual appointment as the *agent du roi* and as the company’s *chef de comptoir*. Sanson was a veteran agent who had served the Law Company in Bengal as a young man, while Deonna, charged with quality supervision of their cloth cargoes, was a Genevan *indienneur*.⁴⁸ Their instructions from the Company were quite precise: under the firm belief that the French and British Companies would soon form, for all intents and purposes, a single cartel, the agents were instructed to collaborate with the British to the fullest extent possible. They were instructed to simply purchase all of their goods from British employees, who would in return receive the 10% commission promised as per the pending treaty between the two companies. The administration in Paris told its agents to “avoid compromising the Company’s

⁴⁸ For Sanson’s service at Chandernagor, Monnepour, and Balassor prior to 1780, see his file in ANOM, E 365, and his correspondence with his friend Moncrif (who was also employed by the New Company at Mocha) in AN, T 263 (Papiers Moncrif). Deonna’s family owned the firm of Deonna, Petit & Cie, which was unsurprisingly among the *Nouvelle Compagnie*’s most significant buyers; see 8AQ 220 and 276. See also Lüthy, *Banque Protestante*, v.2, 668, 723. Deonna returned to his firm in Geneva after his tenure in Bengal, see 8AQ 232, *passim*. I have not been able to find anything on Gabriel Develey.

interests under the pretext of a chimeric rivalry.”⁴⁹ Like their other great patron, the comte de Vergennes, the Company’s directors regarded rivalry between the two companies, and the two nations, as a costly affair to be avoided by any means.

However, the agents’ meeting with Dangereux – who accepted his appointment as *président* of the so-called *Comité de Chandernagor* – must have put their conciliatory instructions in a new light. Dangereux was an experienced officer who had served in Bengal for many years under Law de Lauriston, and he had been sent back to India in 1784, with Moracin’s endorsement, as the *agent du Roi* for Chandernagor.⁵⁰ His past experiences had taught him nothing if not to be cautious in dealing with the British, and for this reason, Dangereux was openly opposed to the idea of a consortium between the two companies, believing that the British would price gouge the French Company and would deliberately fail to meet their delivery requirements.⁵¹ The guarantees of friendship and promises of prompt restitutions of French territories outlined in the treaty of 1783 had given him brief cause for optimism, only to be shattered.⁵² Diplomatic commitments in Europe counted for little on the ground in India, as Dangereux proceeded to explain to the three arriving agents. Moreover, the French position in Bengal was vastly different than that in Pondicherry, for nowhere else on the subcontinent was the influence gap between the French and British empires so bluntly apparent as in Bengal.

When contemporary French observers complained about the “colossus” of British power in

⁴⁹ ANOM, 8AQ 346, instructions to Sanson, Deonna, Develey, 9 July 1785: “éviter surtout de compromettre les intérêts de la Compie. par des prétentions d’un rivalité chimérique.”

⁵⁰ Dangereux had served as an agent of the Law Company in Cassimbazar and Dhaka. In the Seven Years’ War, he was second-in-command under Law de Lauriston. See ANOM, E 107. For his reappointment, AE Courneuve, 8MD/17, Moracin to Vergennes, 27 February 1783 (f° 160-161).

⁵¹ AD Haute-Marne, 2E 132, “Observations” by Dangereux (dossier 29).

⁵² ANOM, C² 173, Dangereux to Castries, 25 January 1785 (f° 37).

India, they invariably referred to the political, military, and financial power structure erected by the British in the province of Bengal.⁵³ In the previous decades, the ambitions of the semi-independent *nawab* of Bengal had conflicted with those of the British East India Company. The *nawab*'s defeat by the Company at the Battle of Plassey in 1757, followed by the Mughal Emperor's grant of the *diwani*, or tax collection rights, for the provinces of Bengal, Bihar, and Orissa in 1765 – a guaranteed revenue of over 25 million *rupees* per year – made the British Company *de facto* sovereign in those provinces, in a series of events so dramatic that they were known to contemporary Britons and Frenchmen alike as “revolutions.”⁵⁴ The British government, however, was surprisingly wary of these ‘revolutionary’ events, fearing not only the abuse of the Company's sovereign power in India, but also the political power wielded by the so-called ‘nabobs’ in Whitehall and Westminster. During the 1783 peace negotiations, the British diplomats admitted frankly that they would not be able to offer the French wider territorial concessions in India precisely because they would not be able to get the Company to agree to it.⁵⁵ In the 1780s – from Pitt's India Act of 1784 to the trial of Warren Hastings, beginning in February 1788 – the British government sought to limit the Company's sovereign prerogatives and bring the Bengal government under Whitehall's supervision.

Although the British Company was, in some sense, a sovereign power long before Plassey, the commercial situation in Bengal in earlier decades had been surprisingly equal among

⁵³ See, for instance, ANOM, F3 45, “Indostan: Presqu'il de l'Inde, Grands Gouvernements, et Puissance Angloise en Asie,” 1784; AE Courneuve, 8MD/7, “Mémoire” (f° 169vo).

⁵⁴ For the *diwani* revenues, see Narendra Krishna Sinha, *The Economic History of Bengal: from Plassey to the Permanent Settlement* (Calcutta: Firma K.L. Mukhopadhyay, 1956-1970), v.2, 105. For “revolutions,” see ANOM, C² 117, “Révolutions de Bengale,” undated; Stern, *Company-State*, 204-06; Travers, *Ideology and Empire*, 31; Chaudhuri, *Trading World*, 67.

⁵⁵ AE Courneuve, 8CP/539, Rayneval to Vergennes, 26 December 1782 (f° 322).

European powers.⁵⁶ This was because all of the European traders – British, Danish, Dutch, and French – operated in Bengal with the written permission of the Mughal Emperor through their *firman*s. As the Europeans owed all their rights to Mughal authorities, this placed an enormous amount of power in the hands of locals, especially when it came to the cloth trade, as Bengal was world-renowned for its fine cottons. Since most attempts to encourage weavers to relocate to the major European settlements failed, the traders had to hire intermediaries who would purchase textiles for them in the *aurangs*, or rural weaving villages. They employed local brokers known as *gumastas*, who would in turn employ purchase agents called *dalals*, who would make contracts with weavers. This contract system, sometimes called “forward dealing,” required a large advance to the weavers and substantial commissions for the *gumastas* and the *dalals*. The system entailed high risk for European merchants, because it gave the weavers, *dalals*, and *gumastas* substantial power to set their own prices, to abscond with advances, or produce sub-par products in order to save their own labor and resources.⁵⁷ No one European company had any clear-cut advantage over its rivals, as everyone competed for the best weavers and the best prices. Prior to Plassey, weavers operated “without oppression, restrictions, limitations and prohibitions.”⁵⁸

Plassey transformed this equilibrium, as Mughal sovereignty in Bengal became a legal fiction. The British Company made use of its political power to attempt to monopolize the cloth

⁵⁶ Stern, *Company-State*, 15.

⁵⁷ For descriptions of this system, see Sinha, *Economic History of Bengal*, v.1, 146; Hameeda Hossain, *The Company Weavers of Bengal: the East India Company and the Organization of Textile Production in Bengal, 1750-1813*. (Delhi: Oxford UP, 1988), 3; Chaudhuri, *Trading World*, 142-43; and Prasannan Parthasarathi, *The Transition to a Colonial Economy: Weavers, Merchants and Kings in South India, 1720-1800* (Cambridge, UK: Cambridge UP, 2001), chapter 1 (for South India).

⁵⁸ Sinha, *Economic History of Bengal*, v.1, 148. Debendra Bijoy Mitra, *The Cotton Weavers of Bengal, 1757-1833* (Calcutta: Firma KLM, 1978), 43-45 shows that the British in 1752 complained that the French trade at Dhaka was edging them out of important *aurangs*.

trade and eliminate the inefficiencies caused by weaver agency. This involved designating certain weavers as ‘belonging’ to the British Company, registering them at their *aurangs*, and often enforcing contracts by means of corporal punishment.⁵⁹ The British turned to coercion because weavers showed little interest in working for them voluntarily: not only was their pay exceptionally low, their Commercial Residents were notorious for preventing weavers from exiting British service by deliberately keeping them in a state of indebtedness. These inflexible rules threatened to reduce them to “subsistence levels and even lower,” giving them strong incentives to seek out work with foreign companies and private traders in order to secure their standard of living.⁶⁰

Thus, while the British Company may have been consolidating its political rule, its conduct towards weavers in practice invited economic competition from other parties. As a result, the British Company’s employees sought to harass and impede foreigners in Bengal to the maximum extent possible, especially the French and the Dutch, who were commonly known by weavers to offer higher wages precisely because they lacked the power to secure contracts by force.⁶¹ From 1763 onwards, the British imposed barriers to French and Dutch commerce in the *aurangs* and along the rivers through search and seizure. They often justified their actions by claiming that any weavers the French or Dutch attempted to employ were already hired by the British Company – whether or not that was the case – as a pretext for seizing assets or goods exchanged in the transaction. In the 1760s and 1770s, the French considered such obstructions to have been

⁵⁹ Hossain, *Company Weavers*, 87-89; Sven Beckert, *Empire of Cotton: a global history* (New York: Alfred A. Knopf, 2014), 45.

⁶⁰ Hossain, *Company Weavers*, 69.

⁶¹ Mitra, *Cotton Weavers*, 46-47, 51.

one of the principal causes of the bankruptcy of the Law Company.⁶² In 1778, the retiring *ordonnateur* of Chandernagor, François Héliès, wrote that harassment of the French by the British in the *aurangs* was so pervasive that the French had little choice but to purchase all of their cargo clandestinely in Calcutta from rogue British agents.⁶³ The Dutch fared far worse: although they too retained a sovereign *comptoir* at Chinsura, they were effectively beaten out of several major trading centers, including Malda, where their trading posts were burned to the ground in 1784 by the British Commercial Resident, Charles Grant.⁶⁴ As Dangereux explained, even with the guarantees of British protection for French trade in the 1783 peace treaty, there was every reason to expect that things would still return to their *status quo ante bellum*.

Although the French cloth trade had not been resumed as of early 1786, Dangereux could cite on this account the recent British efforts to restrict other foreign ventures in Bengal, namely, the trade in opium, saltpeter, and salt. It was well understood by the mid-1780s that an intra-Asian opium trade stood to be highly profitable for the European companies; even Philippe Viellard, the French Consul at Canton, urged the *Nouvelle Compagnie*'s directors to begin shipments of opium from Bengal to China.⁶⁵ Although the Dutch had pioneered the opium trade in Bengal, the British had now established a monopoly over procurement of opium in Patna, its

⁶² ANOM, C² 108, Bruny to Boynes, 11 December 1771 (f^o 32-vo); "Reponse à une Memoire sur l'Inde faite a Fontainebleau," 30 October 1772 (f^o 154). The abbé Raynal also describes the pervasive nature of British harassment of foreign merchants in *Histoire philosophique*, liv. IV, ch. 29.

⁶³ ANOM, 27 DFC 103 (Chandernagor), "Mémoire sur la situation de la colonie de Chandernagor [...]" (dossier 14), by François Héliès, 15 September 1778.

⁶⁴ Hossain, *Company Weavers*, 79, 116; Mitra, *Cotton Weavers*, 101-02.

⁶⁵ ANOM, 8AQ 301, "Mémoire sur le Commerce de la Chine, envoyé par Mr. Viellard," 20 January 1786. On early opium contraband, see Om Prakash, "From Hostility to Collaboration: European Corporate Enterprise and Private Trade in the Bay of Bengal, 1500-1800," in *Commerce and Culture in the Bay of Bengal, 1500-1800*, ed. Om Prakash and Denys Lombard (Manohar: Indian Council of Historical Research, 1999), 257-58.

production center.⁶⁶ They also held the sole rights to all saltpeter and salt production in Bengal, a vast and lucrative system inherited from the Nawabs.⁶⁷

While Dangereux and his British counterparts quickly reached accords as to opium and saltpeter – given that the French were obliged to buy these from the British anyway – salt presented more complex obstacles. Salt, like opium, played an important role in the French ‘country trade,’ as they imported salt from Pondicherry into Bengal for sale.⁶⁸ Since the evaporated “coastal salt” from Coromandel was significantly cheaper than the “boiled salt” of Bengal, French imports – although minuscule by comparison with Bengali production levels – were regarded as a serious threat to British control of the market. In order to prevent its importation into Bengal, the British relentlessly harassed inbound French ships, demanding to board and inspect them for contraband. In October 1785, Dangereux signed an agreement with Calcutta permitting the importation of 200,000 *maunds* of salt per year, which would be sold to the British Salt Department at the price of 120 *sicca rupees* per 100 *maunds*.⁶⁹ However, in practice this agreement accomplished little. In late 1785, the British fired upon two French ships when they failed to comply with inspections. One of them was a *corvette du Roi* called the *Espérance*, and since even French naval vessels were prohibited from carrying weapons in Bengal, the unfortunate crew was forced to abandon ship at Fort William under a hail of gun and cannon fire. The ship foundered in the harbor and a Bengali sailor in French service was killed

⁶⁶ Sinha, *Economic History of Bengal*, v.1, 56-63; Marshall, *Bengal*, 110.

⁶⁷ Sinha, *Economic History of Bengal*, v.1, 201. Most saltpeter was also produced in Patna, see ANOM, C² 236, *passim*, and Mitra, *Cotton Weavers*, 21.

⁶⁸ Sinha, *Politics of Trade*, 109-10. The East India Company gained full control over the salt trade in 1772. See BL, IOR I/1/17, “Sketch of the Salt trade in Bengal[...],” and Marshall, *Bengal*, 111.

⁶⁹ ANOM, C² 173, Dangereux to Souillac, 22 October 1785 (f^o 52). This represented 240,000 Rs. annually, less than 6% of the Presidency’s salt revenue in 1784-1785 (62,57,470 Rs.). See Sinha, *Economic History of Bengal*, v.1, 205-207.

in the incident.⁷⁰ Both the Calcutta Council and the British Foreign Secretary, Lord Carmarthen, believed that the entire confrontation had been meticulously contrived by Dangereux – undoubtedly with support from Castries – in order to “furnish a pretext...to engage in hostilities.”⁷¹ As this news became known in Europe precisely as the preliminary negotiations for the Eden Treaty began, Vergennes and his stalwart Company ally, Thomas-Simon Bérard, rushed to assure the British envoys that France’s intentions were peaceful, and that the temperamental Dangereux was to blame – though the pattern of similar incidents with the Danish and the Dutch makes one suspect otherwise.⁷²

Both Cossigny and the Governor-General on Île de France, the vicomte de Souillac, were incensed by Dangereux because he had shown insubordination by negotiating an agreement with a foreign power on his own. Cossigny broke the agreement with the Calcutta Council on the grounds that Dangereux had acted above his station. Although Calcutta initially regarded the settlement as binding, the Council finally agreed to send a representative, Charles Cathcart, to Île de France to negotiate directly with the Governor-General.⁷³ The resulting accord established amounts of salt, saltpeter, and opium that the French were permitted to trade, consigned the French to accept inspection of ships on entry into the river, and bound them to pay a 2.5% tax on

⁷⁰ For the incident with the first ship, a privateer vessel called the *Auguste-Victor*, see ANOM, C² 173 (f^o 80, 133, 144). For the *Espérance*, see ANOM, C² 173, Dangereux to Wilton, 8 December 1785 (f^o 142); C² 236, Cossigny to Castries, 20 January 1786 (f^o 12). The Calcutta Council was eventually forced to compensate the victim’s family and pay the costs of replacing the ship.

⁷¹ BL, Add MS 34469, Calcutta Council to Court of Directors, 10 January 1786 (f^o 222); Add MS 34467, Carmarthen to Eden, 24 February 1787 (f^o 40vo); National Archives, FO 27/18, Hailes to Carmarthen, 10 August 1786 (f^o 326-326vo).

⁷² National Archives, FO 27/18, Hailes to Carmarthen, 9 July 1786 (f^o 288-288vo); Hailes to Carmarthen, 10 August 1786 (f^o 326-326vo). The other incidents are reported in BL, IOR I/2/22-24, *passim*.

⁷³ ANOM, C² 173, Cossigny to Dangereux, 30 November 1785 (f^o 60), Cossigny to Calcutta Council, 28 November 1785 (f^o 58), Calcutta Council to Cossigny, 29 December 1785 (f^o 264); C² 236, Calcutta Council to Cossigny, 29 December 1785 (f^o 16), and Macpherson to Souillac, 26 January 1786 (f^o 3).

their commerce.⁷⁴ It was ratified in April 1786 and sent to London and Versailles for review.

Since Dangereux awaited a definitive ruling on this settlement when the new Company's agents arrived, he warned them to expect harassment of the kind he had experienced in the past. He further noted that their instructions to simply purchase their cloth orders from British Commercial Residents in the *aurangs* were flawed, as the British agents would charge high prices and use the pretext of their government's restrictions on trade with foreigners as an excuse to under-deliver. Sanson, Deonna, and Develey, however, were not fazed by these obstacles. After all, in spite of this persistent harassment, French merchants had routinely filled their contracts by trading clandestinely with rogue British employees – often with the implicit approval, or even participation, of the former Governor-General, Warren Hastings.⁷⁵ Thus, confident that the British would cooperate, the three agents set out for Calcutta, armed with a series of letters of recommendation commending the new French Company to the good graces of the new Governor-General, John Macpherson.⁷⁶ One of these letters came from none other than Henry Dundas, President of the Board of Control. It had been procured by James Bourdieu – when he had been confident of obtaining the Company's London agency – and it represented a token of Whitehall's esteem for the proposed treaty between the two companies.⁷⁷

Macpherson and the Council received the three junior agents with great hospitality and

⁷⁴ Copies of the agreement are located in AE Courneuve, 8MD/10. The Souillac-Cathcart Agreement fixed the amounts at 200,000 *maunds* of salt (identical to Dangereux's original settlement), 18,000 *maunds* of saltpeter, and 200 *caisses* of opium.

⁷⁵ This fact was so well-acknowledged at the time that Vergennes and Calonne cited it as a reason the 'cartel' with the East India Company was unnecessary: AE Courneuve, 8MD/5, untitled, unsigned *mémoire* (f° 235vo); ANOM, 8AQ 328, Calonne to Paris administration, 18 March 1786.

⁷⁶ For Dangereux's skepticism, see ANOM, 8AQ 41, Chandernagor agents to Paris administration, 22 January 1787; 8AQ 346, Chandernagor agents to Moracin, 12 April 1786. For Calcutta, see ANOM, 8AQ 346, deliberations of 19 February 1786.

⁷⁷ AN, T 38 (Papiers Huber) 1-2, "M. Bourdieu ne craint point d'avancer[...]" (pc 178), "Exposé des services[...]" (pc 548).

good will, promising to aid and encourage French commerce in any way possible and expressing delight at the prospect of a formal treaty between the two companies.⁷⁸ The Chandernagor agents were so convinced by these promises that they proposed relocating the Company's commercial headquarters in Bengal from Chandernagor to Calcutta and conducting all of their business there.⁷⁹ Even though prices in Calcutta would be higher than in the *aurangs*, they felt that such an arrangement was in accordance with their instructions from Paris and with the Company's marked preference for payment by credit in Europe over the shipment of precious metals.⁸⁰ Moracin, however, concerned for the public perception of French actions, would have none of this. "What idea would you like foreigners to have of a French company whose headquarters in Bengal is in the English capital?" he snapped. The only acceptable venue for the Company's business was "under the King's flag."⁸¹ However, given the situation in Bengal, this was more easily said than done.

While from the perspective of Pondicherry and Paris, the main problem with the so-called *petits comptoirs* – Patna, Dhaka, Cassimbazar, Balassor, and Jugdia – was the question of who paid for their maintenance, from Dangereux's perspective, the bigger problem was maintaining a French foothold on them at all. While Chandernagor was officially returned to the French in July 1785, the extent of the French holdings in the hinterlands of Bengal remained an object of

⁷⁸ ANOM, 8AQ 225, deliberations of 1 March 1786.

⁷⁹ ANOM, 8AQ 344, Chandernagor agents to Moracin, 19 February 1786.

⁸⁰ Hossain, *Company Weavers*, 101; ANOM, 8AQ 346, instructions to Sanson, Deonna, and Develey, 9 July 1785.

⁸¹ ANOM, 8AQ 344, Moracin to Chandernagor agents, 9 April 1786: "Quelle idée voudriez-vous que prissent les étrangers d'une Compagnie française dont le premier siege a Bengale, seroit dans la Capital des anglais?"; "sous le Pavillon du Roy."

contestation for several years.⁸² In particular, the British took umbrage at the French practice of raising flags above their trading posts: a practice that, before Plassey, had been commonplace to all European trading companies. Flags had the effect of signaling to local weavers, disgruntled with the restrictive practices and poor pay of the British Company, that a new – and in the case of the French, big-spending – competitor was in town. Dangereux explained it to Castries in terms recalling the myth of French benevolence: the British wished to abolish this right, guaranteed in the French *firman*s, precisely because of “the Indians’ attachment to us.”⁸³

The British repeatedly informed Dangereux that they only recognized French jurisdiction in Chandernagor and the five *petits comptoirs*, and while the French might trade at other locations in Bengal, they did not have the right to fly their flags elsewhere. Dangereux refused to accept these restrictions, pointing out that the British, often hypocritically, demanded that he produce titles to French lands – titles that Calcutta knew well had been intentionally destroyed in the war. As a result, with Souillac’s full support and encouragement, Dangereux continued to permit all agents, whether in the employ of the state or the Company, to fly the French flag.⁸⁴ The British did not take these provocations lightly. By July 1787, Dangereux reported seven instances of French flags being torn down and destroyed by British agents, *gumastas*, or soldiers.⁸⁵ In several of the incidents, the British had taken care to smash the flagpole as well, so as to prevent the re-hoisting of the flag after their departure. In spite of direct intervention from

⁸² ANOM, C² 173, acte de rétrocession, 27 July 1785 (f^o 13). For Dangereux’s attempts to resolve the retrocession controversies himself, in negotiation with John Wilton of the Calcutta Council, see AE Courneuve, 8CP/552, and ANOM C² 173, *passim*.

⁸³ ANOM, C² 182, Dangereux to Castries, 15 January 1787 (f^o 10): “l’attachement des Indiens pour nous.”

⁸⁴ ANOM, C² 182, Wilton to Dangereux, 20 October 1786 (f^o 28), Calcutta Council to Dangereux, 6 November 1786 (f^o 35), Dangereux to Wilton, 25 October 1786 (f^o 32), Souillac to Dangereux, 5 February 1787 (f^o 81).

⁸⁵ ANOM, C² 182, “Protet de M. Dangereux au Conseil de Calcutta,” 12 July 1787 (f^o 73). The incidents were at Canicola, Chandpour (Kanpur), Santipore, Serampour, Kirpaye, Malda, and Chittagong.

Souillac himself, the British would not budge.⁸⁶ They were grudgingly willing to accept French traders in Bengal, but only on the condition that they remained invisible.

It is thus understandable that, with the example of the militarized British “company-state” alive before their eyes, the Company agents in Chandernagor – especially the experienced Dangereux – rebelled against the stringent limits placed on their ‘sovereign’ power by both their incorporation edict and the instructions from the frugal Paris administration. Although they were strictly prohibited from employing funds towards any jurisdictional or administrative expenses, the agents decided nonetheless to hire a small, private security force of 20 *sepoys* soldiers to guard the warehouses and the treasury. Although the Paris administration was infuriated by this expense and ordered that the troops be fired, the Chandernagor agents continued to employ them until 1790, and they encouraged their employees and *gumastas* in the *petits comptoirs* to employ guards as well.⁸⁷ Unlike their superiors in Paris, they saw armed power not only as an acceptable cost, but a vital necessity for the preservation of their operations.

In spite of these events, the agents continued to go forward with their idea for an establishment in Calcutta. While Moracin objected to a full relocation of the Company’s Bengal headquarters, he was willing to accept a single French trading house in the British capital. During their meeting with Governor-General Macpherson, the French agents had requested his formal permission for such an establishment, which he enthusiastically granted.⁸⁸ Macpherson even acceded to their request for a formal exemption from Calcutta municipal taxes, to which all

⁸⁶ ANOM, C² 182, Souillac to Calcutta Council, 5 February 1787 (f^o 77), Calcutta Council to Souillac, 9 May 1787 (f^o 64).

⁸⁷ ANOM, 8AQ 225, deliberations of 22 February 1786; 8AQ 15, Paris administration to Moracin, 26 January 1787; 8AQ 346, deliberations of 2 July 1790. In 1788, the Chandernagor agents effectively informed the Paris administration that it was their intent to disobey their orders and continue maintaining their security force, see 8AQ 41, letter of 9 February 1788.

⁸⁸ ANOM, 8AQ 344, Chandernagor agents to Moracin, 7 March 1786.

private traders and foreigners were subject, effectively guaranteeing that, as Macpherson said, “your Company’s commerce [will be] on the same footing as ours in Calcutta.”⁸⁹ Overjoyed, the agents immediately rented a house in Calcutta for 2000 rupees per year – a hefty sum, they admitted, but one they were optimistic that they would recoup through both the exemptions and commercial advantages their base in Calcutta would offer them.⁹⁰ Their joy, however, was short-lived. Nine months later, the Calcutta Council went back on its word and informed the French Company that all of their merchandise would be subject to municipal taxes, with no possibility of appeal.⁹¹

The French agents attributed their reversal of fortune to one man: Charles, Marquess Cornwallis, the newly appointed Governor-General in Calcutta. Macpherson – who had only ever been regarded as a placeholder after the departure of Warren Hastings – had been packed off to Europe in August, amidst myriad accusations of malfeasance, corruption, and political ineptitude.⁹² Although the French initially liked Cornwallis, he brought with him both a zeal for stamping out corruption and the knowledge that the French government had rejected the proposed treaty between the two companies.⁹³ He was the figurehead for Whitehall’s oversight

⁸⁹ ANOM, 8AQ 225, undated letter from John Macpherson, Robert Sloper, John Stables, Charles Stuart to Chandernagor agents: “le commerce de votre Compagnie [sera] sur le même pied que la nôtre à Calcutta.”

⁹⁰ ANOM, 8AQ 225, deliberations of 2 and 11 March 1786.

⁹¹ ANOM, 8AQ 41, Chandernagor agents to Paris administration, 1 November 1786. This tax exemption was the subject of a complaint levied against Macpherson by the city’s British merchants: C² 114, “Adresse présentée par les Négocians de Calcutta à Mr. Macpherson[...],” 26 July 1786 (f^o 68-75). The Calcutta Council later withdrew Macpherson’s permission to allow the French to establish there, 8AQ 346, deliberations of 17 October 1786.

⁹² On Macpherson’s reputation for corruption, see Arthur Aspinall, *Cornwallis in Bengal*[...] (Manchester: Manchester UP, 1931), 8-9, 21-22; and Dirks, *Scandal of Empire*, 264.

⁹³ Sanson met with Cornwallis personally in July 1787 and found him very obliging and seemingly committed to the protection of French trading rights in Bengal. However, according to Sanson, Cornwallis’ lack of knowledge of “[les] usages et les coutumes” of Bengal was bluntly apparent. As discussed in Aspinall, *Cornwallis in Bengal*, 7-8, Cornwallis was a complete outsider, with no connections in the Calcutta government and no prior experience in India. From Aspinall’s perspective, this was Cornwallis’ strategic advantage in ‘cleaning up’ the Company

of the affairs of the British Company, which increasingly meant the assertion of British – not merely Company – sovereignty in Bengal.⁹⁴ Reforming the labyrinthine Company government was a complicated task, but foreigners, whose rights were guaranteed only by a Mughal government that effectively no longer existed, made an easy target. Dangereux could not help but note that the attacks against French flags in Bengal increased after Cornwallis' arrival.⁹⁵

Cornwallis introduced reforms that amounted to a direct assault on all foreign trade in Bengal. He aggressively continued the codification and enforcement of laws restricting the rights of weavers in the *aurangs*. Weavers designated as British employees – whether or not they chose to be – who were caught engaging in clandestine trade with foreigners were now subject to prosecution.⁹⁶ Cornwallis' ultimate aim was to extirpate those in the British establishment who had aided or abetted foreign trade. This meant not only a challenge to the patronage systems that had previously filled Company appointments in Bengal, but also an attack on rogue employees selling to foreigners for their own private profit.⁹⁷ Cornwallis was determined to enforce the existing – but consistently ignored – bans on British agents trading with foreign companies, which effectively nullified the French agents' original instructions to clandestinely purchase all their cargoes from British employees. In the previous decades,

government. From the French perspective, this was disastrous. The 'practices and customs' referred to by Sanson undoubtedly refer to private advantages accorded to the French Company (and presumably others) under Hastings and Macpherson in exchange for bribes. See ANOM, 8AQ 346, deliberations of 23 July 1787. The French agents were also convinced that Cornwallis' ire was the result of a misguided British perception that the French ministry continued to harbor explicitly political aims for the Company in India, aims which the agents observed were foreign to their "constitution mercantile." ANOM, 8AQ 41, Chandernagor agents to Paris administration, 22 January 1787.

⁹⁴ Travers, *Ideology and Empire*, 212-13.

⁹⁵ ANOM, C² 182, Dangereux to Castries, 15 January 1787 (f^o 10).

⁹⁶ Hossain, *Company Weavers*, 115. For the evolution of weaver regulations under Hastings, Macpherson, and Cornwallis, see the texts in James Edward Colebrooke, *A Digest of the Regulations and Laws, enacted by the Governor General in Council for the Civil Government of the Territories[...]* (Calcutta: s.n., 1807), 453-65.

⁹⁷ Aspinall, *Cornwallis in Bengal*, 15.

procurement from the *aurangs* had been difficult for the French, but clandestine trade was still possible, even perhaps encouraged. Now both avenues were being cut off. The agents rued the easy-going days of Hastings and Macpherson when the “seductive lure” of French money was adequate to fill their contracts.⁹⁸

Cornwallis could never, of course, completely extinguish French trade in Bengal, especially when clandestine. An easy way to avoid detection was to transact with British subjects in a Bengali merchant’s name.⁹⁹ The French agents’ most important connection in this respect was Nrisingha ‘Narsing’ Nandy, the brother of Warren Hastings’ former *banian*. The wealthy Nandy family – also disaffected with the British establishment after Hastings’ departure – drifted into French circles between 1785-1787, when Narsing went into business with Thomas Henschman, former collector of Jahangirpur under Hastings.¹⁰⁰ Henschman and his partner Jacob Rider established a trading house at Chandernagor that had extensive dealings with the French Company, all of which were recorded in Nandy’s name.¹⁰¹ The connection between the French Company and this renegade, pro-Hastings faction continued until the collapse of Nandy’s Calcutta bank in 1790, forcing him to flee from his creditors.¹⁰²

In spite of these connections, the French Company remained partially dependent on the

⁹⁸ It would, of course, become a major point of his trial two years later that Hastings never saw any inconsistency in pursuing individual wealth and public duties in tandem. See P.J. Marshall, “The Personal Fortune of Warren Hastings,” *Economic History Review* 17, no. 2 (1964). ANOM, 8AQ 41, Chandernagor agents to administration, 9 February 1788: “appat séduisant.”

⁹⁹ Similar methods were used for banking, as in spite of the financial restrictions in place, Dangereux procured *lettres de change* on the Calcutta bank of Fergusson and Fairlie, see ANOM, E 107.

¹⁰⁰ Somendra Chandra Nandy, *Life and Times of Cantoobaboo (Krisna Kanta Nandy): the Banian of Warren Hastings* (Calcutta: Allied Publishers/Dev-All, 1978-81), 272, 288-289.

¹⁰¹ The association appears to have begun in 1786; the agents wrote to Moracin in April, indicating that they had just signed a contract with a British merchant “sous le nom d’un riche marchand indien à son service et cautionné par lui,” see ANOM, 8AQ 346, Chandernagor agents to Moracin, 12 April 1786. The private French ledger in 8AQ 198 lists Henschman and Nandy jointly on contracts.

¹⁰² Nandy, *Cantoobaboo*, v. 1, 476; v.2, 289.

cloth contract system in the *aurangs*, which subjected their trade to innumerable, and increasingly violent, obstacles. In order to make and collect on contracts, the French agents and their intermediaries had to evade both Calcutta's restrictions and the incessant opposition of British Commercial Residents in the regional factories, who were wont to behave like petty "tyrants" in their districts.¹⁰³ As before the war, British Residents sought to intimidate, harass, and impede weavers, *gumastas*, and *dalals* who showed any inclination towards working with the French in order to strip them of credibility among locals. Tensions erupted in summer 1787, when a British official paraded through *aurangs* where French *gumastas* were known to work and proclaimed—heralded by a ceremonial roll of drums—that every weaver in the vicinity now worked exclusively for the British.¹⁰⁴ As the frightened weavers now feared prosecution, they themselves often turned French *gumastas* away, affording the British the illusion – which they emphatically repeated when Dangereux complained – that the weavers were acting of their own free will in rejecting French money. In Malda, a French *gumasta* named Rampersad saw five of his *dalals* imprisoned by the British Commercial Resident, George Udny.¹⁰⁵ The remaining four fled into the safety of the French *loge*, but to lure them out, Udny arrested their families, forcing them to surrender and submit to trial. The French agent in Patna, Panon, resorted to force himself. When French advances paid to local weavers were confiscated by the British Commercial Resident, Panon retaliated by kidnapping four weavers and locking them in the

¹⁰³ ANOM, 8AQ 346, deliberations of 30 August 1787: "chacun dans leurs districts les Tyrans des pauvres habitants."

¹⁰⁴ ANOM, 8AQ 346, Chandernagor agents to Cornwallis/Council, 10 June 1787; Sinha, *Economic History of Bengal*, v.1, 44. The *aurangs* were Chanderconah, Hurripaul, Canicola, and Santipore, and the British Resident was named Wall. The Dutch suffered similar incidents at Malda two years prior, see Mitra, *Cotton Weavers*, 87-88.

¹⁰⁵ All of the documents pertaining to this event are located in ANOM, 8AQ 346. Udny was simultaneously engaged in similar pursuits against the Armenian merchants in Malda; he seized 5200 pieces of cloth from a merchant named Sarkis Munassakar, see Mitra, *Cotton Weavers*, 88-89.

French *loge*.¹⁰⁶ While the amounts of money and cloth contested in these episodes were miniscule compared to the volume of British contracts in any of these districts, British agents were determined to publicly delegitimize all French trade indiscriminately. To make the point explicit to the weavers, in Canicola, Kirpaye, and Malda, the British agents and their soldiers then marched on the French *loges*, tore down the French flag, and smashed the flagpoles.¹⁰⁷

Although these disputes were of course unknown in Europe at the time, by the end of that contentious summer of 1787, the two courts had come to an official settlement for Bengal. They began with an outright rejection of the Souillac-Cathcart agreement. The French Ministers regarded subjection to British taxes, search and seizure, or stipulations of fixed quantities of goods per year, as infringements of Britain's treaty guarantees of ensuring "safe, free and independent" – and in theory, unlimited – French trade in India. Yet, the main impetus for nullification came from the British side. In this era of reform, Whitehall objected emphatically to the idea that the insubordinate Calcutta Presidency could take it upon itself to conclude a trade agreement in the name of the British nation with a foreign power.¹⁰⁸ However, by demanding that the treaty be renegotiated in Europe, the anxious Castries sensed an attempt by the British ministers to show that the government at Whitehall – not the Company in Calcutta, let alone the Mughal Emperor – was the legitimate sovereign of Bengal, and he exhorted the other ministers to refuse to renegotiate.¹⁰⁹ Castries' paranoia was, in this instance, well founded. Although the

¹⁰⁶ ANOM, 8AQ 346, Panon to Dangereux, 12 June 1787; Edward Potes to Panon, 7 August 1787; Cornwallis/Stuart/Shore to Chandernagor agents, 28 August 1787; Panon to Dangereux, 10 October 1787.

¹⁰⁷ ANOM, C² 182, Dangereux to Cornwallis/Council, 12 July 1787 (f° 72-73).

¹⁰⁸ This is how Eden was told to present his case to the French, see National Archives, FO 27/20, Carmarthen to Eden, 28 September 1786 (f° 174-176); BL, IOR I/1/13, Eden to Carmarthen, 24 May 1787; AE Courneuve, 8MD/10 "Explication confidentielle et verbale[...]" 6 March 1787 (f° 98-111).

¹⁰⁹ For Castries' objections, see AE Courneuve, 8MD/4, annotations of the Souillac-Cathcart agreement (f° 361-376), and 8MD/10, "Observations sur l'explication confidentielle remise par M. Eden" (f° 90-97). Although

veil of Mughal sovereignty was seen as an essential, legitimizing feature of British rule, they made no pretense on the matter in private. Dundas stated that renegotiation offered a chance to subordinate France's "commercial interest" to Britain, "the sovereign of the country," and in his lifetime, Vergennes showed himself willing to play along, indicating that he would not be "punctilious" about the nature of British claims to sovereignty over Bengal as long as France's trading rights were guaranteed.¹¹⁰

As a result, William Eden – again dispatched to Versailles – and the new French Foreign Minister, the comte de Montmorin, signed an Explanatory Convention in August 1787 that purported to resolve all of the 'difficulties' in Bengal arising out of Article 13 of the 1783 Peace Treaty.¹¹¹ However, as Castries feared, it ended up resolving far less than the original agreement. Rather than rule explicitly on the contested issues of search, seizure, and taxation, it simply omitted discussion of them entirely. It said nothing of France's Mughal *firman*s, as Carmarthen insisted that the British were "under no obligation to acknowledge" the legitimacy of these "antiquated Grants."¹¹² While it guaranteed French jurisdiction over Chandernagor and the five *petits comptoirs*, it contained no discussion of the contested practice of flag raising at trading posts. These ambiguities allowed Montmorin to preserve the illusion of the total freedom of French trade in Bengal as 'granted' in the peace of 1783, while continuing to furnish ample

unsigned, G.C. Bolton and B.E. Kennedy, "William Eden and the Treaty of Mauritius, 1786-7," *Historical Journal* 16, no. 4 (1973), 692, correctly attributes these remarks to Castries.

¹¹⁰ BL, Add MS 34467, Dundas to Eden, 26 June 1787 (f° 47vo-48); National Archives, FO 27/20, Eden to Carmarthen, 20 October 1786 (f° 274vo).

¹¹¹ *Convention between His Britannick Majesty and the Most Christian King, signed at Versailles, the 31st of August, 1787* (London: T. Harrison, 1787). For Eden's role, see Dumas, *Traité de Commerce*, 171-74.

¹¹² BL, Add MS 34467, Carmarthen to Eden, 24 February 1787 (f° 22vo).

pretext for the Calcutta Presidency to challenge its legitimacy at any time.¹¹³ Montmorin, determined to continue Vergennes' policy of *détente* with Britain, was as willing as his predecessor to sacrifice French claims – both political and commercial – in India.

As French trading prospects in Bengal dwindled, so did the members of the Company's agency, and Sanson and Deonna were soon left to face off against Calcutta alone.¹¹⁴ The Explanatory Convention accomplished little in practice. Company ships continued to be inspected at gunpoint, and even when formally recognized, the sovereign protection of the French flag counted for little. In June 1788, the Company's employee at Jugdia – one of the *petits comptoirs* whose possession had never before been questioned by the British – reported that the British had seized his territory “by force and with violence.”¹¹⁵ By December of that year, Sanson and Deonna could state with certainty that the Convention would not be enforced without pressure applied from either Versailles or Pondicherry – an unlikely prospect – and Cornwallis continued to banish any willing trading partners.¹¹⁶ Not only did they have no purchasing power, they found it equally impossible to sell any of the merchandise the Company at Lorient shipped to them—primarily shipping supplies and alcoholic beverages—which were unsalable in markets flooded with British goods. They complained incessantly to Paris that the

¹¹³ According to Eden's official dispatch to the Calcutta Council of 31 August 1787 (located in AE Courneuve, 8CP/561, f° 126-131), the Council was to consult Whitehall before acting on anything that was not definitively resolved by the convention – a meaningless stipulation in practice, given the slowness of communications between metropole and colony.

¹¹⁴ Dangereux returned to France in 1788, ANOM, 8AQ 40, Moracin to Paris administration, 7 February 1788. Mottet de la Fontaine was named the interim commandant, but unlike Dangereux, he was not part of the Company's committee. Gabriel Develey died in July 1788, 8AQ 346, deliberations of 28 July 1788.

¹¹⁵ ANOM, 8AQ 346, deliberations of 1 July 1788: “par force et avec violence.”

¹¹⁶ ANOM, 8AQ 346, Chandernagor agents to Paris administration, 28 December 1788.

contents of their warehouses were turning to vinegar.¹¹⁷

The end of the *Compagnie des Indes* in Chandernagor came about through truly revolutionary events. In 1789, Conway appointed a new military commandant to replace Dangereux, François-Emmanuel Deshaies de Montigny. He could not have made a poorer choice. For the past eight years, Montigny had held the position of French liaison to the powerful Maratha Confederacy at Poona, a diplomatic position of great strategic importance. However, Conway recalled him from Poona in 1788, amidst allegations of both financial mismanagement and blatant neglect of his duties.¹¹⁸ Upon his arrival in Chandernagor, Montigny was publicly reviled as tactless, despotic, and a pawn of Conway, who had become the public face of the hated military evacuation to Île de France.¹¹⁹ At the feet of the colossus of British power, the French inhabitants of Chandernagor feared demilitarization far more than their counterparts in Pondicherry.

The final straw came when Montigny attempted to fire a popular local official, and inspired by recent reports of revolutionary events at home, the citizens of Chandernagor formed a revolutionary committee and ousted Montigny from power.¹²⁰ On the eve of the insurrection, Sanson fled to Calcutta with the Company's *caisse*, while Deonna was forced – or so he claimed – to join the insurrection. If Deonna did have a brief flirtation with revolution, it was short-lived, as he soon joined Sanson in Calcutta before fleeing for Europe, abandoning the Company's

¹¹⁷ ANOM, 8AQ 41, letters of 1 November 1786, 19 February 1788, 7 March 1788.

¹¹⁸ Montigny's term of service at Poonah is discussed in AE Courneuve, 8MD/11; AN, AE BIII 459; ANOM, C² 186, Conway to Moracin, 14 April 1788 (f^o 155).

¹¹⁹ ANOM, 8AQ 346, deliberations of 24 June 1790.

¹²⁰ ANOM, 8AQ 346, deliberations of 27 May 1790. The best account of the insurrection is found in Labernadie, *La Révolution et les établissements*, 209-25.

employees and warehouses in Chandernagor.¹²¹ The warehouses quickly fell victim to pillage – the primary target being the volumes of unsold alcoholic beverages, showing that even *outrémer*, Richard Cobb’s observations on the role of wine in revolutionary ferment seem to hold.¹²²

The ‘revolution’ of Chandernagor having turned radical – at least by Sanson’s standards – the only remaining member of the original *comité de Chandernagor* thus decided to relocate the Company’s operations to Calcutta indefinitely.¹²³ It was a bizarre fulfillment of both the original plan for the Company’s operations and of British aims for the reduction of French power in Bengal. Entirely abandoned by their French agents, the *petits comptoirs* fell one after another into the vortex of British power. While the French cargoes shipped from Bengal to Lorient continued to be impressive, this was owing to the efforts of clandestine British contractors, rather than an enduring network of French regional outposts.¹²⁴ Against the backdrop of the revolutionary threat at Chandernagor, even Cornwallis seems to have welcomed the establishment of the French Company in Calcutta, at least until war broke out between the two nations in 1793. Their continued financial success there leads one to believe that even he acknowledged the need to look the other way as the French agents bought from British subjects and employees.¹²⁵ Perhaps Cornwallis recognized that such was the price of reducing the French

¹²¹ ANOM, 8AQ 346, deliberations of 24 June 1790.

¹²² Richard Cobb, *A Second Identity: essays on France and French History* (New York: Oxford UP, 1969), 133.

¹²³ ANOM, 8AQ 346, deliberations of 10 and 30 August 1790.

¹²⁴ Hossain, *Company Weavers*, 79, notes with interest that the French Company’s import list for 1791 contained goods from a large variety of *aurangs* and geographical locations, but these goods would have been purchased in Calcutta. In fact, Sanson explained in a later memoir that, the factory at Dhaka having fallen to the British by 1791, they purchased all of their Dhaka merchandise from Mr. Smith in Calcutta. See AD Haute-Marne, 2E 132, “Mémoire sur le commerce du Bengale” by Sanson and Deonna (dossier 22), December 1791.

¹²⁵ Sanson’s successors, De Verinne and Brun, say that their *maison de commerce* in Calcutta operated “sous le bon plaisir de Milord Cornwallis & du Conseil,” see ANOM, 8AQ 346, De Verinne and Brun to Paris administration, 15 November 1792. This said, the fact that the 8AQ series contains no surviving ledgers for the period after the

Company in Bengal, as Moracin had feared, to a little more than a political charade.

Likewise, to say that France was completely powerless in the face of the British power in India, even in the 1780s, would be untrue. The balance of power between the two nations promised to be dramatically different in South India. For in South India, France had a willing and powerful ally who was out for British blood.

* * *

Mahé: Tipu Sultan and the Pepper Game

Also aboard the *Calonne* were the new Company's agents destined for France's last outpost on the western Malabar Coast of India, the small port city of Mahé. Mahé had been established in 1725 in order to make inroads into the Dutch and Portuguese dominance in the spice trade, yet even at the Law Company's peak, Mahé produced a total of only 500,000 rupees in goods annually – mainly pepper – representing less than 5% of the Company's total revenues from India.¹²⁶ However, Mahé's prospective strategic importance dramatically increased in the second half of the eighteenth-century in light of France's tumultuous partnership with the nearby princely state of Mysore. The south Indian kingdom of Mysore became the "terror of Leadenhall Street"¹²⁷ in the second half of the eighteenth-century under the leadership of Haidar Ali and his son, Tipu Sultan. Before he rose from military command to the sultanate in 1761, Haidar Ali had served alongside Dupleix in the Carnatic Wars, placing Mysore in direct opposition to the expansion of British power in India. After the Seven Years' War, Mysore remained one of

Company's relocation to Calcutta suggests that transactions with British subjects still operated in a clandestine fashion.

¹²⁶ Labernadie, *La Révolution et les établissements*, 300; Ashin Das Gupta, *Malabar in Asian Trade: 1740-1800* (Cambridge: Cambridge UP, 1967), 18. Mahé's yearly revenue is found in ANOM, 29 DFC 103 (Mahé), "Mémoire sur Mahé par M. Lagrenée" (dossier 53), 4 July 1784. The figures for total revenues are found in Haudrière, *Compagnie française*, v.2, 840-841.

¹²⁷ Cited in B. Sheik Ali, *Tipu Sultan: a study in diplomacy and confrontation* (Mysore: Geetha, 1982), 2.

France's most important putative allies on the subcontinent, and, Haidar Ali again took up arms alongside the French in the war of American Independence. When Haidar died suddenly in 1782, his son Tipu was left to fend for himself when, in a moment that the young king would not soon forget, his French allies (under the command of the future governor, Cossigny) received orders to withdraw from Mangalore just as the capitulation of the British-held city was imminent.¹²⁸ In spite this military and diplomatic abandonment, both Tipu and the more militant members of the French Navy – chiefly Castries and Cossigny – continued press for a military partnership. Castries had briefly considered relocating France's Indian Ocean capital from Pondicherry to Mahé so as to better profit from their connection in a future war.

Mahé was in a profoundly unsettled state upon the arrival of the new Company's agents. The two agents were Étienne-Auguste Decourt and Jean-Jacques-Daniel Boyer. Decourt was an experienced choice for *chef de comptoir*. He had worked in Asia for over ten years, beginning with an appointment at the consulate in Surat in 1774 and had since been based in Bordeaux as a supercargo on vessels destined for the East Indies.¹²⁹ Boyer, the junior agent, was a less obvious choice: a relation of the Bérards with a background in the Lyon cloth trade, he had no prior experience in India and was regarded as a patronage appointment.¹³⁰ Decourt, who had last been in India in August 1784, had seen the effects of the war first hand. During the voyage, he contemplated the measures that would be necessary to restoring French commerce on the Malabar Coast. Namely, he asked Moracin for a military garrison of 300 *sepoys* plus 150 white

¹²⁸ Ibid., 60. In spite of this incident, Cossigny and Tipu remained exceptionally close (perhaps due to Cossigny's own view that his orders to retreat had been misguided), contra the assessment of their relationship found in Aniruddha Ray, "France and Mysore: a History of Diverse Strategies," in *State and Diplomacy under Tipu Sultan: documents and essays*, ed. Irfan Habib (New Delhi: Tulika, 2001), 129.

¹²⁹ ANOM, 8AQ 301, untitled memoire by Decourt, 10 May 1785.

¹³⁰ ANOM, 8AQ 347, Boyer to Bérard, 7 January 1790.

infantry and artillerymen and new fortifications.¹³¹

Decourt's fears were all too founded. Mahé had been formally returned to the French five months before their arrival in January 1786, but they found the city in near total ruin. The commercial warehouses were completely destroyed, there was no military force in the city whatsoever, and there was such a dearth of inhabitable housing that Decourt and Boyer had to room together for the first few months of their mission, which severely exacerbated an already testy professional relationship, as Moracin noted.¹³² Louis Marin, the local *ordonnateur*, had dismissed all the white French troops stationed in the city after the war, under the assumption that the King planned to abandon this city "that costs so much and yields nothing," a blunt assessment that further undercut Castries' erstwhile plans to make Mahé France's *chef-lieu*.¹³³ The continual desertion of the *comptoir*'s few remaining *sepoy* soldiers – a garrison of under twenty by March 1785 – further unsettled a population already shaken by the systematic destruction of their city.¹³⁴ Decourt noted the commercial consequences of this disorder: with no form of border control, foreigners – both European and Indian – were able to easily access Mahé and its environs by land and sea, in order to buy up pepper that would have once been designated as French.¹³⁵ "It is doubtful," he wrote, "if we are even in a French possession."¹³⁶ The

¹³¹ ANOM, 8AQ 347, "Observations sur Mahé communiquées à Messieurs les directeurs de la Compagnie des Indes à Paris par Decourt son agent[...]," 17 June 1785; 8AQ 358, mémoire of 15 December 1785.

¹³² ANOM, 8AQ 358, mémoire by Decourt, 22 May 1787. Regarding Decourt and Boyer's relationship, see 8AQ 347, undated letter from Boyer to Lorient administration; 8AQ 40, Moracin to Paris administration, 21 July 1787.

¹³³ ANOM, C² 170, Coutanceau to Castries, 28 February 1785: "qui coute beaucoup et ne raporte[sic] rien."

¹³⁴ ANOM, C² 170, Marin to Coutanceau, 6 March 1785.

¹³⁵ ANOM, 8AQ 358, mémoire by Decourt, 22 May 1787.

¹³⁶ ANOM, 8AQ 39, Decourt/Boyer to Paris administration, 29 December 1786: "Il est même douteux si nous sommes dans une Possession française, ou arbore le pavillon de la nation."

Company, lacking all sovereign authority, was powerless to remedy any of these problems.

They were even unable to build new warehouses, as all ‘structural’ expenses were regarded as sovereign obligations – to be paid by the King – by the Company’s incorporating *arrêt*.¹³⁷

Decourt and Boyer need not have worried about where they would store their pepper, as there was almost none to be had in the region. In November 1785, Tipu Sultan had placed a strict embargo on the export of all spices and agricultural produce from his lands – rice, pepper, cardamom, and sandalwood – in an attempt to regain total control over the spice trade himself.¹³⁸ The main target of this policy was unquestionably the British East India Company, whose factory at nearby Tellicherry he hoped to starve of both sustenance and revenues.¹³⁹ However, it could not have escaped Tipu’s notice that the ban, applied indiscriminately against all European merchants and their Indian intermediaries, would have the commensurate effect of placing the French in an equally precarious commercial position, perhaps making them more amenable to negotiation. Though he did not forget France’s ignominious betrayal in 1783, he recognized that a full French military alliance would be a decisive advantage in his unending wars with the British and their client princes. He had a strong ally in Pondicherry under Cossigny’s governorship, but he continued to hold back the commercial advantages that Cossigny sought to obtain for the new French Company.¹⁴⁰ As one of Cossigny’s subordinates put it, “[Tipu] knows

¹³⁷ ANOM, 8AQ 227, Moracin to Decourt, 31 January 1786; C² 114, “Une lettre commune de MM de Cossigny et de Moracin en datte du 3 Mars 1786” (f^o 97-98).

¹³⁸ This policy was not unlike the embargo imposed by the Raja of Travancore in the 1740s, see Das Gupta, *Malabar in Asian Trade*, 34-35, 113.

¹³⁹ Tipu describes this rationale for the destruction of his crops in ANOM C² 172, Tipu Sultan to Cossigny, 19 April 1786. See also Pamela Nightingale, *Trade and Empire in Western India, 1784-1806* (Cambridge: Cambridge UP, 1970), 37-38; M.H. Gopal, *Tipu Sultan’s Mysore: an economic study* (Bombay: Popular Prakashan, 1971), 14-15; and Mohibbul Hasan, *History of Tipu Sultan* (Calcutta: World Press Private, 1971), 125-26.

¹⁴⁰ ANOM, C² 172, Tipu Sultan to Cossigny, 19 April 1786.

we have our hands tied for him.”¹⁴¹

The ban was extremely effective. Tipu Sultan deployed legions of border guards to seize outbound shipments of pepper, such that the British at Tellichery suffered from a severe dearth, as he intended. Assuming that Mysore’s allies were less affected, in early 1786, the British appealed to Marin to send them an under-the-table shipment of pepper, which Marin refused, since the French were no better off.¹⁴² This kind of collaboration was extraordinarily common in the region. The Malabar Coast was outside the reach of both the Bombay and Madras Presidencies, and Tellicherry, like Mahé, was small and unfortified. The British experience in Western India in the period was one of chronic bankruptcy and disorganization.¹⁴³ Since each of the European trading factories was completely at the mercy of local princes – whether Tipu Sultan’s customs agents or the notorious Maratha pirates who operated along the coast – unlike in Bengal, a spirit of collaboration prevailed between European powers on the Malabar Coast. In fact, on numerous occasions, the French government at Versailles and at Pondicherry offered their help to the British in dealing with Tipu Sultan, by negotiating – or attempting to – for the release of hostages.¹⁴⁴

In order to evade Tipu’s restrictions, Decourt proposed contracts to local merchants belonging to the Muslim Mappila community, with whom the French had often collaborated in the past. The Mappilas (or as they were known in French at the time, *Maplets*) had lived along

¹⁴¹ ANOM, 29 DFC 103 (Mahé), dossier 53, “Mémoire sur Mahé par M. Lagrenée,” 4 July 1784: “n’ignore pas que nous avons les mains liées pour lui.”

¹⁴² ANOM, 8AQ 39, Decourt to Paris administration, 17 March 1786.

¹⁴³ Nightingale, *Trade and Empire*, 40-41; Furber, *John Company at Work*, 212-13.

¹⁴⁴ ANOM, C² 190, Luzerne to Conway, 11 June 1789 (f^o 9); C² 191, Defresne to John Holland (Gov. of Madras), 8 November 1789 (f^o 108).

the Malabar Coast, especially in what is now Kerala, since early settlement by Arab traders in the early Middle Ages, and as a merchant community, they were highly disaffected with Tipu Sultan's draconian economic policies.¹⁴⁵ Decourt and Boyer assembled a committee of local Mappila merchants from the kingdom of Kurangod Nair, in which Mahé was situated, who effectively explained to them that given the bans in place by Tipu Sultan, they would be unable to fill the Company's yearly order at a price that would be considered acceptable.¹⁴⁶ In spite of Decourt's protestations, the Paris administration imposed a strict price cap of 140 rupees per *candil français* of pepper on all his purchases, but due to scarcity and the threat of seizure by Tipu's agents, the Mappilas demanded a higher price, and in advance, as a guarantee against losses.¹⁴⁷ As a result, in order to ensure a minimum pepper supply for any given shipment, Decourt and Boyer would have to pay advances on multiple contracts, of which only a fraction ever ultimately were delivered on schedule and at the quantity demanded, and the Paris administration, ignoring the situation on the ground, complained.¹⁴⁸

Decourt understood clearly that Tipu Sultan alone held the power to remedy his ills. From the beginning of his tenure as agent, Decourt lamented the new Company's lack of political

¹⁴⁵ The historic relationship between the French and the Mappila merchants is explained in ANOM, 29 DFC 103, dossier 54, "Observations sur l'Établissement de Mahé" by Michel Ménesse, and 8AQ 301, mémoire by Decourt, 10 May 1785. For general histories, see Roland E. Miller, *Mappila Muslims of Kerala: a study in Islamic trends* (Madras: Orient Longman, 1992), 39-40, 51, and Sanjay Subrahmanyam, *The Career and Legend of Vasco da Gama* (New York: Cambridge UP, 1997), 94-112. The Mappilas are commonly referred to as *Moplahs* by the eighteenth-century British; for a discussion of their similar commercial-strategic importance for the British, see Bayly, *Imperial Meridian*, 69, 182-183.

¹⁴⁶ The records of the meeting are located in 8AQ 348, deliberations of 25 October 1786, and the three merchants in attendance were listed as Camaly Conguiamonde, Panoly Conguiamonde, and Baye Porte Assemcouty.

¹⁴⁷ ANOM, 8AQ 347, Decourt to Paris administration, 15 July 1785; 8AQ 15, Paris administration to Decourt, 21 July 1785; 8AQ 348, "Nous soussigné certifions principaux Marchand[sic] maplets [...]," 20 January 1787 ; Ibid., deliberations of 16 December 1786.

¹⁴⁸ The records of the multiple contracts made for the 1787-1788 expedition appear in ANOM 8AQ 348, deliberations of 5 December 1787, 28 January 1788, 31 January 1788, 4 April 1788.

authority and credibility, particularly that, given the grievous state of French military forces on Malabar, the Company was not allowed to levy and maintain its own troops.¹⁴⁹ If the presence of the French state was weak, Decourt believed that it was up to the Company to fill the power vacuum. Accordingly, he told the administration in Paris that he wished to take it upon himself to negotiate directly with Tipu Sultan. In his meeting with Tipu, he would obtain a pepper contract, *comptoirs* at Calicut and Mangalore – which he insisted the Company should administer itself, so as to avoid red tape in Pondicherry – and Tipu’s endorsement for commercial negotiations with the Nawab of the Carnatic and the Bibi of Cannanore.¹⁵⁰

The Company in Paris was aware that even though they lacked sovereign power in India – something which both the administration and Moracin relentlessly reminded Decourt – they had to negotiate and find accommodation with Indian princes. They informed Decourt in July 1785 that they planned to send him one thousand rifles and bayonets in the upcoming shipment, which he was to sell to either the Marathas or Tipu Sultan upon consultation with the commandant of Mahé. Decourt strongly approved, but reminded them to only send guns of the highest quality, because they would be examined by very discerning buyers.¹⁵¹ There was, of course, nothing novel about this arms trade: Haidar Ali had received guns from the French through Mahé, and Cossigny continued to sell weapons to Tipu during his tenure as Governor of Pondicherry.¹⁵²

However, the new Company conducted their arms sales with a good bit more discretion than had

¹⁴⁹ ANOM, 8AQ 39, Decourt to Paris administration, 29 January 1786.

¹⁵⁰ ANOM, 8AQ 347, “Observations sur Mahé communiquées à Messieurs les directeurs de la Compagnie des Indes à Paris par Decourt son agent[...],” 17 June 1785; 8AQ 39, Decourt to Paris administration, 17 March 1786.

¹⁵¹ ANOM, 8AQ 347, Paris administration to Decourt, 22 July 1785, Decourt to Paris administration, 24 August 1785.

¹⁵² G.J. Bryant, *The Emergence of British Power in India, 1600-1784: A Grand Strategic Interpretation* (Woodbridge: Boydell Press, 2013), 286; ANOM, C² 172, *passim*.

been done in the past: they used the Scottish-born agent of the abortive Austrian East India Company in Mangalore, Murdoch Brown, as their proxy for the sales. For the first three years of operations, they sold Tipu four thousand guns.¹⁵³

In spite of these overtures, the pepper ban remained in full force. Although he was never given authorization to do so, Decourt wrote to Tipu Sultan anyway, entreating his protection for the new Company.¹⁵⁴ Tipu, however, appears never to have responded to his petition. To fill the Company's contracts, Decourt and Moracin instead combined forces to buy whatever pepper they could from British merchants in Tellicherry and Madras.¹⁵⁵ By the end of 1786, Decourt was "disgusted" with Mahé, gave the Company his notice, and settled permanently in Pondicherry.¹⁵⁶ Upon his departure, Boyer, the highly inexperienced and flighty junior agent assumed the office of *chef de comptoir*. Boyer had come to India to make his fortune, and since this was now impossible in the pepper trade, he often ignored company affairs in favor of his private work in the cloth trade.¹⁵⁷ Forced to reckon with the consequences of their patronage

¹⁵³ ANOM, 8AQ 348, deliberation of 27 February 1788. For Brown, see C.E. Buckland, *Dictionary of Indian Biography* (London: Sonnenschein, 1906), 55-56. ANOM, 8AQ 257, délibérations du comité des achats.

¹⁵⁴ ANOM, 8AQ 348, Decourt to Tipu Sultan, 26 February 1786.

¹⁵⁵ Decourt bought from the British factory chief at Tellicherry, William Lewis, and his partner, the Mappila merchant Moussa. See ANOM, 8AQ 348, deliberations of 30 November 1787. Decourt purchased 980 of the 2445 *candils* on the expedition of the *Duc d'Orléans* from Moussa and Lewis, see 8AQ 347, Decourt to Paris administration, 1 May 1788. For Lewis, see William Logan, *Malabar Manual* (New Delhi: Asian Educational Services, 2000), ccxlix. For Moussa, see Francis Buchanan, *A Journey from Madras through the countries of Mysore, Canara, and Malabar [...]* (London: Cadell and Davies, 1807), 420, and Miller, *Mappila Muslims*, 95. For the 1787 expedition, Moracin oversaw the purchase of a total of 449,916 imperial pounds (or approximately 900 *candils anglais*) of pepper from merchants in Madras, see ANOM, 8AQ 303 and 8AQ 354.

¹⁵⁶ ANOM, 8AQ 39, letters of 28 Dec 1786 and 23 June 1787; 8AQ 347, Boyer to Bruil de la Hoge, 26 Dec 1788, and Decourt to Paris administration, 18 July 1787. Decourt married the daughter of a regimental captain named Mallet and stayed in Pondicherry until at least 1815 as an employee of the state, see C² 245, "Mémoire sur les Revenus [...] par A. Decourt, nommé par le Roi en Juillet 1814 garde Magasin 2e Classe de Marine à Pondichéry, ci-devant agent principal de la Compagnie des Indes à la Côte de Malabar," 12 October 1815 (f° 275).

¹⁵⁷ ANOM, 8AQ 347, undated (late 1787) Boyer to Lorient administration; Decourt to Paris administration, 18 July 1787; 8AQ 344, Boyer to Lorient administration, 18 March 1789. For his attempts to refocus the Company on the

practices, the Paris administration hired Charles-Emmanuel Canaple, the military *commandant* of Mahé, as Boyer's *de facto* supervisor.¹⁵⁸

Paradoxically, Decourt gave up at precisely the moment when a settlement between the French monarchy and Tipu Sultan seemed most imaginable. Spurred on by the wealthy Île de France merchant, Pierre Monneron, Tipu Sultan decided to send an embassy to Versailles in order to plead the case for a formal Treaty of Perpetual Alliance to Louis XVI himself.¹⁵⁹ Plans for the embassy began in late 1786, when Tipu was at war with the British-backed coalition of the Maratha Confederacy and Nizam Ali of Hyderabad, a war that appeared decisively won by Mysore by February.¹⁶⁰ The French Naval administration – with the exception of the loyal Cossigny – was not impressed. Conway sneered that if Tipu's only token of loyalty was sending ambassadors on an pricey – and French-paid – junket to Paris instead of encouraging French commerce, his friendship was worth very little, whereas the vicomte de Souillac wondered why Tipu bothered to send envoys at the moment when, after his decisive victories over the Marathas and the Nizam, he appeared at his strongest.¹⁶¹ Souillac evidently failed to recognize that the highly-educated and politically savvy Tipu Sultan was also an adept student of current events:

cloth trade, see ANOM, 8AQ 347-348, *passim*. His main contractors were Gratien, a VOC employee at Surat, Antonio Pereira of Goa, and Murdoch Brown and his associate Dineur.

¹⁵⁸ ANOM, 8AQ 15, Paris administration to Canaple, 5 March 1788.

¹⁵⁹ For the treaty proposal, see Hasan, *History of Tipu Sultan*, 116. For Monneron's mission to Mysore, see ANOM, C² 176, Cossigny to Moracin, 7 September 1786 (f^o 219).

¹⁶⁰ The early plans for the embassy are detailed in ANOM, C² 174, *passim*. The war was concluded in the Treaty of Gajendragad in March 1787, see ANOM, C² 179, *passim*; Kate Brittlebank, *Tipu Sultan's Search for Legitimacy: Islam and Kingship in a Hindu Domain* (Delhi: Oxford UP, 1997), 24.

¹⁶¹ Labernadie, *La Révolution et les établissements*, 313; ANOM, C² 179, Souillac to Cossigny, 22 November 1786 (f^o 9). Cossigny, however, told Castries that Tipu's victories over the Nizam and the Marathas showed that he had the makings of lasting power on the subcontinent, and within a few months, Cossigny and Tipu were jointly planning a hypothetical French landing in Mysore. See C² 179, Cossigny to Castries, 11 March 1787 (f^o 25) and correspondence of Cossigny and Tipu Sultan, 8 May, 9 June, 10 June, 19 July 1787.

given that the actors in France's last *revanchiste*, proxy colonial campaign against the British – the American insurgents – only won French aid after proving their mettle at the battle of Saratoga, it made perfect political sense for Tipu Sultan to make his appeal after he had decimated two British Indian allies on the battlefield.¹⁶²

The three ambassadors, Muhammed Darvesh Khan, Akbar Ali Khan, and Muhammed Usman Khan, departed Pondicherry on July 22, 1787 on board a ship captained by Monneron himself. Although his brother Louis was by this point an elected official in the *Nouvelle Compagnie*, Pierre used the opportunity of this state-sponsored diplomatic visit to smuggle, according to Conway, over 300,000 *aunes* of cloth and an undetermined amount of pepper into France in violation of the Company's monopoly – a fact that the comte de Montmorin later used to calm the anxious British ambassador by insisting that smuggling, not politics, had been the primary aim of the expedition.¹⁶³ After innumerable delays, they landed at Toulon the following June and the ambassadors were conducted to Versailles for an audience on August 10, 1788. Their visit to the capital included meetings with prominent state officials and formal tours of numerous factories, including the famous Réveillon *papier peint* factory, and their visit was commemorated in art and fashion, as the ambassadors inspired a short-lived trend in women's gowns called the *robe à la Tipu-Saïb*.¹⁶⁴ The ambassadors ultimately hired many artisans,

¹⁶² For Tipu's knowledge of the American campaign, see Ali, *Tipu Sultan*, 9-10.

¹⁶³ Louis Monneron was elected as a shareholder representative, or *commissaire*, in the *Compagnie des Indes* in October 1787 (this will be explained in the following chapter). For Pierre Monneron's smuggling operation, see ANOM, C² 184, "Compte Rendu pour Monseigneur le Ministre de la Marine seul," 6 February 1788 (f^o 34), and C² 187, "Notes de la main du ministre" (f^o 46vo). For Montmorin's reassurances, see BL, IOR I/1/13, Dorset to Carmarthen, 11 December 1788.

¹⁶⁴ Jean-Marie Lafont, "Some Aspects of the Relations between Tipu Sultan and France, 1761-1799: Tipu's Embassy to Versailles in 1787," in *Indika: essays in Indo-French relations, 1630-1976* (New Delhi: Centre de Sciences Humaines, 2000), 166-67. Meredith Martin analyzes the most famous painting commemorating their visit in "Tipu Sultan's Ambassadors at Saint-Cloud: Indomania and Anglophobia in Pre-Revolutionary Paris," *West 86th* 21, no. 1 (2014). For the *robe*, see Crowston, *Credit, Fashion, Sex*, 161-62.

weavers, and foundry workers to return with them to Mysore at the end of their trip, in the hopes that they would be able to replicate some of France's most valuable military and decorative arts manufactures in their own kingdom.¹⁶⁵

The *Compagnie des Indes*, in disgrace and awaiting judgment on the fate of its monopoly (more will be said on this in the following chapter), was not formally included in the festivities celebrating their arrival. The directors nonetheless realized that the embassy marked a potential turning point in Franco-Mysorean relations, and they wanted to put themselves into a position to profit from it. They named one of their ships in the 1788 expedition *le Tipoo Sultan* in honor of the monarch. However, as the embassy progressed, it was rapidly becoming apparent that it was all for show. The French ministry had neither the intentions nor the funds to acquiesce to the proposal for an offensive and defensive alliance. By the end of the ambassadors' stay in Paris, plans were already being drawn up for the military evacuation of India.¹⁶⁶ As a result, no commercial policy objectives were negotiated, either. Montmorin had been briefed on the Mysorean restrictions on the spice trade and was advised to propose an arrangement to the ambassadors, but he never did.¹⁶⁷

Thus, with the trade problem unresolved, one of the directors, Jacques-Alexandre de Gourlade, met the ambassadors in private at their residence in the rue Bergère.¹⁶⁸ At this time, Gourlade handed Muhammad Usman Khan a letter from the directors destined for Tipu Sultan

¹⁶⁵ For the foundry workers, see ANOM B 214 and C² 187; the records of the other artisans are located in C² 189, "État des ouvriers demandés par les ambassadeurs indiens" (f^o 150).

¹⁶⁶ BNF, NAF 9434, mémoire by Luzerne, October 1788.

¹⁶⁷ ANOM, C² 179, Faydit de Terssac to Montmorin, 9 December 1787 (f^o 106).

¹⁶⁸ The location of their lodgings is indicated in ANOM, C² 187, *passim*. Gourlade's visits to the house are mentioned in ANOM, C² 189, Ruffin to Luzerne, 7 October (f^o 317) and 9 October 1788 (f^o 336-337); the plan for the private visit is also discussed in ANOM, 8AQ 328, letter from Piveron de Morlas, 15 September 1788.

himself. Only two copies of this letter survive: one, in a register intended to be submitted to the *Contrôle-Général* for ministerial review, and another loose copy that was kept until the 1950s in the French state archives in Pondicherry.¹⁶⁹ The letters are identical in all respects except one. The ministerial copy does not mention that a secret proposal was attached to the letter, one that offered Tipu Sultan a supply line of cannons, gunpowder, artillery, and naval materiel in exchange for an exclusive contract for “the entirety of the annual pepper harvest in his lands intended for exportation.”¹⁷⁰ As a further incentive – and at the interpreter, Pierre Ruffin’s suggestion – the Company also provided the ambassadors with a 10,000 rupee *lettre de crédit* on Lorient, which would allow the diplomats to hire Breton foundry workers before departing for India.¹⁷¹ Aware that such an offer would have been thoroughly condemned by their government, the Company concealed their overtures. Nonetheless, they were expecting Tipu to respond to their proposal in the affirmative, and in preparation for such an arrangement, they shipped 4500 guns to India on board the *Tipoo Sultan*.¹⁷²

Determining what Tipu Sultan himself thought of the proposal is difficult. His biographers are correct to point out that there is no indication that Tipu would have ever accepted this arrangement. Zealous as he was to maintain economic autonomy from all European colonial powers, even his putative allies, he would never have consented to a deal that would have

¹⁶⁹ The two copies are contained in ANOM, 8AQ 14 and B (Feuilles Volantes) no. 1090. The provenance of the latter is explained in Edmond Gaudart, ed. *Catalogue des manuscrits des anciennes archives de l’Inde française* (Pondichéry: Bibliothèque Coloniale, 1924).

¹⁷⁰ ANOM, B, Feuilles Volantes, no. 1089, “Propositions que la Compagnie pour le Commerce de France aux Indes Orientales sommet à l’Empereur Tipou Sultan”: “la totalité de la récolte annuelle de poivre dans ses Etats, qu’il destine pour l’exportation.”

¹⁷¹ ANOM, C² 189, Ruffin to Luzerne, 9 October 1788 (f° 336-337).

¹⁷² ANOM, 8AQ 347, Facture pour le *Tipoo Sultan*, 12 January 1789. All of the guns were sold, presumably to Tipu’s agents, in Mangalore in May 1789: 8AQ 348, “Compte de vente à Mangalor des fusils de la Compe. des Indes[...]

granted the French an effective monopoly on Mysore's most lucrative agricultural produce.¹⁷³ Moreover, Tipu had in the past shown hesitation about allowing it to be publicly known that he was being financially supported by the French. When Cossigny agreed to sell him 8000 guns in 1786, Tipu replied that while the sale would be appreciated, his own factories were capable of producing 20,000 rifles per year, and that Cossigny should take care to make that fact known to their British adversaries.¹⁷⁴ Tipu needed an alliance – and the commitment of manpower it would provide – not weapons. Nonetheless, the Company's proposal was more generous than anything the French government had offered his ambassadors, who were sent home with little more than some Sèvres porcelain to show for their efforts.¹⁷⁵

While the directors did not give Canaple and Boyer any specific details about the proposal they had made, they were told to expect a softer side of Tipu upon the ambassadors' return to Mysore.¹⁷⁶ If Tipu formally knew about the arrangement the Company had offered him, he wasted no time in exploiting this leverage. In mid-March, Boyer and Canaple received a letter from Tipu demanding “as many French Grenadier muskets as you can send (these are his terms) and iron cannons.”¹⁷⁷ While Canaple was not opposed in principle to the arms trade, after

¹⁷³ Hasan, *History of Tipu Sultan*, 126-27; Ali, *Tipu Sultan*, 142-43. It should be noted that both of these authors misconstrue the proposal as coming from the French government.

¹⁷⁴ ANOM, C² 172, Tipu Sultan to Cossigny, 10 April 1786. The quality of Tipu's munitions factories is described in M.P. Sridharan, “Tipu's Drive towards Modernization: French Evidence from the 1780s,” in *Confronting Colonialism: Resistance and Modernization under Haider Ali and Tipu Sultan*, ed. Irfan Habib (London: Anthem Press, 2002).

¹⁷⁵ Having failed in their mission, the ambassadors faced arrest and execution upon their return to Mysore. See ANOM C² 191, Defresne to Conway, 4 November 1789 (f° 101), and Lafont, “Tipu Sultan and France,” 169. The Sèvres porcelain service given from Louis XVI to Tipu Sultan is described in Jasanoff, *Edge of Empire*, 161.

¹⁷⁶ ANOM, 8AQ 229, Paris administration to Canaple, 11 July 1789. Canaple claimed to not know anything of the proposals made until 1790, see 8AQ 344, Moracin to Paris administration, 25 July 1790.

¹⁷⁷ ANOM, 8AQ 347, Boyer to Paris administration, 19 March 1789: “autant de Fusils de Grenadiers françois qu'on pourra en envoyer (ce sont ses Termes) et des Canons de fer.”

finding out that Tipu demanded a shipment of no less than 12,000 weapons, Canaple warned the Company that they could suffer significant losses if Tipu were to die in battle – a distinct possibility – before the transaction was completed.¹⁷⁸ However, his caution sprang from political prudence as well, as a threat loomed in the form of mounting hostilities between Tipu Sultan and the Raja of Travancore, a British client state south of Mysore. While the defeat of Travancore could open new pepper markets to the French, the more likely consequence was that the British would intervene to save their client prince, with potentially devastating results for Tipu – and perhaps the French too, if they appeared to violate their position of neutrality by arming him. Moreover, Canaple knew that with the military evacuation underway by mid-1789, with troops off the table, Tipu would become even more indifferent to French commercial interests. Exhausted by the challenge of managing a powerless military garrison and a pepper-less company, Canaple retired in February 1790.¹⁷⁹

His retirement left Boyer as the Company's sole agent in Mahé. Boyer had not so much resented Canaple's control over him as appreciated that, with the *commandant* in charge, he could effectively pursue his own private trading operations full-time. Through his own sheer indolence, Boyer inadvertently executed a *volte-face* in Company policy, as he decided the best way to deal with Tipu Sultan was to place full negotiating authority in the hands of the French military commanders whom Tipu respected. Boyer immediately wrote to the Chevalier de Motz de la Lallée, the French privateer who had long been in Tipu's service, and asked for his personal

¹⁷⁸ In ANOM, 8AQ 336, Canaple to Goulade, 14 March 1789, he offers detailed observations on the cost-effectiveness of various arms shipments. 8AQ 347, Canaple to Paris administration, 27 March 1789; 8AQ 348, "Etat des demandes en Europe...années 1790 à 1791," 17 March 1789.

¹⁷⁹ ANOM, 8AQ 348, Canaple to administration, 25 December 1789. Canaple's retirement proved short-lived: in July, he was one of many veteran agents dispatched to attempt to restore order in Chandernagor after the uprising. Like Sanson and Deonna, he too fled to Calcutta in the end, where he died in 1791. See Labernadie, *La Révolution et les établissements*, 250-251, 314-317.

intervention with Tipu in acquiring the pepper needed for the Company's expedition.¹⁸⁰ Tipu was unconvinced, and he continued to press Lallée and Boyer for higher prices unless they could offer something militarily useful in exchange.¹⁸¹ Desperate, Boyer now appealed to Henri de Macnémara, the French-Irish naval commander who, upon escorting Tipu's ambassadors back to India, had been granted the formal commission of French envoy to Mysore, a small compensatory gesture to Tipu for the failure of the alliance proposal.¹⁸²

Upon his arrival, Macnémara faced a serious diplomatic impasse. In late 1789, two months before his arrival in Mangalore, war had erupted between Tipu Sultan and the Raja of Travancore. As Tipu's forces appeared poised to overwhelm Travancore, Macnémara pleaded with Cornwallis in Bengal to hold to their mutually stated positions of neutrality, to no avail.¹⁸³ However, in spite of the looming war, Macnémara's appeal to Tipu on behalf of the Company proved decisive. Macnémara, who was at the front with Tipu Sultan, wrote to Boyer to inform him that the king, struck with a sudden burst of benevolence to the French – or more likely, believing that their military support was imminent – was willing to authorize his agents to sell the Company all of the pepper and cardamom needed at a favorable price. In exchange for his efforts, Macnémara enlisted Boyer in his diplomatic mission: Boyer was to spread news of the strength of Tipu's defensive lines among his British contacts in Tellichery, so as to discourage an attack. After that, all Boyer needed to do was visit Tipu's headquarters and formalize the

¹⁸⁰ ANOM, 8AQ 347, Boyer to de Motz de la Lallée, 28 February 1790.

¹⁸¹ ANOM, 8AQ 347, de Motz de la Lallée to de Vegy, 18 March 1790, de Vegy to de Motz de la Lallée, 23 March 1790, Boyer to de Motz de la Lallée, 8 April 1790 and Boyer to de Motz de la Lallée and Macnemara, 14 April 1790.

¹⁸² Hasan, *History of Tipu Sultan*, 123.

¹⁸³ AN, Marine B4 280, correspondence between Macnémara and Cornwallis (f° 259-260).

arrangements in person with the monarch himself.¹⁸⁴

The meeting, however, never took place, and the Company's ships in harbor returned to Pondicherry empty.¹⁸⁵ Less than a month after Macnémara's final letter, Tipu Sultan was officially at war with the British, the Marathas, and the Nizam. In a move that must have seemed a cruel *déjà-vu* to Tipu Sultan, as soon as the British entered the fray, Macnémara and his men abandoned him to face the coalition alone. The principle – and practicality – of French neutrality in India had again prevailed. Macnémara returned with his men to the new military capital at Île de France in late May 1790, where he found the population in a state of revolutionary agitation. In this instance, his diplomatic tact failed him, and his openly royalist provocations ended with his murder by a pro-revolutionary mob shortly thereafter.¹⁸⁶ Back in Mahé, although the British insisted that he had continued to make clandestine offers of munitions to Tipu for another year, Boyer abandoned all pretense of working for the Company and began to pursue political office in the new, revolutionary municipal government.¹⁸⁷

The bizarre diplomatic game played between Tipu Sultan and the last *Compagnie des Indes* was thus at an end. The outbreak of war between Mysore and the British-led coalition stripped the remaining pepper fields bare. A decade of half-hearted French attempts to cultivate Tipu's friendship had led, unsurprisingly, to the Company's commercial ruin. With an absentee agent, whom the Company acknowledged publicly was not doing his duty, the Company had little

¹⁸⁴ ANOM, 8AQ 347, Macnemara and Magdelaine to Boyer, 23 April 1790; letter from Magdelaine to Boyer, 27 April 1790.

¹⁸⁵ ANOM, 8AQ 232, Paris administration to Charles Herries, 22 November 1790 (f° 205).

¹⁸⁶ Charles Grant, *The History of Mauritius, or The Isle of France, and the neighbouring islands[...]* (London: W. Bulmer and Co., 1801), 525-26; Albert Pitot, *L'Île de France: esquisses historiques (1715-1810)* (Port-Louis: E. Pézzani, 1899), 144-57.

¹⁸⁷ ANOM, B, Feuilles Volantes, no. 4717, Taylor (Governor of Tellicherry) to Le Tellier, 1 December 1790. Labernadie, *La Révolution et les établissements*, 318-29 contains a detailed discussion of Boyer's revolutionary career, which began with his election as President of the Colonial Assembly in late 1790.

incentive to continue trading there.¹⁸⁸ When the Company was restructured in the early years of the French Revolution, their operations at Mahé were abandoned and a new agent was dispatched to liquidate Boyer's affairs. Upon that agent's arrival in mid-1792, Boyer, then Mayor, quietly resigned from his public office – just as it became public that he had embezzled nearly 140,000 rupees from the Company.¹⁸⁹

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As envisioned by its creators, the *Nouvelle Compagnie des Indes* was intended to be a species apart from its predecessors or its British counterpart. Although it was created by the ministry and endowed with a state-backed monopoly, it was conceived as an independent corporation, whose strictly commercial operations would run smoothly alongside the French military government in the Indian *comptoirs*. However, although the challenges faced by the Company's agents in Pondicherry, Bengal, and Mahé were extraordinarily different, their commonality was that this theorized separation of state and company powers was, in practice, elusive. State officials – Moracin, Dangereux, Canaple, and Macnémara – were repeatedly invested with managerial and negotiating power by the Company or its agents, and their conflicting obligations, as with Moracin, rendered this alleged separation a fallacy. In the case of Moracin, Dangereux, and Canaple, this overlapping authority was initially permitted for strictly pragmatic reasons – separating the state and Company functions would have been more costly to both. But Macnémara received his commission – and largely succeeded at it – because the new Company had little credibility in the eyes of Indian powers. On the ground, its incorporating

¹⁸⁸ ANOM, 8AQ 232, Paris administration to Herries, 1 December 1790 (f° 208), says that they had not received any news from Boyer in a year; 8AQ 347, Paris administration to Boyer, 18 October 1790.

¹⁸⁹ The new agent said upon his arrival that Boyer had effectively neglected his Company duties for nearly two years in the pursuit of “affaires publiques,” see ANOM, 8AQ 347, Sabathier to Pondicherry administration, 25 July 1792; B, Feuilles Volantes, no. 4907, Larcher to De Fresne, 12 July 1792. For Boyer's embezzlement, see 8AQ 348, dossier entitled “créance de la Compagnie sur M. Boyer, 1785-1792.”

principle was thus exposed as a fiction: the Company could not function commercially without attributes of sovereignty, such as the ability to convincingly negotiate trade questions directly with foreign powers. The Company's business was, inevitably, "an affair of State."

The fallacy of this theorized separation between sovereign and commercial power represented a metropolitan misreading of the realities on the ground, and it certainly was not the only one. As it had been in the metropole, the Company and its business in India were constantly jockeyed between the ministerial partisans of war and peace, and at every turn in Pondicherry, Bengal, and Mahé, Castries' visions of the reassertion of French military power collapsed due to the unimpeachable fiscal and political realities of France's Indian Ocean situation. At the same time, as evinced by the experiences of the Company in Bengal, the grand schemes of reciprocity and cooperation between France and Britain forged at Versailles and at Whitehall, in the rue de Gramont and on Leadenhall Street, often had equally little application along the banks of the Hooghly and the Ganges. Vergennes and his successors, in their determination to ensure lasting peace with Britain, were often eager to surrender French interests and prerogatives in India, which proved fatal to the perception of French power in the eyes of Indian allies. From the perspective of the Foreign Ministry, the purpose of the *Nouvelle Compagnie des Indes* was to procure French stature and credit in India through commerce alone. Yet, for all of its supposed symbolic power, having a trading company was not adequate to procure French credit on the subcontinent – in either Indian or European eyes – when not supported with political action.

This fact was better understood at the time by Tipu Sultan's ambassadors than the French themselves. Shortly after the ambassadors were received at Versailles in August 1788, the French interpreter Ruffin sat talking politics with Muhammad Usman Khan. Ruffin told the

ambassador that France had no intention of *aggrandissement* in India, that its only aim was to ensure peace and cooperation among the princes in the region, and in so doing, to protect its own commercial interests. Usman Khan replied by challenging the very premise of this policy:

You want to be merchants, but in the current state of things, one cannot be so without having territorial [power] in Indostan. As long as your enemies are lords there, your commerce will be nothing. Become what they are, or make it such that they are no longer [lords], and afterwards you will be what you want.¹⁹⁰

Usman Khan recognized that commercial politics and imperial politics were one and the same, as his own sovereign, Tipu Sultan, had demonstrated with his chokehold on the Malabar pepper trade in the late 1780s, and as the British had achieved through commercial regulation in Bengal. In eighteenth-century India, commercial prerogatives were a signifier of imperial power. To assert that one had commercial rights, yet no political power or ambitions, made no sense.

However, the truth is that neither the French Company in Paris nor the state itself was really invested in the preservation of those commercial rights, as adroitly noted by Sanson and Deonna when they pointed out that they would see no help from the French colonial government in demanding the enforcement of the various conventions settled with the British. The French military government had neither the budget nor the authority to effectively intercede on the Company's behalf, but it is harder to account for the Company administration's general lack of concern for their agents' situations on the ground. The Law Company had been criticized – particularly by Dupleix and his disciples – as a disinterested financial institution mismanaging an empire out of sheer negligence. Because of its 'strictly commercial' mandate, the *Nouvelle Compagnie* exemplified this problem on an entirely new level. The Company was, simply put, a bank in the guise of a merchant, exactly as Calonne had intended. The ultimate aim of the

¹⁹⁰ ANOM, C² 189, Ruffin to Luzerne, 15 August 1788 (f° 69-70): “vous voulez être marchands; mais dans l'état actuel des choses, on ne peut pas l'être, sans avoir un territoire dans l'Indostan. Tant que vos ennemis y seront seigneurs votre commerce y sera nul. Devenez ce qu'ils sont, ou faites qu'ils ne le soient plus, et après vous serez ce que vous voudrez.”

administration in Paris was to cater to the needs of speculative investors at the Paris *Bourse*, not to swim against the tide of a waning empire in India. However, the stakes of such financial games were high, for both the practitioners and the Company itself. By early 1787, they threatened to give the fledgling Company just enough rope to hang itself.

Chapter 5

A Curious Performance: Speculation, Scandal, and Survival, 1787-1789

The *Nouvelle Compagnie des Indes* might have struggled in its early years overseas, but at home, it appeared bewilderingly ascendant. Its founder, Charles-Alexandre de Calonne, was observed to believe that his new creation was “the most beautiful thing in the world.”¹ The Company was the centerpiece of his corporate, fiscal system: as investors poured into the New Company, they also poured their funds into the monarchy’s endless stream of loan campaigns. France’s growing deficit, however, would eventually require a lasting, structural solution. In order to fiscally reform the French monarchy, Calonne proposed the convocation of an Assembly of Notables, scheduled to meet in early 1787. The Assembly was comprised of aristocratic and church elites who held the power to make fundamental changes in the tax structure of the Old Regime, namely, by consenting to the taxation of their own landed holdings. This was no easy proposition, but Calonne was optimistic that he and his continued ally, the comte de Vergennes, could wrangle the concessions they needed from the Notables.

Within a few months, these reform plans, Calonne’s ministry, and the *Compagnie des Indes* itself all appeared to go up in smoke. Calonne’s corporate-fiscal system, in creating institutions like the Company, achieved short-term successes at a highly unwelcome price. The Company was at the center of a stock market boom, but one that was appearing increasingly precarious, such that some observers began to see the ghosts of John Law’s bubble of 1720 in the frenetic atmosphere of the 1787 *Bourse*. The designation of the Company as ‘purely commercial’ rather than sovereign only entrenched its financial nature, creating the preconditions of speculation, scandal, and collapse. As Physiocratic political economists had done for decades, pamphlet writers – principally the comte de Mirabeau and his collaborators – denounced these

¹ AE Courneuve, 133CP 172, Cabre to Castries, 26 May 1785 (f° 270vo): “la plus belle chose du monde.”

forms of speculation as immoral and politically contaminating. Under a cloud of corruption, Calonne was chased from the government, with the credibility of his financial system shattered.

This political crisis also led to a major commercial challenge to the monopoly of the *Compagnie des Indes*. Since 1785, the Chambers of Commerce in France's major port cities had privately grumbled against the Company's monopoly. Although in commercial matters Old Regime France had a surprisingly participatory system of policy writing, the creation of the *Compagnie des Indes* – not unlike the drafting of the Eden Treaty – had entirely bypassed the existing royal Bureau of Commerce, where merchant deputies traditionally consulted with and lobbied government officials. These acts of joint petitioning and lobbying helped foster a nationwide sense of *le commerce* as a political bloc, if not always one with unanimously shared interests.² However, for the first years of the Company's life, the Chambers of Commerce largely fell into a self-imposed silence: its privilege seemed “too consolidated” to fight, and they did not want to risk appearing to instigate a “kind of Revolt against the sovereign's will” by lobbying against such an entrenched institution.³ As said by Marseille's deputy to the Council of Commerce, Guillaume Rostagny: “this privilege is, for *le Commerce*, an illness that is not yet at its point of crisis.”⁴ Calonne's *renvoi* finally gave them the crisis they had sought.

The result was a lobbying campaign against the monopoly that often self-consciously attempted to restage the events of 1769, when the Law Company's monopoly was abolished. In their debates, the Company's critics and defenders continued to battle over the political economy

² Kessler, *Revolution in Commerce*, 269-70.

³ AD Gironde, C 4355, Chambre de Commerce (hereafter CC) Montpellier to CC Guienne, 7 July 1786 (pc 2): “trop consolidé”; Juges-Consuls (hereafter J-C) de Nantes to CC Guienne, 28 October 1786 (pc 77): “espece de Revolte à la volonté du souverain.”

⁴ CCIMP, B 212, Rostagny to CC Marseille, 13 July 1786: “ce privilege est, pour le Commerce, une maladie qui n'est point encor[sic] au point de sa crise.”

of the Indies trade, the legitimacy of privilege, and the geopolitical and military realities of French empire in India. The Chambers of Commerce enjoyed substantial political support among key French ministers, and even the abbé Morellet reprised his 1769 role as the most strident intellectual critic of this even more “infamous and ridiculous *compagnie des Indes*.”⁵ However, the campaign of 1787 had a profoundly different outcome than in 1769: after months of challenges, lobbying, and debate, the Company’s monopoly was upheld. In the face of broad recognition of the need for reform – from the merchant interests, the ministry, and sometimes from within the Company itself – the monarchy tenaciously refused to break with the fiscal and diplomatic imperatives that had formed the basis of the Company’s creation. This prompted the Old Regime’s merchant critics to realize that, for both ideological and practical reasons, the monarchy was incapable of responding to their political and commercial demands. As merchants came to recognize that the Old Regime had created problems and institutions it could not afford to fix, as part of a financial system that it could not control, the battle over the *Compagnie des Indes* proved symptomatic of the broader pre-Revolutionary political crisis.

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The stock market crisis of 1787 was, in no small part, a direct result of the *Conseil d’État*’s refusal to approve the treaty that had been proposed between the *Nouvelle Compagnie des Indes* and the British East India Company. Prior to the final veto of the treaty by Vergennes in March 1786, the Company directors had been relentlessly encircling both him and Calonne, reminding them that their meager market capitalization of twenty million *livres tournois* had been established with the expectation that the Company would buy much of their merchandise directly from the British in Bengal. Now, faced with the need to contract for those products on

⁵ André Morellet, *Lettres d’André Morellet*, eds. Dorothy Medlin et al. (Oxford: Voltaire Foundation, 1991-1996), v.2, 50 (Morellet to Lansdowne, 7 May 1787): “cette infame et ridicule compagnie des Indes.”

their own in India – a daunting and expensive task, as we have seen – the Company needed additional funds for future expeditions. The directors’ preferred method of raising the additional funds was by doubling the number of shares in the Company, to a total market capitalization of forty million *livres* (in forty thousand shares).⁶ Yet despite his infatuation with the Company, Calonne was wary of this solution “in the present circumstances,” proposing instead that they take out a series of long-term loans – on their own credit and from the state – to cover their costs.⁷ However, when those loans came up short, Calonne granted the Company permission to issue another twenty million in shares in September 1786. These new shares could be bought, in two payment installments, at their nominal value of 1000 *livres* only by the holders of existing shares – the exact same mechanism that was used in Law’s ‘system.’⁸

The “circumstances” that Calonne was so nervous about were, to a large extent, of his own creation. His financial strategy was predicated in large part on the idea of strengthening economic confidence in the French state by establishing profitable monopoly companies whose successes would in turn encourage public investment. In the years following his appointment, this strategy seemed to pay dividends, quite literally. Foreign investors and investment poured into Paris, and this appearance of economic confidence and grandeur lent stature to Calonne and his plans.⁹ At the same time, there was good reason to doubt whether this stock market boom was genuine: a later revolutionary critic would describe it as “a craze that was mistaken for

⁶ AE Courneuve, 8MD/5, “Mémoire,” 21 December 1785 (f° 140-150); ANOM, 8AQ 323-324, “Plan d’une augmentation de fonds pour la Comp. des Indes,” 7 July 1786; 8AQ 326, T.-S. Bérard to Boullongne, 20 July 1786.

⁷ ANOM, 8AQ 8, deliberations of 20 May and 19 July, and 11 August 1786: “dans les circonstances actuelles.”

⁸ ANOM, 8AQ 8, deliberations of 12 September 1786; Lüthy, *Banque Protestante*, v.2, 708.

⁹ Jean Bouchary, *Les Manieuvres d’Argent à Paris à la fin du XVIIIe siècle* (Paris: Rivière, 1939-1943), v.2, 123; Hunt, “Global Financial Origins,” 40.

confidence.” Calonne recognized the potential consequences of the speculative boom his administration had created: should top financial houses go bankrupt, it could undermine the monarchy’s ability to borrow, threatening to ruin public confidence in both state and market.¹⁰

The scale of the speculative boom was gigantic, and Calonne was not the only person to fear that it was turning into what was known as *agiotage* – speculation in its most malicious form. In the summer of 1786, the share prices of the *Caisse d’Escompte*, the *Compagnie des Eaux*, and the *Compagnie des Indes* ballooned to over twice their original market value.¹¹ The speculators – all trading on margin – were divided into two camps: the bulls, known as *haussiers*, against the bears, known as *baissiers*. The *haussiers*, believing the value of a given fund would rise, sought to buy shares at a low value and sell them at their peak, whereas *baissiers*, believing the value of a given fund would fall, specialized in what are now known as short sales. A *baissier* would agree to sell shares that he did not yet own (*à découvert*) to a *haussier* at a given date (*à terme*) in the belief that the share value would fall by the time he had to purchase them to deliver them to the *haussier*, yielding a profit. In the decades since John Law’s bubble of 1720, the monarchy had sought – unsuccessfully – to ban these transactions, and Calonne rejuvenated these bans following the incorporation of the *Nouvelle Compagnie*. However, the laws were all but enforceable: illicit trading thrived in the *Palais Royal*, and Calonne himself frequently made exemptions to his own regulations in favor of institutions like the Company, who protested when, to frustrate *agioteurs*, he briefly banned them from public trading on the *Bourse* in 1785.¹²

¹⁰ AN, AD XI 58, *Conseil des Cinq-Cents. Rapport fait par Pelet (de la Lozère) sur l’affaire Veymeranges*, 25 prairial an IV, 4: “une sorte d’engouement qu’on prit pour de la confiance.” For Calonne’s anxieties, see Shovlin, *Political Economy of Virtue*, 158-59.

¹¹ George V. Taylor, “The Paris Bourse on the Eve of the Revolution, 1781-1789,” *American Historical Review* 67, no. 4 (1962), 967.

¹² The regulations originated with the establishment of the *Bourse* in 1724: *Arrêt du Conseil d’État du Roi, portant établissement d’une bourse dans la ville de Paris[...]* (Paris: Prault, 1785). Calonne’s *arrêts* were dated 7 August

The complex financial maneuvers of the Paris *Bourse* were not the only thing about it that was revolutionary: the market was a surprisingly progressive and inclusive venue in eighteenth-century Paris. Speculators and investors, although inordinately wealthy, came from a diverse array of social backgrounds: the market was open to Protestants, foreigners, and members of the Third Estate. In fact, the undisputed leader of the *baissiers*, Étienne Clavière, combined all of these qualities, being a recent Protestant Genevan immigrant who had already won and lost several fortunes on the stock market.¹³ Clavière displayed an acute understanding of the developing force of public opinion, and that the market itself could be easily swayed through perception and appearance. His strategy was to identify overvalued funds, denounce them in print to public opinion, and make money on short sales when their values dropped. Clavière (and his frequent collaborator, Jacques-Pierre Brissot) worked with and wrote under the pseudonym of the comte de Mirabeau, and their pamphlets were such a feature of *Bourse* life in the period that they were pejoratively referred to as *Mirabelles*.¹⁴ Calonne was friendly with Mirabeau and had even made use of his pamphlet industry in 1785 to demolish the shares of a rival, foreign bank, ensuring investors would flock to French loan campaigns instead.¹⁵ The *Compagnie des Indes* was all too easy of a target for Clavière's short-selling strategy. A

1785, 2 October 1785, and 22 September 1786. For his motivations, see National Archives, PC 1 123, "Rapport fait au Conseil d'état par M. de Calonne, le 21 septembre 1786, tant pour le doublement des fonds de la Compagnie des Indes que sur l'agiotage" (dossier 82). For the *Palais Royal*, see Bachaumont, *Mémoires secrets*, v.32, 101. For the Company, see ANOM, 8AQ 14, letter to Necker, 2 December 1788.

¹³ Lüthy, *Banque Protestante*, v.2, 749-785; Richard Whatmore and James Livesey, "Étienne Clavière, Jacques-Pierre Brissot, et les fondations intellectuelles de la politique des Girondins," *Annales Historiques de la Révolution Française* 321 (2000), 9-10.

¹⁴ For "mirabelles" (Mirabeau + *libelles*) and the syndicate's tactics, see Robert Darnton, "The Pursuit of Profit: Rousseauism on the Bourse," in *George Washington's False Teeth: an unconventional guide to the Eighteenth Century* (New York: W.W. Norton, 2003), 146, 142-143; Whatmore, *Against War and Empire*, 206.

¹⁵ Honoré-Gabriel Riqueti, comte de Mirabeau, *De la banque d'Espagne, dite de Saint-Charles* (S.l.: s.n., 1785). For Calonne's involvement, see Susane, *Tactique financière*, 256-57.

relentless promoter, he told his buyers – in reference to the Company’s controversial purchase of Indian goods in Europe – that the fund would “sparkle, be sure of it...Have you seen many *compagnies des Indes* hold sales before conducting expeditions?”¹⁶

The Company’s twenty thousand new shares were all dumped on the *Bourse* at the same time, leading to a veritable feeding frenzy. As ownership of old shares was the prerequisite for the purchase of new ones, the prices of both skyrocketed:

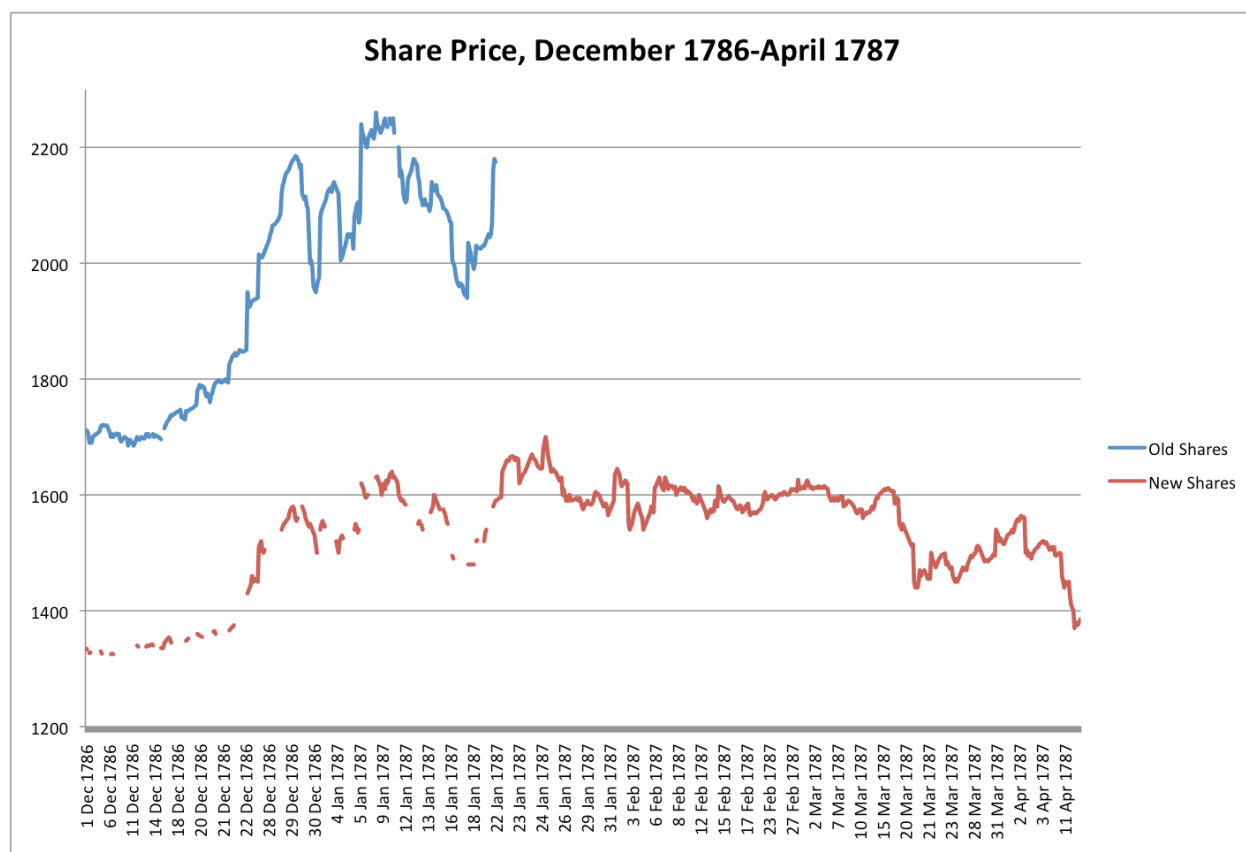


Figure 5.1 Share Price of the *Compagnie des Indes* in livres tournois, December 1786-April 1787
Source: *Journal de Paris*. The nominal value of both the new and old shares was 1000 livres tournois.

Calonne, having been determined to avoid the doubling of the shares in the first place, now found himself with a precarious situation, which was compounded by a devastating political loss. In February 1787, with the calling of the Assembly of Notables imminent, Calonne’s

¹⁶ AN, T 646 (3), Clavière to Cazenove, 15 January 1786 (f° 28vo-29): “brillera, soyez-en sûr...Avez-vous vu beaucoup de compagnies des Indes faire des ventes avant d’avoir fait des expéditions?”

fiercest ally, the comte de Vergennes, died, and Calonne had been counting on Vergennes, his “lamented friend,” to aid him in finessing the irascible Notables.¹⁷ The centerpiece of Calonne’s planned tax reform was the creation of a land tax on all estates – based on the Physiocratic idea that all wealth derived from agriculture – which had been largely designed by Calonne’s *Intendant*, Dupont.¹⁸ Such a tax was not likely to be popular among a group of landed nobles and clergymen. Furthermore, while Calonne could report to the Notables on developments such as the expansion of the navy, the establishment of peace and commercial reciprocity with Britain, the development of domestic industries, the fruits of his public works projects, and the – supposed – growth of French trade in India thanks to the efforts of the *Nouvelle Compagnie des Indes*, these observations did little to prepare the Notables for the revelation of the state of the deficit, which he estimated at 112 million *livres*.¹⁹ Both the fact that the country had not been at war for several years, and the publication of Jacques Necker’s sanguine – if not altogether correct – assessment of France’s finances in the 1781 *Compte Rendu*, led the Notables to “suspect wrongdoing” in the accumulation of the deficit.²⁰ British observers, including William Pitt himself, were stunned by the revelation, and with his credibility threatened, Necker launched what would become a years-long pamphlet war against Calonne to prove that his *Compte Rendu* had been accurate, and that the blame for the deficit lay flatly at the present minister’s feet.²¹

¹⁷ AN, 297AP 3, Calonne to d’Angivillier, 29 June 1787, pc 119: “ce tant regrettable ami.”

¹⁸ Hardman, *Overture to Revolution*, 148-54.

¹⁹ Charles-Alexandre de Calonne, *Discours prononcé de l’ordre du Roi et en sa présence par M. de Calonne, Contrôleur Général des Finances, dans l’Assemblée des Notables, tenue à Versailles, le 22 Février 1787* (Versailles: Pierres, 1787), 9.

²⁰ Gruder, *Notables and the Nation*, 42.

²¹ BL, Add MS 34421, Pitt to Eden, 19 April 1786 (f° 126-128vo). Calonne confided the figures about the deficit to Eden in the course of the treaty negotiations. The Calonne-Necker feud began with a private correspondence, found in AN, 297AP 3 (*Papiers Calonne*), pcs. 55-66, 128, in which Necker sought to find out to what extent Calonne

Calonne's reputation for profligacy and patronage did not help his defense, and some enemies cited the extensive tax exemptions granted to the new *Compagnie des Indes* as partly to blame.²²

Thus, in the months prior to the convocation of the Assembly, Calonne could not allow any further intimations of scandal or financial volatility. He needed to find a way to quietly ease the share prices for the two most volatile instruments, the *Compagnie des Eaux* and the *Compagnie des Indes*. To discredit his own companies in public opinion – for instance, by asking Mirabeau for help – would undercut his own economic pretensions to the Assembly. He could not afford to scare off avid investors with a pamphlet war: “in a moment of crisis, it is...indispensable to underhandedly favor the preponderance of the bettors *à la hausse*.”²³ In the case of the *Compagnie des Indes*, the issue was particularly urgent due to the recent doubling of the number of shares: the deadline for the first payment installment was in January 1787. Since the speculators bought their shares on margin, none of them actually had the money to make payment to the Company itself, which threatened a general bust in the value of the share.²⁴

The solution Calonne came up with was subtle – and perhaps profoundly corrupt. He would assign a team of bankers to purchase shares of both companies and subsequently liquidate them at a lower cost to force down the market price. This also aimed to forcibly transfer shares

intended to directly attack the *Compte Rendu* in the Assembly. After Calonne's public revelation of the deficit, both took to the press to defend their own figures and administrations, producing pamphlets such as Jacques Necker, *Réponse de M. Necker, aux imputations de M. de Calonne, touchant la fidélité du Compte rendu en 1781* (S.l.: s.n., 1787), and Charles-Alexandre de Calonne, *Réponse de M. de Calonne à l'écrit de M. Necker[...]* (London: Spilsbury, 1788).

²² Jean-Vincent Euzéno de Kersalaun, *Observations sur le Discours prononcé par M. de Calonne dans l'Assemblée des Notables le 27 Février 1787* (Paris: 1787), 12-13.

²³ Charles-Alexandre de Calonne, *Requête au Roi, adressée à Sa Majesté, par M. de Calonne, Ministre d'État, avec les Pièces Justificatives* (S.l.: s.n., 1787), cote VII, “Mémoire sur l'affaire des Assignations,” 61: “dans un moment de crise, il est...indispensable de favoriser sous main la prépondérance des parieurs à la hausse.”

²⁴ Lüthy, *Banque Protestante*, v.2, 708.

of the *Compagnie des Indes* from speculators to serious investors who were willing to make payment at the deadline. Using government funds, Calonne would pay these bankers for their services and compensate them for selling at a loss. In December 1786 – with the mediation of one of his *Intendants*, Gabriel Palteau de Veymerange – Calonne privately earmarked 11,500,000 *livres tournois* to be paid to a banking syndicate comprised of Joseph-François-Xavier de Pestre, comte de Seneff, Jean-Baptiste-Julien Pyron de Chaboulon, and Claude-Odile-Joseph Baroud. As Seneff and Pyron de Chaboulon were well known to Calonne, the commissioning of this syndicate was undoubtedly an act of financial cronyism, but he probably got more than he bargained for in the fallout of this decidedly poor decision.²⁵ Seneff, Pyron, and Baroud did indeed use the funds to buy shares of both companies, but instead of selling them off and absorbing the losses, they found the lure of profit irresistible and began to speculate themselves: the government's investment simply vanished.

By January, when the first installments on the new *Indes* shares came due, Seneff and Pyron had title to so many shares that they too lacked the funds to pay for them.²⁶ Their first instinct was to appeal to the Company's directors for an extension on the payment deadline which, despite Calonne's efforts to force the Company to be lenient, was not granted.²⁷ This led

²⁵ Thierry Claeys, "Un agent de Calonne: Gabriel Palteau de Veymerange," in *État et société en France aux XVIIe et XVIIIe siècles: mélanges offerts à Yves Durand*, ed. Jean-Pierre Bardet et al. (Paris: Presses de l'Université de Paris-Sorbonne, 2000), 139, 144. A copy of Calonne's letter to Veymerange of 10 December 1786 is printed in AN, AD XI 58, *Rapport fait par Pelet (de la Lozère) sur l'affaire Veymeranges*, 25 prairial an IV, 6. Ibid., *Rapport fait par Dumolard sur l'affaire Veimeranges*, 4 Fructidor an IV, 2, insists it was Veymerange who came up with the scheme and chose the beneficiaries for Calonne. That said, most of them were already known to Calonne, as Seneff and Pyron de Chaboulon had been the partial beneficiaries of the concession of a monopoly on the coal mines at Lusarches in 1785. The money earmarked came from the *caisses* of two treasurers named Fontaine de Biré (*Guerre*) and Randon de la Tour (*Maison du Roi*).

²⁶ Claeys, "Palteau de Veymerange," 147-48. The *écheance* was January 21.

²⁷ Their appeals (and Calonne's) are discussed and vetoed by the Company administration in ANOM, 8AQ 8, deliberations of 5 January 1787, 19 January 1787, 16 February 1787, 25 March 1787; 8AQ 326, Baroud/Pyron de Chaboulon/Seneff to Paris administration, 2 January 1787.

them to enlist the services of the individual whose name is perhaps the most infamously synonymous with the affair, the rogue abbé Marc-René Sahuguet d’Espagnac, who built a legendary reputation for financial speculation and corruption until his death during the French Revolution. Espagnac, who had already been speculating in the *Compagnie des Indes* for months, agreed to purchase all of Seneff and Pyron’s shares and obligations. Through the complexity of contemporary derivatives trading, Espagnac now owned title to 51,503 shares of the *Compagnie des Indes* – that is, nearly 15,000 more than were actually in circulation.²⁸ With the market cornered, Company share prices climbed relentlessly higher, leaving the *baissiers*, like Étienne Clavière, who had sold without shares in hand, out to dry.

Threatened yet again with financial ruin, Clavière decided to now turn his pamphlet strategy against the minister himself. On the heels of a decisive rupture between Mirabeau and Calonne, Clavière and Brissot wrote yet another pamphlet in Mirabeau’s name.²⁹ This work, the *Dénonciation de l’Agiotage au Roi et à l’Assemblée des Notables*, was an indictment against speculation and its protectors in the government, who had misappropriated state funds for perverse purposes. Evoking the ghost of John Law, ‘Mirabeau’ suggested that France was on the verge of again giving Europe an “ignominious spectacle” of rapacity and corruption. Although Mirabeau did not dare name the minister behind Espagnac’s exploits, the pamphlet was at its

²⁸ This figure is found in Lüthy, *Banque Protestante*, v.2, 708 and Taylor, “Paris Bourse,” 971. Three thousand shares, owned by the directors and other top shareholders, were in permanent *dépôt* at the Company’s headquarters, meaning only 37,000 were on the market. It is often alleged, as in Hardman, *Overture to Revolution*, 192 and elsewhere, that Espagnac was acting as Calonne’s agent and attempting to raise the share price, but given that this ran in direct opposition to the minister’s stated policy aims at this point, this is extraordinarily unlikely.

²⁹ Although Mirabeau and Calonne had strong disagreements about the *Compagnie des Indes* and other things in the past years, they appear to have remained allies until early 1787. The cause of their falling is in all probability the fact that Calonne did not give Mirabeau a secretarial position in the Notables, see J. Bénétruy, *L’Atelier de Mirabeau: quatre proscrits genevois dans la tourmente révolutionnaire* (Geneva: Jullien, 1962), 128, and Hardman, *Overture to Revolution*, 94. Dupont de Nemours may have also played a role: when Mirabeau attempted to pass off some of Turgot’s writings as his own work to Calonne in 1786, Dupont de Nemours called his bluff: Vardi, *Physiocrats*, 256-57.

core an exposé of Calonne's entire economic system. To promote a false vision of market confidence, he had created or supported a system of companies – all nothing more than “hotbeds of *agiotage*” – including the *Compagnie des Eaux*, the *Caisse d'Escompte*, and worst of all, “a *Compagnie des Indes* that only did a tiny part of its commerce in the Indies.”³⁰ These companies and their easily tradable *actions au porteur*, or shares traded on paper with no method of recording or tracing transactions, encouraged a climate in which value itself had ceased to have tangible meaning.³¹ For this reason, the *Bourse* was rife with morally deplorable short sales – an ironic claim, given the pamphlet's true author – where “some sell what they do not have, others buy what they cannot pay for.”³² Invoking Physiocratic ideas about economic regeneration, ‘Mirabeau’ wrote that, unlike the solid, lasting wealth produced through labor by agriculture, commerce, or manufacturing, speculation was both ‘sterile’ and transient. In the absence of the former, the government decided to promote only the façade of wealth by encouraging *agiotage*, and for this reason alone, it had ‘inconceivably’ reestablished a monopoly repugnant to all enlightened individuals. The stupefying truth was that, in some sense, it was for the likes of Espagnac himself that the *Compagnie des Indes* had been created.³³

The *Dénonciation* appeared in print in Paris only two weeks after the opening of the Assembly of Notables and threatened to seriously weaken Calonne's hand. Calonne's demand

³⁰ Honoré-Gabriel Riqueti, comte de Mirabeau, *Dénonciation de l'agiotage au Roi et à l'Assemblée des Notables* (S.l.: s.n., 1787): 1 (“spectacle ignominieux”), 89 (“foyers d'agiotage”), 66-67 (“une compagnie des Indes qui ne faisoit qu'une petite partie de son commerce dans les Indes”).

³¹ For the anxieties provoked by anonymous commercial paper and *actions au porteur*, see Kessler, *Revolution in Commerce*, ch. 5.

³² Mirabeau, *Dénonciation*, 47-48: “les uns vendent ce qu'ils n'ont pas, les autres achètent ce qu'ils ne peuvent pas payer.”

³³ Ibid., 71, 80 (“c'est pour un abbé d'Espagnac qu'on a créé une compagnie des Indes!”) For the Physiocratic aspects of the text, particularly the significance of the fiction of Mirabeau's authorship, see Shovlin, *Political Economy of Virtue*, 171.

for increased taxes rang catastrophically hollow against claims that he was misusing government funds to sustain “an artificial bull market.”³⁴ His reforms in jeopardy, Calonne found a surprisingly stalwart ally in Dupont, who sprang into action in the minister’s defense. Whatever their past disagreements, Dupont saw in Calonne’s work the foundations of lasting economic reform and possibly “a national constitution.”³⁵ As such, he wrote to Mirabeau himself, ordering him into silence and threatening him “if you permit yourself a [single] sentence that could hurt Mr. de Calonne or his plans.”³⁶ Shortly thereafter, the *Conseil d’État* issued a *lettre de cachet* against Mirabeau, which he managed to dodge by fleeing to the Netherlands – some allege, with the assistance of Calonne himself.³⁷

The speculators themselves presented a more complicated problem. Calonne’s first reflex was to simply bring the might of the absolute state down on Espagnac, Baroud, Seneff, and Pyron by sending them straight to the Bastille. However, the other ministers, with assistance from a lobby of Parisian bankers, pointed out that arresting the offenders would bring down the entire market by placing them in *cessation de paiement*. Calonne had no choice but to attempt the exact same market intervention again, this time with more reliable intermediaries. Thus, he approached the respected bankers Emmanuel Haller and Barthélemy-Jean-Louis Le Couteulx de la Noraye to liquidate all of the existing transactions by forcibly resetting – in collusion with other major banks – the price of the Company’s shares at a more reasonable value and providing

³⁴ Darnton, “Pursuit of Profit,” 152.

³⁵ Hagley, Winterthur Group 2, Series A, Box 2, W-277: Dupont to marquis de Mirabeau (*père*), 1 Mar 1787: “une constitution nationale.”

³⁶ Hagley, Winterthur Group 2, Series A, Box 2, W-286: Dupont to comte de Mirabeau (*fils*), 3 April 1787: “si vous vous permettez une phrase qui puisse nuire à Mr. de Calonne ou à ses projets.” This makes it quite improbable that Dupont de Nemours assisted in the writing of the *Dénonciation*, as alleged in Taylor, “Paris Bourse,” 952, and Ghachem, “Origins of Public Credit,” 154.

³⁷ As claimed in Bénétruy, *Atelier de Mirabeau*, 130.

the bankers with an additional twelve million *livres* in treasury funds to pay off their losses.³⁸

Between the sums provided to Haller and Le Couteulx de la Noraye and what was given to the original cabal of speculators, the government lost nearly twenty-five million *livres* – a figure equivalent to over 20% of the existing deficit.³⁹

Although this plan saved the *Bourse* from a complete bust, the political damage was irreparable. The “wrongdoing” that the Notables had suspected in the revelation of the deficit now appeared to be due to the malfeasance of one man alone: Calonne. Their demands for transparency mounted precisely as the evidence of scandal and malfeasance, both on the stock market and in private real estate deals – such as the transfer of the *comté* de Sancerre, also involving a member of the Espagnac family – became public.⁴⁰ Despite Calonne’s best attempts to paint his disagreements with the Notables as due to their own intransigence and reluctance to abandon their privileges, it soon became clear that if the Assembly were to have any chance of success, Calonne had to go.⁴¹ Louis XVI, who had tenaciously supported Calonne until the last, dismissed him on April 8, 1787. Less than a month later, he was succeeded by Étienne-Charles Loménie de Brienne, the archbishop of Toulouse, who had been a leader of opposition to him in

³⁸ They agreed to reset the price to 1300lt (the highest value it had attained since the *doublement* was 1700lt in January 1787). Mirabeau had sharp words for Haller and Le Couteulx de la Noraye, as perceived advocates of the *haussiers*: Bachaumont, *Mémoires secrets*, v.34, 282. The merits of these claims are discussed in Zylberberg, *Capitalisme et catholicisme*, 208-09. For the second bailout, see AN, F¹² 798C, “Agiotage Affaire: Haller et La Noraye[...].” Lüthy, *Banque Protestante*, v.2, 627; Ilovaïsky, *Disgrâce de Calonne*, 95-105.

³⁹ Taylor, “Paris Bourse,” 972.

⁴⁰ Gruder, *Notables*, 47-48. The *comté de Sancerre* incident was especially notorious since it was denounced by Lafayette in the Notables and became a canonical example of ministerial abuse of domanial *échanges*: Jean Egret and G. Egret, “La Fayette dans la première Assemblée des Notables (Février-Mai 1787),” *Annales Historiques de la Révolution Française* 24, no. 125 (1952), 1-31, and Blaufarb, *Great Demarcation*, 152.

⁴¹ Calonne denounced the Notables in an essay entitled *Avertissement* that appeared in *Collection des Mémoires présentés à l’Assemblée des Notables, première et second division* (Versailles: Pierres, 1787), iii-viii.

the Notables.⁴² Loménie de Brienne's administration attempted to capitalize on the detritus of the scandal, which had left the public mood sensing that the only remedy was "the strictest and severest economy."⁴³ He eventually dismissed Dupont, architect of the land tax, insisting that the basis of reform should be spending cuts, rather than tax increases.⁴⁴

Loménie de Brienne made efforts to undo other aspects of Calonne's legacy. While his self-proclaimed reign of virtue put a damper on "speculative euphoria," the stock market remained volatile enough in the summer of 1787 to continue to provoke anxieties about another potential bust.⁴⁵ Le Couteulx de la Noraye insisted, no doubt to Loménie de Brienne's delight, that the market was in need of serious moral reformation, which could only be achieved if the *agioteurs* were formally expelled from the 'respectable' – and, in theory, supervised – Paris stock exchange.⁴⁶ In response, Loménie de Brienne banned the *Compagnie des Indes*, the *Compagnie des Eaux*, and other private companies from publicly trading on the Paris *Bourse* in the *Hôtel de Nevers* in July 1787, and the newspapers were prohibited from printing their stock prices. Although this move did little to stop private trading in the *Palais Royal*, Loménie de Brienne's administration was certainly a more active enforcer than Calonne's had been – even if

⁴² Loménie de Brienne was named *Premier Ministre* on May 1, 1787. While he acted as the head of the *Conseil des Finances*, he never held the title of *Contrôleur-Général* as Calonne had. Calonne had been officially replaced by his ally, the short-lived Bouvard de Fourqueux (April 10, 1787-May 1, 1787). During Loménie de Brienne's tenure, the post was filled by Laurent de Villedeuil (May-August 1787) and Claude-Guillaume Lambert (September 1787-November 1790), who also held the post under Jacques Necker, who held the *pro forma* title of *Directeur-Général des finances* due to his Protestant origins.

⁴³ Bachaumont, *Mémoires secrets*, v.34, 281: "l'économie la plus stricte & la plus sévère."

⁴⁴ Hardman, *Overture to Revolution*, 233, 253, 263: Loménie de Brienne said he could cut the deficit by over 10 million through spending cuts.

⁴⁵ Lüthy, *Banque Protestante*, v.2, 554: "l'euphorie spéculative."

⁴⁶ Barthélemy-Jean-Louis Le Couteulx de la Noraye, "Mémoire sur l'agiotage, les désordres qui en sont la suite et sur les remèdes qu'on peut y apporter," in *Journal de l'Assemblée des Notables de 1787, par le comte de Brienne et Étienne-Charles de Loménie de Brienne, archevêque de Toulouse*, ed. Pierre Chevallier (Paris: Klincksieck, 1960).

the main impetus behind the law, as one as one critic of the Company observed, was to humiliate his predecessor and his flagship institution.⁴⁷ Calonne feared that Loménie de Brienne would “hav[e] me condemned by the Parlement that is devoted to him,” and this almost came to pass.⁴⁸ In August 1787, the *chambres assemblées* of the Parlement of Paris announced their intent to try Calonne both for deceiving the King as to the deficit, and for misappropriating state funds “to support an *agiotage* fatal to the state.”⁴⁹ But when Loménie de Brienne’s relationship with Parlement broke down over the registration of new loans, he exiled them to Troyes, giving Calonne the chance to flee to England, where it was often alleged – sometimes correctly – that he, like the Company he created, had an uncomfortably close relationship with the British government.⁵⁰ As one critic put it: “No one is in a better state to instruct the British government on the disorder of our finances than he who caused [it].”⁵¹

⁴⁷ *Arrêt du Conseil d’État du Roi, par lequel le Roi [...] ordonne qu’à l’exception des Actions de la Caisse d’Escompte, aucuns des Papiers & Effets de Compagnies & Associations particulières, ne pourront être négociés à la Bourse de Paris [...] Du 14 Juillet 1787.* (Paris: Imprimerie Royale, 1787). For the *Hôtel de Nevers*, see Taylor, “Paris Bourse,” 953. For the Palais Royal, see AD Gironde, C 4357, Letellier to CC Guienne, 21 July 1787 (pc 69). While trading continued, we have few figures for this period: since the Company was not publically trading on the *Bourse*, the prices were not published. Although they petitioned the Council for readmission to the *Bourse* in late 1788, the Company was not publicly traded again until February 1790, see ANOM, 8AQ 14, Mémoire of 2 December 1788 (f° 42-vo). AD Gironde, C 4357, Letellier to CC Guienne, 21 July 1787 (pc 69).

⁴⁸ AN, 297AP 3, “Considerations à peser” (pc 125): “me faire condamner par le parlement qui lui est dévoué.”

⁴⁹ AN, X 1B 8987, *séance* of 10 August 1787: “pour soutenir un agiotage funeste à l’état.” My thanks to Michel Ollion for assisting me in the consultation of these documents.

⁵⁰ The exile of Parlement meant that Calonne’s case was ‘evoked’ to the *Conseil d’État*; a copy of the *Arrêt d’Evocation* is contained in Calonne’s private papers in PRO, PC 1 125, #76. For Loménie de Brienne’s complicated relationship with Parlement: J.H. Shennan, *The Parlement of Paris* (Ithaca, NY: Cornell UP, 1968), 321-22. Later that year, he was content to allow Parlement to pursue the speculators – Pyron de Chaboulon, Seneff, and Baroud – as a method of trying to “se rapprocher des Parlements,” see M. De Lescure, ed. *Correspondance secrète inédite sur Louis XVI, Marie Antoinette, la cour et la ville, de 1777 à 1792* (Paris: Plon, 1866), v.2, 200. The opposition of Castries and other opponents of Calonne to the evocation is discussed in Hardman, *Overture to Revolution*, 304-05. After evocation, the former minister (and Calonne’s enemy) d’Ormesson was tasked with preparing a report on Calonne’s malfeasance, and found no evidence of personal corruption in his conduct: Ilovaïsky, *Disgrâce de Calonne*, 120.

⁵¹ Jean-Louis Carra, *M. de Calonne tout entier, tel qu’il s’est comporté dans l’administration des Finances, dans son commissariat en Bretagne, &c. &c. Avec un Analyse de sa Requête au Roi, & de sa Réponse à l’Écrit de M. Necker*

The so-called *affaire des assignments* left a long legal trail behind it, which reveals the broader constitutional ramifications of the scandal. Over the ensuing years, the *Trésor Royal*, Haller and Le Couteulx de la Noraye, the abbé d’Espagnac, Palteau de Veymérange, the Company itself, several of its major shareholders, and the Seneff-Baroud-Pyron syndicate sued and counter-sued each other to claim fees and damages associated with the doubling of the shares or the subsequent liquidations thereof. The most public of these was Haller and Le Couteulx de la Noraye’s suit against the *Trésor Royal* (and subsequently, the revolutionary *Trésor Public*), in which they claimed losses exceeding their original payment for their services as liquidators. Their case hinged on whether the bankers could prove that Calonne had hired them as agents of the state to liquidate Espagnac’s assets, and moreover, whether Calonne single-handedly had the authority to do so. Dufresne, the *premier commis* of the treasury, insisted that Calonne, as a lone minister of state, did not himself possess the authority to make such a contract with the bankers without an order from the King.⁵² While the bankers’ claims were never granted – by either the Council or the many courts who heard the case – the dispute exposed not only the murky nature of the internal, financial bureaucracy of the Old Regime, but also publicly impugned the King’s authority through his ministers, by showing financial elites like Haller and Le Couteulx de la Noraye that contracts made – supposedly – under the King’s name would not necessarily be honored. In the effort to salvage the financial wreckage of the affair by dumping

(Brussels: 1788), 8-9: “Personne n’est plus en état d’instruire le gouvernement Britannique du désordre de nos finances, que celui qui a causé ce désordre.” Another example is found in *Dialogue entre deux Brigands, l’un Général de tous les Courtaut-de-Boutiques de la Compagnie-des-Indes Anglaise; l’autre à la tête de tous les Rat-de-Caves de la France[...]* (Paris: Gelé, 1789?), 10, which imagines a fictional meeting between Calonne and Warren Hastings, in which the latter tells the former that “on seroit porté à vous croire né anglais.”

⁵² AN, F¹² 798 C, “Agiotage Affaire: Haller et La Noraye. Détail du Rapport fait par M. Dufresne, premier Commis du Trésor Royal[...].”

blame into Calonne's ministerial grave, officials of the Old Regime were unconsciously revealing the regime's own bureaucratic incoherence.⁵³

The widespread demonization of Calonne was clearly exaggerated, and plenty of contemporary observers knew it. The collapse of his ministry owed as much to the machinations of his enemies as to "his vices and prodigalities."⁵⁴ However, Calonne's apparent corruption served dramatically political ends – and not just those of Loménie de Brienne or others scheming to capture ministerial power. The suppressed attack unleashed by the Parlement of Paris against the Calonne administration revealed the constitutional stakes of the crisis. This attack on "ministerial despotism" was motivated not only by the ambiguous legality of Calonne's unilateral actions, but also a broader sense that the Old Regime had facilitated the creation of a financial system that furthered corruption, rather than the true interests of the nation.⁵⁵ In the report presented by Adrien Duport, he explained that the inquiry was not only about Calonne's personal, financial crimes, but also a general attack on "the excessive power of France's ministers; an abuse born of the degeneration of the constitution."⁵⁶ The Old Regime itself was to blame for the financial crisis that had occurred. However, while constitutional degeneration was

⁵³ In 1791, the Constituent Assembly authorized the *Trésor Public*, on the basis of the illegitimacy of Calonne's power to mandate Haller and de la Noraye, to challenge their claims in court, see Armand-Gaston Camus, *Rapport fait au nom du Comité Central de Liquidation, par M. Camus, sur l'affaire de MM. Haller & le Couteux de la Noraye, relative à la liquidation des actions de la Compagnie des Indes* (Paris: Imprimerie Nationale, 1791). Similarly on the basis of the illegitimacy of Calonne's authority, the National Convention ordered the seizure and sequester of all property belonging to Palteau de Veymerange (who committed suicide in prison during the Terror), Piron, Baroud, and Seneff as recompense for the 11,500,000 of unreturned funds, see *AP*, v.83, 683-684 (7 pluviôse an II). Because of this seizure, Baroud's papers remain at the Archives Nationales under T 49.

⁵⁴ De Lescure, *Correspondance secrète*, v.2, 129 (letter of 13 April 1787): "ses vices et ses prodigalités." See also Marc Bombelles, marquis de, *Journal* (Geneva: Droz, 1977-2013), v.2, 177n (entry of 4 May 1787): "cet habile administrateur...sauvait la France lorsque la cabale l'a fait renvoyer."

⁵⁵ For the Parliamentary attack on despotism, see Stone, *Parlement of Paris*, 180-81.

⁵⁶ Bachaumont, *Mémoires secrets*, v.35, 362-363: "le pouvoir en général excessif qu'ont les ministres dela France; abus né de la dégénération de la constitution."

not immediately fixable, some of the blots left by the hated minister in his wake, including the *Compagnie des Indes* itself, were perhaps not so indelible after all.

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France's Chambers of Commerce had been waiting quietly for this moment for over two years. Mirabeau's *Dénonciation* had consciously paved the way for a public challenge to the Company: if the government really wanted to extirpate *agiotage*, one of the prime effects of monopoly, one would also have to destroy its cause.⁵⁷ But the means of destroying the Company were not entirely clear. In 1786, when the celebrated, activist Parliamentary barrister Pierre-Louis de Lacretelle published his *Consultation* in defense of the rights of cloth merchants against the monopoly, it might have seemed a prelude to a legal challenge of the Company's monopoly in the Parlement de Paris, which some of the port towns favored.⁵⁸ Lacretelle's brief offered an expansive vision of commerce as "free by its nature" and denounced all privileges and monopolies indiscriminately. The creation of the *Nouvelle Compagnie* had been the work of malevolent counselors – evidently alien to the true views of the King or any wise legislator – and in such matters, Lacretelle enunciated a clear, Parliamentary imperative to act as representatives of the Nation, defending it from despotic ministerial overreach.⁵⁹ These claims had strong contemporary, constitutional resonance, but there was a serious practical flaw to any demand for Parliamentary intervention as to the *Nouvelle Compagnie*, as its incorporating *arrêt* of April 14, 1785 had never been submitted with *lettres patentes* to Parlement for registration. While Lacretelle argued that this only compounded the despotic nature of the *arrêt*, since all such

⁵⁷ Mirabeau, *Dénonciation*, 83.

⁵⁸ The Chambers of Nantes and St. Malô were particularly in favor of action via "la voye juridique, see AD Loire-Atlantique, C 625, CC Guienne to CC Nantes, 11 June 1787 (pc 7).

⁵⁹ Lacretelle and Blonde, *Consultation*, 14("libre de sa nature"), 41-42, 50, 77("les délégués de la Nation"). For the constitutional politics of the *Consultation*, see Ghachem, "Origins of Public Credit," 167-68.

matters should be put to open debate in an age “*de lumière & de douceur*,” it was also technically impossible for the Parlement to remonstrate or hear challenges against it.⁶⁰ This made the Company legally unassailable, but at the same time, deprived it of the public semblance of legitimacy that Parlement’s *enregistrement* ceremony traditionally granted to laws, to the extent that some opponents claimed that the Company never legally existed.⁶¹

While the absence of Parliamentary assent damaged the Company’s legal and public standing, it was not the only way the Company’s creation had abridged Old Regime consultative practices. Although Old Regime political life was rarely participatory, in commercial politics, there was a substantial tradition of open dialogue between the ministry and merchant interests: as the *Nouvelle Compagnie*’s critics never tired of pointing out, Colbert had consulted with key port towns in the creation of his Company in 1664.⁶² In 1700, the *Conseil d’État* created an adjunct body known as the Bureau of Commerce, which numbered among its members merchant-deputies from the major commercial centers of Bayonne, Bordeaux, Languedoc, Lille, Lyon, Marseille, Nantes, La Rochelle, Rouen, St-Malô, and Paris. Although the deputies’ role was conceived as strictly advisory, the Bureau became a venue that merchants soon exploited as advocates for their own causes, by lobbying ministers, networking with lawyers, and fomenting

⁶⁰ Lacretelle and Blonde, *Consultation*, 44. As per the declaration of September 15, 1715, “il leur était interdit de faire de leur propre initiative des remontrances sur les actes de l’administration ou sur les lois qui ne leur étaient pas adressés,” see Flammeront, *Remontrances*, v.1, xxxvii. Moreover, it is not entirely clear that Parlement would have supported Lacretelle’s claims, as Calonne framed the controversial edict as a ‘reinstatement’ of a registered privilege whose suspension Parlement had opposed in 1769 (see chapter 1). As a result, the indication in Bell, *Lawyers and Citizens*, 178 that this brief was filed in a formal ‘case’ before Parlement is somewhat inaccurate.

⁶¹ This is claimed in: André Morellet, *Réponse précise au Précis pour les actionnaires de la Nouvelle Compagnie des Indes* (Paris: Demonville, 1787), 6-7; CCIMP, H 41, Rabaud & Cie to Assemblée Nationale, 10 November 1789. For the symbolic importance of the rituals of registration and remonstrance, see Stone, *Parlement*, 17.

⁶² Thomas J. Schaeper, *The French Council of Commerce, 1700-1715: a study of mercantilism after Colbert* (Columbus, OH: Ohio State UP, 1983), 13; André Morellet, *Mémoires relatifs à la discussion du privilège de la nouvelle Compagnie des Indes* (Paris: Demonville, 1787), 109.

legal challenges to objectionable commercial policies.⁶³ Throughout the eighteenth-century, the Chambers of Commerce and their deputies had lobbied both for the preservation of their own rights and against the privileges of other monopoly companies like the *Compagnie de la Guyane* in 1777 – albeit unsuccessfully, in the case of the latter.⁶⁴ However, the merchant-deputies to the Council were not even consulted upon the formation of the *Compagnie des Indes* in 1785. In the view of the deputies, the Calonne administration had undermined their existing rights to participate in the process of commercial policy making by creating a hated institution under conditions of absolute secrecy – exactly as it had done with the similarly despised Eden Treaty.

Thus, with the long-awaited moment of “crisis” having arrived in 1787, the Chambers of Commerce decided to launch a lobbying campaign against the Company. On April 16, 1787 – barely a week after Calonne’s fall – the Chamber of Commerce of Guienne in Bordeaux sent a circular letter to all of its counterparts in the major commercial centers of France asking them to join forces and send *députés extraordinaires* to Versailles to support their existing deputies and lobby explicitly for the revocation of the Company’s monopoly and the reinstatement of free trade to the Indian Ocean.⁶⁵ Although eleven Chambers of Commerce participated in the lobbying efforts by sending extraordinary deputies to Versailles or authorizing their existing deputies to the Bureau of Commerce to participate in the campaign – the primary efforts came,

⁶³ David Kammerling Smith, “Structuring Politics in Early Eighteenth-Century France: The Political Innovations of the French Council of Commerce,” *Journal of Modern History* 74, no. 3 (2002), 503, 495; Kessler, *Revolution in Commerce*, 244-47. The *Conseil de Commerce* became known as the *Bureau de Commerce* instead in 1722.

⁶⁴ For the high success rate of lobbyists in the Bureau in the early eighteenth-century, see Schaeper, *Council of Commerce*, 29; and Junko Thérèse Takeda, *Between Crown and Commerce: Marseille and the Early Modern Mediterranean* (Baltimore: Johns Hopkins UP, 2011), 44-46. For the *Compagnie de la Guyane* (subsequently *Compagnie de la trade de la gomme du Sénégal*), see Tarrade, *Commerce colonial*, v.1, 432-435.

⁶⁵ CCIMP, H 41, circular letter from CC Guienne, 16 April 1787.

perhaps unsurprisingly, from Bordeaux, Marseille – the two wealthiest port cities in France – and Lorient, the capital of the Indies trade.⁶⁶

Their joint efforts, however, were sometimes compromised by an uneasy mix of their conflicting interests and ideologies. Contemporary understandings of the interests of *le commerce* did not always entail universal claims for ‘liberalization’ of trade in the modern sense: merchants lobbied relentlessly to maintain their own monopolies and privileges.⁶⁷ Even in the matter of the Company, the boundary between ‘free trade’ and ‘monopoly’ interests was blurred, since so many prominent merchants of the free trade era had become directors of the *Nouvelle Compagnie des Indes*, and some of those who did not – including several of its later prominent critics – had made an effort to do so.⁶⁸ As a result, throughout the campaign, the lobbyists struggled to negotiate a balance with each other as to the scope of their anti-monopoly claims. While Bordeaux’s deputies sought to make an argument against the Company in the name of universal free trade, both Marseille and Lorient, enjoying substantial commercial privileges of their own, focused exclusively on the corrupt nature of the Company’s monopoly in particular and refused to condone any argument, like Lacretelle’s, that denounced privileges and monopolies indiscriminately.⁶⁹ Deputies of the other eight chambers often had other priorities, such as to lobby against the *exclusif mitigé* of 1784 in order to reassert the exclusive trading

⁶⁶ AD Gironde, C 4259, deliberations of 29 May 1788.

⁶⁷ Kessler, *Revolution in Commerce*, 3.

⁶⁸ Le Bouëdec, *Activités maritimes*, 117. Two of these were Paul Nairac (Bordeaux) and Jacques Rabaud (Marseille); their requests for consideration as directors are discussed in ANOM, 8AQ 326, Nairac to Boullongne, 25 December 1784; CCIMP, B 211, Rostagny to CC Marseille, 11 April 1785.

⁶⁹ Takeda, *Crown and Commerce*. Marseille was a free port and enjoyed a monopoly over the Levant trade; Lorient had a monopoly on the *retours* of the East Indies trade, ANOM, C² 113, “Les negocians de Lorient suplient[...],” January 1785 (f^o 161-165vo). Guillaume Rostagny was aware of the two-sided nature of his lobbying position, as he stated in CCIMP, B 214, Rostagny to CC Marseille, 3 May 1788: “Je ne dois pas vous dissimuler que j’aperçois un sisteme[sic] de liberté contraire a tous privileges et que j’entrevois de la propension a l’aneantissement de toutes franchises et de toutes exceptions.”

rights of French merchants in their colonies.⁷⁰ Bordeaux's deputy, Letellier, was concerned that these overlapping, contradictory, and sometimes opportunistic claims would undercut their core attack against the *Compagnie des Indes*, but the deputies continued to work together, meeting weekly at the home of Marseille's permanent deputy, Rostagny, to divide up lobbying efforts between them and hone their principal arguments against the Company.⁷¹

By the time the campaign was underway in late spring 1787, the deputies had already unsurprisingly gained one staunch ally in the *maréchal* de Castries. Before his resignation in August, Castries privately told Rostagny that he wanted the Company destroyed.⁷² Since Calonne's departure, Castries had already been hard at work to undercut the Company's monopoly. In May, he promulgated an *arrêt* designating the city of Port-Louis on Île-de-France a free port, which he hoped would mitigate the negative economic effects of the monopoly by drawing in more foreign traders.⁷³ He also gave his patronage to a new trading society in Marseille, the *Société pour le commerce de la Mer Rouge*, whose prospectus openly flouted the Company's privilege.⁷⁴ The Naval ministry also drew up a new plan by which the Company would be abolished and its "privilege" universally granted to all of the Chambers of

⁷⁰ For the controversy over this *arrêt*, see Tarrade, *Commerce colonial*, v.2, ch. 15.

⁷¹ AD Gironde, C 4357, Letellier to CC Guienne, 2 June 1787 (pc 29). Some of the other ports also wanted to lobby against Castries' controversial *paquebot* edict, which Letellier thought would further alienate him as an ally. Their weekly Saturday meetings are discussed in AD Gironde, C 4357, *passim*, and AD Loire-Atlantique, C 625, Michel to CC Nantes, 1 June 1787 (pc 113).

⁷² CCIMP, B 19, deliberations of 13 June 1787.

⁷³ Tarrade, *Commerce colonial*, v.2, 688. ANOM, C² 114, *arrêt* of 27 May 1787 (f^o 149-150vo); AE Courneuve, 8MD/8, "Mémoire sur la franchise du Port de l'Isle de France," September 1787 (f^o 64-74).

⁷⁴ ANOM, 8AQ 349-351, *Prospectus de la Société formée pour faire le Commerce de la Mer Rouge*, and *passim*.; 8AQ 330, Seimandy to Paris administration, 27 August 1787.

Commerce.⁷⁵ Castries' successor, César-Henri de La Luzerne, was no more sympathetic to the Company. As ex-governor of Saint-Domingue, Luzerne was no stranger to the price of metropolitan privileges in the colonies, and like Castries, Luzerne was equally determined to erode the Company's 'purely commercial' status in the Navy's favor.⁷⁶ As he planned the 'evacuation' of Pondicherry, he informed the outraged directors that, upon the departure of the Naval garrison, the Company would henceforth be the *de facto* sovereign in – as in, pay for the administration of – France's Indian *comptoirs*.⁷⁷ Luzerne had no interest in *revanche* in India and did not share his predecessors' anxieties about the military consequences of making the merchant the sovereign: he only sought to make the Company shoulder its share of the monarchy's bills. Luzerne found his own instincts – about the Company and India more broadly – strongly corroborated by those of his deputy in Pondicherry, Thomas de Conway, who complained frequently of his experiences with the Company's administration and of the "fatal blow" that the monopoly had dealt to the merchants of Pondicherry and Île-de-France.⁷⁸

In spite of their mutual opposition over the enforcement of the *exclusif* system, metropolitan and colonial merchants alike could agree that the *Compagnie des Indes* had to go. Since the *arrêt* of April 14, 1785 did not bear the *lettres patentes* that would have been applied had the law been submitted to Parlement for registration, the colonial councils in Chandernagor, Île-de-France and Bourbon, and Saint-Domingue all refused to register it – and Castries made no

⁷⁵ ANOM, C² 110, "Mémoire sur le Rétablissement du Commerce des Indes Orientales[sic]," undated (f° 91-100).

⁷⁶ Conan, *Dernière Compagnie*, 112.

⁷⁷ ANOM, 8AQ 327, "Compagnie des Indes, 19 août 1789"; Paris administration to Blondel, 22 April 1789. The revocation of the Company's monopoly by the National Assembly in May 1790 prevented the implementation of this plan.

⁷⁸ ANOM, C² 184, "Compte Rendu pour Monseigneur le Ministre de la Marine seul," 6 February 1788 (f° 7): "coup funeste."

effort to enforce it.⁷⁹ On Île-de-France, this turned into an effective war between the locals and any Company employees unfortunate enough to land there. The Company feared local resistance on Île-de-France to the point that they threatened to dismiss any ship captain who docked there, and they shipped their own goods to the island in Portuguese ships.⁸⁰ In retaliation, the colonial council blocked – or heavily taxed – the Company’s merchandise on the grounds that the *arrêt* recognizing its tax-exemption was not registered. As the privilege had no legal force on the island, the Governor-General, the Vicomte de Souillac, continued to issue passports to any merchant who desired one for the shipment of Indian or Chinese merchandise to the metropole.⁸¹ When French Indian Ocean colonists heard of the metropolitan lobbying efforts against the Company, they added their own voices to the mix by publishing their grievances. In an extraordinary letter to the Chambre de Commerce de Guienne signed by several elite merchants of Port Louis, they announced to their metropolitan brethren that, in their cause against the Company, “we have complete faith in you.”⁸²

⁷⁹ Castries dispatched the *arrêt* to the colonies in May 1785, but informed them it was “une simple communication” and never applied pressure for registration, see ANOM B 211, Castries to Souillac/Motais de Narbonne, 8 May 1785 (f° 42vo-43). For Île de France, see ANOM, 8AQ 37, Kverho/Gondreville to Paris administration, 12 July 1787, and Souillac/Narbonne to Kverho/Gondreville, 22 June 1787. For Chandernagor, see ANOM, 8AQ 346, deliberations of 12 July 1787. For Saint-Domingue, see C² 122, “Arrêt du Conseil d’État du Roi[...]” (f° 163-177). The Company complains about this practice in 8AQ 14, letter to Necker, 10 October 1788 (f° 30).

⁸⁰ ANOM, 8AQ 8, deliberations of 12 February 1788. The Company was obligated to send ships every year to Île-de-France to supply the population – in particular, the Navy, whose uniforms were made of nankeen silk – with Chinese goods, seeing as they were unable to trade with China themselves. In contravention of this requirement, the Company only sent a few paltry shipments there, and local officials taxed the sales in retaliation: ANOM, 8AQ 37, Entrecasteaux/Narbonne to Kverho/Gondreville, 21 May 1788 and Kverho/Gondreville to Lorient administration, 20 June 1788; 8AQ 14, Paris administration to Blondel, 12 December 1788 (f° 44).

⁸¹ ANOM, 8AQ 343, *Avis de M.M. les Administrateurs en Chef*[...], 27 September 1786.

⁸² ANOM, 8AQ 343, *À Monsieur le Cher. d’Entrecasteaux*[...], undated; *Seconde Délibération de l’Assemblée tenue au Port-Louis*[...]. The reclamations of the inhabitants of Pondicherry were known in Paris by December 1787, see Bachaumont, *Mémoires secrets*, v.36, 231. AD Gironde, C 4361, Cossigny et al. to CC Guienne, 9 September 1788 (pc 5): “notre confiance en vous est entière.”

Metropolitan and colonial merchants shared another important grievance against the Company: the monopoly was harmful to the slave trade. Goods from the Indies trade, including cowry shells and the type of *indiennes* that were known as *guinées* (to denote their destination) were staples of the West African slave trade. The deputies argued that if the Indies trade was being done inefficiently – if the Company was bringing in too few goods at excessive prices – the overall productivity of the Atlantic slave trade, and by proxy, France’s wealthy Caribbean sugar islands themselves, would suffer.⁸³ The Company also appeared to have a detrimental effect on the further expansion and development of the slave trade on the east coast of Africa. While the Company had been offered – and rejected – a monopoly on the developing East African slave trade, they remained in charge of the issuance of passports for merchants operating there, and this seemed an unnecessary restriction on an underdeveloped and potentially lucrative trade.⁸⁴ In this respect, the New Company appeared to be even worse than its once-hated predecessor, as the Law Company had tolerated and even encouraged the East African slave trade as a private side business for its employees.⁸⁵ The deputies thus insisted upon the crucial role of the slave trade in the French economy and argued against the Company’s monopoly by demonstrating its pernicious effects on the Atlantic economy. Though some later critics of the

⁸³ ANOM, 8AQ 343, *À Monsieur le Cher. d'Entrecasteaux[...]*, undated; AN, B³ 766, J-C Nantes to Castries, 23 December 1784 (f° 132).

⁸⁴ ANOM, 8AQ 349-351, “Cahier des Armemens pour les Isles de France et de Bourbon et pour la traite à la Cote Orient^{le} d’Afrique, Années 1785. 1786. 1787. 1788. 1789.” Out of 257 passports issued, 126 were for the East Coast of Africa.

⁸⁵ Haudrère, *Compagnie française*, v.2, 677-684; AD Loire-Atlantique, C 626, Haveloose to J-C Nantes, 4 January 1788.

Company were hesitant to invoke this argument, merchants' anti-monopoly rhetoric largely articulated a strong defense of the slave trade.⁸⁶

Some grievances against the Company were on a much smaller scale, such as was the case in the town of Lorient. Although their neighboring towns in Brittany envied the status bestowed on Lorient as the Company's headquarters and the designated *port de retours* for the Indies trade, the town itself did not regard its relationship with the New Company as an equitable one.⁸⁷ Although local elites had initially lobbied for the reinstatement of a Company after 1769, as the town's wealthy privateers eventually prospered during the free trade era, the new monopoly became, as Dupont had predicted in 1769, difficult to accept.⁸⁸ This said, since the town's prosperity had been historically tied to the *Compagnies des Indes* as institutions, the town's seafaring residents believed that the New Company, like the old one, should furnish employment to locals. As in the case of the rights of privateers in the slave trade, the New Company came up short in comparison to its predecessor. In particular, it was known to favor non-Breton sailors and captains over local ones, and this constantly incited the ire of local officials, and in turn, local workers.⁸⁹ In the summer of 1787, there were frequent riots outside the Company's warehouses, as disaffected dockworkers, employed under similarly disaffected merchants, tried to smuggle in contraband merchandise so it could be sold as 'legal' at the annual

⁸⁶ Morellet, *Mémoires relatifs* did not explicitly argue in favor of the slave trade, and neither did the deputies in the National Assembly arguing against the *Compagnie des Indes* in 1790.

⁸⁷ T.J.A. Le Goff, *Vannes and its Region: a study of town and country in eighteenth-century France* (Oxford: Clarendon Press, 1981), 116-17.

⁸⁸ Dupont de Nemours, *Compagnie des Indes*, ch. 3 predicted that Lorient's demands for the reinstatement of the monopoly would end once local merchants began to prosper. Le Bouëdec, *Port et l'arsenal de Lorient*, v.2, ch.2; Guillevic, *Lorient & la Compagnie des Indes*, 20-21.

⁸⁹ AM Lorient, BB 12, municipalité de Lorient to comité permanent du St. Brieuc, 11 November 1789 (f° 20vo-21); BB 9, deliberation of 4 January 1790, 127. According to the statistics gathered in Ibid., 95-104, their complaint was not unfounded.

sale. In one instance, when stopped by the Company's porter, the workers beat him while denouncing the insults heaped upon their city by "[that] f—ing company."⁹⁰ The dockworkers of Lorient, having seen the Company fail to act as a guarantor of their own livelihoods, were eager to defend the rights of local merchants in its place.

However, as the failed campaign against the *Compagnie de la Guyane* showed, this colonial and metropolitan groundswell would accomplish nothing without a confluence of ministerial and financial support at the highest level. The abolition of the Law Company's monopoly had been the result of a palace coup, driven by state financial imperatives, not a lobbying campaign. But the commerce deputies soon discovered that similar circumstances were working in their favor under the new principal minister, Loménie de Brienne. Having arrived to power on a wave of resentment against Calonne's legacy of profligacy and corruption, Loménie de Brienne openly embraced his virtuous public persona and declared an agenda of "patriotic economic renewal" founded on cutting wasteful spending to resolve France's deficit.⁹¹ During the Assembly of Notables, it quickly became apparent to everyone that the *Compagnie des Indes* had received a truly outrageous number of financial concessions – from their free real estate in the rue de Gramont to their tax-exemption – and that these were easily due for repeal.⁹² If the Company was abolished, the monarchy would automatically gain new sources of tax revenues. The cloth trade could be entirely reopened and taxed, the *droit d'indult* could be restored, and the

⁹⁰ The documents about this incident are in ANOM, 8AQ 329: "[cette] f—ue compagnie."

⁹¹ Shovlin, *Political Economy of Virtue*, 173.

⁹² Étienne-Charles de Loménie de Brienne, et al., *Journal de l'Assemblée des Notables de 1787, par le comte de Brienne et Étienne-Charles de Loménie de Brienne, archevêque de Toulouse*, ed. Pierre Chevallier, (Paris: Klincksieck, 1960), 65. For other attacks against the Company by the Notables, see Bachaumont, *Mémoires secrets*, v.35, 194 (5 June 1787); AD Gironde, C 4384, "Copie de la dénonciation faite dans le Bureau de Monsieur[...]" (pc 25). See also ANOM, C² 114, "Rélevé de tous les avantages accordés par le Roÿ a la Compagnie des Indes actuelle," undated (f° 151-152).

proceeds could be used to pay down the losses incurred as a result of the *affaire des assignations*.⁹³ France's notorious private tax body, the General Farm, had already been fighting to force the Company to pay tax for years. Like their colonial counterparts, the Farmers often ignored the *arrêt* of April 14, 1785 and tried to tax the Company's incoming merchandise anyway, especially the goods purchased from other European East India Companies.⁹⁴ The full suppression of the Company would thus automatically cut many undesirable expenses and obtain needed revenues from existing taxes – both key objects of Loménie de Brienne's administration.

The suppression of the Company fit both pragmatically and ideologically with Loménie de Brienne's agenda. Cultivating an image of a "second Turgot," Loménie de Brienne promoted Physiocratic reforms, and prior to his dismissal, Dupont and Loménie de Brienne had discussed methods of liberalizing the Indies trade.⁹⁵ Most importantly, Loménie de Brienne was friends with the abbé Morellet, who had led the intellectual assault against the Law Company in 1769 at the behest of the Controller-General Maynon d'Invault. Morellet wrote that the Archbishop was not only a man of "good principles," but one with "the firm will to put them into practice."⁹⁶ To Morellet's delight, this reforming impulse extended to the *Compagnie des Indes*, and Loménie de Brienne personally asked him to take on the exact role he had performed in 1769: to write a

⁹³ ANOM, 8AQ 327, Boullaye to Villedieu, 28 August 1787; AN, F¹² 798 C, Rochefort to Lambert, 10 October 1787.

⁹⁴ ANOM, 8AQ 43, Paris administration to Brot, 24 May 1787, Paris to Lorient administration, 30 March 1789; ANOM, 8AQ 326, Colonia to Boullongne, 15 April 1786, and *passim*.; 8AQ 43, Paris administration to Prevot (Contrôleur-Général des Fermes), 3 August 1787.

⁹⁵ Shovlin, *Political Economy of Virtue*, 173-74; Hagley, Winterthur Group 2, Series A, Box 11, W 2-2054, abbé de Loménie to Dupont, 10 January 1788.

⁹⁶ Morellet, *Lettres*, v.2, 73 (Morellet to B. Franklin, 31 July 1787): "bons principes...la volonté ferme de les mettre en pratique."

mémoire against the Company in order to prepare the case for its imminent suppression.⁹⁷

Thrilled at this prospect, Morellet told his British friend, the marquess of Lansdowne: “I hope to kill this one just as I killed the other.”⁹⁸

With the ideological support of Loménie de Brienne and the financial support of the Chambers of Commerce, Morellet published his *Mémoires relatifs à la discussion du privilège de la nouvelle Compagnie des Indes* in fall 1787.⁹⁹ He enunciated the case for the abolition of the monopoly in the name of the “general interest” of the nation: bearing his merchant clientele in mind, it was not a universal attack on privilege itself. The Company was the work of a single, corrupt minister, who disrespected legal formalities and public opinion to give the Company privileges that cost the state millions of *livres*. Its monopoly was a source of *agiotage* that threatened to undermine the economic stability of the nation itself, to say nothing of the damage it had done to France’s mercantile and cloth manufacturing interests. Furnishing copious data to prove his case, Morellet demonstrated that, contrary to the common assumptions, privateers had consistently earned greater returns in the Indies trade between 1769-1785 than during many years of monopoly. Their supposed ‘failure’ was a myth that exposed a fundamental economic truth: to call the Indies trade ‘different’ from other commercial practices, as so many intellectuals and administrators believed, was a “miserable sophism” that misunderstood commercial incentives. A company had no intrinsic power that normal merchants lacked: when offered a fair price, neither Indian nor British sellers would hesitate to sell their goods to eager French buyers, in “whatever form” they presented themselves. In Morellet’s view, the creation of the *Nouvelle*

⁹⁷ Ibid., v.2, 115 (Morellet to Lansdowne, 3 January 1789): “il m’a fait faire deux enormes mémoires.”

⁹⁸ Ibid., v.2, 84 (Morellet to Lansdowne, 30 August 1787): “J’espere tuer celle cy comme j’ai tué l’autre.” His recollections of the lobbying campaign are recorded in André Morellet, *Mémoires inédits de l’abbé Morellet, de l’Académie française, sur le dix-huitième siècle et sur la Révolution* (Paris: Ladvocat, 1822), v.1, 323-325.

⁹⁹ Bachaumont, *Mémoires secrets*, v.36, 167 (entry of 16 November 1787).

Compagnie reflected the persistence of deeply flawed assumptions about the Indies trade and economic behavior itself, held by individuals with no knowledge of “the general market & the *grand mouvement* of Commerce.”¹⁰⁰

Morellet understood that the formation of the *Nouvelle Compagnie* had political motives as well, and he argued that these were also fundamentally misguided. The belief that a ‘purely commercial’ monopoly company, as opposed to a sovereign one, could assert French diplomatic and economic interests peacefully was incorrect. In Morellet’s view, all monopoly companies were violent by their nature: the “odious policy of *Commerce exclusif*...has given us most of these cruel & ruinous wars that, for almost two centuries, have desolated Europe, & inundated the...other parts of the world with blood.” The creation of a *Compagnie des Indes* – of any kind – implied violent, geopolitical aims, and if France was seriously contemplating such aims, it was preposterous to think that one could “expel the English from India with [this] little Company.” In all probability, the ministry and the Company itself only sought “to affect the grandeur and pretensions” of the Law Company and of their rivals, by means of a continued, flawed insistence that only companies could function effectively as traders in India. The inevitable result of this policy, Morellet warned, would be the destabilization of the enduring peace and reciprocity recently established between France and Britain in the Eden Treaty, which only a system of universal free trade could preserve.¹⁰¹

¹⁰⁰ Morellet, *Mémoires relatifs*: 24, 70-72, 108-110, 103-104, 27-29, 36(“misérable sophisme”), 37(“quelque forme que prenne le commerce dans l’Inde”), 37(“ne savent rien de la marché générale & du grand mouvement du Commerce.”)

¹⁰¹ Ibid.: 89(“odieuse politique du Commerce exclusif...nous a donné la plupart de ces guerres cruelles & ruineuses, qui, depuis près de deux siècles, ont désolé l’Europe, & inondé de sang les trois autres parties du monde”), 90(“chasser les Anglois de l’Inde avec [cette] petite Compagnie”), 91(“d’affecter la grandeur & les prétentions de l’ancienne [compagnie]”), 32, 88-89.

The Company sat virtually alone against these potent attacks, and unfortunately for them, their own house was far from in order. While Calonne had overhauled the *Compagnie des Indes* to promote investor confidence in every other possible way, he neglected one crucial aspect. As with the Law Company, the New Company offered almost no form of shareholder participation in corporate governance, which consistently fostered internal unrest. The royally-appointed directors were not responsible to their shareholders in any way – the very existence of the shareholders was barely even mentioned in the Company’s statutes.¹⁰² The *Conseil d’État* had originally named a *commissaire du Roi*, Jean-Nicolas de Boullongne, to supervise the directors, and thereby nominally represent the shareholders’ interests, but the events of 1787 – including Boullongne’s death in January – had left the Company’s top investors extremely uneasy. The directors were entirely unsupervised, and the Company’s extreme volatility and penchant for public scandal had now brought government inquiry upon them, threatening their investment. These shareholders were eager to dissociate themselves, as long-term value investors, from the fast-trading *agiateurs* who had caused the bubble in the first place, going as far as to demand judicial action to block and annul short sales.¹⁰³ It had not helped the shareholders’ case that they had received a highly public (and highly unwanted) intervention on their side from the abbé d’Espagnac, who, solicitous to maintain a high share price to diminish his losses in the forced

¹⁰² ANOM, 8AQ 2, *arrêt* of 19 June 1785.

¹⁰³ *Observations d’un actionnaire sur le mémoire de M.L.M. contre la Nouvelle Compagnie des Indes* (Paris: Gattey, 1788), 109. Herbert Lüthy’s later assessment tends to vindicate them, as his work identified no “lien organique” between the commercial activity of the Company – and the payment of its dividends to elite investors – and the public “jeu sur ses actions.” See Lüthy, *Banque Protestante*, v.2, 681, 781. The banker Le Couteulx de la Noraye attempted to make the same point in a memoir submitted to the *Conseil d’État*: “La spéculation du capitaliste et le jeu de l’agiateur, que les gens du monde confondent aisément, sont cependant marqués par des différences très sensibles.” Le Couteulx de la Noraye, “Mémoire sur l’agiotage,” 128. He was equally insistent in the memoir that it was simply *impossible* that Parisian bankers had been loaning money to the *agiateurs* to fund their activities.

liquidation of his only semi-fictional ‘assets,’ published a *Précis* in defense of the Company’s monopoly – something that Morellet had been quick to seize upon.¹⁰⁴

Loménie de Brienne’s investigation into their privilege only exacerbated the shareholders’ grievances. Under pressure to offer some sort of assurance of the government’s continued goodwill towards the Company, in October 1787, Loménie de Brienne permitted the directors to assemble the shareholders for the first time. Although many of the directors saw it as an infringement of their own rights, the purpose of this meeting was to elect an advisory board of *commissaires*, who would be selected from among the largest stakeholders.¹⁰⁵ The *commissaires* would assist the directors in matters related to the defense of the Company’s privilege, and implicitly, their own property, by writing *mémoires* and consulting with attorneys. The group of elected *commissaires* reflected the international dimension of the Company’s reach: they included the British banker Walter Boyd, whose bank, Boyd Ker et Cie, moved next door to the Company on the rue de Gramont, the Dutch financier Jean-Baptiste Vandenyver, Louis Monneron, one of the scions of the last great French Indian Ocean fortune, as well as notable Parisian figures such as the *agent du change* Jean-Marie Boscary and the elite notary of the *Bourse*, Ducloz du Fresnoy.¹⁰⁶ However, far from shoring up public credit in the Company,

¹⁰⁴ Marc-René-Marie d’Amarzit de Sahuguet d’Espagnac, *Précis pour les actionnaires de la Nouvelle Compagnie des Indes* (S.l.: s.n., 1787). Although published anonymously, his authorship of the piece is confirmed in Bachaumont, *Mémoires secrets*, v.35, 347-348. Morellet’s response to d’Espagnac is offered in *Réponse précise*, 38, in which he dismisses the shareholders as “ne...plus que des agioteurs, sans aucune influence sur le sort & la conduite du commerce.” In his subsequent pamphlet, Morellet, *Mémoires relatifs*, 1, he took care to indicate that he was only attacking the *directors* of the Company, and even offered sympathy for the shareholders’ lack of representation in Company affairs.

¹⁰⁵ ANOM, 8AQ 10, séance of 29 October 1787. The directors objections are found in 8AQ 14, Paris administration to Lambert, 14 October 1787 (f° 5-vo); 19 October 1787 (f° 5vo-6vo).

¹⁰⁶ For Boyd, see Bouchary, *Manieurs d’Argent*, v.2, 123-125. Boyd and Ker’s bank specialized in travel loans for English visitors, although they also had financial business with the duc d’Orléans, which ended badly in the lead up to the Revolution.

news of this meeting only further damaged its international reputation. The *Gazette de Cologne* reported that the ministry had only permitted this assembly of shareholders to inform them that the Company would soon be “destroyed.”¹⁰⁷ As this account circulated abroad, the Company’s share price began to fall drastically, and its agents – including Moracin in Pondicherry – found their operations prejudiced as banks denied the French access to credit.¹⁰⁸

With the ‘assistance’ of their new *commissaires*, the Company now hired an elite group of Parisian barristers to defend their privilege. The three lawyers were Louis-Eugène Hardoin de la Reynnerie, Alexandre-Jules Benoît de Bonnières, and the star *avocat au Parlement* Pierre-Jean-Baptiste Gerbier.¹⁰⁹ Alongside the notary Ducloz du Fresnoy, they prepared the documents both submitted to the ministry and published in response to Morellet’s attacks. Their privilege, they argued, like all privileges, must be judged based on its own utility, rather than by the *a priori* assumption that privilege itself was a moral evil.¹¹⁰ On this point, they had a particularly potent argument in pointing out that the Chambers of Commerce who sought the Company’s abolition often enjoyed similar privileges, namely, the *exclusif* system, by which French traders were protected from the competition of foreigners in French colonies. Moreover, free trade to India itself, which Morellet sought to portray as the “general wish” of the nation,

¹⁰⁷ *Gazette de Cologne*, LXXXIX, 6 November 1787 (supplement), 1: “l’intention du Gouvernement est de détruire leur institution.”

¹⁰⁸ ANOM, 8AQ 14, Paris administration to Necker, 30 September 1788 (f° 27vo-28).

¹⁰⁹ Bell, *Lawyers and Citizens*, 131-33. Hardman, *Overture to Revolution*, 200 indicates that Gerbier co-wrote Calonne’s *Avertissement* pamphlet denouncing the intransigence of the Notables.

¹¹⁰ Louis-Eugène Hardoin de la Reynnerie, Pierre-Jean-Baptiste Gerbier, and Alexandre-Jules-Benoît Bonnières, *Consultation pour les Actionnaires de la Compagnie des Indes* (Paris: Lottin, 1788), 16.

was in truth the private will of only a handful of wealthy merchants in the wealthiest port towns who would actually have the resources to conduct the trade.¹¹¹

The lawyers argued that the Company's monopoly was necessary because, contrary to Morellet's assertions, the enduring economic and cultural understandings of the Indies trade were manifestly accurate. Evoking the historical distinction between *colonies* and *comptoirs*, the Company's defenders insisted that the Caribbean islands, whose comparatively free trade regime Morellet had vaunted, were truly "a province of the kingdom," whereas trading to India represented a different set of challenges.¹¹² The distance, the necessity of advance contracts, and the constant threats of seizures and war in India required capital that small, private firms could not supply. Moreover, they insisted that Indian princes and merchants expected European traders to follow a specific code of conduct: the lack of a Company would, and had, diminished French economic and diplomatic credit overseas. The statistics Morellet had offered as to the successes of privateers in the free trade era were misleading: they may have earned profits, but this was done by freighting their ships out to foreigners, since they were unable to trade themselves.¹¹³ The necessity of a company was a law of commerce established by precedent, according to Ducloz du Fresnoy. Following the arguments of Melon and Necker, he argued that if Holland and Britain, the two "most enlightened [European nations] in Commerce," followed

¹¹¹ *Observations d'un actionnaire*, 7: "vœu général."

¹¹² Hardoin de la Reynnerie, Gerbier, and Bonnières, *Consultation*, 30; Jacques Cambry, *Observations sur la Compagnie des Indes* (S.l: s.n., 1787), 24: "une province du royaume."

¹¹³ Charles-Nicolas Ducloz du Fresnoy, *Idées Préliminaires sur le privilège exclusif de la Compagnie des Indes* (Paris: Lottin, 1787), 22; Hardoin de la Reynnerie, Gerbier, and Bonnières, *Consultation*, 46-47; Cambry, *Observations*, 46.

the company model so assiduously, others would do well to emulate their wisdom, as Sully and Colbert had sought to do.¹¹⁴

For an institution that had evinced so little interest or support in military matters and *revanchisme*, the Company's defenders took up Morellet's accusations of their geopolitical intentions with relish. Contrary to Morellet's patronizing remarks about the "little company's" grandiose vision of reconquering India, they insisted that the Company was "neither Sovereign, nor Conquering."¹¹⁵ Yet, the question of war was inescapable, and it seemingly worked in their favor. As an institution with close ties to the ministry, being forewarned of diplomatic currents, a Company would be less likely to endure losses in war. Similarly, as even Ducloz du Fresnoy pointed out, an organized company of any kind would be more capable of 'profiting' should circumstances – either financial or military – turn against Britain in India.¹¹⁶ Gerbier, Hardoin, and Bonnières came to a similar conclusion. Although they too formally disavowed military ambitions, they indicated that Britain was watching the public assault on the new French Company with delight, and for France to give its rivals such an advantage would represent "the Tomb of *Commerce National* in India; & for them, the [completion] of their Grandeur."¹¹⁷ The invocation of these curiously *revanchiste* arguments is strange, given not only that companies had been largely regarded as antithetical to military goals, but also since the *Nouvelle Compagnie* and its monopoly had been conceived in express opposition to them. However, as

¹¹⁴ Ducloz du Fresnoy, *Idées Préliminaires*, 8, 10, 15: "les plus éclairées dans le Commerce."

¹¹⁵ Hardoin de la Reynnerie, Gerbier, and Bonnières, *Consultation*, 103: "ni Souveraine, ni Conquérante."

¹¹⁶ Ducloz du Fresnoy, *Idées Préliminaires*, 21; Cambry, *Observations*, 47.

¹¹⁷ Hardoin de la Reynnerie, Gerbier, and Bonnières, *Consultation*, 102: "le Tombeau du Commerce National dans l'Inde; & pour eux, le dernier terme de leur Grandeur."

political stakes changed, defenders of the Company seized on the vision of restored French glory in the East Indies in an attempt to justify their prerogatives.

These claims earned the Company few allies among Loménie de Brienne's reform-minded and largely pacifist ministry, who instead took every opportunity to undercut the Company's privileges in practice. When ships from Île-de-France began to arrive at Lorient bearing passports signed by the Governor-General, the ministry continually supported the rights of privateers and forced the Company to return any merchandise that their agents had confiscated.¹¹⁸ Particular pressure was on the Company to concede because so many of the goods were intended for re-export in the African slave trade, which was an "object singularly favored by the Government" that, in the Company's delicate circumstances, they could not be seen to prejudice.¹¹⁹ At every turn, the Company's monopoly came to be regarded as poisonous to the true economic interests of France and its colonies, and by late 1787, its fate seemed sealed. One of Loménie de Brienne's *intendants* assured Bordeaux's deputy that the "matter is decided, you will have full and complete liberty," and by fall, there were widespread reports of the Company's imminent suppression and liquidation.¹²⁰ Throughout their correspondence, Morellet and the deputies offered each other advance congratulations on their imminent success.

However, at the close of 1787, the lobbyists and Morellet began to complain of delays by the *Conseil d'État*, in part caused by a lengthy illness and absence on the part of Loménie de

¹¹⁸ ANOM, 8AQ 14, Paris administration to de Vaudran, 12 April 1788 (f° 18vo-19); 8AQ 43, Paris administration to Lambert, 30 April 1788; AD Loire-Atlantique, C 749, Lambert to Godin, 11 October 1788. The dispute continued in a different form into late 1788 and early 1789, as the Company attempted to obstruct the sale and distribution of privateer merchandise at the Lorient auction, see 8AQ 14, *passim* and AD Gironde, C 4361, *passim*.

¹¹⁹ ANOM, 8AQ 43, Paris to Lorient administration, 2 June 1787: "objet singulièrement favorisé par le Gouvernement"; 8AQ 328, Lambert to Paris administration, 26 April 1788.

¹²⁰ AD Gironde, C 4357, Letellier to CC Guienne, 28 July 1787 (pc 76): "l'affaire est décidée, vous aurez pleine et entière liberté." De Lescure, *Correspondance secrète*, v.2, 198 (10 November 1787).

Brienne.¹²¹ By early 1788, the question of the *Compagnie des Indes* seemed to be tabled indefinitely, as it was referred to a small committee to examine the status of the Company's privilege.¹²² While the head of the committee was the royal councilor Joseph d'Albert, who had been Turgot's *lieutenant de police* and had known reformist sympathies, nothing was able to expedite matters.¹²³ The Company itself was not pleased with this state of uncertainty: throughout the spring and summer of 1788, they relentlessly petitioned Loménie de Brienne and Albert for an expedited ruling, since their preparations for the upcoming expedition had been halted under the plausible assumption that the monopoly would be revoked.¹²⁴

According to Morellet, the blame for the delays in this "miserable affair" lay squarely at his friend Loménie de Brienne's feet, and his failure to act against the *Compagnie des Indes* was not the only way in which this "second Turgot" disappointed his followers.¹²⁵ While he had openly cultivated the image of a fiscal reformer, he only ever produced a mild reworking of Calonne's original tax plans, and the rest of his tenure devolved into confrontations with the Parlement of Paris over the registration of the new taxes and loans he had vowed not to levy in the first place.¹²⁶ Loménie de Brienne ultimately ended up preaching the same platform as

¹²¹ AD Gironde, C 4358, *passim*; CCIMP, B 213 *passim*.

¹²² AD Loire-Atlantique, C 749, *Arrêt du Conseil d'État du Roi, portant nomination d'une Commission pour prendre connoissance de l'établissement actuel de la Compagnie des Indes, & des effets de son Privilège exclusif[...] du 29 Décembre 1787* (Paris: Nyon, 1788).

¹²³ His participation in Turgot's attempt at the suppression of the corporations is described in Steven L. Kaplan, *La fin des corporations* (Paris: Fayard, 2001), 97.

¹²⁴ ANOM, 8AQ 14, Paris administration to Albert and Controleur-General, 17 June 1788 (f° 21vo, 22), and *passim*.

¹²⁵ Morellet, *Lettres*, v.2, 109 (Morellet to Lansdowne, 25 March 1788): "Cette miserable affaire de la compagnie des Indes qui pouvoit etre terminée il y a 4 mois est encore pendante. Je crois bien qu'elle sera decidée selon mon voeu mais que de tems perdu!"

¹²⁶ Hardman, *Overture to Revolution*, 263; Shovlin, *Political Economy of Virtue*, 174-75.

Calonne had: “taxes and submission.”¹²⁷ Now standing accused of despotism in his own right for having legally disempowered the Parlements and facing a deficit of 240 million *livres*, Loménie de Brienne was dismissed at the end of August 1788. The commerce deputy from Marseille claimed that a ruling on the *Compagnie des Indes* had been imminent at the time of Brienne’s fall, but his failure to deliver on the abolition of the Company’s privilege – or even the slightest reform of its tax-exempt status – left his friend Morellet livid:

Our archbishop has made a ridiculous end...having arrived to the ministry with fixed ideas on many important objects, he did not take sides on any of them. Never had anyone seemed so convinced of the absurdity and uselessness of a *compagnie des Indes*. He made me [write] two enormous *mémoires* to lay the groundwork for a decision and after 18 months...he left us the *comp. des Indes* as he found it.¹²⁸

On the one hand, one can hardly blame Loménie de Brienne for failing to act, given the “ministerial anarchy” of an administration forced to face up to the unresolvable scale of the deficit by early 1788. The Chambers of Commerce long feared that this very fact might enable the Company to corrupt the inquiry against it.¹²⁹ When the campaign was in its infancy, rumors began to surface that the Company – or bankers representing it – had agreed to pay off the government’s losses in the *affaire des assignations* in exchange for a guarantee that the

¹²⁷ Bachaumont, *Mémoires secrets*, v.35, 113: “*Impôt & Soumission*.”

¹²⁸ Morellet, *Lettres*, v.2, 115 (Morellet to Lansdowne, 3 January 1789): “Nôtre archevêque a fait une fin ridicule...Arrivé au ministere avec des idées arrêtées sur beaucoup d’objets importants il n’a pris de parti sur aucun. Jamais personne n’a paru plus convaincu de l’absurdité et de l’inutilité d’une compagnie des Indes. Il m’a fait faire deux enormes mémoires pour préparer une decision et après 18 mois de ministere il nous a laissé la comp. des Indes comme il l’avoit trouvée.” For the imminent decision, see CCIMP, B 214, Rostagny to CC Marseille, 25 September 1788.

¹²⁹ François-Nicolas Mollien, comte de, *Mémoires d’un ministre du trésor public, 1780-1815* (Paris: Fournier, 1845), v.1, 143: “l’anarchie ministerielle.” CCIMP, B 214, Rostagny to CC Marseille, 4 January 1788.

Company's monopoly would be maintained.¹³⁰ Given the Company's dubious origins and practices, the bribery of public officials seemed its logical next move.

Yet, the deficit meant that there were other, more licit financial concerns that worked in the Company's favor. Haller and Le Couteulx de la Noraye, still occupied with the government-financed liquidation of the *affaire des assignments*, indicated that the state's losses could be somewhat mitigated if the market was assured that the Company's monopoly would be maintained, keeping the sale price of the shares reasonably high.¹³¹ Maintaining the Company would thus save the government more in the short-term than waiting for the returns on taxes levied after privateers returned from their own expeditions to India. However, a second consideration pertained to what the lobbyists recognized as the most potent challenge to their attack on the Company: did the privilege granted to the directors and shareholders constitute a form of property, and if so, was it legally revocable without indemnity?¹³² Morellet had argued, as he and Dupont had done for the Law Company in 1769, that it would profane justice itself to call a privilege, granted to a handful of individuals at the expense of the entire nation, a legitimate 'property' whose holders would need to be indemnified.¹³³ The Company's lawyers, by contrast, had unsurprisingly argued that a privilege was indeed a legitimate form of property, and that the monarchy could not revoke it without giving the shareholders "fair compensation"

¹³⁰ AD Loire-Atlantique, C 625, Michel to CC Nantes, 25 June 1787 (pc 118); AD Gironde, Letellier to CC Guienne, C 4357, 30 June 1787 (pc 54): "voilà des arguments bien forts dans les circonstances où nous sommes." He reported with relief a month later that Loménie de Brienne's government had rejected these offers and decided to "avaler le goujon" of the *assignment* losses in order to destroy the Company.

¹³¹ AN, F¹² 798 C, Haller and Le Couteulx de la Noraye to Villedeuil, 27 August 1787.

¹³² The lobbyists show awareness of this claim in AD Gironde, C 4358, Letellier to CC Guienne, 29 December 1787 (pc 104); AD Loire-Atlantique C 625, CC Guienne to CC Nantes, 11 June 1787 (pc 7).

¹³³ Morellet, *Mémoires relatifs*, 106, 120-121.

for their losses.¹³⁴ If so, there were multiple ways of structuring such a settlement, and none of them were fiscally appealing. When the privilege of the bankrupt Law Company was suppressed, the Company's assets and debts were assumed by the state, and shareholders were issued long-term government bonds in exchange for their shares. This time, the grounds for such a seizure of the Company's assets and the issuance of bonds was unclear. The *Nouvelle Compagnie* was not bankrupt, and the Company's advocates objected to a government-directed liquidation.¹³⁵ Moreover, nearly twenty years after its monopoly was revoked, the Law Company was still in liquidation, and the state had continuing obligations to pay on its behalf to creditors, shareholders, and employees. The prospect of accruing any debts of this kind on behalf of a second company – even if on a smaller scale – could not have been a pleasing one.¹³⁶ In other words, once made, the Company would be financially difficult to unmake without committing the already indebted treasury to serious legal and financial claims.

The monarchy's contorted stance on the status of the Company's property rights was made apparent by a crisis in early 1788. That spring, in response to a delay by the Company in submitting replies to the lobbyists and Morellet, Loménie de Brienne's Controller-General, Claude-Guillaume Lambert, informed the directors that the Council would not allow them to disburse dividend payments to their shareholders until after a final ruling had been made on the status of their privilege, ordering them to produce their defenses immediately or face the consequences.¹³⁷ Although the Company made haste to see that its lawyers completed their briefs, they also countered by arguing that the government itself had no right to make such a

¹³⁴ Ducloz du Fresnoy, *Idées Préliminaires*, 29: "juste dédommagement."

¹³⁵ *Lettre de M. le Baron de B*** à M. l'Abbé Morellet* (S.l.: s.n., 1787).

¹³⁶ Haudrière, *Compagnie française*, v.2, 812-813.

¹³⁷ ANOM, 8AQ 328, Lambert to Paris administration, 25 March 1788.

threat. In granting the monopoly, the directors argued, the monarchy had made a contract with the shareholders to protect their property rights, and threatening the disbursement of the dividend was a violation of this contract: it would impugn the monarchy's good faith in the eyes of investors by causing them to doubt the security of their property.¹³⁸ The *Contrôle-Général* ultimately seemed to concur with this assessment, as they almost immediately backed down and allowed the Company to go forward with distribution, guaranteeing the property rights of the Company's shareholders.

The ministry's final considerations were diplomatic, as even Morellet and the Company's lawyers had recognized the Company's tortured role in Franco-British relations and the problem of France's imperial aims in India. As the Company's advocates insisted they would, British diplomatic observers carefully followed the tumultuous events of Calonne's downfall and their effect on France's fledgling company.¹³⁹ William Eden, no casual observer of French commercial politics, took particular interest in Morellet's pamphlet, which he derided as a "curious performance."¹⁴⁰ As such, French diplomats reflected on the diplomatic ramifications of the Company's fate. Vergennes' successor, the comte de Montmorin, asked François Barthélemy, the *chargé d'affaires* in the French embassy in London, for a report on British views of the debate on the Company. Based on his conversations with directors of the British East India Company, officials, and other financiers, Barthélemy replied that:

...the English Company desires the destruction of ours and that the Indies trade be done freely by privateers in France...It seems that the Indies trade, as much by its nature as because of the practice adopted by other nations, cannot be done except by a

¹³⁸ ANOM, C² 114, Paris administration to Lambert, 26 March 1788 (f° 166-167vo).

¹³⁹ The British envoys to Versailles report on the status of the lobbying campaign (and speculate on the reasons it stalled) in National Archives, FO 27/18, FO 27/22, FO 27/23, FO 27/27, FO 27/29, *passim*.

¹⁴⁰ Eden, *Correspondence*, v.1, 222 (Eden to Grenville, 11 October 1787).

Company...If it would be difficult for privateers to make themselves respected by the English Company, it would be equally [difficult] for them to commend themselves to the Indian princes who are accustomed to seeing Europeans visit their states under the more imposing form of a company, and who might hold France in less esteem if she deviates from [this practice].¹⁴¹

As much as the true interest of France's commerce might lie with free trade, "politics forbids her to renounce her *Compagnie des Indes*," as such a renunciation would both favor the continued ascendancy of Britain in India, and more crucially, cause France to lose the respect of her Indian allies and trading partners. This letter arrived at Versailles in December 1787 and was circulated to the other members of the *Conseil d'État* precisely at the time that the Commerce deputies began to notice delays in their proceedings and when the matter was referred to the Albert committee for further investigation.

In other words, the Company could not be disestablished because its two original, constitutional roles – both fiscal and diplomatic – endured. However much he sought to do otherwise, just like Calonne, Loménie de Brienne had to conciliate his own ideological views with the demands of national creditors in order to obtain the now critical loans that kept the monarchy functioning.¹⁴² The Company, both as an idea and as an institution, was imbedded in a set of financial networks and practices upon which the Old Regime desperately relied: the Old Regime had, in some sense, created certain problems and institutions it could not afford to undo. At the same time, as much as Morellet derided the *Nouvelle Compagnie* as a ministerial attempt to "affect the grandeur and pretensions" of a bygone age, many Old Regime officials remained

¹⁴¹ AE Courneuve, 8CP/562, Barthélemy to Montmorin, 10 December 1787 (f° 191-193): "...la Compagnie angloise desire la destruction de la notre et que le commerce de l'Inde se fasse en France librement par les particuliers...Il semble que le commerce de l'Inde, autant par sa nature, qu'à cause de l'usage adopté par les autres nations, ne peut se faire que par une Compagnie...S'il seroit difficile à des particuliers de se faire respecter par la Compagnie angloise, il le leur seroit également de se rendre recommandables aux Princes indiens qui sont accoutumés à voir les Européens fréquenter leurs Etats sous la forme plus imposant d'une compagnie, et qui peut être porteroient moins de considération à la France si elle s'en écartoit."

¹⁴² Tarrade, *Commerce colonial*, v.2, 686-687.

beholden to the view that the Company was an important part of a diplomatic strategy to enact – or even simply perform – Franco-British parity in Asia. In the diplomatic atmosphere of late 1787, on the heels of the Dutch Crisis when France failed to save its allies from invasion, its international credibility was in tatters. The ministry could not risk another international blunder by so much as appearing to give way to the British in Asia, compounding the disaster of what one historian terms France’s pre-revolutionary “diplomatic retreat.”¹⁴³ The *Compagnie des Indes* might be a repugnant institution, but for the sake of finance and foreign policy, it had to stay put.

When Jacques Necker returned to power as Director General of Finances upon Loménie de Brienne’s dismissal, he took a position of tactical silence on the Company’s fate. On the one hand, Necker had a long history of ideological support for monopoly companies – to say nothing of his decades-long rivalry with Morellet – and thus quite possibly found the creation of the *Nouvelle Compagnie* under Calonne to be one of a select few intelligent policy decisions made during his rival’s tenure.¹⁴⁴ But at the outset, he was silent on the matter to both the Chambers of Commerce and the Company, much to the chagrin of both.¹⁴⁵ In Letellier’s final audience with Necker before his recall to Bordeaux, Necker told him only that all reclamations by *le commerce* needed to “await the assembly of the Estates-General,” which had been summoned to address

¹⁴³ Murphy, *Vergennes*. Loménie de Brienne’s eventual support for the Company on diplomatic grounds is discussed in AD Haute-Marne, 2E 133, *Lettre à un Député à l’Assemblée Nationale; sur la nouvelle Compagnie des Indes*, 21.

¹⁴⁴ With perhaps an uncanny degree of ministerial foresight, the Company had authoritatively cited Necker’s *Eloge de Colbert* in their brief: Ducloz du Fresnoy, *Idées Préliminaires*, 4.

¹⁴⁵ CCIMP, B 214, Rostagny to CC Marseille, 25 September 1788; ANOM, 8AQ 14, Paris administration to Necker, 10 October 1788 (f° 32); 8AQ 328, Necker to Paris administration, 10 October 1788. Whatever Necker’s private views on the Calonne Company were, he continued to be very guarded about them into the French Revolution: in early 1790, he ordered the Commerce Committee’s *rapporteur* on the Company, Charles Hernoux, to come see him, and then proceeded to tell him nothing: AD Gironde, C 4366, Corbun to CC Guienne, 9 February 1790 (pc 47).

France's disastrous deficit.¹⁴⁶ Over the past two decades, there had been so much vacillation and indecisive policy as to the *Compagnie des Indes* that he felt it necessary "[that] the question of privilege...be decided irrevocably, once and for all."¹⁴⁷ The fate of the Company, as a matter of economic and diplomatic policy, was too important to be settled by the politically and financially enfeebled monarchy. In the meantime, however, Necker actually proved a reliable – if subtle – ally of the Company's privilege. He ordered the rebellious colonial councils to register the Company's edict of incorporation, scaled back the measures taken by Loménie de Brienne to assure the return of the seized property of privateers, defended the Company against the General Farm, and appointed a new royal official to fill the oversight position of the late Boullongne.¹⁴⁸ Although powerless to resolve the question of the privilege in any meaningful way, his own ideological bent prompted him to defend his hated rival's creation as much as he could.

The Chambers of Commerce and their deputies drew a significant lesson from the experience of the last eighteen months. The fact that the *Compagnie des Indes* had been created – and subsequently maintained – with such little regard for their consultation on the matter seemed to demonstrate a troubling parallel with other developments of the period that stood in contrast with the surprisingly participatory system of commercial governance that had been developed in the early years of the eighteenth-century. The creation of the other monopoly

¹⁴⁶ AD Gironde, C 4361, Letellier to CC Guienne, 20 September 1788 (pc 11): "attendre l'assemblée des Etats generaux." This supports the assessment of Necker's actions in Shovlin, *Political Economy of Virtue*, 175.

¹⁴⁷ AD Gironde, C 4361, Rostagny to Godin, 13 October 1788 (pc 28): "une fois pour toutes, [que] la question du privilege...fut décidée irrévocablement." The Chamber of Commerce of St-Malô had made a similar remark in the early stages of the lobbying campaign, fearing that their actions might further encourage the "irresolution du Gouvernement" regarding the Company, and further impugn French credit in general: Ibid., C 4357, CC St-Malô to CC Guienne, 5 May 1787 (pc 4).

¹⁴⁸ For the order to the colonial councils, see ANOM, C² 112, arrêt of 25 January 1789 (f° 217-vo); for his dealings with privateers, 8AQ 2, arrêt of 11 December 1789; for the General Farm, 8AQ 2, arrêt of 14 January 1789; for Boullongne's replacement, 8AQ 9, deliberations of 17 October 1788.

companies of Calonne's system, the drafting of the *exclusif mitigé*, and most distressingly, the opening of French markets to a flood of cheap British goods in the form of the Eden Treaty of 1786 all seemed to represent a dangerous backsliding against the established rights of France's commercial interests.¹⁴⁹ The failure of Loménie de Brienne and Necker to rule on the fate of the *Compagnie des Indes* only contributed to the growing sense that the monarchy was both unwilling and unable to respond adequately to the needs of merchants, both in the metropole and in the colonies. As a result, by early 1789, the returning lobbyists were working on a new campaign: to be elected as formal, voting deputies representing France's commercial interests in the forthcoming Estates-General, where their opinions might actually be heard and respected once more.¹⁵⁰ Lobbying and petitioning transformed into revolutionary mobilization.

If the pre-revolutionary crisis of the *Compagnie des Indes* left the monarchy discredited in the eyes of France's independent commercial interests, it left the Company's wealthy financial partisans equally unsure of both the soundness of their investment and their role in propping up the French state itself. As the defenders of the Company were quick to point out, the credibility of the King himself was implicated in the fate of the Company's monopoly. As the notary Ducloz du Fresnoy put it, the contract made between the state and the shareholders was "sacred...& inviolable."¹⁵¹ If the King chose to grant a privilege to some number of his subjects, it became their property, which was an institution "born with sovereign Power itself...the

¹⁴⁹ Walton, "Fall from Eden," 53. The Chambre de Commerce de Normandie noticed this parallel as well and sought to conjoin lobbying efforts against both the Company and the treaty, see AD Gironde, C 4358, CC Normandie to CC Guienne, 7 December 1787 (pc 77).

¹⁵⁰ Kessler, *Revolution in Commerce*, ch. 6; Lauren R. Clay, "The Bourgeoisie, Capitalism, and the Origins of the French Revolution," in *The Oxford Handbook of the French Revolution*, ed. David Andress (Oxford: Oxford UP, 2015).

¹⁵¹ Ducloz du Fresnoy, *Idées Préliminaires*, 24: "sacré...& inviolable."

fundamental base of all other laws.”¹⁵² As one shareholder observed, the market itself was based on the belief that “those who have given *leurs paroles*...keep them,” and the *parole du Roi* would be equally meaningless if rights granted could be so easily stripped away.¹⁵³ Lack of public faith in the King’s *engagements* would have a devastating effect on public credit, both financial and political. While the Company’s advocates insisted that their claims were intended only to defend the King’s majesty by insisting on the sacrality of his *parole*, in truth, the ordeal had left them profoundly uncertain of whether the monarchy itself could be trusted to guarantee their property rights. The corporate constitutional bargain by which the Company exercised its monopoly in exchange for facilitating public financing no longer seemed entirely equitable or sustainable to them, either.

The directors and shareholders thus shared Necker’s sense that the upcoming meeting of the Estates-General would be the “last battle” in which their fate would be decided.¹⁵⁴ At the outset, this was not an altogether reassuring prospect. Although Necker had supported the Company throughout the first six months of his ministry, in his opening speech at the Estates-General, he specifically named both their privilege and their tax exemption as necessary matters for the deputies to investigate.¹⁵⁵ However, in the face of this challenge, the Company’s directors sought to negotiate a revolutionary path of their own. In summer 1789, they even contemplated writing their own *cahier de doléances*, as they worked to compile lists of the

¹⁵² Ibid., 26: “née avec la Puissance souveraine elle-même...la base fondamentale de toutes les autres loix.”

¹⁵³ *Observations d’un actionnaire*, 96-97: “ceux qui ont donné leurs paroles...les tiendront”; Hardoin de la Reynnerie, Gerbier, and Bonnières, *Consultation*, 13.

¹⁵⁴ ANOM, 8AQ 15, Paris administration to Moracin, 20 March 1789: “dernier combat.”

¹⁵⁵ Jacques Necker, et al., *Ouverture des États-Généraux, faite à Versailles le 5 Mai 1789. Discours du Roi; discours de M. le Garde des Sceaux; rapport de M. le Directeur Général des Finances, fait par ordre du Roi* (Strasbourg: Imprimerie Ordinaire du Roi, 1789), 33-34, 83.

grievances of their agents overseas.¹⁵⁶ It may seem preposterous that a privileged corporation against whom many such grievances were targeted should have considered writing such a *cahier*.¹⁵⁷ Yet, in the calling of the Estates-General, Old Regime guilds and corporations saw a chance to reassert their economic importance and recover their ancient rights at the expense of a frequently hostile monarchy.¹⁵⁸ In the past four years, the Company had seen its foundational treaty with its British counterpart quashed by an infighting set of royal ministers, their credit ruined by a protracted government inquiry into their privilege, and their agents in India treated like an interest-free bank by the French Navy while receiving no substantive military or political aid in dealing with either the pugnacious agents of the British Company or the indifferent Tipu Sultan. The directors and shareholders of the *Compagnie des Indes*, like millions of their countrymen, thus cautiously embraced the curious political events of 1789 in the hope that France's revolutionary transformation would alleviate some of the abuses of the absolute state that both created and constrained them.

¹⁵⁶ ANOM, 8AQ 228, Paris administration to Boyer and Moracin, 11 July 1789.

¹⁵⁷ Gilbert Shapiro and John Markoff, *Revolutionary Demands: A Content Analysis of the Cahiers de Doléances of 1789* (Stanford, CA: Stanford UP, 1998), 447.

¹⁵⁸ Kaplan, *Fin des corporations*, xv, 415, 363, 387.

Chapter 6

The French Revolution of the *Compagnie des Indes*, 1789-1792

The night of August 4, 1789 – the capstone of a summer of revolutionary ferment – is sometimes thought of as “the night the Old Regime ended.”¹ That night, in one of their watershed sessions, the deputies of the nascent National Assembly (which emerged from the wreckage of the Estates-General) effectively dismantled France’s entire feudal regime. Throughout the hours-long session, privileged elites stepped forward to surrender their privileges in the name of the general good.² This event is often portrayed as an “effervescent,” revolutionary bonfire of the vanities, firmly establishing the seemingly *laissez-faire* ethic of the early Revolution as fiscal, social, and commercial privileges were dismantled.³ However, the monopoly of the *Compagnie des Indes* was not among them. Like the corporate guilds and other hallmarks of the French commercial regime – including the controversial colonial *exclusif* and slavery itself – the fate of the Indies trade and the Company would remain unresolved for the first year of the French Revolution.

In recent years, scholars have demonstrated that revolutionary ideas about privilege were extraordinarily complex and not always *a priori* hostile.⁴ The holders of privileges, including shareholders in the *Compagnie des Indes*, were accustomed to referring to their privileges as

¹ Michael P. Fitzsimmons, *The Night the Old Regime Ended: August 4, 1789 and the French Revolution* (University Park: Pennsylvania State UP, 2003); François Furet, “Nuit du 4-Août,” in *Dictionnaire critique de la Révolution française*, ed. François Furet and Mona Ozouf (Paris: Flammarion, 1988).

² Kwass, *Politics of Taxation*, 293.

³ Often borrowing unconsciously from the account in Émile Durkheim, *The Elementary Forms of Religious Life*, trans. Carol Cosman (New York: Oxford UP, 2001), 157. For the commercial institutions abolished on August 4, see Shovlin, *Political Economy of Virtue*, 184.

⁴ Notably, Horn, *Privilege of Liberty*, and Spang, *Stuff and Money*.

their ‘property,’ and in 1789, it was not clear they were wrong.⁵ In the early years of the French Revolution, understandings of property were very much in flux as revolutionaries sought to establish property ownership as the basis of the new order – as expressed in the distinction between passive and active citizenship – while simultaneously “demarcating” the ownership of private property from the exercise of public power.⁶ August 4 represented the beginning, not the end, of legislative and administrative processes by which “legitimate” privileges and property rights were distinguished from “illegitimate” ones.⁷ The canonical example of a privilege as a “legitimate” property right was venal office-holding: although legally abolished on August 4, deputies always considered it beyond doubt that venal officials, like holders of the national debt, would be compensated for their losses.⁸ As such, the directors and shareholders of the *Compagnie des Indes* felt cause for revolutionary optimism. Not only did the ensuing Declaration of the Rights of Man and the Citizen seem to indicate that the Assembly’s deputies – in almost all cases, proprietors themselves – were sensitive to the need to guarantee the inviolability of private property and financially honor “the King’s commitments of any kind.”⁹

When the National Assembly finally took up the fate of the *Compagnie des Indes* over the course of a three-day debate in early April 1790, the deputies who spoke offered both old and

⁵ ANOM, 8AQ, deliberations of 31 August 1789 (f° 12). For another example, see AD Gironde, C 4354, “A Messieurs de la Chambre du Commerce de Guienne” (pc 45). Certain members of the Company administration continued a modified form of this practice in legal documents well into the Revolution, ANOM, 8AQ 372, *Mémoire pour les citoyens Bérard et Dodun*, 23: “les administrateurs sont les concessionnaires du privilège.”

⁶ As explored by recent works such as Blaufarb, *Great Demarcation*, and Hannah Callaway, “Revolutionizing Property: The Confiscation of Émigré Wealth and the Problem of Property in the French Revolution,” diss., Harvard University, 2015.

⁷ This is the distinction presented in Spang, *Stuff and Money*, 84.

⁸ William Doyle, *Venality: The Sale of Offices in Eighteenth-Century France* (Oxford: Clarendon Press, 1996), 281, 276. Doyle indicates that 49% of eligible buyers in the National Assembly held venal offices themselves.

⁹ ANOM, 8AQ 347, Boyer to Bruix (Surat), 12 September 1789: “les engagements du Roy de quelle nature qu’ils soient.”

new approaches to the problems of the monopoly and the Indies trade itself. Many deputies, both for and against the Company's privilege, continued to assert that the Indies trade was unlike any other type of commerce, and that controls and regulations – of one kind or another – were necessary to contain the pernicious economic effects of Indian luxury goods on the metropole and its industries. These continuities are not surprising: the Revolution consciously preserved certain aspects of the colonial Old Regime, namely slavery and the *exclusif*.¹⁰ Nonetheless, other deputies asserted that monopolies – whatever their economic rationales – were incompatible with a free society and could be abolished with no compensation for their holders. This application of the logics of August 4 to commercial policy marked a significant revolutionary shift, and in the end, this was the view adopted by the Assembly in ending the Company's monopoly. However, the Assembly voted to maintain other significant commercial privileges related to the 'containment' of the Indies trade, and other key themes of the debate, especially geopolitical and military ones, seemed at the outset to work in the Company's favor. The debate on the Company represented a moment of experimentation, when revolutionaries first began to grapple with the practical, economic implications of the abolition of privilege, by determining which institutions and privileges were compatible with the new order, and which were not.

However, the Company continued to be a fertile site of revolutionary economic experimentation even after its monopoly was abolished. The Assembly may have declared the Company's monopoly to be an "illegitimate" form of property, but they never questioned the directors' and shareholders' ownership of the institution and its assets. As a result, the loss of the

¹⁰ Cheney, *Revolutionary Commerce*, chapter 7; Manuel Covo, "L'Assemblée constituante face à l'Exclusif colonial," in *Les colonies, la Révolution française, la loi*, ed. Frédéric Régent, Jean-François Niort, and Pierre Serna (Rennes: PUR, 2014); and Manuel Covo, "Race, Slavery, and Colonies in the French Revolution," in *The Oxford Handbook of the French Revolution*, ed. David Andress (Oxford: Oxford UP, 2015).

monopoly did not lead to the destruction of the Company itself.¹¹ Instead, it granted the Company's shareholders precisely what they had long desired: total independence from the French state. As revealed by their experiences in 1787-1788, the Company itself was frequently dissatisfied with the particular financial and constitutional bargain they had struck with the monarchy. The Revolution and the loss of the monopoly, paradoxically, meant a chance to renegotiate those terms. It gave the shareholders a space in which to articulate and experiment with their own visions of the Company as a *truly* private, commercial institution: governed by its proprietors and free from any political imperatives the state might try to impose. The shareholders seized upon the revolutionary moment, and revolutionary ideology itself, in the service of their own financial interests. The *Compagnie des Indes* might have begun life as an Old Regime institution, but that did not mean it was an immovable one: its proprietors showed themselves able, willing, and eager to adapt with the times.¹²

The Company's revolutionary transformation was foreshadowed in late 1789, when its directors in Lorient faced up to a revolutionary insurrection of their own. Earlier that year, the administration had, with the help of their agent in London, purchased two British ships for their upcoming expedition. Although a similar transaction had been done uneventfully the year before, the times had changed, and when the two unfortunate ships – bearing distinctly Anglophone names, the *Ravensworth* and the *Lansdowne*, and flying British colors to boot – arrived in Lorient harbor in early November, they received a distinctive revolutionary welcome from the populace.¹³ The region, once one of the most dynamic shipbuilding areas in France,

¹¹ As argued in Terjanian, *Commerce and its Discontents*, 190.

¹² Similar to the argument about the guild system made in Kaplan, *Fin des corporations*, 128.

¹³ ANOM, 8AQ 231, Paris administration to Herries, 8 June 1789. The earlier ship, the *Hussard*, sailed with the French Company as the *Prince de Condé*, ANOM, 8AQ 230. The purchase was denounced by the Bordeaux

had been devastated by the economic downturn of the past year, leading to layoffs of maritime workers, anxieties over food shortages, and fears of counter-revolutionary conspiracies: a recipe for revolutionary mobilization that repeated itself across France that summer in the rural “Great Fear.”¹⁴ The dockworkers of Lorient, who had a long history of grievances against the *Nouvelle Compagnie*, took it as an unforgivable offense that, in the face of local suffering, the Company bought British ships rather than French ones.¹⁵ They turned to revolutionary mobilization when the Company had, in their view, violated its pact with their town for the last time.

As the ships approached their docks, they were menaced by angry crowds of workers who threatened to torch them alongside any other Company ships they could find.¹⁶ The *commandant* of the port of Lorient, infuriated by the Company’s “impolitic” actions, ordered the ships out of the harbor for their own safety and that of the city itself.¹⁷ The municipality and the local Chamber of Commerce denounced “these unpatriotic privilege holders” for buying British castoffs rather than ships made by their own countrymen, and their accusations were supported by the *Conseil d’État*, by now highly sensitive to the need to manage riot situations.¹⁸ The royal ministers who defended the Company from the wrath of the Chambers of Commerce the

merchant Jean-Marie Corbun in Jean-Marie Corbun, *Mémoire concernant la nouvelle Compagnie des Indes* (Geneva: s.n., 1788), 4. 8AQ 222, Paris to Lorient administration, 23 December 1789.

¹⁴ Le Goff, *Vannes and its Region*, 22, 329-338. The total yearly commercial tonnage produced in this region between 1762-1787 was consistently higher than each of the cities of Toulon, Brest, Honfleur, and Marseille. For the scale of the layoffs: AN, Marine B3 796, Thévenard/Poulletier to Luzerne, 30 January 1789 (f° 205-206) indicates that nearly 600 workers were laid off from the Navy alone before January 1. The definitive account of the Great Fear remains Georges Lefebvre, *La Grande Peur* (Paris: Armand Colin, 1932).

¹⁵ AM Lorient, BB 12, municipalité de Lorient to comité permanent du St. Brieuc, 11 November 1789 (f° 20vo-21); BB 9, deliberations of 4 January 1790, 127.

¹⁶ AM Lorient, BB 12, municipalité de Lorient to Luzerne, 13 November 1789 (f° 22vo-23).

¹⁷ ANOM, 8AQ 353, Thévenard to Luzerne, 6 November 1789: “démarche impolitique dans ce tems actuel d’effervescence.”

¹⁸ AM Lorient, *Correspondance de Delaville-Leroux* (hereafter *CDL*), municipalité de Lorient to Delaville-Leroux, 6 November 1789: “ces privilégiés antipatriotes.”

previous year now threatened to revoke its monopoly over this disturbance of “public tranquility.”¹⁹ Only an intervention from Jacques Necker, again the unwitting defender of his rival’s creation, resolved the standoff. After two months, the ships were allowed to dock, and their undoubtedly bewildered British crews were sent back to London.²⁰

This curious episode in Lorient harbor in late 1789 represented the Company’s first revolutionary reckoning, and its ultimate resolution foreshadowed the course that the Company’s proprietors would take in order to survive as they crept into the revolutionary decade. While the Company’s directors in Paris insisted that the fracas was incited by hotheads, their counterparts in Lorient had a clearer understanding of the situation.²¹ The incident was a warning that the Company would have to reconcile itself to revolutionary change, or perish in it. As a result, when one of the local directors went quietly before the admiralty of Lorient to register the ships in the Company’s name, he rechristened them with names befitting the revolutionary circumstances. Henceforth, the *Ravensworth* would be known as *le Citoyen*, and the *Lansdowne* would make its maiden voyage with the French Company as *la Constitution*.²²

* * *

Armed with these reports of the Company’s malfeasance, Joseph Delaville-Leroux, the deputy from Lorient whose mandate to the National Assembly consisted more or less explicitly in the revocation of the Company’s monopoly, mounted the tribune on the evening of November

¹⁹ ANOM, 8AQ 328, Lambert to Paris administration, 22 November 1789: “la tranquillité publique.”

²⁰ ANOM, 8AQ 222, Paris to Lorient administration, 4 January 1790; AM Lorient, *CDL*, letters between Delaville-Leroux and municipality of Lorient, 23 November, 30 December 1789, and 4 January 1790. For Necker’s intervention, see 8AQ 327, Lambert to Luzerne, 17 December 1789.

²¹ ANOM, 8AQ 327, Paris administration to Lambert, 5 December 1789.

²² ANOM 8AQ 353, “Extrait des Registres du Greffe du Siège Royal de l’amirauté de L’orient,” 12 January 1790.

19, 1789 prepared to read aloud the municipality's complaints about the Company's unpatriotic conduct.²³ However, a merchant deputy from Toulouse announced that, since the Assembly had not yet taken up the issue of the *Compagnie des Indes*, they had no authority on which to receive his complaint. As a result, the issue was referred to the Naval ministry, with a stunned Delaville-Leroux having barely uttered a word.²⁴

Revolutionary and counter-revolutionary acts were thus construed differently in local contexts.²⁵ The Company's actions were perceived as unpatriotic on a local scale in Lorient for good reason, but in Paris, the deputies of the National Assembly saw this event, and the 'question' of the *Compagnie des Indes* itself, in a very different light. Part of the issue was that, as the infuriated royal ministers had been forced to concede to the Company's obstinant directors, their actions had not been illegal.²⁶ Although the extraordinary deputies sent by all of France's Chambers of Commerce encouraged the National Assembly's *Comité de l'Agriculture et du Commerce* (hereafter Commerce Committee) to adopt a French version of Britain's "sage" law – the Navigation Act – requiring all merchants to use domestic ships, such a law would not be implemented until the wartime crisis of 1793.²⁷ The early revolutionary ethic of free trade had, in this instance, worked to the Company's advantage.

²³ Gérard Le Bouëdec, "Delaville Leroux, député aux Etats Généraux, porte parole du lobby négociant lorientais," in *Aux origines provinciales de la Révolution*, ed. Robert Chagny (Grenoble: Presses Universitaires de Grenoble, 1990).

²⁴ *Archives Parlementaires (AP)*, v. 10, 222 (19 November 1789). The deputy from Toulouse was Pierre-Augustin Roussillou. Delaville-Leroux bemoans the referral in AM Lorient, *CDL*, Delaville-Leroux to municipality of Lorient, 21 November 1789.

²⁵ Martin, *Violence et Révolution*, 168-69.

²⁶ ANOM, 8AQ 327, Paris administration to Lambert, 5 December 1789.

²⁷ ANOM, 8AQ 327, Consuls/Commissaires du Commerce de Lorient to Luzerne, 9 November 1789; AM Lorient, BB 9, deliberations du comité permanent, 6 November 1789 (f° 65); *CDL*, Delaville-Leroux to municipalité de Lorient, 14 November 1789.

This was not to say that the *Compagnie des Indes* had been forgotten in the aftermath of August 4. Invoking the August 4 abolition of fiscal privileges as a precedent, the Chambers of Commerce and their extraordinary deputies publicly rekindled their stalled assault against it. One of the Company's directors, Guillaume Sabatier, suspected that these agitations might be successful, and he warned his fellow directors that they had little chance of a favorable hearing "at a time when the Nation regards unlimited liberty as the most sacred of rights." As a result, he advised that the Company voluntarily surrender its privilege as others had done on August 4.²⁸ Before they could consider it, the deputy Louis-Charles Gillet de la Jacqueminière, chairman of the Commerce Committee, informed the directors that, upon consultation with the Chambers of Commerce, the Committee was beginning an investigation into their monopoly.

The Revolutionary climate offered the commercial deputies and their allies not only a new opportunity, but also new language with which to attack the Company. Its privilege, they wrote, was nothing less than an abomination: it was the most monstrous "of all privileges that greed has solicited, & that corruption or ignorance have granted," and it could not be allowed to stand when other such institutions had already been felled by the Assembly.²⁹ As before, representatives of the colony of Île-de-France seconded these claims. Joseph-François Charpentier de Cossigny de Palma, the brother of the soon-to-be Governor-General, denounced the Company as an "monstrous Aristocracy" in commercial life, whose privileges needed to be

²⁸ ANOM, 8AQ 10, deliberations of 13 August 1789: "dans un moment, où la Nation regarde la liberté indéfinie comme le plus sacré de ses droits."

²⁹ *Adresse à l'Assemblée Nationale; par les Députés extraordinaires des Manufactures & du Commerce du Royaume* (Paris: s.n., 1789), 2: "de tous les privileges que la cupidité a sollicités, & que la corruption ou l'ignorance ont concedés."

dismantled just as those of the nobility had been.³⁰ A privilege, according to the Company's critics, was not a legitimate form of property: one could not label "property," as Dupont de Nemours had argued in 1769, "the usurpation of the common good."³¹ In a clear allusion to the recent events concerning the *Ravensworth* and the *Lansdowne*, the deputies complained that the Company's greed had contributed to the impoverishment of France's ports and the expatriation of her best sailors and shipbuilders. Although French critics of the Company rarely employed language akin to what was used to describe the corrosive oriental wealth of the returning British "nabobs," one pamphlet denounced the specter of oriental despotism in a Company where a handful of "*Pachas*" enriched themselves at the expense of the general public.³²

However, in this increasingly nationalistic revolutionary climate, one of the Company's worst attributes was how its monopoly had been lastingly prejudicial to French geopolitical interests in the Indian Ocean. A Company that had only ever sent a handful of poorly equipped and ill-timed expeditions to the East Indies and had failed to adequately exploit, in the name of the French nation, its expansive trading privileges for other venues like the Red Sea and Cochin China had, in the view of one critic, brought lasting shame upon the French flag.³³ The extraordinary deputies insisted that, given the power of the British Company in India, a diffuse network of French privateers would be more successful at evading British trade restrictions than a company easily placed "under the yoke" of Britain, as indeed became the case, as we have

³⁰ Joseph-François Charpentier de Cossigny de Palma, *Mémoire pour la colonie de l'Isle de France, en réponse au Précis et au Mémoire des actionnaires de la Compagnie des Indes, imprimés en 1790* (Paris: Didot, 1790), 32: "Aristocratie monstrueuse."

³¹ *Dernier mot sur le Privilège de la Compagnie des Indes* (Paris?: s.n., 1790), 4: "l'usurpation du bien commun."

³² *Ibid.*, 3-4.

³³ *A messieurs les défenseurs des actionnaires et des administrateurs de la Compagnie des Indes* (Paris: Didot, 1790), 9.

seen, in Bengal.³⁴ Instead, the Company had attempted to openly collude with France's enemy by proposing a harmful trade pact with them that had been mercifully quashed by Louis XVI's ministers.³⁵ Cossigny went even further. He blamed the scandalous number of financial concessions enjoyed by the Company – especially its tax-exempt status – for the military evacuation of Pondicherry, which had just been completed in the previous months.³⁶ The Company's actions had continually operated to the detriment of French credit and military power in the Indian Ocean: they had also failed to export the agricultural produce of Île-de-France to the metropole as merchants under the free trade regime had done. The Company, only interested in luxury finished goods from Asia, failed to recognize that, especially in imperial matters, "agriculture is essentially linked to commerce," and moreover, that the enrichment of the Mascarene Islands was essential to their viability as military establishments.³⁷ Lastly and perhaps most critically, the commerce deputies argued that the Company had consistently neglected to adequately provision the merchants of the Atlantic slave trade – the deputies' own most prominent constituents – with well-priced and well-assorted goods to be sold in Africa, such as cowry shells and inexpensive *indiennes*. This meant that the Company's monopoly had adverse effects on the backbone of the Atlantic plantation economy.³⁸ As far as French global, economic interests were concerned, the *Compagnie des Indes* was an imperial failure.

³⁴ *Adresse à l'Assemblée Nationale*, 13: "sous le joug."

³⁵ ANOM, 8AQ 21, Lambert to Delaville-Leroux, 2 February 1790; Lambert to garde des Sceaux, 21 March 1790; *Décision du 27 février 1785, par laquelle le Roi a laissé, à la Compagnie des Indes, l'option d'exploiter son privilège ou de s'en désister* (Paris: s.n., 1790).

³⁶ Charpentier de Cossigny de Palma, *Mémoire*, 15, 35.

³⁷ *Ibid.*, 16: "l'agriculture est essentiellement liée au commerce." See also Joseph-François Charpentier de Cossigny de Palma, *Notes sommaires en réponse aux Observations sommaires, sur le Mémoire publié pour la colonie de l'Isle de France, contre le privilège exclusif de la Compagnie des Indes* (Paris: Didot, 1790).

³⁸ *Adresse à l'Assemblée Nationale*, 9.

The Company's directors defended themselves in a series of pamphlets in which they appealed primarily to two arguments: that the privilege was both legal and efficient, and moreover, that it was their property. The formation of the Company – including the numerous concessions and tax exemptions they enjoyed – was the result of a plan carefully crafted by the King's council to ensure that Indian goods were procured cheaply, in large and well-selected quantities, so as to provide consumers with the most effective savings possible.³⁹ Such aims could not be achieved through the uncoordinated operations of a small handful of private firms, whose claim to the general interest was, they opined, far more dubious than that of a large corporation with forty-thousand widely-owned shares in circulation. Invoking the persistent argument that privateers had freighted their ships to foreigners to turn a profit in the free trade era, the Company's defenders insisted that their trade was *un commerce national*, conducted “on French ships” – a claim that must have elicited laughter among the Lorient deputies.⁴⁰ Even more hypocritically, the directors protested that the loan they had so begrudgingly provided to the Navy during the Dutch Crisis was a testament to their patriotism.⁴¹ But regardless of their conduct, they argued, a privilege was a legitimate form of property, a “sacred right” protected by article 17 of the Declaration of the Rights of Man and the Citizen, that belonged to the stakeholders in the company.⁴² By the terms of this sacred contract between the Assembly and the Nation, the shareholders in the Company were guaranteed compensation “if, by eminent

³⁹ *Précis pour les Actionnaires de la Compagnie des Indes, en réponse à l'Adresse présentée à l'Assemblée Nationale, par les Députés extraordinaires des Manufactures & du Commerce du Royaume* (Paris?: s.n., 1790), 17.

⁴⁰ AD Haute-Marne, 2E 133, *Lettre à un député à l'Assemblée nationale, sur la nouvelle Compagnie des Indes* (1790), 16: “sur des Vaisseaux François.”

⁴¹ *Mémoire pour les actionnaires de la Compagnie des Indes* (Paris: Lottin, 1790), 17. The British East India Company frequently made similar claims, see Bowen, *Business of Empire*, 30.

⁴² *Mémoire pour les actionnaires*, 20; *Précis pour les Actionnaires*, 27: “droit sacré.”

domain, a Nation can take individuals' properties for the public interest."⁴³ A solution that would be respectful to the shareholders' property rights would be to simply allow the privilege to expire in due course – in 1800.⁴⁴

The directors also resolutely persisted in the view that companies, as the experiences of other European nations testified, were the only method of sustainably conducting the Indies trade. The Company's creation was not, as it seemed to many, a farce: it was the result of the reasoned consideration of ministers who adopted a plan "in view of the systems followed by neighboring Nations."⁴⁵ Drawing once again on Jean-François Melon, the directors pointed out that, as the two most important and successful East India Companies were those of England and Holland, two countries notable for their "enlightened love of Liberty," even free peoples occasionally recognized the utility of privileges in commercial life – as the commerce deputies themselves did, in defending the *exclusif*.⁴⁶ As such, the Assembly would do well to resist the growing, philosophical "sense of repugnance that seemed to proscribe all Privileges, without distinction."⁴⁷ The Company also appealed to the same reasoning some of Louis XVI's ministers had embraced in saving the Company in 1787. Even if it was already an imperial failure, its abolition would only make the situation worse: the companies of other European nations would see this as a sign of French commercial weakness and flood the French market

⁴³ *Mémoire pour les actionnaires*, 20: "si en vertu du Domaine éminent, une Nation, pour l'intérêt public peut disposer des propriétés des particuliers."

⁴⁴ AD Haute-Marne, 2E 133, *Lettre à un député*, 9.

⁴⁵ *Ibid.*, 6: "à la vue des systèmes suivis par les Nations voisines."

⁴⁶ *Précis pour les Actionnaires*, 4; *Mémoire pour les actionnaires*, 4: "un amour éclairé de la Liberté." This point was also made by Jean-François Toloza, *Mémoire sur le commerce de la France et de ses colonies* (Paris: Moutard, 1789), 96. For the *exclusif*, AD Haute-Marne, 2E 133, *Lettre à un député*, 9.

⁴⁷ *Précis pour les Actionnaires*, 3: "sentiment de répugnance, qui paroissoit proscrire tous les Privilèges, sans distinction."

with their own goods.⁴⁸ Charpentier de Cossigny de Palma was not convinced by their arguments. Not only did he believe, following Dupont de Nemours and others, that privileges belonged to a less enlightened age, but he argued that the comparison with Britain and Holland was a flawed one. The British and Dutch companies were sovereign, with extensive territorial holdings in the Indies, and thus their privileged, state-like status made practical sense. This model held no relevance for France, lacking significant territorial possessions in the East Indies. For him, the best way to compete against these colossuses was through lucrative free trade.⁴⁹

The only commonality between the arguments for and against the Company's monopoly was the continued consensus that the Indies trade was economically pernicious and needed to be limited or contained in order to promote domestic industries. The Company's partisans insisted that a monopoly was the only effective way for the government to control the volume of the Indies trade, both in terms of specie export and imported merchandise that could negatively affect the domestic manufactures that should eventually replace it.⁵⁰ However, both sides described the Indies trade as a pernicious *commerce de luxe* that only served "to satisfy fantasies" and paid tribute in specie to both Indian princes and France's European rivals.⁵¹ They agreed that the Indies trade could never be a reciprocal exchange: in their essentialized view, since Indians were naturally "limited in their needs," they would never be tempted by foreign

⁴⁸ AD Haute-Marne, 2E 133, *Lettre à un député*, 9.

⁴⁹ Charpentier de Cossigny de Palma, *Mémoire*, 24-25.

⁵⁰ *Précis pour les Actionnaires*, 6: "même supprimer totalement l'importation de ces objets que les manufactures Nationales pourront successivement imiter ou remplacer"; *Mémoire pour les actionnaires*, 17.

⁵¹ *Adresse à l'Assemblée Nationale*, 11: "de satisfaire les fantaisies."

products and would insist on payment in precious metals.⁵² Yet, they equally acknowledged that, however desirable it might be to do so, it would not be possible to totally prohibit the trade: as long as tastes desired the consumption of such goods, prohibitions would only encourage contraband. Both sides spoke loftily of the need for “a revolution in *mœurs*, in taste, or in National Industry” that would finally emancipate France from these luxuries.⁵³ The commerce deputies argued that the present Revolution, in fostering a certain “patriotic egoism,” would itself encourage the consumption of French-made cotton textiles over foreign ones.⁵⁴

To the chagrin of the commerce deputies, the debate about the Company took place in the press, not the Assembly, during the last months of 1789 and the beginning of 1790. In spite of the best efforts of the Commerce Committee’s *rapporteur* on the affair, Charles Hernoux, the investigation of the Company was stalled in committee and could not be heard on the floor of the Assembly. Merchant deputies attributed these delays to the Company’s knack for procuring allies in the Assembly through numerous, corrupt “intrigues.”⁵⁵ By early spring 1790, however, the port cities were growing impatient with the Assembly, and some merchants threatened to boycott the new revolutionary currency, the *assignat*, unless the Assembly ruled on several key commercial issues, namely the monopolies of various trading companies and the critical status of the Atlantic colonial regime and the slave trade, a debate that erupted into the contentious *affaire*

⁵² *Précis pour les Actionnaires*, 12: “borné[s] dans ses besoins.” One of the principal voices against the monopoly in the Assembly, Charles Hernoux, reiterated this point by suggesting that the Indian merchant was “enervé par une chaleur dévorante, il fait de l’inaction sa première jouissance,” see *AP*, v.12, 222 (18 March 1790).

⁵³ *Précis pour les Actionnaires*, 5: “quelque révolution dans les mœurs, dans le goût ou dans l’Industrie Nationale.”

⁵⁴ *Adresse à l’Assemblée Nationale*, 12: “égoïsme patriotique.”

⁵⁵ AM Lorient, *CDL*, Delaville-Leroux to Lorient municipality, 23 January 1790 and 26 February 1790; AD Gironde, C 4366, *passim*.

des colonies in early March.⁵⁶ By March 18, with the *affaire* now behind the Assembly, Hernoux obtained a hearing for his report on the Company. In his speech, he began by asking the question at the root of the problem of the *Compagnie des Indes*: was the Indies trade even necessary at all to the French nation? Hernoux differed from most of his interlocutors by refusing to accept the notion that the Indies trade was inherently pernicious, draining, and unreciprocal. French commerce and industry relied upon the Indies trade in turn to bring in raw cotton, *toiles blanches*, *guinées*, and cowry shells – although, conscious of the heated debates on slavery that preceded him on the Assembly’s docket, he was careful not to mention the most common usage of the latter two.⁵⁷ All question of abolishing the trade was futile; the only matter in debate was whether the trade should be monopolized or entirely free.

After carefully recapitulating the principal arguments of the Company and of the commerce deputies, Hernoux proceeded to demolish the claims of the Company’s partisans. While India might be distant and while private firms might face challenges making contracts there, in the intervening years of free trade, independent merchants had shown themselves remarkably capable of doing so. Any positive effects the regulation of monopoly might have on limiting contraband were totally undermined by the Company’s greedy price fixing practices, which drove consumers into the arms of illicit traders. As to the purportedly democratic nature of the Company’s shareholding, Hernoux correctly revealed that the forty thousand shares in circulation were really concentrated in the hands of the Company’s directors, a few large financial houses, and even some foreigners. He thus concluded by pronouncing unequivocally in favor of a free trade regime that would export less specie, encourage French industries, restrict

⁵⁶ AD Loire-Atlantique, C 608, CC Nantes to Mosneron, 4 February 1790 (f° 96vo-97). For a recent account of the *affaire des colonies*, see Cheney, *Revolutionary Commerce*, ch. 7.

⁵⁷ *AP*, v.12, 222 (18 March 1790).

contraband, pay taxes such as the *droit d'indult*, provision the Mascarene islands, and train more sailors whose services could be employed in the event of war.⁵⁸

However, Hernoux's arguments also revealed the extent to which the Revolution had transformed the terms of the debate on the Company. He argued that, above all else, the Assembly could not undercut the fundamental principle that privileges that unduly restricted the liberty of others were incompatible with a free society. A privilege based on the violation of "the most precious of the rights of man" was not a legitimate form of property, and as such, its holders were not entitled to compensation for its loss. Hernoux denounced the "exorbitant pretensions" of the Company's advocates in claiming that such an anathema could constitute their "rights and property." The Company had enjoyed an improbable number of financial concessions and prerogatives at the Nation's expense, and such a manifest "lack of reciprocity" on the Company's side needed to be met with no further generosity by the Nation.⁵⁹ In Hernoux's view, France's revolutionary transformation had itself resolved the questions that the monarchy had agonized over in the previous years: the privilege could be, and needed to be, revoked immediately without compensation.

Although the Company's defenders in the Assembly attempted to forestall further action by means of various dilatory maneuvers, the debate on the monopoly began on April 1, 1790.⁶⁰ It opened with a clamorous intervention from the abbé Maury, the "pistol-packing clergyman

⁵⁸ *Ibid.*, v.12, 224, 227.

⁵⁹ *Ibid.*: "le plus précieux des droits de l'homme...prétensions exorbitantes...ce que la compagnie appelle les droits et la propriété des actionnaires...défaut de réciprocité."

⁶⁰ On March 30, 1790, members of the Company's board appeared at a near-empty session of the Assembly and obtained a resolution deferring debate on the monopoly until after the ratification of the Constitution. See *AP*, v.12, 459. When the Assembly was convoked the following morning, the resolution was overturned.

from Picardy,” who was a raucous defender of Old Regime privileges in all their forms.⁶¹ In his view, the defense of the *Compagnie des Indes* was yet another battle in the unending revolutionary war against privilege. For Maury, privileges were obligations contracted by the government with individuals, and thus had the same status as the national debt, which the Assembly had already promised to honor. Moreover, privileges were necessary to the functioning of a commercial society: if all the free ports, markets, and fairs that bore privileges were to be abolished, all commerce would be annihilated.⁶² The Company received more clerical support from the abbé Bérardier, who compared its privilege to that of the postal service as representative of a certain kind of privilege recognized to be “founded on public utility.”⁶³

The Company served a public utility because, in their view, the Indies trade remained “the scourge of France.” It was a pernicious commerce that, in exchange for superfluous luxury goods, sent valuable bullion directly into the coffers of Britain, and the tombs of Indian artisans, as Maury conspicuously repeated the longstanding ‘burial’ myth first perpetuated by Georges Roques.⁶⁴ Like many economic theorists, Maury concluded that a company was essential to control the noxious effects of this trade. To prove his point, he decided to personally attack and humiliate one of his new colleagues in the Assembly, Dupont (de Nemours). Dupont’s views on India were surprisingly convoluted for an otherwise staunch proponent of universal free trade, and he had long advocated the Physiocratic project of conducting the trade via a royal ‘messenger company.’ Maury obtained a copy of one of Dupont’s ministerial *mémoires* on the subject, and he proceeded to read aloud – and subsequently publish – the entirety of a plan that

⁶¹ Spang, *Stuff and Money*, 88.

⁶² *AP*, v. 12, 513-514 (Maury).

⁶³ *Ibid.*, v. 12, 519 (Bérardier): “fondés sur l’utilité publique.”

⁶⁴ *Ibid.*, v. 12, 514-515 (Maury): “le fléau de la France.”

he regarded as a hypocritical acknowledgement of the necessity of privileges and corporate institutions in commerce.⁶⁵

Most of the deputies, however, followed Hernoux in asserting that the Revolution had already established that privileges like the Company's were illegitimate forms of property. Some went as far as to demand cloture on the debate as soon as it was opened, deeming the issue already resolved in favor of free trade. Isaac Le Chapelier – whose opinions on privileged corporations are of course well known from the later anti-guild law that bore his name – taunted the “apologists of privileges” to justify why the Assembly should hear anything in the Company's defense.⁶⁶ Unsurprisingly, the most important merchant deputies in the debate followed Le Chapelier's reasoning. Paul Nairac of Bordeaux argued that public opinion had already condemned the privilege, while Jacques-Nicolas Guinebaud de Saint-Mesme of Nantes posited that it was shameful that other deputies did not blush “to call the usurpation of the public good and the natural right of commerce *property*.”⁶⁷ It was, as Jacques-François Bégouen of Caux, a deputy whose allegiances were equal-parts mercantile and industrial, put it, to “profane and prostitute” the name of property to so label its antithesis, a *privilège exclusif*.⁶⁸ Unlike the legitimate forms of privilege held by national creditors or venal officials, the Company's monopoly had the same legal status as the feudal rights suppressed on August 4. A monopoly was a right stolen from the nation, and it could be revoked without indemnity.

⁶⁵ It was published by Maury in *Mémoire de M. Dupont sur une compagnie messagere des Indes*, 1786 (S.l.: s.n., 1790), and in the counter-revolutionary journal *Les Actes des Apôtres*, no. 93.

⁶⁶ *AP*, v. 12, 513: “apologistes des privilèges.”

⁶⁷ *Ibid.*, v.12, 519 (Nairac), 529 (Guinebaud de Saint-Mesme): “d'appeler propriété l'usurpation du bien public et du droit naturel du commerce.” Emphasis mine.

⁶⁸ *Ibid.*, v.12, 524 (Bégouen): “profaner et prostituer.”

The fate of the Company had geopolitical dimensions as well as commercial ones: it was, as Maury put it, “an important question of State.” The eyes of Europe – and more particularly, Britain – were on the Assembly, and at stake was the already dwindling future of French influence in Asia. Jean-Barthélemy Le Couteulx de Canteleu of Rouen, one of the heirs to the Le Couteulx banking fortune, told the Assembly that secret couriers had been dispatching news to London throughout the debate: if the monopoly was abolished, the British Company planned to double its upcoming expedition to India to corner the French market on Indian goods.⁶⁹ Jean-Jacques Duval d’Eprémesnil, former *parlementaire* and one-time shareholder-advocate of the Law Company, made this connection explicit. After the suppression of the Law Company in 1769, he argued, privateers had never been more than dependents of the British – and, in an early instance of what was to become a trope of revolutionary discourse, he reminded the Assembly that “Mr. Pitt knows it.” The sovereign ascendancy of Britain in India was a cruel irony. Borrowing a common conceit of *revanchiste* ideology, he pointed out that a Frenchman, Joseph-François Dupleix, had discovered the true “principle” of European commerce in India: it could only be done “by a sovereign, armed company, with a territorial power in India.” This French idea, Duval explained, had been stolen and mastered by their British rivals. Although the present Company was a paltry shadow of its predecessor, between free trade and a purely commercial company, the Assembly should opt for whichever model most resembled the “true principle.”⁷⁰

⁶⁹ *Ibid.*, v.12, 513 (Maury): “n’est point une question de commerce, mais une importante question d’État”; v.12, 530 (Le Couteulx de Canteleu). For the Le Couteulx family, see Zylberberg, *Capitalisme et catholicisme*.

⁷⁰ *Ibid.*, v.12, 526-527 (Duval d’Eprémesnil): “M. Pitt le sait bien...le principe...par une compagnie souveraine armée et jouissant dans l’Inde d’une puissance territoriale...vrai principe.” Abraham Hyacinthe Anquetil-Duperron, *Dignité du Commerce, et de l’État de Commerçant* (S.l.: s.n., 1789) continued to demand a ‘sovereign’ company during the French Revolution as well.

The prospect of French resurgence in India inclined some deputies towards saving, if perhaps reforming, the Company's monopoly. The Abbé Bérardier, also invoking France's imperial heyday under Dupleix and La Bourdonnais, insisted that if the Company were maintained, France could recover her influence in Asia with the support of her many "powerful friends," such as Tipu Sultan.⁷¹ Pierre-Victor Malouet, who had long served as a colonial official in Guyana and Saint-Domingue, thus insisted that no decision about the monopoly should be made until the nature of the French alliance with Tipu Sultan – undoubtedly an allusion to the outcome of the current Anglo-Mysore war – was better established. In the meantime, the Assembly could abrogate the Company's underexploited privilege for the Red Sea and Suez, because the development of this avenue by privateers could only help "prepare a useful revolution in the Indies trade."⁷² The grip that these nationalist arguments had on the assembly was apparent: after Bérardier and Duval d'Épremesnil spoke on April 2, Bordeaux's extraordinary deputies reported that all appeared lost for the cause of free trade.⁷³

The military and geopolitical implications of the Assembly's decision were not lost on deputies opposed to the monopoly. The comte Destutt de Tracy argued that Maury's defense of the Company had a certain familiar ring to it. Maury was inspired by the corrupt "spirit of M. de Calonne" – a denunciation that received a round of cheers – and he reminded the Assembly that the same man whose profligacy ruined France now sat in London, counseling the ministers of their greatest rival.⁷⁴ The Company's own uncomfortable history with the British East India

⁷¹ *Ibid.*, v.12, 519 (Bérardier): "amis puissants."

⁷² *Ibid.*, v.12, 529 (Malouet): "preparer une revolution utile dans le commerce de l'Inde." For Malouet's key role in the earlier *affaire des colonies*, see Cheney, *Revolutionary Commerce*, 206-08.

⁷³ AD Gironde, C 4367, Corbun/Béchade to CC Guienne, 3 April 1790 (pc 1).

⁷⁴ *AP*, v.12, 533 (Destutt de Tracy): "esprit de M. de Calonne."

Company did not escape notice in the debate. Another merchant deputy, François-Pascal Delattre of Abbeville, announced that the Company's administrators, by considering a contract with the British, "dishonored the flag that was entrusted to them...[and] prostituted themselves to...the English."⁷⁵ Free trade, by contrast, would reassert French influence in the Indian Ocean by restoring prosperity to Île-de-France, the military "key to India," which suffered under the burden of the Company's monopoly.⁷⁶ Dupont de Nemours, in an uneasy rebuttal to Maury's personal attack, surprisingly took the same tactic. He insisted, to rousing applause, that his 'messenger company' would have brought many French warships to the Indian Ocean and "put Bengal under French domination" – an incident that caught the notice of the wary British ambassador.⁷⁷ Advocates of *doux commerce* appeared few and far between: only the philosophically-minded Destutt de Tracy admitted that he did not agree that "merchants should be masters and conquerors."⁷⁸

The Assembly almost unanimously agreed with the abbé Maury that the Indies trade was, if not a "scourge," certainly economically problematic. As it had been in the petitions and pamphlets appearing in the months prior to the Assembly's debate, deputies both for and against the monopoly agreed the Indies trade was unlike any other kind of commerce and needed to be regulated in order to protect the domestic economy.⁷⁹ Le Couteulx de Canteleu argued that it did

⁷⁵ *Ibid.*, v.12, 534-535 (Delattre): "ont déshonoré le pavillon qui leur était confié...[et ils] se sont prostitués jusqu'à devenir les agents des Anglais."

⁷⁶ *Ibid.*, v.12, 530 (Guinebaud de Saint-Mesme): "clef des Indes."

⁷⁷ National Archives, FO 27/34, Fitzgerald to Leeds, 5 April 1790; *AP*, v. 12, 516 (Dupont de Nemours): "mettaient le Bengale sous la domination française."

⁷⁸ *AP*, v.12, 533 (Destutt de Tracy): "des commerçants doivent être dominateurs et conquérants."

⁷⁹ Only Paul Nairac and the royalist deputy Jacques-Antoine de Cazalès argued that the reviled practice of bullion export was, in all likelihood, economically benign, see *Ibid.*, v.12, 519 (Nairac), 525 (de Cazalès).

not matter what the Company did “on the coasts of Hindustan” – only its effects on the domestic economy. Le Couteulx de Canteleu thought that France suffered more than any other European nation from the consequences of the Indies trade because of her taste for luxury, and in a particularly ironic moment, this scion of a Cadiz banking fortune virulently denounced the bullion trade and argued that only a monopoly could limit its deleterious effects.⁸⁰ That said, even the Company’s strongest defenders felt that there were ways that the privilege could be amended to mitigate the deleterious economic effects of the Indies trade. The most critical of these was tax reform. Not even the Company’s strongest advocates, including Maury, believed that its tax-exempt status could continue. At a minimum, the *droit d’indult* needed to be reinstated such that the state could earn needed revenues from the Indies trade.

The reinstatement of the *droit d’indult* raised a broader question as to the effects of the Indies trade on France’s nascent textile industries. If free trade was really as productive as claimed by its advocates in the Assembly – such as the vocal deputies of Nantes and Bordeaux – measures would be required to insulate French cotton manufacturers from a deluge of Indian goods. Some deputies, including Bégouen, explicitly argued that the proceeds of the restored *droit d’indult* should be earmarked not for military expenditure in the Indies as before, but for industrial subsidies, as a way of mitigating the “harmful” effects of the trade.⁸¹ Bégouen, as with other deputies representing manufacturing interests, had his eye on the broader problem of

⁸⁰ *Ibid.*, v.12, 500, 533, 531 (Le Couteulx de Canteleu): “sur les côtes de l’Indoustan.” For Le Couteulx’s arguments, see Zylberberg, *Capitalisme et catholicisme*, 306-07.

⁸¹ *AP*, v.12, 516 (Maury), 522 (Clermont-Tonnerre), 529 (Malouet), 523-525 (Bégouen): “le commerce de l’Inde est nuisible à l’Europe.” Hernoux proposed to reinstate the *droit d’indult* at pre-1785 levels, that is, 5% on merchandise from India and China, and 3% on goods from Île-de-France and Île Bourbon. When the *droit d’indult* was temporarily reinstated in late June, its proceeds were earmarked for industrial *subventions* rather than military expenditures, see *Ibid.*, v.16, 545. In 1791, the *droit d’indult* was suppressed and replaced with the General Tariff, see *Collection générale des décrets rendus par l’Assemblée nationale [puis la Convention nationale], avec la mention de leur date* (Paris: Baudouin, 1789-1795), v.15, 280-288.

import substitution. Deputies from the port towns insisted that the current state of French manufacturing was not up to task of supplying the domestic market with cotton goods, and that their own trade to India would be efficient and productive.⁸² On the other hand, deputies like Jean-Baptiste Decretot of Rouen argued that French cotton industries, supplied by raw cotton from the Antilles, were developing at a rate that would allow France to become totally self-sufficient and independent of the “generally disadvantageous” Indies trade within a matter of years. Since independent merchants could never hope to fill the Company’s shoes, Decretot argued, the Assembly would do well to repeal the monopoly: the inevitable failure of free trade would accelerate the end of France’s participation in the Indies trade and its replacement by domestic industry.⁸³ Le Couteulx de Canteleu was equally sanguine about France’s industrial prospects, noting that the cotton manufactures of Normandy had incited “the jealousy and emulation of the English,” who lured the French into the perfidious Eden Treaty to ruin them.⁸⁴ Throughout the debate, deputies vacillated between their desire to emancipate France from the tyranny of a monopoly, and their desire to rid the country of a purportedly pernicious economic dependency on Indian goods.

For the time, it was clear that the Assembly could only emancipate France from the Company, and on the third day of debate, April 3, 1790, the National Assembly decreed that “the Indies trade...is free for all the French.”⁸⁵ The extraordinary deputies from Bordeaux wrote that

⁸² For instance, *Ibid.*, v.12, 519 (Nairac).

⁸³ *Ibid.*, v.12, 522 (Decretot): “je regarde ce commerce comme généralement desavantageux pour la nation.”

⁸⁴ *Ibid.*, v.12, 531 (Le Couteulx de Canteleu): “la jalousie et l’émulation des Anglais.”

⁸⁵ *Ibid.*, v.12, 535: “le commerce de l’Inde, au-delà du Cap de Bonne-Espérance, est libre pour tous les Français.”

they were at the height of joy at the knowledge of the Company's destruction.⁸⁶ Bordeaux, having led the coalition against the Company since 1787, had good reason to celebrate the conclusion of their three-year campaign – which they commemorated by naming the first ship departing their port for India in honor of the original *rapporteur*, Charles Hernoux.⁸⁷ The entire system that had governed France's Indian Ocean trade was transformed overnight: the Company's passports, once required for merchants sailing to the Mascarenes or to the east coast of Africa, became obsolete. In further proof of the Assembly's commitment to free trade, the Commerce Committee quickly pronounced, in spite of the Company's protestations against this retroactive justice, that any pending seizures against privateers at Lorient were quashed.⁸⁸

For the second time in a quarter-century, French policymakers had debated and suppressed the monopoly of a *Compagnie des Indes*. However, the National Assembly made one distinct variation on this 1769 theme: beyond revoking the monopoly, it made no claims on the Company's property. Le Couteulx de Canteleu had worried about this during the debate. In his view, the *true* property at stake was not the privilege, but rather the Company's valuable shares, which circulated as currency in the marketplace. To impugn shareholding in general by forcibly devaluing them could have unforeseen economic consequences and cause general market “instability.”⁸⁹ His assertion was not unlike the famous remark by William Grenville, who noted in 1783 that, if the British Parliament undermined the East India Company's charter, “what

⁸⁶ AD Gironde, C 4367, Corbun/Béchade to CC Guienne, 3 April 1790 (pc 4).

⁸⁷ AD Gironde, C 4367, Corbun/Béchade to CC Guienne, 9 May 1790 (pc 53). Hernoux asked that they name it instead for his district of Saint-Jean-de-Losne.

⁸⁸ ANOM, 8AQ 14, letter to [unknown], 19 May 1790 (f° 71vo-72); *Procès-Verbaux des Comités d'Agriculture et de Commerce de la Constituante, de la Législative et de la Convention*, eds. Fernand Gerbaux and Charles Schmidt, (Paris: Imprimerie nationale, 1906-1910), v. 1, 293 (deliberations of 19 May 1790).

⁸⁹ *AP*, v.12, 532 (Le Couteulx de Canteleu); ANOM, 8AQ 336: “Messieurs, ce n'est pas le moment[...]”: “instabilité.”

security could any individual have for his private property?”⁹⁰ The National Assembly took this part of Le Couteulx de Canteleu’s message to heart. While the monopoly was an illegitimate form of property and had to be destroyed, the ownership stakes of the Company’s proprietors were unquestionably legitimate.⁹¹ As the Company had no significant debts that needed to be publicly assumed as state obligations, as had been the case in 1769, the liquidation of the Company’s affairs could be left to its proprietors with no further interference by the Assembly.⁹²

The abolition of the Company’s monopoly entailed an immediate reexamination of other regulations of the Indies trade, namely, Lorient’s own ‘monopoly’ on admitting returning ships and goods. The deputies from Lorient, many of the Chambers of Commerce, the Commerce Committee, and even the fiercely anti-corporate deputy Le Chapelier, all joined together in unanimously insisting on the preservation of Lorient’s monopoly on the *retours* of the trade. They argued that processing all imports through the same port prevented fraud and ensured the thorough collection of taxes on goods whose importation was destructive to domestic industries.⁹³ Although they had condemned the Company’s monopoly, the Indies trade was not made for *total* liberty: even without a company, one could not, as the deputy Gillet de la

⁹⁰ Cited in P.J. Marshall, *Problems of Empire: Britain and India, 1757-1813* (London: George Allen and Unwin Ltd., 1968), 22.

⁹¹ Bégouen argued that the shareholders’ property rights were inviolable in his speech in *AP*, v.12, 525.

⁹² In fact, the French state remained in debt to the Company at the time of the revocation of the monopoly, as the loans provided by Moracin in Pondicherry during the Dutch Crisis had not yet been reimbursed, see ANOM, 8AQ 9, deliberations of 26 May and 15 June 1790. This stood in contrast with the approach taken by the National Assembly as to the guilds in 1791: upon the passage of the *loi d’Allarde*, public officials assumed responsibility for their liquidation. See Kaplan, *Fin des corporations*, 545.

⁹³ For the Commerce Committee, see *AP*, v.12, 227 (18 March 1790, Charles Hernoux). For the Chambers of Commerce and Le Chapelier, see AD Loire-Atlantique, C 749, Le Chapelier to Juges et Consuls de Lorient, 26 December 1789; C 608, CC Nantes to Mosneron, 2 March 1790 (f° 103vo-104) and 23 January 1790 (f° 94vo-95). AD Gironde, C 4365, Corbun/Marchand to CC Guienne, 3 November 1789 (pc 6) and 17 November 1789 (pc 14).

Jacqueminière said, “*laissez tout faire, laissez tout passer*.”⁹⁴ Opening all ports to the Indies trade would devastate France’s textile manufactures by swamping the country with Indian merchandise. A vote for Lorient, Bégouen argued, was a vote for France’s textile manufactures against the “speculators and merchants” of the Indies trade.”⁹⁵ The only deputies to forcefully assert a case for unrestricted freedom of trade to India were those of Marseille – given their geographical distance from Brittany – but they were bought off with the caveat that Lorient could share its ‘privilege’ with Marseille’s neighbor, Toulon.⁹⁶

The political battles over the Company’s fate – and the Indies trade more broadly – demonstrate the surprising complexity of Revolutionary debates on privilege. Even as privileges and corporations were attacked in the Revolution, they did not completely vanish, and sometimes revolutionaries insisted that certain forms of economic privilege served important purposes.⁹⁷ Even though both institutions were eventually abolished, revolutionary hesitation in dismantling the privileges of the Company and the corporate guilds often reflected broader anxieties about the potential for economic (or political) destabilization, or more frankly, the need to carefully evaluate which privileges merited the commitment of an indemnity and which did not.⁹⁸ Unraveling these systems, both ideologically and administratively, was a complicated and contingent process. Even as some privileges and monopolies were marked for the axe, others, like Lorient’s monopoly on the *retours* of the Indies trade, were overwhelmingly reaffirmed as

⁹⁴ *AP*, v.16, 754 (Gillet de la Jacqueminière, 8 July 1790).

⁹⁵ *Ibid.*, v.16, 759 (Bégouen, 8 July 1790): “spéculateurs & négociants des marchandises de l’Inde.”

⁹⁶ The most forceful intervention on Marseille’s behalf came from the comte de Mirabeau, see *AP*, v.16, 553-558 (28 June 1790). The Lorient-Toulon arrangement was confirmed in no less than three decrees: *Collection générale*, v.4, 118 (19 July 1790); v.5, 284-285 (28 August 1790); v.15, 280-288 (20 June 1791).

⁹⁷ Horn, *Privilege of Liberty*, 258.

⁹⁸ As shown for the guilds in Kaplan, *Fin des corporations*, 455, 514, 552.

socially beneficial. Similarly, the most persistent advocates of free trade against the Company's monopoly lost their scruples about privilege when it came to maintaining the colonial *exclusif*, something that did not escape sneers from the Company's defenders.⁹⁹ William Sewell characterizes this behavior as the periodic "amnesia" of revolutionaries who, in their haste to condemn all privileges in the name of a free society and free trade, forgot about the myriad ways in which they themselves benefitted from the commercial Old Regime – a perhaps overgenerous view of political opportunism.¹⁰⁰ Attacks on privileges were not straightforwardly fueled by ideologies of free trade, even if that was the language used in support of them: the Company's opponents saw no contradiction in lobbying for the abolition of one monopoly and the preservation of another. In spite of their expressed ideologies, merchant interests had no qualms in saying "liberty for us, chains for the others," as Jacques-Pierre Brissot put it.¹⁰¹

This said, their motives were not purely opportunistic: the idea that the Indies trade was in need of containment survived into the Revolutionary period. The interventions by almost all deputies demonstrate the persistence of the longstanding idea of practical, economic differences between France's agricultural, Atlantic *colonies* and the commercial *comptoirs* of the Indian Ocean. This anxiety about the Indies trade served to reinforce the necessity of the privileges of Lorient, if not of the Company itself. Many scholars have argued that revolutionary discourse, owing in no small part to its classical republican roots, had a strongly anti-commercial bias, which is strongly corroborated by the role that concerns for domestic and industrial regeneration

⁹⁹ See Joseph Dupré, *Mémoire sur le commerce en général et celui du Languedoc, dans ses rapports avec les Echelles du Levant, la Compagnie des Indes, les Colonies & la Traite des Noirs*. Par M. Dupré, Député de Carcassonne, & Représentant des Manufactures du Languedoc (Paris: Imprimerie Nationale, 1790), 25, and *AP*, v.12, 532 (3 April 1790), where Le Couteulx de Canteleu argued that the destruction of the *exclusif* would be a "fausse application de vos principes."

¹⁰⁰ William H. Sewell, *A Rhetoric of Bourgeois Revolution: The Abbé Sièyes and What is the Third Estate?* (Durham: Duke UP, 1994), ch. 4.

¹⁰¹ *Patriote français* no. 202 (26 February 1790), 2: "liberté pour nous, chaînes pour les autres."

played in the Assembly's debate on the Company.¹⁰² Revolutionary discourse not only perpetuated earlier tropes about the contaminated nature of the Indies trade, but gave them an entirely new significance. Some observers hoped that, in transforming the identities of newly created citizens, the Revolution would transform their consumer tastes as well. New, revolutionary patterns of consumption, by emphasizing the abnegation of luxury and the love of domestically-produced goods, could destroy dependency on the Indies trade at its root.¹⁰³

At the same time, the Assembly's debates gave a wider voice than ever to the imperative of a French imperial resurgence in India. As during the lobbying campaign in 1787, the conservative deputies in the Assembly – Duval d'Eprémesnil, Maury, Malouet, and others – insisted not only that the Company's preservation was essential for the maintenance of French diplomatic stature and credit, but also that it would eventually be a means to French imperial resurgence. On the other side, opponents of the monopoly, such as the merchant Delattre and even Dupont de Nemours, similarly invoked national honor and the possibility of *revanche* against Britain. Louis Monneron, now the Assembly's deputy from the East Indies, took up this theme when the Assembly revisited the military evacuation of Pondicherry. Monneron argued that, by leaving Pondicherry undefended, the French nation was not only forsaking its responsibility to provide full protection of the law to *all* of its citizens, but also its national destiny to “play a large role” on the subcontinent at Britain's expense. Calling on the Assembly to bring “the glory” of the Revolution “to the far-reaches of Asia,” Monneron obtained a new

¹⁰² These themes are explored in Andrew Jainchill, *Reimagining Politics after the Terror: The Republican Origins of French Liberalism* (Ithaca, NY: Cornell UP, 2008); Whatmore, *Republicanism and the French Revolution*.

¹⁰³ AN, F¹² 652, “Mémoire sur l'état actuel des Manufactures en coton de France[sic], suivi de divers projets d'amélioration,” Pierre Laurens Daly, 1 September 1790.

garrison for Pondicherry in 1791.¹⁰⁴ Although revolutionaries faced the same fiscal constraints as their royal predecessors had, they revived French visions of empire in the East. This represented a decisive break with the policies of the last years of the Old Regime, which expressly asserted commercial interests in Asia over military ones.

As much as Duval d'Eprémesnil and his allies endeavored to prove otherwise, the rest of the Assembly followed the traditional, *revanchiste* opposition between companies and conquest. Revolutionaries perceived the evacuation and the *Nouvelle Compagnie* jointly as two exemplars of the Old Regime's total mismanagement of what remained of France's Indian empire.¹⁰⁵ The Company, as an idea and as an institution, existed at the expense of the military and the empire, regardless of its purportedly 'purely commercial' status. This primacy of commercial interests, established under Vergennes and Calonne, had paved the way for the demilitarization of the *comptoirs*. The Assembly's decision on the Company's monopoly reflected the understanding that privileges of this kind, no matter their original intent, only serve to "dilute sovereignty."¹⁰⁶ The idea that a small, ineffective, and largely symbolic trading company could be an adequate expression of French imperial power was now untenable: if France was to have an empire in India, it would be built by the French state and nation. The end of the Company's monopoly not only ended an Old Regime experiment in commercial empire, but also the idea that public and private interests could be entwined in matters of imperial governance.

¹⁰⁴ Louis Monneron, *Mémoire lu à l'Assemblée Nationale en faveur des colonies françaises, aux Indes, par M. Louis Monneron, député de Pondichéry* (Paris: Prault, 1790), 5: "jouer un grand rôle"; AD Gironde, C 4366, *A Nosseigneurs de l'Assemblée Nationale* (pc 83): "la gloire...jusqu'aux extrémités de l'Asie." See also Louis Monneron, *Réponses aux Objections contre le rétablissement de Pondichéry, présentées à MM. de l'Assemblée Nationale, par M. Louis Monneron, député des Indes orientales* (Paris: Potier de Lille, 1791). For the new garrison, see AN, F¹² 2618, law of 3 September 1791, which sent 600 infantry and 140 artillery to Pondicherry.

¹⁰⁵ For the role of the evacuation in discrediting Old Regime imperial policy, see Rapport, "Complaints lost in the wind."

¹⁰⁶ Blaufarb, *Great Demarcation*, 53.

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With the monopoly revoked, what was to become of the Company? Most observers agreed that the prognosis was not good. In late June 1790, the directors held a private consultation with several lawyers from the *Ordre des Avocats*, who, after reviewing the Company's incorporating act, agreed that the loss of the Privilege meant the suppression of the Company.¹⁰⁷ The Finance Ministry came to a similar decision, and as of July 1, they stopped reviewing the Company's books, corresponding with the Company's directors, and paying rent on the Company's *hôtel particulier* on the rue de Gramont.¹⁰⁸ Even if the society still legally existed, it was liable to face financial disadvantages due to the revolutionary sea change, namely the loss of all of the financial prerogatives Calonne had granted them, such as their tax-exempt status. The director Thomas-Simon Bérard painted a bleak picture at a shareholder meeting in July. In his view, the loss of their financial benefits, the imminent competition they would face from foreigners and French privateers, and the rising, revolutionary "decline in luxury" – as exotic, foreign goods were increasingly reviled in favor of domestic ones – rendered immediate liquidation their only viable financial option.¹⁰⁹

Throughout the summer of 1790, the directors prepared for the imminent dissolution of the Company. They fired many of their administrative staff, they ordered all their ships returned to Lorient, and all Indian Ocean agents were ordered to stop taking out loans in the Company's

¹⁰⁷ ANOM, 8AQ 323-324, *mémoire* of 11 June 1790; 8AQ 9, deliberations of 25 June 1790 (f° 122vo).

¹⁰⁸ *Collection générale*, v.5, 156-157, "Décret sur la liquidation de l'ancienne Compagnie des Indes" (14 August 1790); ANOM, 8AQ 313, deliberation of 16 Nivose an II; 8AQ 9, deliberation of 18 October 1790.

¹⁰⁹ ANOM, 8AQ 11, deliberations of 26 July 1790 (f° 26): "diminuation de luxe."

name.¹¹⁰ The directors sought to consolidate and minimize their outstanding financial commitments, so that the still-elevated share price would remain high in spite of their voluntary liquidation. If the Company instead attempted to trade to India in competition with other firms without the government concessions they had previously enjoyed, they risked their ultimate payout being ruined by administrative costs and investor apprehensions.¹¹¹

There were other possible advantages to liquidation. One of the elected shareholder *commissaires*, a Franco-Swiss banker named Barthélemy Huber, came up with a plan for the failing *Caisse d'Escompte* to buy out the *Compagnie des Indes* and sell off all its real assets. The *Caisse d'Escompte*, having been mined for loans by the monarchy for the past decade, faced imminent bankruptcy.¹¹² However, as it served an important financial service by furnishing heavily discounted loans to merchants and bankers alike, Huber (who already had his eye on public office) and others believed it was imperative to save it. The *Compagnie des Indes* already was, in Huber's estimation, in a state of *de facto* liquidation, but its still highly valued shares might still be useful to public finance.¹¹³ In that sense, his plan resembled Isaac Panchaud's idea in the 1760s, when he sought to convert the Law Company into a public bank.¹¹⁴ Others had more opportunistic schemes. One of them was the conversion of the Company into a so-called

¹¹⁰ The layoffs are visible in the Company's employment records in ANOM, 8AQ 330; 8AQ 9, deliberations of 11 June 1790 (f° 121).

¹¹¹ ANOM, 8AQ 11, deliberations of 27 August 1789 (f° 4).

¹¹² Between 1783 and 1787 alone, the *Caisse d'Escompte* was required to furnish the state with over 90 million in loans. Hardman, *Overture to Revolution*, 20, 102; Lüthy, *Banque Protestante*, v.2, 462.

¹¹³ AN, T 38, carton 1-2, "Pour mettre la Caisse d'Esc^{te} en état[...]"

¹¹⁴ In the Assembly, Duval d'Eprémesnil retrospectively denounced Panchaud's plan as the true cause – rather than bankruptcy – of the destruction of the Law Company. *AP*, v.12, 526 (2 April 1790), and Jean-Jacques Duval d'Eprémesnil, *Précis de l'opinion de M. d'Eprémesnil; concernant le commerce de l'Inde et le privilège de la Compagnie des Indes actuelle* (Paris: Vezard, 1790).

banque indienne, specializing exclusively in the highly profitable, yet highly illegal practice of ‘remitting’ illicit British fortunes back to Europe from India – an idea proposed by, among others, the great diplomatic intriguer, Charles-Maurice de Talleyrand.¹¹⁵

However, there was an obstacle in place of these proposed liquidation plans: they were now subject to the approval of the Company’s shareholders. In August 1789, in preparation for the coming battle in the National Assembly, Jacques Necker had permitted the shareholders to assemble to prepare for the coming political crisis, as had been done during the lobbying campaign of 1787. In that summer of revolutionary upheaval, the shareholders effected a minor revolution of their own. One day after the National Assembly’s adoption of the Declaration of the Rights of Man and the Citizen, they seized executive power over the Company from its directors and from the *Conseil d’État*. They were led by one of their elected *commissaires*, Charles-Joseph Le Cocq, who called on his fellow shareholders to adopt a declaration of rights of their own. In public, the shareholders had defended the Company by insisting that it was a republic of forty thousand shares, but in private, grievances needed to be aired about the manner in which the institution had been managed. Never, Le Cocq said, were shareholders as ignorant of their rights as they were, and the neglect of those rights under the Law Company’s administration had led in no small part to its downfall. The present Company’s shareholders had never consented to the royally-written statutes that now “enchained” themselves and their property. As the directors were appointed by the government, rather than the shareholders, their loyalty to the general interest of the assembled proprietors was highly suspect, as they had only ever given the shareholders weak proof of “their virtue.” In the eyes of the administration, Le Cocq argued, the rights of the shareholders were non-existent. Showing himself to be fluent in

¹¹⁵ Michel Poniatowski, *Talleyrand aux États-Unis: 1794-1796* (Paris: Presses de la Cité, 1967), 192-96.

revolutionary ideas of transparent governance, Le Cocq demanded that the directors “lift the veil” on the Company’s finances by placing the shareholders in command.¹¹⁶

The influence of the recent political events on Le Cocq’s thinking was made even more apparent by his justification of the shareholders’ right to executive power over the Company’s affairs. Just as Article 3 of the National Assembly’s declaration the day before had pronounced that sovereignty resided in the Nation, Le Cocq argued that sovereignty over the Company and its assets resided in the shareholders. To argue otherwise, he stated, would be to insist that a representative body, such as the Company’s administration or the National Assembly itself, “has more rights than its constituents.” The sovereignty of the shareholders, just like that of the nation, was inalienable regardless of the administrative structure governing it. Accordingly, the shareholders needed to establish a “preliminary constitution” declaring themselves sovereign over the firm’s capital and putting the company on a path that could ultimately obviate the need for the privilege at all.¹¹⁷ A company governed by its shareholders, bolstered by investor confidence, would have no need of the weak trappings of public legitimacy that had been furnished by the monarchy and the monopoly.

Following Le Cocq’s speech, the shareholders unanimously voted their own enfranchisement, and the directors duly bowed to “the general will” of their assembly. Le Cocq demanded the establishment of a permanent shareholder assembly that would meet a minimum of every three months. This new assembly would democratize its statutes such that voting rights would be granted to stockholders with fewer shares than previously required. However, and

¹¹⁶ ANOM, 8AQ 11, deliberations of 27 August 1789 (f° 4vo-6): “enchaîner votre propriété...leur vertu...lever le voile.” For the importance of transparency in revolutionary rhetoric, see Lynn Hunt, *Politics, Culture, and Class in the French Revolution* (Berkeley: University of California Press, 1984).

¹¹⁷ Ibid. (f° 5vo): “a plus de droits que ses constituans...constitution préalable.”

most importantly, Le Cocq ensured that the *procès-verbal* of their meeting, destined for review by Necker and the *Conseil d'État*, stated clearly that the shareholders, like the delegates of the nation, now also had the right to freely assemble and deliberate whenever they chose.¹¹⁸

After the revocation of the monopoly in April 1790, the reform-minded shareholders continued to elaborate this revolutionary conception of their rights, and it allowed some of them to envision a future for the Company despite the loss of their privilege. One of their leaders was Abel-François Caroillon de Vandeul, a former director of the *Domaines du Roi*, a real estate speculator, and the husband of none other than Marie-Angélique Diderot, the philosopher's only daughter.¹¹⁹ Caroillon de Vandeul agreed with Bérard that the society, as it had been constituted in 1785, ceased to legally exist, but this was ultimately for the better. The society that had been created by the ministerial *arrêt* of April 14, 1785 intended the complete suppression of the will of the shareholders, who were rarely convoked to do anything more than passively review the company's annual *bilan* or deliberate on a crisis, as in 1787, that they could no longer do anything to remedy. The Company's statutes had been written by the *Contrôle-Général* and the directors, who treated the shareholders as unequal *associés en commandite*.¹²⁰ However, the events of the past summer had transformed their status: not only their enfranchisement in the Company, but the Revolution itself. Caroillon de Vandeul explained that the shareholders'

¹¹⁸ In their report to Necker, the directors said that they had no authority to resist "la volonté générale" of the assembly, ANOM, 8AQ 14, letter to Necker, 27 Aug 1789 (f° 62vo). 8AQ 11, deliberations of 27 August 1789 (f° 6): "Le droit de nous assembler ne sera plus subordonné à la volonté de nos mandataires, et des ministres du Roi."

¹¹⁹ For biographical information on the marriage of the Diderot and Caroillon de Vandeul families, see Anne-Marie Couvret, *Répertoire numérique de la sous-série 2 E, articles 2 E 1 à 2 E 240: Fonds Diderot-Caroillon de Vandeul* (Chaumont: Archives départementales de la Haute-Marne, 1984).

¹²⁰ ANOM, 8AQ 11, deliberations of 12 April 1790 (f° 22-22vo). A draft of this speech by Caroillon de Vandeul appears in the family archives in AD Haute-Marne, 2E 132. Legally speaking, the *Nouvelle Compagnie des Indes*, like most French colonial trading companies of the period, was a *société en commandite par actions*. However, as Amalia Kessler has shown, in French jurisprudence of the day, the term *société en commandite* often implied an unequal (and illegal) leonine partnership, or *societas leonina*, in which the interests of one party dominated the interests of the other. See Kessler, *Revolution in Commerce*, 169-77.

claims were a logical outgrowth of the broader revolutionary climate: “it is only since the new order of things, that reestablished each citizen in his natural and political rights, that you, sirs, have been offered to take up the exercise of your own.”¹²¹ The Revolution, far from destroying the Company, offered the chance for its rebirth. The shareholders, like every citizen of the nation itself, were now called upon to claim their long-ignored rights.

Although the Company (and its predecessor) had long emphasized shareholder rights in order to make political claims, the French Revolution offered a new language in which to enunciate these rights and a new scale on which to enact them. According to Lynn Hunt, the Declaration of the Rights of Man “transformed everyone’s language virtually overnight,” and the clamorous shareholders of the *Compagnie des Indes* were no exception to this rule.¹²² Caroillon de Vandeuil’s speeches, for example, represented a distinct linguistic shift in how the directors and *commissaires* addressed the shareholder assemblies. In the past, the directors spoke of the importance of abiding by the *voeux* (wishes) of the King and his ministers, but they now spoke of deferring to the *volonté* (will) of the assembled shareholders. Similarly, they had once commonly used the term *notre Compagnie* in addressing the assemblies; however, following Le Cocq and Caroillon de Vandeuil, the directors increasingly began to use the term *votre* instead, indicating that the Company belonged to the assembled proprietors, not the board. This tendency towards shareholder primacy in the company’s affairs continued on a practical level as well. By the summer of 1790, there was a plan in place to eliminate the distinction between the directors

¹²¹ ANOM, 8AQ 11, deliberations of 12 April 1790 (f° 23): “c’est seulement depuis le nouvel ordre de choses qui a rétabli chaque citoyen dans ses droits naturels & politiques, qu’on vous à proposé, MM, de prendre l’exercice des vôtres.”

¹²² Lynn Hunt, *Inventing Human Rights: A History* (New York: W.W. Norton & Co, 2007), 133. Jean-Pierre Hirsch, *La nuit du 4 août* (Paris: Gallimard, 1978), 246-48 notes this linguistic change in the Company’s deliberations.

and the *commissaires* in order to formally equalize the appointed directors and the shareholders' elected representatives in order to destroy "all spirit of domination" in the administration.¹²³

However, the shareholders' revolutionary claims did not find favor with all of the directors. A group headed by Thomas-Simon Bérard, one of the comte de Vergennes' appointees to the Company, argued that the actions taken by the shareholders were illegal. Together with his allies (mainly Pierre Bernier and Claude-Denis Dodun among the directors, and Walter Boyd and the bank of Greffulhe Montz among the *commissaires*), Bérard argued that the *arrêt* forming the Company had been a binding contract between the directors, the shareholders, and the King. The directors, granted their positions by the *Conseil d'État*, held them through an irrevocable contract with the King and were responsible to no one but him and his ministers. In Bérard's view, the continual extension of the shareholders' authority undercut the directors' prerogatives.¹²⁴ For this faction, corporate governance was a matter of secrecy, not transparency. The *Compagnie des Indes* had been created as an apparatus of the absolute state, and the directors had the right to govern it accordingly.

In the face of the shareholders' claims, the pretensions of Bérard and his allies were becoming politically untenable, in part due to high-level corporate intrigue. Barthélemy Huber, having abandoned his plan for a buyout of the Company by the *Caisse d'Escompte*, joined the 'revolutionary' faction, and in mid-1790, he began to correspond actively with an old acquaintance in London: James Bourdieu. Since the planned cartel between the French and British companies had been squelched in 1786, and the Company's London agency was granted to his enemy, Charles Herries, Bourdieu had nursed a bitter grudge against Vergennes, Bérard,

¹²³ ANOM, 8AQ 11, deliberations of 2 August 1790 (f° 32): "tout esprit de domination." This plan was not ultimately adopted with the revised statutes of 1791, which retained a distinction between directors and *commissaires*, which were henceforth called *syndics*.

¹²⁴ ANOM, 8AQ 11, deliberations of 25 October 1790 (f° 46vo-47).

Calonne, and everyone else he perceived as complicit in his misfortune. In both his friendship with Huber and the revolutionary changes the Company was undergoing, Bourdieu saw a chance to reassert his own interests. He informed Huber that, when he had been fired as agent and replaced with Herries, it was rumored that Herries had agreed to offer the Company a 0.5% commission on insurance and bills of exchange to India – an impossibly low rate, which led Bourdieu and others to believe that there had been “a connivance in the Business” that likely profited Bérard himself.¹²⁵ A few months earlier, a pamphlet appeared suggesting that Bérard, who had a purportedly ‘tyrannical’ grip on the entire administration, was ensuring the distribution of artificially high dividends funded on borrowing – a practice well-known to the shareholders of the Dutch Company – in order to silence potential complaints against him.¹²⁶ These allegations emboldened the ‘revolutionary’ faction, leading a shareholder named Dumont to charge that the Company’s current *bilan* seemed to indicate severe, unaccounted financial losses. As such, the shareholders deserved a fair and transparent administration that could be held strictly accountable for the use and misuse of their property.¹²⁷

The showdown between the two factions occurred in late 1790. In late October, the directors, encouraged by Bérard, unilaterally voted to illegally collect their annual bonuses prior to the distribution of the shareholders’ dividends. Incensed by this move, the shareholders called

¹²⁵ AN, T 38 (3-7), Bourdieu to Huber, 3 August 1790 (pcs. 109-110).

¹²⁶ *Lettre à un Actionnaire de la Nouvelle Compagnie des Indes* (S.l.: s.n., 1789). For the Dutch use of this practice, see Jan de Vries and Ad van der Woude, *The First Modern Economy: Success, failure, and perseverance of the Dutch economy, 1500-1815* (Cambridge: Cambridge UP, 1997), 448-64.

¹²⁷ ANOM, 8AQ 11, deliberations of 2 August 1790 (f° 34). His speech was published as *Réflexions sur la situation présente des affaires de la Compagnie des Indes; & sur la nécessité d’examiner les opérations de son administration, par un Actionnaire*, located in AD Haute-Marne, 2E 133.

upon the directors to reverse their decision.¹²⁸ As Bérard hid behind his pretensions to the irrevocability of his office, Caroillon de Vandeul proceeded to demolish his claims. Bérard and his supporters were undermining the “regeneration” of the Company. Caroillon de Vandeul demanded that the directors swear an oath declaring that they recognized the Company as the property of its citizen-shareholders, who in turn had the right to be governed by representatives of their own choosing. The Company’s charter and royal statutes had been a placeholder: now that the shareholders’ rights had been reestablished, they were no longer in need of any laws and regulations given, in their absence, by the King. In response to Caroillon de Vandeul’s speech, the shareholders publicly affirmed their collective ownership of “their indivisible properties” and formally censured the directors for having acted without express authorization from the assembly.¹²⁹ This resolution was followed by the immediate resignations of Bérard’s allies Walter Boyd and Greffulhe Montz.¹³⁰

However, Bérard himself was not willing to walk away quietly. On November 8, 1790, the shareholders were informed that Bérard had not only refused to sign the previous assembly’s statement of their rights, but he had also defied the directors’ own pleas for him to give up his keys for the Company’s treasury. He stated that his access to the treasury was, if not a property right, a right inherent to his position as a director, and he stormed off with his remaining allies, Bernier and Dodun, to seek legal representation. Upon the announcement of this incident, the

¹²⁸ ANOM, 8AQ 11, deliberations of 20 October 1790 (f° 50), deliberations of 22 October 1790 (f° 50-50vo). As per the statutes of June 19, 1785, the directors were required to secure the payment of a 6% dividend before taking their own remuneration. They were entitled to 2% of the previous year’s sale dividends, to be divided among the twelve directors. This was in accordance with a French corporate practice that would later be called *tantièmes*, see Roger Constant, *Les Tantièmes d’Administrateurs de Sociétés Anonymes au point de vue civil et fiscal* (Paris: Recueil Sirey, 1931). My thanks to Miguel Artola Blanco for this observation.

¹²⁹ ANOM, 8AQ 11, deliberations of 25 October 1790 (f° 52vo-53): “régénération... la sanction [a été] donné à votre défaut par le Roi...leurs propriétés indivises.”

¹³⁰ AN, T 38 (3-7), Bourdieu to Huber, 31 October 1790 (pcs. 215-218). In this letter, Bourdieu asserts that Boyd had been disgusted with Bérard’s conduct for some time anyway.

Assembly ousted Bérard, Bernier, and Dodun from their positions as directors. The shareholders then authorized the remaining directors to obtain a court order forcing Bérard to surrender his keys to the treasury and barring him from the apartment in the Company's *hôtel particulier* in which he had always resided.¹³¹

Shortly after Bérard's ousting, the claims of financial malfeasance against him were seemingly substantiated. After his removal, Le Cocq called for a full investigation into Bérard's accounts, but the investigation was stymied when, several weeks later, the Company's *grand livre* was stolen. When a lieutenant from the court of Châtelet arrived to conduct a search of the premises, the odor of burnt paper was found to be emanating from a latrine on the third floor of the building. A workman was summoned to excavate the cesspool into which the latrine emptied, and he duly found the tattered and burnt remains of the *grand livre*'s cover.¹³² Whether it was a set-up or not, suspicion immediately fell on Bérard, as it was presumed that he had destroyed the *grand livre* in order to suppress evidence of his own misconduct. News of this event so offended James Bourdieu's haughty sense of financial propriety that he said the crime should "be deem'd felony & punishable by death."¹³³ Bérard's ally, the bank of Greffulhe Montz, assured their client Pierre Texier of Bordeaux that they could not fathom that Bérard was responsible for an act which, in their estimation, was ultimately futile, assuming the transactions could be reconstructed from the Company's other books. But, as proof that the Company's shareholder revolution had reached even the banks of the Garonne, Texier informed the bank that

¹³¹ ANOM, 8AQ 11, 8 November 1780 (f° 55-59). The Châtelet proceedings forcing Bérard to surrender the keys are also recounted in 8AQ 372, "Mémoire pour les citoyens Bérard et Dodun[...]," 23 January 1793, 18-19. They failed to bar him from the *hôtel*: he was still living there as of 22 March 1791 (8AQ 45). Thomas-Simon's brother and fellow director, Jean-Jacques, resided in Lorient and was uninvolved in Thomas-Simon's business; he himself had already resigned from the Company in 1789, as noted in 8AQ 330, Blondel to Paris administration, 7 November 1789.

¹³² ANOM, 8AQ 11, deliberations of 10 January 1791 (f° 71).

¹³³ AN, T 38 (1-2), Bourdieu to Huber, 31 December 1790 (pcs. 30-32).

if they refused to support his rights as a shareholder due to their connection with Bérard, he would take his portfolio elsewhere.¹³⁴

The fall of Bérard's "dictatorship," as Huber and Bourdieu came to refer to it, did not resolve the fundamental question of whether the Company would survive and in what form.¹³⁵ Caroillon de Vandeul and his allies had agreed with Bérard that the existing society was now defunct. But what kind of company – and what system of corporate governance – could replace it? Both Caroillon de Vandeul and Huber concurred that the shareholders' seizure of power had created a crisis of authority that other revolutionaries of the period would also face: how to balance the rights of the many with the necessity of a stable administration? Though some radically proposed abolishing the title of "director" altogether in order to underscore the inherent equality of all of the *intéressés*, few really thought that total democracy, with each shareholder furnished with the ability to veto any given decision, was a sustainable solution.¹³⁶ Within a month of Bérard's removal, Caroillon de Vandeul spoke to the newly sovereign assembly about the necessity of placing limits on their own power. If the shareholders intended to continue as an operational trading company, directors could not be ousted without cause, and the number of shares required for admission to assemblies would have to be set at a level that encouraged participation, without promoting instability.¹³⁷ However, as of yet, there was no clear indication that the Company would survive at all.

¹³⁴ AN, 61AQ 52, Greffulhe Montz to Texier, 8 January 1791, 133-135; 61AQ 95, Texier to Greffulhe Montz, 7 December 1790. As with other early modern French firms, the Company's accounts were kept in triplicate, in a *grand livre*, a *journal de caisse*, and a *brouillon* (ledger, journal, and daybook), see *Dictionnaire historique de la comptabilité publique vers 1500-vers 1850* (Rennes: PUR, 2010), 64, 227-228, 248-251.

¹³⁵ AN, T 38 (3-7), Bourdieu to Huber, 12 November 1790 (pcs. 199-200).

¹³⁶ ANOM, 8AQ 11, deliberation of 2 August 1790 (f° 32); AN, T 38 (1-2), "Idées sur la re-composition de la Cie des Indes (pc 277), undated, in Huber's hand.

¹³⁷ ANOM, 8AQ 11, deliberation of 6 December 1790 (f° 64, 67-67vo).

While Caroillon de Vandeul and Le Cocq had been the ideologues of shareholder rights, the question of the Company's survival was principally in the hands of the far more pragmatic Barthélemy Huber, who, with some guidance from his co-conspirator Bourdieu, devised the groundwork of the Company's revitalization. The existing company was unquestionably defunct and in a state of *de facto* liquidation. But for Huber, this offered the promise of constructing, as Bourdieu described, "a new Company, totally unconnected with the present [one]," and thus free from its many administrative problems.¹³⁸ The defunct Company may have been conceived as apolitical and 'purely commercial,' but in practice, its many constitutional roles subjected it to constant interference by the ministry and other royal officials. Now, the revocation of the monopoly and the National Assembly's benign neglect as to the Company's internal affairs now seemingly foreclosed that concern. As a result, this 'new' corporate regime would provide more secure returns on investment: it would be at liberty to pay dividends without obstructions that often threatened to delay or deny disbursements. Whereas "the old organization erred by a despotic system...[the] new organization has severed the root of these evils."¹³⁹ The recasting of the Company as a totally private firm was more than the shareholders of the Law Company had ever dreamed of: when their monopoly had been revoked in 1769, there had never been any question of the society reforming as a private company. Huber did not hesitate to explain why such a transformation – impossible in 1769 – was now thinkable. "The circumstances of the revolution" would permit them to create "a new Company, independent of Government," built

¹³⁸ AN, T 38 (1-2), Bourdieu to Huber (pcs. 58-61).

¹³⁹ AN, T 38 (1-2), "Idées sur la re-composition de la Cie des Indes (pc 277): "l'ancienne organisation pechoit, par un système de despotisme...[la] nouvelle organisation a coupé la racine de ces maux."

not by ministerial will, but from the combined wills of the shareholders.¹⁴⁰ The National Assembly's repeal of the privilege had granted its "total freedom."¹⁴¹

Modern assessments of 'revolutions' in shareholder governance stress that shareholder control of companies can have profound – and often short-sighted – effects on how a company invests its capital.¹⁴² In some sense, this was no less the case with the reforms of the *Compagnie des Indes*. From 1791 onwards, it was decided that the customary *gratifications* would not be accorded to all employees equally as had been done under the *ancien régime*. Rather, all employee compensation would be awarded by the shareholders after evaluating the performance of each individual employee. Employees were to be incentivized to perform for the Company, rather than compensated indiscriminately for their work. Cutbacks had to be made in terms of the Company's Parisian *siège social*, as well. As the state was no longer paying their rent, they could no longer afford to stay in the opulent *hôtel de Chalabre* on the rue de Gramont. For this reason – as well as the need to evade their continued roommate, Bérard – they relocated to the far more affordable location at no. 9 place Vendôme.¹⁴³ With their own returns on investment at stake, the shareholders imposed a new regime of frugality and cost-cutting.

This restructuring extended to their presence in the Indian Ocean. The Company, having never really been designed for the business of empire to begin with, now abandoned all pretense

¹⁴⁰ AN, T 38 (1-2), "Idées sur la re-composition de la Cie des Indes (pc 277): "les circonstances de la revolution...une nouvelle Compagnie, independante du Gouvernement."

¹⁴¹ AN, T 38 (3-7), undated draft speech by Huber (pc 165): "le moment où, par le retrait de votre privilege, le Gouvernement vous a rendu votre entière liberté."

¹⁴² For an overview, see Jonathan GS Koppell, "Shareholder Advocacy and the Development of the Corporation: The Timeless Dilemmas of an Age-Old Solution," in *Origins of Shareholder Advocacy*, ed. Jonathan GS Koppell (New York: Palgrave Macmillan, 2011), 6-8.

¹⁴³ For employee compensation in Paris, see ANOM, 8AQ 11, deliberations of 10 January 1791 (f° 71vo); for similar regulations implemented in Lorient, see 8AQ 25, Paris to Lorient administration, 14 October 1792 (f° 64-66). Documents pertaining to the Company's move to the Place Vendôme are located in 8AQ 329, *passim*.

of it. While they planned to continue trading operations in Canton, Bengal, and Pondicherry, they closed the *comptoirs* at perennially unprofitable Mocha and Mahé – the latter now in the midst of the Third Anglo-Mysore War. Unlike in the 1780s, the Navy no longer had the authority to force them to maintain *comptoirs* anywhere. The shareholders also reformed the Company's buying practices in light of revolutionary developments. In spring 1792, upon knowledge of the revolts in Saint-Domingue and the proposed abolition of the slave trade in Great Britain, the directors dispatched instructions to their overseas agents informing them that, since the abolition of the slave trade was imminent among "all commercial nations," they had no further need of goods traditionally used in the trade, such as cowry shells or *guinées*.¹⁴⁴

The Navy's lack of authority over the Company, and the relatively limited military presence on the subcontinent, even after the reinstatement of troops in Pondicherry in 1791, meant a concrete separation between the Company and the state. Never again, Huber observed, would they be forced to finance "disadvantageous operations" such as the sovereignty costs of the *petits comptoirs* in Bengal or military exploits like the failed Trinquemalay expedition.¹⁴⁵ Moracin, now back in Paris, recognized that his successor would not face the same government-imposed financial burdens that he did, and as a result, he was keen to preserve and extend the relations he had cultivated on behalf of the Company with their Tamil contractors. Upon his insistence, the administration sent gifts to Nayinathai Mudaliar and Anana Pillai to thank them for their years of loyal service and encourage them to continue their dealings with the

¹⁴⁴ ANOM, 8AQ 15, Paris administration to Moncrif, 12 May 1792: "les marchandises ci devant employées à la traite des noirs, traite qu'il paraît que toutes les nations commerçantes s'occupent d'abolir à une époque plus ou moins rapprochée."

¹⁴⁵ AN, T 38 (1-2), "Idées sur la re-composition de la Cie des Indes (pc 277): "opérations desavantageuses."

restructured company.¹⁴⁶ The reports from Bengal, however, were not as encouraging. Sanson and Deonna, now also back in Europe after fleeing the Chandernagor insurrection, privately gave Caroillon de Vandeul a discouraging prognosis for the Company's activities there, which now consisted of a single trading house in Calcutta, operating *sous le bon plaisir* of Cornwallis, which if revoked, would spell the end of their interests in Bengal.¹⁴⁷ Caroillon de Vandeul, however, seems to have paid little heed to their warnings, as he was soon given news from his colleague Huber that seemed to render them void.

Above and beyond the other advantages the restructured company would now enjoy, the company's emancipation from government oversight meant that they could now seriously entertain a notion that the King's ministers had expressly forbade them: the formation of a consortium with their British counterparts. Bourdieu wished to rekindle his dream of an Anglo-French East India cartel, and he quickly won Huber over to his position with the promise that they would share in the commissions that his firm might reap. Bourdieu promised Huber that "there was never a time so propitious to a French Comp^e to trade to India, as the present."¹⁴⁸ The British Company, now engulfed in their third war with Mysore in twenty years, did not have the resources it once did to obstruct French traders, and it certainly could not afford to pass up "a good sum" if offered to them. On behalf of the French Company, Bourdieu secured – with the diplomatic assistance of, some allege, Talleyrand – an appointment with the Court of Directors in

¹⁴⁶ ANOM, 8AQ 313, deliberations of 28 and 30 December 1791.

¹⁴⁷ AD Haute-Marne, 2E 132, "Memoire sur le commerce du Bengale," December 1791, by Sanson and Deonna (dossier 22).

¹⁴⁸ AN, T 38 (1-2), undated letter from Bourdieu to Huber (pcs. 432-433), "Idées sur la re-composition de la Cie. des Indes," (pc. 277), Bourdieu to Huber, 10 August 1790 (pcs. 25-26).

January 1791 to reopen negotiations.¹⁴⁹ The British directors were baffled at the prospect – how could an institution purporting to call itself the French East India Company make such overtures without the permission of their government? As a result, Bourdieu reported despondently that the British seemed to demand state sanction as a *sine qua non*, regardless of the Company’s avowedly ‘independent’ status.¹⁵⁰ Nonetheless, Huber was confident enough of British interest in the plan to write in August to his good friend William Eden, now Lord Auckland, that he was likely to be in London in September “on the East India Company’s concerns.”¹⁵¹

On May 23, 1791, the interim directors formally outlined this case for continuation to the shareholders. To create the new company, the shareholders, in their last act of direct democracy, would vote individually – with each share corresponding to a single vote – on whether to continue operations in a restructured corporate form by having each of their individual shares stamped with the word *continuation*.¹⁵² Bourdieu assured Huber that “when it is known you are negotiating a treaty [with the British]...none of the present actions will remain unstamped,”¹⁵³ and his prediction proved accurate. By late August, 38000 shares out of 39970 had voted for continuation, and the drafting of the new association’s statutes began.¹⁵⁴ The new statutes would

¹⁴⁹ Poniatowski, *Talleyrand*, 196-97. This claim is slightly problematic, as Poniatowski insists that Talleyrand was working with the support of Warren Hastings, who was not only on trial at the time, but also an opponent of Bourdieu’s plan in 1785 (see Chapter 3).

¹⁵⁰ AN, T 38 (1-2), Bourdieu to Huber, 14 January 1791 (pcs. 43-45); Bourdieu to Huber, 20 May 1791 (pcs. 468-469).

¹⁵¹ BL, Add MS 34439: Huber to Auckland, 1 August 1791 (f° 4vo). As per ANOM, 8AQ 25, Paris to Lorient administration, 18 November 1791 (f° 5), the new directors demanded the review of all documents from Augustin Périer, the Company’s liaison to the British in 1785.

¹⁵² AN, T 38 (1-2), “Idées sur la re-composition de la Cie des Indes (pc 277).

¹⁵³ AN, T 38 (1-2), Bourdieu to Huber, 11 February 1791 (pc. 137).

¹⁵⁴ ANOM, 8AQ 11, deliberations of 23 May 1791 (f° 81vo-82vo) and 22 August 1791 (f° 87-87vo). Shareholders who voted against continuation by failing to stamp their shares would have their shares reimbursed at the present price, but never again receive interests or dividends.

reflect the principles of the Company's shareholder revolution by duly recognizing, as the director Jacques Bézard explained, that it was "by a single act of your will" that the Company continued to exist.¹⁵⁵ The statutes of 1791 placed oversight and transparency at the core of their mission. Shareholder assemblies were to be held a minimum of twice a year, and the directors and *commissaires* (now called *syndics*) would be elected by direct vote and could be deposed with a three-fourths majority. Although still requiring a level of investment prohibitive to the average Parisian, the statutes were further democratized, requiring only fifty shares to participate in assemblies.¹⁵⁶ The position of president of the board would rotate between its members, and all correspondence and bills of exchange would be henceforth counter-signed by multiple directors to avoid another fiscal 'tyranny' like Bérard's. In order to further tempt and assuage their British counterparts, the statutes also reaffirmed the society's exclusive commitment to commercial operations and explicitly disavowed territorial conquest and sovereignty in India. They were formally adopted in late 1791 as Balthazar-Elie Abbema, a Dutch patriot refugee with strong Revolutionary sympathies, presided over the shareholder assembly.¹⁵⁷

However, there continued to be one obstacle in the society's path: Thomas-Simon Bérard, who sued the Company in 1792 with his allies Dodun and Bernier.¹⁵⁸ They continued to argue

¹⁵⁵ ANOM, 8AQ 11, deliberations of 22 August 1791 (f° 87vo): "par un seul acte de votre volonté."

¹⁵⁶ Prior to 1789, participation required 200 shares (for which the owner would receive two votes). In 1789, on Le Cocq's initiative, the requirement had been reduced to 100 shares for one vote. See ANOM, 8AQ 11, deliberations of 28 August 1789 (f° 8). Even at the reduced number of 50, the investment that would have been required as of December 19, 1791, the final date of the statutes' ratification, would have been over 75,000 *livres tournois*.

¹⁵⁷ All from: AD Haute-Marne, 2E 133, *Statuts et Réglemens pour la Continuation du Commerce de la Nouvelle Compagnie des Indes* (Paris: Lottin, 1791). On Abbema's establishment in France, see G.J. Schutte, *De Nederlandse Patriotten en de koloniën: een onderzoek naar hun denkbeelden en optreden, 1770-1800* (Groningen: H.D. Tjeenk Willink, 1974), 97, and Michael Rapport, *Nationality and Citizenship in Revolutionary France: the treatment of foreigners, 1789-1799* (Oxford: Clarendon Press, 2000), 125. He resigned from the Company in 1792.

¹⁵⁸ Bourdieu confessed to Huber that he did not understand why Dodun and Bernier supported Bérard, but that he knew the latter "[could] not withstand the temptation of money" (AN, T 38 (3-7), Bourdieu to Huber, 31 October

that the company created in 1785 was formed by a civil contract between the King and the directors, in whom executive power over the Company was invested exclusively – and in perpetuity. As a result, the underlying contract – and the property rights it entailed – had not been invalidated by the revocation of the monopoly. Therefore, the ousted directors were still entitled to the emoluments of their positions. Declining to use the rather more rights-bearing term of *actionnaire*[shareholder], Bérard, Bernier, and Dodun’s lawyers regarded their removal by the Company’s *porteurs d’actions*[bearers of shares] as incompatible with the society’s foundational contract.¹⁵⁹ The upshot was that, if their dismissal was illegal, the new Company would owe the three directors payment for their continued ‘services.’¹⁶⁰ Bérard and his allies thus insisted that their directorial positions were sacred and inviolable property rights.

The shareholders’ attorneys, however, made a different revolutionary argument. They claimed that the revocation of the monopoly had instantaneously nullified the *arrêt* of 1785, and that the stakeholders in the *new* society, founded on principles completely distinct from the old, had every right to oust Bérard and his allies for failure to represent their interests. The new society was not an inequitable *société en commandite*, but rather a society “of equal *Intéressés*,” meaning that the shareholders and directors were equal in rights and prerogatives.¹⁶¹ Since Bérard and his allies had been justifiably ousted for misconduct, they could not claim title to the fruits of their successors’ labor. To permit them to do so would be a violation of “the essential

1790 (pcs. 215-218)). Bernier died in mid-1791 before the lawsuit was filed, but the claims were taken over by his widow and heirs, see ANOM, 8AQ 371, “Précis pour les Veuve et Héritiers du Sieur Bernier[...].”

¹⁵⁹ ANOM, 8AQ 372, “Mémoire pour les citoyens Bérard et Dodun.”

¹⁶⁰ This included the payment of *jetons de présence* for attendance at board meetings, a form of French corporate remuneration that began during the Old Regime, see Etienne-Désire Michel, *Les Jetons de Présence et leur régime fiscal* (Paris: Recueil Sirey, 1934). Again, my thanks to Miguel Artola Blanco.

¹⁶¹ ANOM, 8AQ 372, “Observations détachées sur les prétensions de M. Bérard”: “des Intéressés égaux.”

property rights [that] have been recognized and applied generally throughout the Kingdom” since the Revolution.¹⁶² The ‘privilege’ that Bérard, Bernier, and Dodun claimed to hold over the Company assets was thus – as the Company’s monopoly had been – illegitimate. However, the Company’s attorneys found themselves unable to fight the terms of the incorporating *arrêt* of 1785, as shown by the verdict rendered in the case by the Tribunal of the First Arrondissement in February 1793. This court found that Bérard, Bernier, and Dodun, as appointed government officials – not unlike the venal officeholders whose property the National Assembly had been so careful to protect in 1789 – were entitled to collect their dues, as per the terms of this enforceable contract, as long as the society legally existed.¹⁶³

However, on appeal, the Company changed their argument. There was no point trying to fight the internal logic of the *arrêt* of 1785, when the shareholders had a far more politically salient argument on their side: their own inviolable sovereignty, something which the political events of the previous few years had shown to be incapable of being undermined by any extant legal precedent. Bérard’s claims, the Company argued, were founded in an unjust – and untimely – appeal to the despotic authority of the old regime:

Is it even believable that, at this time, one could invoke *arrêts* of the Council? Invoke a regime guilty of arbitrary rule? And invoke it even when the Government itself has renounced it, when a decree has suppressed it, and when the administrators themselves have recognized its radical vices, when they have accepted another [regime], when they have accepted the positions offered to them by the shareholders[?]...To lose the case of

¹⁶² ANOM, 8AQ 372, “Observations détachées[...]”: “les droits essentiels de toute propriété [qui] ont été reconnus et généralement consacrés dans le Royaume.”

¹⁶³ ANOM, 8AQ 371, “Au Nom de la Nation, le Tribunal du Premier Arrondissement du Département de Paris, a rendu le Jugement suivant,” 7 February 1793. The verdict meant that Bérard and his allies were still legally considered administrators of the *previous* society, whose accounts remained in liquidation. The new society incorporated by the statutes of November 1791 was considered separate, meaning that Bérard’s lien could not apply to their earnings.

the *Compagnie des Indes* would be to deny good sense, principles, & the French Revolution.¹⁶⁴

The political implications were clear: the governance of the Company was an allegory for the governance of the state. To defend Bérard's perpetual rights of compensation "without the concurrence of the shareholders" was a nothing less than a defense of administrative absolutism.¹⁶⁵ Armed with these revolutionary claims, the Company obtained the reversal of the First Arrondissement's judgment on appeal to the Tribunal of the Second. This development was stunning, not so much due to the facts of the case, but the timing: as will be seen in the subsequent chapter, the verdict was handed down in early brumaire an II, just as the Convention was taking aim at the Company for very different political reasons. The Tribunal, unmoved by these external events, supported the Company's claims to its own sovereignty and declared that the shareholders, having legally ousted Bérard and his allies in November 1790, could not be lawfully forced to "entrust their property to administrators they did not choose."¹⁶⁶

The Company had thus not only made peace with its Revolutionary climate: it appeared to be prospering in it. The Paris *Caisse Patriotique*, a revolutionary bank generally renowned for its reliability and fraud-free operations, remained heavily invested in the *Compagnie des Indes*

¹⁶⁴ ANOM, 8AQ 371, "Apperçu du Procès de la Comp^{ie} des Indes contre les Srs. Bérard, Dodun, & la Ve. Bernier": "...est-il bien croyable que, dans ce moment, on puisse invoquer des arrêts du Conseil? Invoquer un Régime en faut de l'autorité arbitraire? Et l'invoquer encore quand le Gouvernement lui même y a renoncé, quand un Décret l'a supprimé, et quand ces Administrateurs eux mêmes ont reconnu ses vices radicaux, quand ils en ont accepté un autre, quand ils ont accepté les places que leur offraient les actionnaires[sic]...Faire perdre le procès de la Compagnie des Indes, ce serait de faire perdre au bon sens, aux principes & à la Révolution française."

¹⁶⁵ ANOM, 8AQ 372, "Observations détachées[..]": "sans le concours des Actionnaires."

¹⁶⁶ ANOM, 8AQ 371, "Jugement rendu par le tribunal du deuxième arrondissement du département de Paris," 5 brumaire an II, 41: "confier leurs biens à des administrateurs qu'ils n'ont pas choisis." The terms of the case *did* however require the Company to pay Bérard, Bernier, and Dodun for any outstanding earnings or dividends that were supposed to be paid prior to their destitution in November 1790.

into at least late 1792.¹⁶⁷ Bérard's erstwhile allies in the Parisian bank of Greffulhe Montz continued to regard the *Compagnie des Indes* as the gold standard of investments, and as their books reveal, they continued to fill the portfolios of their most elite clients with its shares into the Revolutionary decade.¹⁶⁸ And, coinciding with a highly public and contentious feud between Barthélemy Huber and Étienne Clavière, who were rivals for public financial office, the latter's brother continued the family business of bear market speculation in the *Compagnie des Indes*, indicating that the revolutionary *Bourse* was still subject to not only the same volatile attributes as the pre-revolutionary period, but also that the financial war of the bulls and the bears continued to have ample political dimensions.¹⁶⁹ The Company also gradually re-earned the trust and partnership of the disillusioned Lorientais. The revolutionary directors executed a *coup de main* in hiring Philippe Bondeville, a powerful Lorientais merchant and revolutionary municipal officer – who had served as a Commerce deputy lobbying against the Company in 1789 – as their executive director in Brittany.¹⁷⁰ Now reduced to the status of a private corporate citizen, the Company and its tenacious home port made a cautious peace with one another.

Thus, the Company emerged from its revolutionary trials comparatively unscathed. The Company had not only survived without its monopoly, but restructured in a profound and

¹⁶⁷ For a description of the operations of the *caisses patriotiques*, see Eugene N. White, "Experiments with Free Banking during the French Revolution," in *Unregulated Banking: Chaos or Order?*, ed. Forrest Capie and Geoffrey E. Wood (Houndmills: Macmillan, 1991), 137-39 and François Crouzet, "Politics and banking in revolutionary and Napoleonic France," in *The State, the Financial System, and Economic Modernization*, ed. Richard Sylla, Richard Tilly, and Gabriel Tortella (Cambridge: Cambridge, UP, 1999), 31. The record of the Paris *caisse patriotique*'s investment in the Company is in ANOM, 8AQ 331, "Etat des actions du dehors présentés pour être annulées aux termes de la délibération des actionnaires du 16 8bre 1792."

¹⁶⁸ Guy Antonetti, *Une Maison de Banque à Paris au XVIIIe siècle: Greffulhe Montz et Cie (1789-1793)* (Paris: Éditions Cujas, 1959), 187-88. Their continued investments are discussed in AN, 61AQ 51-52, *passim*.

¹⁶⁹ References to their feud appear in AP T38, *passim*, T646 (2-3), *liasse* 74; BL, Add MS 34440-41, *passim*.

¹⁷⁰ Bondeville's tenure as a lobbyist is described in Le Bouëdec, "Delaville Leroux," 317. He was hired as a director of the *Compagnie des Indes* as per ANOM, 8AQ 16, Paris administration to Bondeville, 23 November 1790. For his activity as a municipal officer in Lorient during the Revolution, see AN, AF II 126, registre 966, item 2, "Extrait des Registres de Délibérations du Conseil-Général du Département du Morbihan," 3 June 1793.

transformative way. The destruction of the monopoly, as the Company's reform-minded directors had observed, paradoxically served them well. The Revolution finally put an end to the Company's own unsatisfactory corporate constitutional bargain with the monarchy. The Company was no longer an "affair of state," which is precisely what the majority of its directors – to say nothing of those of its ill-fated predecessor – had desired all along. Within a few short years, the Company had been transformed from an early modern public-private partnership into an entirely private institution: what the Law Company died trying to become. In doing so, the Company showed itself to be not a static, immovable Old Regime institution, but rather a dynamic, adaptive, and revolutionary one.

It was the French Revolution itself that made this transformation both thinkable and possible. While some commercial *sociétés de capitaux* under the Old Regime may have served as "(unintended) laboratories of democracy" by instructing their members in participatory government, as a state-controlled institution, the *Nouvelle Compagnie des Indes* had not been a part of it.¹⁷¹ As such, the Company had good reason to publicly re-baptize itself, like it had done to the *Ravensworth* and the *Lansdowne*, as a revolutionary institution in order to cement its newfound legitimacy. Since revolutionaries sought to establish property as the backbone of their new society, it should not be surprising to find the language of the Revolution deployed by proprietors – and successfully – in defense of their rights. Although it cost them their monopoly, the Company's leaders largely came to embrace the Revolutionary "demarcation" between public authority and private property, as it allowed the shareholders total financial autonomy, allowing them to repudiate the financial, diplomatic, and imperial responsibilities that they had

¹⁷¹ Kessler, *Revolution in Commerce*, 186-87, drawing on David Bien, "Old Regime origins of democratic liberty," in *Interpreting the ancien régime*, ed. Rafe Blaufarb, Michael S. Christofferson, and Darrin M. McMahon (Oxford: Voltaire Foundation, 2014).

always resented.¹⁷² If public authorities wanted to entirely reclaim the ‘business of empire’ as their prerogative, the financially-minded shareholders had no desire to stand in their way.

The French Revolution, which is often regarded in hindsight as an economic disaster, thus seemed at its inception – not only to liberal-minded revolutionaries, but to some contemporary economic actors, such as financiers and bankers themselves – to be a period of economic renewal and opportunity. The Company’s Parisian counterpart, the *Caisse d’Escompte*, went through a similar transformation: having faced bankruptcy in 1790, its directors and shareholders were similarly delighted and rewarded for being relieved of their public financial duties by the National Assembly.¹⁷³ Revolutionary euphoria could be experienced not only on the streets and in the assembly halls, but in the boardrooms and on the *bourse* as well. The history of the origins of French corporations is highly underdeveloped compared to its British and Dutch counterparts, largely due to the all-too simplistic view of French economic life as somehow ‘backward.’¹⁷⁴ This perspective is transformed by emphasis on the actions of individuals and shareholders who sought to transcend the state frameworks imposed upon them. In one of his many letters, James Bourdieu wrote to Huber to that, in his view, “Paris is the place to make money, & England is the country to enjoy it.”¹⁷⁵ This is not exactly a statement one would expect from a London banker – then, now, or ever – but from a strictly financial perspective, a French East India Company emancipated from government

¹⁷² Blaufarb, *Great Demarcation*.

¹⁷³ As discussed in Robert Bigo, *La Caisse d’Escompte (1776-1793) et les Origines de la Banque de France* (Paris: Presses Universitaires de France, 1927), 211-212, 217.

¹⁷⁴ Accounts of the ‘formation’ of the modern company tend to omit discussions of France entirely, for instance, Gelderblom et al, “Modern Corporation.” For more critical reflections on this tendency, see Reza Dibadj, “*Compagnie des Indes: Governance and Bailout*,” in *Origins of Shareholder Advocacy*, ed. Jonathan GS Koppell (New York: Palgrave Macmillan, 2011), and Adams, *Familial State*.

¹⁷⁵ AN, T 38 (1-2), Bourdieu to Huber, 31 December 1790 (pcs 30-32).

oversight and free from sovereign expenses in India must have seemed a lucrative investment in contrast with its British counterpart, which had lost its regulatory freedom with Pitt's India Act and had seen its bottom-line drained by costly imperial wars. The supposedly 'democratic' British Company might not have appeared quite so democratic to its shareholders anymore: the French Company offered a financial opportunity that the British no longer could.¹⁷⁶

The Revolution also transformed, or perhaps, simply reasserted previously held economic ideas about the Franco-British relationship. The episode of the *Ravensworth* and the *Lansdowne* demonstrates the extent to which the problematic nature of Franco-British exchange remained part of the revolutionary psyche, and indeed, how revolutionary discourse could (and increasingly did) regard them as a form of *lèse-nation*. Revolutionary economic debates, including those on the Company's monopoly, represented a distinct turn from the visions of Anglo-French collaboration and reciprocity that predominated at the time of the Company's formation and the Eden Treaty. By 1789, those experiments were universally recognized (if not always correctly) as economic failures by the Old Regime, and in their place, *revanche* and rivalry again became the dominant political discourse.¹⁷⁷ Even Dupont de Nemours, the ideological architect of the Eden Treaty, could not help but trumpet his own purported military ambitions in India in the Assembly in a moment of curiously Physiocratic militarism. However, the story of non-state actors and private individuals is different. Among them, collaborative schemes between the two nations, or the two companies, continued to be viewed as potentially desirable during the Revolutionary decade – even though those plans were being forged, unbeknownst to their authors, on the brink of a lasting and destructive war.

¹⁷⁶ Philips, *East India Company*, 3, 34; Furber, *John Company at Work*, 61.

¹⁷⁷ For an account of revolutionary discontent with the Eden Treaty, see Walton, "Fall from Eden," 52-56.

Despite Huber and Bourdieu's best efforts, the British East India Company never consented to the consortium the French proposed. Bourdieu surmised that this was owing to the fact that the Court of Directors never quite grasped that the new *Compagnie des Indes* was a completely private institution, and since most of its members had "the vulgar prejudices respecting the situation of France," they were hesitant to enter into an arrangement with their counterparts on the other side of the Channel.¹⁷⁸ Notwithstanding this setback, one can hardly blame Huber and his allies for retaining a starry-eyed vision of the new Company's future. In its *bilans* of 1792 and 1793, the Company posted revenues as impressive as during the monopoly years. They even had an expedition of six ships – their largest since 1789 – planned for dispatch at the start of 1793. And although ideas of revolutionary economic regeneration insisted upon the repudiation of the consumption of luxury, Asian products, this much-heralded threat proved to be illusory, as the company's sales of 1790 and 1791 yielded returns commensurate with or above pre-revolutionary figures.

Thus, Barthélemy Huber, one of the principal architects of the turnaround that transformed the tattered relics of an *ancien régime* institution into something resembling a modern, private corporation, could boast in October 1792 to his dear friend, Lord Auckland, that in spite of the machinations of his often greedy colleagues, the *Compagnie des Indes* remained "the only safe establishment and investment of one's property in France, because independent of Government, though not of robbers."¹⁷⁹ Unfortunately for Huber, this streak of luck was about to end, and soon the Company would be independent of neither.

¹⁷⁸ AN, T 38 (1-2), Bourdieu to Huber, 14 January 1791 (pcs. 43-45); Bourdieu to Huber, 20 May 1791 (pcs. 468-469).

¹⁷⁹ Eden, *Correspondence*, v.2, 451.

Chapter 7

Notes on a Scandal: Money, Sovereignty, and the Fate of the *Compagnie des Indes*

Le Tigre, le Gange, l'Indus, la Société, and l'Euphrate were selected as the names for the five ships of the *Compagnie des Indes*' 1793-1794 expedition.¹ As with the revolutionary rechristening of the *Ravenworth* and the *Lansdowne*, the Company now expunged all traces of royalty from its fleet: names such as *la Reine, le Dauphin, and le Comte d'Artois* were supplanted by homages to the Revolution or to major geographic landmarks in the East (here, the Tigris, Ganges, Indus and Euphrates Rivers). However, these five ships were never launched. The overthrow of the French monarchy on August 10, 1792 accelerated the path to war with Britain, which was declared in the aftermath of Louis XVI's execution in January 1793. The declaration of war put a final end to the many visions and experiments of cooperation and reciprocity that had proliferated between the two global-imperial powers – and their trading companies – in the past decade, including the now independent, reestablished Company's recent efforts to collaborate with their British counterpart. Claiming to be headed to London on urgent Company business, the principal architect of that plan, Barthélemy Huber, emigrated in late summer 1792.² The naval war with Britain meant that the Company's trade was constantly threatened by seizure, and its directors suspended operations in Asia indefinitely.

As these revolutionary events unfolded, the *Compagnie des Indes* remained a focal point of political tensions in Parisian, Revolutionary politics, and this time, the conflict it created would prove its final undoing. This happened by way of a dramatic corruption scandal during the Terror whose causes, consequences, and participants remain, in large part, a historical

¹ ANOM, 8AQ 223, Paris to Lorient administration, 5 September 1792.

² ANOM, 8AQ 25, Paris administration to Huber, 31 December 1792 (f° 81-83). The dossier pertaining to his emigration and the “affaires particulieres et instantes” that drew him to London on the Company's behalf is located in AN, F⁷ 5636.

mystery. It is unquestionable that certain Jacobin deputies in the National Convention sought to speculate in the shares of the *Compagnie des Indes* in summer 1793, and when their actions helped bring about the state-directed liquidation and dissolution of the Company, some of them (probably) took bribes from its directors in exchange for legislative favors. When the affair was uncovered by the Revolutionary government, it was spun into allegations of a vast, ‘Foreign Plot’ in which corrupt deputies, financiers, and enemy powers conspired against the Republic. This ‘plot’ subsequently formed the judicial basis of the Committee of Public Safety’s attack against two factions that challenged its rule during the Terror: the extreme leftist *Hébertistes*, under the journalist Jacques-René Hébert, and more famously, the moderate *Dantonistes*, the followers of the powerful deputy Georges-Jacques Danton. The Committee’s meticulously crafted indictments have led most subsequent scholars to focus on whether Danton and his allies were indeed guilty of financial crimes, whether the scandal was part of a counter-revolutionary ‘Foreign Plot,’ or whether it was just politically instrumentalized as the Committee sought to consolidate its rule.³ One of the accused parties, the deputy Philippe-François-Nazaire Fabre d’Églantine, perhaps said it best when he accused his colleagues of having “confused and twisted this *affaire* to the point that no one understands anything about it.”⁴ The scandal has indeed been confused and twisted – by its contemporaries as well as historians – such that it is hard to understand much about it: political corruption, by its nature, leaves few definitive written traces, such that our knowledge of the details can never be more than historical speculation.

³ As argued respectively by Albert Mathiez, *Un procès de corruption sous la terreur: l’affaire de la Compagnie des Indes* (Paris: Félix Alcan, 1920); Arnaud de Lestapis, *La “Conspiration de Batz” (1793-1794)* (Paris: Société des Études Robespierristes, 1969); Henri Houben, *Finance et politique sous la terreur: La liquidation de la Compagnie des Indes (1793-1794)* (Paris: Felix Alcan, 1932).

⁴ AN, F⁷ 4637: Fabre d’Églantine to Chabot, undated: “ils ont si bien embrouillé et tortillé cette affaire que personne n’y comprend rien.”

A more productive focus is to reorient analysis of the scandal towards an understanding of how the Company itself, despite the end of its monopoly and its self-declared, revolutionary independence, remained a problematic political and constitutional entity. This entails momentarily stepping back from the politics of the Terror and placing the so-called *affaire de la Compagnie des Indes* into the broader, troubled Revolutionary economic climate in which it took place. Historians exploring the economic life of the French Revolution have revealed its political and cultural aspects, specifically, how the use and ownership of money and property were seen as constructive of sovereignty, citizenship, and identity.⁵ As revolutionaries sought to remake France and its financial institutions, they had to reckon with the problem of the Old Regime's extensive debt, but rather than repudiating it, they created a new means of financing it. The Old Regime's reliance on loans – frequently solicited, as under Calonne, through the granting of privileges to corporate institutions like the *Compagnie des Indes* – was both unsustainable and had placed undue fiscal and constitutional authority in the hands of private, financial actors. As revolutionaries were “willing to pay any price to eliminate privately owned public power,” they made their debts repayable with a national paper currency called the *assignat*.⁶ But, as the *assignat* struggled, institutions like the Company became seen not as a constitutional means of shoring up state finances, as had been the case in the Old Regime, but rather a potent threat that drew funds away from *assignats* and other state-backed instruments. While the attack on the Company may have been initiated by corrupt deputies, they appealed to a broader narrative that called for securing the new financial regime by eliminating the remaining

⁵ Notably, Spang, *Stuff and Money*, and Blaufarb, *Great Demarcation*. Similar arguments have been fruitfully made for earlier periods of French history, see Jotham Parsons, *Making Money in Sixteenth-Century France: Currency, Culture, and the State* (Ithaca: Cornell UP, 2014).

⁶ Blaufarb, *Great Demarcation*, 55.

relics of the old. The *Compagnie des Indes* had endeavored to transform itself into a revolutionary actor in its own right, but revolutionary actors had the tendency of also becoming revolutionary victims.

* * *

In spite of the tumultuous political events surrounding it, the Company had been curiously flourishing since the start of the French Revolution. Although it lost its monopoly, the Company did not go bankrupt, investor confidence returned, and its share price, despite some considerable fluctuations, approached its pre-Revolutionary level (compare with Figure 5.1).



Figure 7.1: Share price of the *Compagnie des Indes* in livres tournois, April 1790-June 1793

Sources: *Moniteur*, *Journal de Paris*, *ANOM*, 8AQ 342

The financial situation of the Revolutionary state, by contrast, was far less stable. The rebound in the Company's share price coincided with the initial rumblings of the French Revolutionary

monetary crisis. In spring 1790, the National Assembly created a paper currency, the *assignat*, whose value was backed by seized church and *émigré* properties, known as the *biens nationaux*. This currency had been a source of public anxiety since its inception. The marquis de Condorcet criticized the *assignat* as excessively volatile, destined to lose value and to encourage speculation – perhaps on the scale of the last, ill-fated paper money scheme in France under John Law, whose “ghost” hung heavily over the National Assembly as they tenuously embarked on the *assignat* experiment.⁷ Nonetheless, in spite of these fears of speculation and volatility, the *assignat*, as the monetary embodiment of France’s new order and its commitment to honor the debts amassed by the monarchy, became a symbol of “the principles of the Revolution.”⁸ To accept the value and credit of the *assignat* was to display one’s patriotic, Revolutionary commitment; to doubt or challenge it was a counter-revolutionary act.⁹

As such, the control and preservation of the *assignat*’s value was increasingly identified with the very political legitimacy of the Revolution. Its volatility owed to many easily identifiable causes: in servicing France’s copious debt, the successive Revolutionary administrations often overprinted *assignats*, driving down their value, in addition to easy, widespread counterfeiting.¹⁰ However, from the perspective of its Revolutionary advocates, such

⁷ For Condorcet’s objections, see *AP*, v.18, 530-538 (3 September 1790). Rebecca L. Spang, “The Ghost of Law: Speculating on Money, Memory and Mississippi in the French Constituent Assembly,” *Historical Reflections* 31, no. 1 (2005).

⁸ Whatmore, *Against War and Empire*, 245-46.

⁹ See the arguments in Étienne Clavière, *Réponse au mémoire de M. Necker, concernant les assignats, et à d’autres objections contre une création qui les porte à deux milliards* (Paris: Patriote françois, 1790).

¹⁰ The classic accounts of the overproduction and inflation of the *assignat* are Marcel Marion, *Histoire financière de la France depuis 1715* (Paris: A. Rousseau, 1914-1931), v. 2; Jean Morini-Comby, *Les assignats: révolution et inflation* (Paris: Nouvelle librairie nationale, 1925); Boshier, *French Finances*, ch. 14. For a more recent account of Revolutionary inflation from the perspective of modern monetary theory, see Thomas J. Sargent and François R. Velde, “Macroeconomic Features of the French Revolution,” *Journal of Political Economy* 103 (1995). The classic account of Revolutionary counterfeiting remains Jean Bouchary, *Les faux-monnayeurs sous la Révolution française* (Paris: Rivière, 1946).

as Étienne Clavière, as the principles of the Revolution were sound, the causes of the currency's depreciation had to be "totally artificial" – that is, the result of conspiracies.¹¹ Since the first years of the Revolution, lawmakers keenly understood that their foreign and internal enemies were "betting on [the] financial collapse" of the Revolution as a means to its total defeat.¹² Deputies such as Joseph Delaunay d'Angers invoked the specter of counter-revolutionary conspiracy in the political causes and ramifications of the crumbling value of the *assignat*. In December 1791, Delaunay denounced "a vast conspiracy against the credit of the *assignats*," that aimed to destabilize public support for the Revolution by raising the price of food.¹³ This conspiracy, the work of foreign plotters and domestic hoarders, aimed at unsettling the French populace and making the (impending) war effort more costly than indebted France could afford.

Although the constant invocation of conspiracy often had the financial effect of further weakening the *assignat*'s already poor credit, there were genuine conspiracies – both political and financial – against the Revolution. It was unquestionable that enemy powers supported the manufacture and distribution of huge volumes of counterfeit currency to drive down the value of the *assignat* and destabilize the Revolutionary government.¹⁴ One famous British counterfeit factory in Sloane Square in London had ties to a certain reviled, exiled French minister, which led Clavière to denounce the effort as the joint work of "the pillager Calonne and the aristocrat

¹¹ Étienne Clavière, *De la Conjuration contre les Finances, et des mesures à prendre pour en arrêter les effets* (Paris: Cercle Social, 1792), 4: "toute artificieuse."

¹² Spang, *Stuff and Money*, 147-48.

¹³ *AP*, v.36, 50 (13 December 1791, Delaunay d'Angers): "une grande conjuration contre le crédit des assignats."

¹⁴ See the essays in Peter R. Campbell, Thomas E. Kaiser, and Marisa Linton, eds., *Conspiracy in the French Revolution* (Manchester: Manchester UP, 2007); and Timothy Tackett, "Conspiracy Obsession in a Time of Revolution: French Elites and the Origins of the Terror, 1789-1792," *American Historical Review* 105, no. 3 (2000). For Revolutionary knowledge of enemy counterfeiting operations, see Thomas E. Kaiser, "From the Austrian Committee to the Foreign Plot: Marie-Antoinette, Austrophobia, and the Terror," *French Historical Studies* 26, no. 4 (2003), 606.

Pitt.”¹⁵ However, Clavière, Delaunay d’Angers, and other revolutionary officials argued that there was another, more subtle – but no less conspiratorial – cause of the *assignat*’s depreciation. This was continued and widespread speculation, or *agiotage*, in publicly traded instruments, such as shares of the *Compagnie des Indes*. As in the late Old Regime, these anxieties focused on the trading of *actions au porteur*, or bearer instruments: shares that were traded quickly and anonymously on paper. As such transactions provided ample opportunities for fraud, the 1787 *Dénonciation de l’Agiotage*, written by Clavière under the comte de Mirabeau’s name, had singled out *actions au porteur* as damaging to public confidence in financial markets and in currency itself.¹⁶ As far as the *assignat* was concerned, it was understood that, as rich speculators traded frequently (and clandestinely) in specie and seemingly high-valued private instruments, rather than in *assignats*, confidence in the revolutionary currency and government plummeted. These practices gave “artificially heightened values” to instruments that were ostensibly worth less than the *assignat*, placing public interests at the mercy of the “vile cupidity” of speculators.¹⁷ Trading shares in this manner could only – intentionally or unintentionally – serve the counter-revolution.

Revolutionary lawmakers, like their Old Regime predecessors, thus sought ways of controlling and limiting these seemingly irresponsible forms of stock trading. As such, Clavière – a clear authority in such matters – outlined a plan that he believed could serve as “a powerful

¹⁵ Clavière, *Conjuration*, 21: “le déprédateur Calonne et l’aristocrate Pitt.” For the counterfeiting operations in London supervised by Calonne’s family, see Richard Taws, *The Politics of the Provisional: Art and Ephemera in Revolutionary France* (University Park, PA: The Pennsylvania State UP, 2013), 33; Spang, *Stuff and Money*, 191.

¹⁶ Mirabeau, *Dénonciation* (S.l.: s.n., 1787), 20. On this theme, see Kessler, *Revolution in Commerce*, ch. 5.

¹⁷ *AP*, v. 69, 50 (16 July 1793, Fabre d’Églantine): “une valeur et une surhausse factices”; *Ibid.*, v. 36, 50 (13 December 1791, Delaunay d’Angers): “la fortune publique...exécrables cupidités des joueurs.”

battery against *agiotage*.”¹⁸ In August 1792, the Legislative Assembly adopted a series of laws requiring the official registration and taxation of the *actions au porteur* issued by all private financial companies. By the end of October 1792, bearers and their respective companies were required to pay a registration tax, or *droit d’enregistrement*, to register the ownership of their shares with a public tax collector. Henceforth, the interest and dividends of those instruments would be annually assessed at 25%, and they would be subjected to a further fee upon every subsequent sale to another party – a financial transaction tax, in modern parlance.¹⁹ These restrictions would both earn the state needed revenues by taxing highly profitable financial instruments, while also financially discouraging frequent trading. This also represented an attempt to control circulation of financial instruments using methods traditionally used for other forms of property transfers: *droits d’enregistrement* were commonly used in marriage contracts, inheritances, and other sales or transfers of real property.²⁰

Since at least the bubble of 1787, the Company’s shareholders had also recognized the problematic nature of the *actions au porteur*. As such, one of the shareholder representatives (or *syndics*), Gautier, had already singled this issue out for reform during the drafting of the new, revolutionary statutes in October 1791. Within the Company, Gautier argued, there was an enduring hostility between long-term, value investors and the controversial speculators, who he

¹⁸ Clavière, *Conjuration*, 87: “une puissante batterie contre l’agiotage.”

¹⁹ These statutes were ratified in five separate laws in fall 1792: *Collection générale des décrets rendus par l’Assemblée nationale [puis la Convention nationale], avec la mention de leur date* (Paris: Baudouin, 1789-1795): v.31, 370-371 (22 August), 398-401 (24 August), 446-452 (27 August); v.32, 955-958 (17 September); v.33, 254-256 (28 November).

²⁰ René Stourm, *Les Finances de l’Ancien Régime et de la Révolution* (Paris: Guillaumin, 1885), v.1, ch. 15.

denounced as “temporary shareholders who only think of the share price.”²¹ In his view, transient and irresponsible speculators could not be trusted with the Company’s best interest – a distinction akin to the revolutionary understanding of the difference between ‘active,’ property-owning, rights-bearing citizens, and so-called ‘passive’ citizens.²² The “obvious convenience” of *actions au porteur* only favored the interests of speculators, whereas the use of registered instruments (now called *actions nominatives*) in the new society would safeguard the property of the Company’s *true* shareholders. The Company’s British and Dutch counterparts had long ago adopted registered instruments, keeping written ownership records to assure against the problems of loss, destruction, and counterfeit endemic to the use of bearer instruments.²³ As one of the directors argued, *actions au porteur*, sold “at the whim of a bearer who is not always the owner,” did not have the necessary “*dignité mercantile*” becoming of a major, international trading society.²⁴ Moreover, using registered instruments instead would also render an important economic service to the Nation. As the Company’s reputation for encouraging *agiotage* had long been a source of “recrimination” against it, some shareholders felt that the new society should openly combat it, in order to prove their commitment to the Revolution and thereby avoid “highly prejudicial popular insurrections” against them.²⁵ In spite of these forceful arguments

²¹ ANOM, 8AQ 11, deliberations of 17 October 1791 (f° 95): “Actionnaires passagers qui ne considèrent que le cours de l’Action.” See also AD Haute-Marne, 2E 133, *Avis d’un Actionnaire de la Compagnie des Indes*, 2 January 1790, 1.

²² See Sewell, *Rhetoric of Bourgeois Revolution*, 176-80.

²³ ANOM, 8AQ 11, deliberations of 17 October 1791 (f° 95vo): “d’une commodité d’ailleurs évidente.” AN, 61 AQ 95, Texier to Greffulhe Montz, 12 April 1792. Hugh Bowen indicates that “the vast majority” of British East India Company shareholder accounts were registered to their owners by 1769, see Bowen, *Business of Empire*, 110.

²⁴ ANOM, 8AQ 11, deliberations of 23 May 1791 (f° 87vo-88): “cette dignité mercantile...selon le caprice d’un porteur qui n’en est pas toujours le propriétaire” (Jacques Bézard).

²⁵ ANOM, 8AQ 11, deliberations of 17 October 1791 (f° 95vo); AN, 61AQ 95, Texier to Greffulhe Montz, 30 March 1790: “recrimination...inçurrections[sic] populaires très préjudiciables.”

for the convergence of public and private interests, by the next shareholder meeting, the draft statutes had been changed, leaving all forty-thousand shares of the Company as *actions au porteur*.²⁶ The interests of the ‘passive’ speculators had evidently come to prevail.

With the imposition of the new tax laws in August 1792, the financial companies, including the *Compagnie des Indes*, now confronted the fact that the state sought to register their shares for them, at considerable cost to their owners. The shareholders felt that the taxation prescribed by the Legislative Assembly effectively prohibited the exchange of their property, and they demanded that the Company administration act to forestall or mitigate these regulations.²⁷ In response, a committee of prominent shareholders – including a future governor of the *Banque de France* – devised a plan usually called the “transfer” system, which would quietly convert all of the taxable *actions au porteur* into registered instruments before they could be taxed. They would be “withdrawn from circulation and voided,” and the value of the shares would be secretly credited to the owner in the form of a registered instrument, recorded on the Company’s books, and therefore – seemingly – tax-exempt.²⁸ The operation was not explicitly illegal: the shareholder assembly insisted it was “literally” following the letter of the Assembly’s law, which

²⁶ ANOM, 8AQ 11, deliberations of 3 November 1791 (f° 96-97). The final statutes, indicating that all 40,000 shares were to be *au porteur*, are located in AD Haute-Marne, 2E 133: *Statuts et Réglemens pour la Continuation du Commerce de la Nouvelle Compagnie des Indes*.

²⁷ AN, 61AQ 95, Texier to Greffulhe Montz, 9 October 1792.

²⁸ ANOM, 8AQ 314, deliberations of 20 September and 16 October 1792. As per the September deliberation, the shareholders responsible for coming up with this system were Abbema, Delessert, Grivel, Germain, Fulchiron, and Lavié. Jean-Baptiste Rodier (eventually of the *Banque de France*) consulted with them as per 8AQ 361, “Observations à MM de la Compagnie des Indes,” 15 February 1793. These maneuvers are recorded in the Company’s *journaux de transferts* located in ANOM, 8AQ 170-177 (beginning 25 October 1792) and 8AQ 336 (beginning 1 January 1793).

contained an ambiguous clause that seemed to imply that *actions au porteur* could be legally withdrawn rather than officially registered with the tax bureau.²⁹

This dubious operation was possible only because of the Company's revolutionary emancipation from government oversight. The administration of the *Compagnie des Indes*, now directly accountable to its citizen-shareholders, had been pressured to find a way to protect their property from state interference, and there was no oversight regime in place to stop them. The new, Revolutionary finance ministry that succeeded the *Contrôle-Général* in 1791 never had access to the Company's books, nor did they ever demand it. The *Caisse d'Escompte*, also now freed from regulatory intrusions, made use a similar procedure to evade the Assembly's *droits d'enregistrement*.³⁰ However, the "transfer system" was in some sense unnecessary, as the August 1792 laws were never seriously enforced by either the Legislative Assembly (in its final days) or its successor, the National Convention. The *Bureau d'Enregistrement* was aware that Company shares had not been lawfully registered with their agents, yet it was largely overlooked, and the Bureau never held the Company accountable.³¹ Although one certainly has no need of a conspiracy theory to explain the bureaucratically troubled Revolutionary government's inefficiency and inaction as to its own imposed financial policies, the ambiguity of

²⁹ ANOM, 8AQ 314, deliberations of 16 October 1792: "Nous nous conformons littéralement à l'article 19 de la loi du 27 août." The clause in question read: "Dans le mois de la publication du présent décret, les directeurs et administrateurs des compagnies qui ont emis des effets au porteur seront tenus de remettre aux régisseurs de l'enregistrement un état des actions qu'elles ont émises *et qu'elles n'auront pas retirées de la circulation*" (emphasis mine), see *Collection générale*, v.31, 451. On the dubious legality of this maneuver, see Mathiez, *Procès de corruption*, 22.

³⁰ Bigo, *Caisse d'Escompte*, 217-18.

³¹ AN, 61AQ 95, Texier to Greffulhe Montz, 25 October 1792.

the law itself seems to suggest that, under the New Regime as under the Old, financial elites with the connivance to do so continued to escape Revolutionary claims of “tax equality.”³²

Having seemingly resolved this financial predicament to their shareholders’ satisfaction, by the start of 1793, the naval war with Britain meant that the overseas business of the *Compagnie des Indes* faced indefinite suspension. The directors knew well that the virtually unarmed and undefended Indian *comptoirs* would fall to the British as soon as the war was known in Asia. As a result, they hastily dispatched instructions to their agents in India, instructing them to send all ships back to France as quickly as possible.³³ The French agents who had settled in Calcutta *sous le bon plaisir* of Lord Cornwallis were expelled, and all five *comptoirs* fell to the British by August 1793.³⁴ As naval war meant that their returning ships were far from safe, the directors petitioned the Navy in early February 1793 to dispatch ships along the Cape of Good Hope route in order to protect returning French merchant vessels – to no avail.³⁵ In April 1793, one of the Company’s ships, *la Constitution* (formerly the controversial *Lansdowne*), was seized by the British navy in the South Atlantic. Its crew, under the command

³² Mathiez, *Procès de corruption*, 25 blames the lack of enforcement on Girondin – principally, Clavière’s – overt favoritism towards financial elites. On the bureaucratic troubles of the Revolutionary years, see Ben Kafka, *The Demon of Writing: Powers and Failures of Paperwork* (New York: Zone Books, 2012), ch. 1-2, and Church, *Revolution and Red Tape*, ch. 2. For reflections on the Revolutionary tax regime, see François Hincker, *Les français devant l’impôt sous l’ancien régime* (Paris: Flammarion, 1971), 107-09, and Jean Tulard, “Réflexions sur une affaire: l’affaire de la Compagnie des Indes,” in *État, finances et économie pendant la Révolution française: colloque tenu à Bercy les 12, 13, 14 octobre 1989 à l’occasion du Bicentenaire de la Révolution française* (Paris: Comité pour l’histoire économique et financière de la France, 1991), 251, who argued that “l’égalité devant l’impôt proclamé par la Révolution n’est qu’un mythe.”

³³ ANOM, 8AQ 15, Paris administration to Pondicherry and Bengal agents, 22 February 1793.

³⁴ ANOM, 8AQ 346, Brun/De Verinne to Paris administration, 29 November 1793; Labernadie, *La Révolution et les établissements*.

³⁵ ANOM, 8AQ 14, Paris administration to Monge, 4 February 1793 (f° 78).

of the future Napoleonic Admiral, Honoré Ganteaume, was briefly imprisoned in Britain until the Company's banker, Charles Herries, secured their release and return to France.³⁶

In the face of these logistical obstacles, the directors and shareholders of the *Compagnie des Indes* devised a number of strategies to continue their operations. The most important of these was a plan to shelter the Company's operations in the United States for the duration of the war. With the authorization of the shareholders, the Company's directors approached the Minister Plenipotentiary of the United States, Gouverneur Morris, and requested permission to trade under neutral, American flags.³⁷ While Morris had a longstanding reputation for being both favorable to business interests and hostile to the French Revolution, he was unwilling to risk a diplomatic incident by supplying the Company with American flags.³⁸ However, in his meeting with the Company's directors, they came up with a new idea. Morris agreed to broker a contract between the *Compagnie des Indes* and an American firm that would allow the French to offshore the entirety of their operations to New York, Boston, or Philadelphia until the end of hostilities.³⁹ They could fly the American flag, Morris suggested, if the Company's freighted ships were nominally registered to an American merchant. Unsurprisingly, Morris suggested the powerful firm belonging to his friend Robert Morris (no relation) in Philadelphia, who, as former

³⁶ For the seizure, see ANOM, 8AQ 353, Dossier "Constitution."

³⁷ For the use of neutral flags in wartime, see Crouzet, *Guerre économique*, 351-52.

³⁸ For Morris' business and political leanings, see Melanie Randolph Miller, *Envoy to the Terror: Gouverneur Morris & the French Revolution* (Dulles: Potomac Books, 2005) and William Howard Adams, *Gouverneur Morris: an independent life* (New Haven: Yale UP, 2003). He may have been personally known to the directors through his connection to the (now ousted) Bérard brothers: for his business with J.J. Bérard & Cie., see Columbia University Archives, Gouverneur Morris Papers, Morris to Le Brun, 21 August 1792 (item 758).

³⁹ ANOM, 8AQ 25, 9 March 1793 (f° 95-97). Moracin and Sabatier are identified as the directors meeting with Morris in 8AQ 313, deliberation of 1 March 1793.

chief tobacco supplier to the General Farm, had longstanding French financial connections and was personally known to at least some of the Company's directors.⁴⁰

These curious plans for a *Compagnie des Indes de Philadelphie* were interrupted by the continuing domestic financial turmoil of the Revolution. By spring 1793, the war with Britain and the radicalization of revolutionary discourse had brought anxieties about the relationship between financial speculation, currency devaluation, rising food prices, and shortages to new levels. Even though the economic realities of this *sans-culotte* "subsistence rhetoric" have been strongly disputed in recent scholarship, whatever their basis in reality, these claims had political salience, and the Convention was accordingly forced to implement price controls on a wide variety of goods, from foodstuffs to coffee, sugar, and tobacco.⁴¹ As the material cost and realities of the war sank in, reining in the depreciation of the *assignat* became an imperative for combatting the seemingly prolific counter-revolutionary conspiracies of foreign and aristocratic agents. For these reasons, the Convention voted for the closure of the Paris *Bourse* on June 27, 1793.⁴² This measure was far more wide-reaching than any similar prohibitions attempted in the late Old Regime. Rather than the precision exclusion of individual companies from the stock exchange, the Convention attempted to totally ban public trading – though like its predecessor

⁴⁰ For R. Morris' connections to the General Farm, see Price, *France and the Chesapeake*, v.2, chapter 27, which further indicates that R. Morris was part of James Bourdieu's broader financial network, and thus likely known to at least some of the Company's directors.

⁴¹ For critical evaluations of the political and economic roles of this "subsistence rhetoric," see William H. Sewell, "The Sans-Culotte Rhetoric of Subsistence," in *The French Revolution and the Creation of Modern Political Culture*, vol. 4: *The Terror*, ed. Keith Michael Baker (Oxford: Pergamon, 1994); Colin Jones and Rebecca L. Spang, "*Sans-culottes, sans café, sans tabac*: shifting realms of necessity and luxury in eighteenth-century France," in *Consumers and Luxury: Consumer Culture in Europe, 1650-1850*, ed. Maxine Berg and Helen Clifford (Manchester: Manchester UP, 1999). For the debate over the socio-economic position of the *sans-culottes*, see Albert Soboul, *The Sans-Culottes: The Popular Movement and Revolutionary Government, 1793-1794*, trans. Remy Inglis Hall (Princeton: Princeton UP, 1980); and Richard Mowery Andrews, "Social Structures, Political Elites and Ideology in Revolutionary Paris, 1792-94: A Critical Evaluation of Albert Soboul's *Les sans-culottes parisiens en l'an II*," *Journal of Social History* 19, no. 1 (1985).

⁴² *AP*, v. 67, 544-545 (27 June 1793).

laws under the Old Regime, it was similarly unenforceable in practice, and clandestine trading continued.⁴³

As the Convention sought other ways to control monetary depreciation and punish the conspirators deemed responsible, some deputies brought to their colleagues' attention the problem of the former Assembly's unenforced laws against *actions au porteur*. On July 9, 1793, Delaunay d'Angers, again leading the defense of the besieged *assignat*, offered the Convention a target for its ire: all the financial, joint-stock companies that had conspired to evade the tax laws established the previous August. He denounced "the maneuvers of these...financial companies who have *agiotage* as their only doctrine, the degradation of the *assignat* as their only principle, and the exhaustion of your finances as their aim."⁴⁴ *Agioteurs* were the agents of Pitt, who aimed to ruin the exchange rate and funnel French wealth into Britain. To halt these schemes, Delaunay demanded the immediate and rigorous enforcement of the August 1792 laws, which were essential to "[place] a daily impediment to the progress of *agiotage*, and [to destroy it], if not at its root, at least in its effects."⁴⁵ In his three principal speeches that summer, Delaunay continued to enumerate specific, administrative plans to force institutions like the *Compagnie des Indes* to pay their share of taxes and put a halt to these "parasitic speculations."⁴⁶

⁴³ The Company's directors continued to describe regular (but presumably clandestine) meetings of the *Bourse* in summer 1793, see ANOM, 8AQ 25, Paris to Lorient administration, 27 July 1793.

⁴⁴ *AP*, v. 68, 488 (9 July 1793, Delaunay d'Angers): "les manoeuvres de ces...compagnies financières qui ont pour unique doctrine l'agiotage, pour unique principe l'aviissement des assignats, et pour but l'épuisement de vos finances."

⁴⁵ *Ibid.*, 489: "[ce décret] mettait d'abord une entrave journalière aux progrès de l'agiotage, et détruisait, sinon dans sa racine, au moins dans ses effets, ce fléau désolateur."

⁴⁶ *Ibid.*, 490: "spéculations parasites." He continues to elaborate on these plans in *Ibid.*, v. 69, 50-51, 551-552 (16 and 26 July 1793, Delaunay d'Angers).

As would eventually become apparent in the course of later investigations, Delaunay was speaking on behalf of a cabal of deputies and fringe financiers who were seeking to use their legislative pulpit in order to make a private fortune. By all accounts, Delaunay was the leader of the pack, but among them numbered members of the powerful police committee, or Committee of General Security, including Jean Julien (known as Julien de Toulouse), Claude Basire, and the ex-Capuchin friar François Chabot, whose impending marriage to the sister of two Austrian financiers, Junius and Emmanuel Frey, offered a means of money laundering via an “implausibly large” dowry.⁴⁷ The group had other connections to famous speculators in the elite world of the financial companies. Julien de Toulouse was an associate of the abbé d’Espagnac, whose exploits in 1787 had assured his name remaining synonymous with financial mischief. Espagnac may have participated in the early stages of Delaunay’s plot – at least until his arrest for other pending charges of war profiteering – but it is perhaps more likely that he was listed among the accused at the group’s eventual trial primarily due to the political capital brought by his widespread notoriety in other matters.⁴⁸ Similarly, Delaunay had connections among the circle of Jean-Pierre, baron de Batz, a former deputy to the National Assembly-turned-counter-revolutionary aristocrat already well-known to the Revolutionary government for a bizarre attempt to rescue Louis XVI on the day of his execution. Historians, as well as Jacobin

⁴⁷ For the Freys, see Gershom Scholem, *Du frankisme au jacobinisme: la vie de Moses Dobruska, alias Franz Thomas von Schönfeld, alias Junius Frey* (Paris: Gallimard le Seuil, 1981), 81. For the role of Léopoldine Frey’s dowry, see Marisa Linton, “‘Do you believe that we’re conspirators?’: conspiracies real and imagined in Jacobin politics, 1793-94,” in *Conspiracy in the French Revolution*, ed. Peter R. Campbell, Thomas E. Kaiser, and Marisa Linton (Manchester: Manchester UP, 2007), 138; Philippe Riviale, *La Révolution française dans l’infortune de la Finance* (Paris: Harmattan, 2013), 184. The Freys were correspondents of Greffuhle Montz, although the latter officially no longer had a formal directorial position in the *Compagnie des Indes* by 1793, see AN, 61AQ 51, Greffuhle Montz to J.R. Frey, 20 September 1790 (p. 149).

⁴⁸ For Espagnac’s war profiteering schemes, see Michel Brugière, *Gestionnaires et Profiteurs de la Révolution* (Paris: Olivier Orban, 1986), 76, 82-83. Houben, *Liquidation de la Compagnie des Indes*, 149, posits that Espagnac’s arrest for fraudulent army provisioning in the summer of 1793 put an end to his prospective involvement in Delaunay’s plot.

contemporaries, have long had the tendency to see a vast, counter-revolutionary conspiracy behind Batz' shady and barely-defined involvement with Delaunay's circle, but it is likely that – in this case, at least – his financial allegiances were as significant as his royalist ones.⁴⁹ He had been a leading financier and speculator on the *Bourse* since the 1780s and, in all probability, was the author of a robust 1787 defense of the Company's property rights against Morellet and Loménie de Brienne's threats of suppression.⁵⁰

The principal deputies of the group, Delaunay, Chabot, and Basire, mostly likely sought to make their fortunes through a combination of insider trading and extortion. Delaunay's speeches threatened the shareholders of all of the financial companies with the enforcement of the August 1792 tax laws, and in doing so, forcibly drove down their share prices. As Chabot later confessed, these maneuvers were intended to “scare the bankers,” presumably both to render the companies' share prices ripe for speculation and to signal to their directors that certain deputies held the reins of financial influence in the Convention, and as such, were worthy targets of bribery.⁵¹ The directors of the *Compagnie des Indes* were not amused, but neither were they especially impressed or “scared.” Rather, they readily recognized this maneuver as a banal attempt by short-selling *baissiers* to drive the prices down, no doubt having “sold [a lot of

⁴⁹ Batz has been the subject of numerous, royalist hagiographies, including Charles de Batz, *Les Conspirations et la fin de Jean, Baron de Batz* (Paris: Calmann-Lévy, 1911); and G. Lenôtre, *A Gascon royalist in revolutionary Paris: the Baron de Batz, 1792-1795* (New York: Dodd Mead, 1910). His putative role in orchestrating counter-revolutionary conspiracies is explored from a ‘republican’ perspective in the equally speculative Lestapis, *Conspiration*.

⁵⁰ For Batz's financial history, see Mathiez, *Procès de corruption*, 59. The pamphlet written in the Company's defense against the abbé Morellet in 1787 is found in Baker Library (Harvard Business School), Kress Collection *Lettre de M. le Baron de B*** à M. l'Abbé Morellet* (S.l.: s.n., 1787). The author of this pamphlet advances ideas about the (then presumed to be impending) liquidation of the *Compagnie des Indes* identical to the aims of the forged 1793 liquidation decree, which is usually attributed in substance to Batz and his collaborator, Benoist d'Angers.

⁵¹ AN, W 342 (3), Chabot to National Convention, 28 nivôse an II (dossier 3): “effrayer les banquiers.”

shares] short” for the month.⁵² From their perspective, Delaunay’s diatribes were little more than a revolutionary, legislative version of the *Mirabelle* pamphlets that had proliferated in the *Bourse* of the late Old Regime, this time with Delaunay – rather than the comte de Mirabeau – as a figurehead. Accordingly, the directors complied with the measures taken against them by the Revolutionary government. Shortly after Delaunay’s denunciation, their papers were sealed by a deputy from the Committee of General Security, André Amar, and the following week, some of the Company’s directors attended a meeting of the more powerful Committee of Public Safety to personally pledge their support of the war effort by lending the Navy goods and ships from their home port of Lorient.⁵³ The Paris directors assured their Breton colleagues that none of the Convention’s measures were cause for “any concern”: their conduct had always been “in order,” and they awaited vindication.⁵⁴

This all changed dramatically upon the intervention of one final deputy, whose role in the ensuing events has been fiercely argued over ever since. Fabre d’Églantine – poet, author of the Revolutionary Calendar, and friend of the powerful Revolutionary figure Georges-Jacques Danton – presented a clear counterpoint to Delaunay’s approach when he spoke to the Convention on the *Compagnie des Indes* in July and August 1793. Delaunay and his associates had largely taken a moderate stance against the financial companies, probably because they planned on profiting from insider trading in their shares. They only demanded the enforcement

⁵² ANOM, 8AQ 25, Paris to Lorient administration, 27 July 1793: “beaucoup vendu à découvert.” They indicate that their share price has dropped from 1200 to 1080lt since Delaunay’s attack, but that they are aware that speculators are still short-selling their shares at 855lt. They also agree that Delaunay was not acting on his own, that he was “convaincu de la véracité des dénonciations qu’on lui a faites contre [nous].”

⁵³ For the inspections, ANOM, 8AQ 313, deliberations of 13 July 1793; for the Committee of Public Safety, 8AQ 313, deliberations of 29 July 1793. The British East India Company advanced funds to its own state in this manner during the Revolutionary wars, see Bowen, *Business of Empire*, 52

⁵⁴ ANOM, 8AQ 25, Paris to Lorient administration, 27 July 1793: “aucune inquietude...en règle.”

of existing tax laws, and they carefully delineated between the malevolent behavior of the companies and the “honest and fair commerce” needed to sustain the Republic and to make Paris “Europe’s foremost commercial city.”⁵⁵ By contrast, Fabre d’Églantine offered a broad indictment of all commercial associations as counter-revolutionary and forcefully singled out the *Compagnie des Indes* as a focal point.⁵⁶ It was impossible, he argued, for such an institution to remain as wealthy and seemingly profitable – as per the Company’s share price – in the midst of political “events” that had destabilized other institutions.⁵⁷ Even though the National Assembly in 1790 had stipulated nothing to this effect, in Fabre d’Églantine’s view, the revocation of the Company’s monopoly should have resulted in its total suppression and liquidation. As such, the Company both continued to exist and had unlawfully shielded its assets from taxation in direct violation of a series of Revolutionary decrees. The present high value of the Company’s shares owed to these infractions, which in turn encouraged individuals to speculate in the Company, rather than investing in *biens nationaux* or keeping their assets in *assignats*.⁵⁸ In Fabre d’Églantine’s view, Delaunay’s proposal to enforce the existing tax laws against the Company and its shareholders was only a half-measure. Institutions like the *Compagnie des Indes* and the other financial companies would always foster *agiotage*, and to stop it, the Convention would have to “annihilate them, and eradicate this avaricious establishment, which we owe...to the

⁵⁵ *AP*, v. 68, 490 (9 July 1793, Delaunay d’Angers): “commerce franc et loyal,” “première ville de commerce de l’Europe.” In *Ibid.*, v. 69, 51 (16 July 1793), François Chabot similarly attacked a motion that would have ordered the Committees to forcibly disburse all crowds of traders on the grounds that they were *agioteurs*.

⁵⁶ *Ibid.*, v. 72, 164 (14 August 1793, Fabre d’Églantine) implies broader linkages between commercial towns and associations with Federalist resistance to Jacobin rule. On this point, see Bell, “Questioning the Global Turn,” 21-22.

⁵⁷ *Ibid.*, v.72, 164 (14 August 1793, Fabre d’Églantine): “événements.”

⁵⁸ Philippe-François-Nazaire Fabre d’Églantine, *Rapport fait à la Convention Nationale dans la séance du 3 août 1793[...]* (Paris: Imprimerie Nationale, 1793), 18.

immorality of the English, from French soil.”⁵⁹ Financial companies were not a truly French institution: they were an English invention now being used to commit economic warfare against the Republic. As such, the *Compagnie des Indes* and its peers needed to be “finally extinguish[ed].”⁶⁰

Whatever the precise nature of his motives, Fabre d’Églantine’s interventions had the effect of both focusing and radicalizing the Convention’s attack on the *Compagnie des Indes* as the central point of these counter-revolutionary plots. His accusations jolted the Company’s administration out of the quiet complacency they had hitherto shown in the face of this Revolutionary inquest, but their attempts to petition the Convention for a hearing were ignored.⁶¹ Fabre d’Églantine’s attack found a broad appeal with other members of the Convention, including Pierre-Joseph Cambon of the Finance Committee, who became the Convention’s *de facto* financial authority.⁶² On August 24, the Convention decreed the creation of Cambon’s *Grand Livre de la Dette Publique*, which centralized, consolidated, and organized all of the French state’s outstanding legitimate debts. At the same time, the Convention also decreed the suppression of all joint-stock companies, including the *Caisse d’Escompte*, the *Compagnie des Indes*, and the insurance companies. While the shares of the *Caisse d’Escompte* were written up

⁵⁹ *AP*, v.72, 164 (14 August 1793, Fabre d’Églantine): “les anéantir, et faire disparaître du sol français cette implantation de cupidité dont nous sommes redevables...à l’immoralité des Anglais.”

⁶⁰ *Ibid.*, v.69, 50 (16 July 1793, Fabre d’Églantine): “un mode pour enfin éteindre ces compagnies.”

⁶¹ *Ibid.*, v.72, 387 (18 August 1793); ANOM, 8AQ 314, deliberations of 12 August 1793; *Précis Justificatif pour les intéressés dans la société commercial connue sous le nom de Nouvelle Compagnie des Indes* (Paris: Lottin, 1793).

⁶² Clovis Sené, *Joseph Cambon (1756-1820): le financier de la Révolution* (Paris: J.C. Lattès, 1987), 150-51.

as public debts in Cambon's *Grand Livre*, the methods of liquidating and dissolving the *Compagnie des Indes* were to be established in subsequent laws.⁶³

The Company's impending liquidation now created two, interlocking problems. From a bureaucratic standpoint, some deputies in the Convention – including Cambon – were stridently opposed to the idea that the Revolutionary government should take responsibility for liquidating the Company. Pointing to the ongoing, litigious, and costly liquidation of Calonne's 1787 *affaire des assignations*, Cambon insisted that the Company be left to its own devices to dispose of its own property without state interference, as such interference would only elicit interminable claims for indemnities in the event of losses or damages.⁶⁴ Fabre d'Églantine – and his then-ally, Robespierre – were horrified at the idea of leaving the Company to direct its own liquidation, as the “brigands” would certainly find a way to avoid paying the *droits d'enregistrement* they still owed to the state.⁶⁵ Despite the opposition of Cambon and Delaunay, this motion prevailed.

Secondly, the total liquidation of the Company now largely ended any benefits that Delaunay's friends might have hoped to reap by speculating in its shares. As Chabot pointedly told Delaunay, it was not easy to profit off of “people who are being slaughtered.”⁶⁶ As such –

⁶³ For the decree suppressing joint-stock companies, see *AP*, v. 72, 701 (24 August 1793). For the decree creating the *Grand Livre*, see *Ibid.*, 706-725 (the assumption of the *Caisse d'Escompte*'s shareholders as public creditors is discussed on p. 710, §13).

⁶⁴ *AP*, v. 76, 245-246 (8 October 1793). Regarding the *affaire des assignations*, Cambon pointed to a verdict rendered on February 21, 1793 by the Tribunal of the First Arrondissement that ordered the *Trésor Public* to indemnify the abbé d'Espagnac for certain losses. This verdict was definitively overturned *against* Espagnac by the Tribunal of the Fourth Arrondissement on 5 brumaire an II. For the status of the case, see Aristide Douarche, ed. *Les tribunaux civils de Paris pendant la Révolution (1791-1800) Documents inédits recueillis avant l'incendie du Palais de justice de 1871 par Casenave*. (Paris: L. Cerf, 1905-1907), v.1, 612-614; and the documents in AN, D XI 1 (Comité de Liquidation).

⁶⁵ *AP*, v.76, 246 (8 October 1793, Robespierre): “brigands.” This motion prevailed, but Cambon obtained an amendment by which the state renounced liability for any losses, a copy of which is located in AN, F⁷ 4434 (Delaunay d'Angers).

⁶⁶ AN, W 173, “Chabot”: “[que] faire avec des gens que l'on égorge.”

and as their later testimony indicated – Delaunay, the baron de Batz, and the baron’s friend Pierre-Vincent Benoist d’Angers, a former envoy to Britain in 1792, devised a plan to publicly threaten the Company with a harsh, state-directed liquidation, demanding the immediate payment of the Company’s tax debt. Then, Delaunay and his associates would offer the Company’s directors a much more favorable decree – reducing their tax liability and allowing them to liquidate according to their own statutes – in exchange for personal bribes.⁶⁷ However, Fabre d’Églantine continued to press for severity against the Company, and he was on the same legislative subcommittee as Delaunay and his conspirators. As such, his approval would be required for the redaction of the final decree. Although Delaunay and Fabre d’Églantine had been publicly at odds with each other for months over the Company’s fate, the saga ended when they both signed off on an illicitly amended decree that, with the insertion of several curiously fortuitous phrasings, effectively undercut the Revolutionary government’s ability to demand indemnification for the Company’s failure to pay the *droits d’enregistrement*.⁶⁸ As the final decree represented the exact opposite of everything Fabre d’Églantine had been arguing for over

⁶⁷ François Chabot, *François Chabot, représentant du peuple, à ses concitoyens qui sont les juges de sa vie politique (pluviose an II) : Mémoire apologétique publié pour la première fois*, ed. Albert Mathiez (Paris: Leroux, 1914), 61. It is usually hypothesized that this was the intention behind Delaunay’s speech on October 8, 1793, in *AP*, v.76, 244-245. Benoist d’Angers’ diplomatic mission is discussed in the documents cited in Mathiez, *Procès de corruption*, 384.

⁶⁸ The tensions between Delaunay and Fabre d’Églantine are described in Chabot’s confessions in AN 342 (3), declaration of 28 nivôse (dossier 3), and in *Pièces trouvées dans les papiers de Robespierre et complices; imprimées en exécution du décret du 3 Vendémiaire[...]* (Paris: Imprimerie nationale, 1794), and has been discussed in Jean-Clément Martin, *Robespierre: la fabrication d’un monstre* (Paris: Perrin, 2015), 231; Houben, *Liquidation de la Compagnie des Indes*; Elizabeth Cross, “L’anatomie d’un scandale: l’Affaire de la Compagnie des Indes revisitée (1793-1794),” in *Vertu et politique: Les pratiques des législateurs (1789-2014)*, ed. Michel Biard et al. (Rennes: PUR, 2015), 257. The copy of the decree with the *ex post facto*, fraudulent edits visible is located in AN, W 342 (3), dossier 14. As this decree was published as a law, the printed copy is available in *Collection générale*, v.42, 154-155. The fraudulent decree said that the liquidation would proceed “suivant [les] status et Reglemens” (art. 7) of the Company, rather than under the direction of the Convention, as Fabre d’Églantine and Robespierre demanded. Moreover, the insertion of the proviso that the state would only collect “les sommes déjà dues à la Nation pour le triple droit encouru à raison de leurs transferts faits en fraude” (art. 2, emphasis mine) allowed the Company to continue to insist that their actions had been legitimate and *bona fide*, rather than “done in fraud,” as per their assertions in ANOM, 8AQ 14, Paris administration to *Ministre des Contributions publiques* (Destournelles), 13 and 20 July 1793 (f° 78vo-79); and 8AQ 376, “Mémoire sur l’infraction prétendue fait à la loi du 17 août 179[...].”

the past three months, it is usually assumed that his support for it was purchased through the sharing of the Delaunay cabal's spoils, usually placed at a total of 500,000 *livres tournois* in bribes from the Company's directors.⁶⁹

The unraveling of this plot had far-reaching political consequences in the Parisian politics of the Revolutionary Terror. Delaunay's co-conspirator Chabot confessed to his knowledge of plots against the Republic, presenting a case containing 100,000 *livres tournois* to the Committees of Public Safety and General Security as evidence of the efforts of unnamed financial elites to corrupt the Convention. Fabre d'Églantine – presumably with something of his own to hide – worked painstakingly with the members of the two committees to spin this as evidence of a vast 'Foreign Plot' against the Revolution, masterminded by financiers working with foreign governments.⁷⁰ When the Committee's investigations into Chabot's allegations unearthed proof that the decree on the *Compagnie des Indes* had been fraudulently edited, Delaunay, Basire, Chabot, and Fabre d'Églantine were all arrested by January 1794.⁷¹ However, the broader existence (or non-existence) of this Foreign Plot is basically impossible to prove, other than the undeniable role of Batz and his agent Benoist d'Angers – usually suggested as the 'ringleaders' of such a plot – in facilitating contact between the corrupt deputies and the

⁶⁹ The figure of 500,000lt was given in Claude Basire's confession of 25 brumaire, see AN, W 432 (3), dossier 7. For Fabre d'Églantine's attempt to justify his actions, see Philippe-François-Nazaire Fabre d'Églantine, *Fabre d'Églantine à ses concitoyens, à la Convention nationale, et aux Comités de Salut Public et de Sureté Générale, Précis Apologetique* (Paris: s.n., 1793).

⁷⁰ Albert Mathiez, "Fabre d'Églantine, inventeur de la conspiration de l'étranger," *Annales révolutionnaires* 8 (1913) argues convincingly that the Foreign Plot was the "invention" of those who sought to conceal or justify their financial crimes. By the end of his life, as per Mathiez, *Procès de corruption*, 386-87, he had begun to believe that there were genuinely counter-revolutionary elements to the scheme. Lestapis, *Conspiration*, 259-60 argues provocatively – but not very convincingly – that the so-called "Foreign Plot" was the core of the conspiracy, and that the *affaire de la Compagnie des Indes* was only a cover. For more recent assessments of the Foreign Plot, see Norman Hampson, "François Chabot and His Plot," *Transactions of the Royal Historical Society* 26 (1976); Kaiser, "Foreign Plot," 607-08; Martin, *Robespierre*, 252, 263.

⁷¹ A search of Delaunay's house unearthed documentary evidence showing the decree had been edited without the Convention's approval. The *procès-verbal* of this search is located in AN, W 342 (3), dossier 9, and the document uncovered (a draft of the decree) is in dossier 10.

Company. The upshot was that while Delaunay, Fabre d'Églantine, and the other participants in the *affaire* had cogently argued that *agiotage* was a counter-revolutionary plot within Parisian financial circles, the revelation of their own misdeeds now suggested that this same plot reached into the Revolutionary government itself. As these vague allegations were ultimately more politically salient, the outcry over the actual legislative fraud of the *affaire de la Compagnie des Indes* dissipated as the Jacobin leadership marshalled tenuous connections to foreign bankers and financiers in Paris to eliminate revolutionary factions – the radical Hébertists on the left, and the moderate Dantonists on the right – deemed a threat to their rule during the Terror.⁷² These connections were much more tenable in the case of the Dantonists – Fabre d'Églantine, after all, had been Danton's friend, and Danton was in all probability was not averse to taking dishonest money himself.⁷³ In one of the most heated and controversial episodes of the Terror in Paris, Danton and his supporters, alongside Fabre d'Églantine, Delaunay, Chabot, Basire, the abbé d'Espagnac, and several foreign financiers (including Chabot's brothers-in-law) were tried and executed together in April 1794.

While it is certainly entertaining to speculate about the motives, identities, and ultimate guilt of the various participants in the *affaire*, this is an inevitably fruitless endeavor. Several key dossiers and interrogations about the scandal vanished from the archives as early as year III, which has prompted some historians to further speculate that other key members of the

⁷² For instance, Robespierre's two (draft) speeches on the *affaire* did not even mention the existence of the *Compagnie des Indes*: Maximilien Robespierre, *Oeuvres complètes de Maximilien Robespierre*, eds. Marc Bouloiseau, Albert Soboul et al. (Paris: Société des Études Robespierriennes, 1967), v.10, 326-342 ("Discours non prononcé sur la faction Fabre-d'Églantine"), 397-407 ("Discours non prononcé sur les factions"). Higonnet, *Goodness beyond Virtue*, 198-99; Kaiser, "Foreign Plot," 608.

⁷³ For the two most famous (and sharply contradictory) assessments of Danton's character, see F. A. Aulard, *Les Comptes de Danton* (Paris: Charavay, 1888); Mathiez, *Procès de corruption*, 386-90. For a more recent assessment, see the essays in Michel Biard and Hervé Leuwers, eds. *Danton: le mythe et l'histoire* (Paris: Armand Colin, 2016).

revolutionary committees knew more about the matter than they admitted at the time.⁷⁴ All historians of political corruption can readily concede that it is difficult to obtain concrete details about something whose authors deliberately intended to leave to no visible traces.⁷⁵ Similarly, the contemporary Jacobin insistence on the existence and factional ramifications of the Foreign Plot – likely an “invention” of the scandal’s own participants – similarly frustrates modern attempts to mine the existing sources for viable details. At the time, this total refocusing of the Jacobin attention onto the Foreign Plot meant that, in practice, the directors of the *Compagnie des Indes* largely evaded punishment. In spite of some calls for individuals *offering* bribes to public officials to be punished for *lèse-nation*, this did not happen in practice.⁷⁶ In fact, the extent to which the Company’s directors largely evaded attention altogether in the scandal is quite remarkable. While the names of the deputies, the abbé d’Espagnac and the mysterious baron de Batz were rattled about in the Convention *ad infinitum*, the name of only one of the Company’s administrators, Guillaume Sabatier, ever appeared in any of the case documents.⁷⁷

When considered in comparison with the behavior of other European East India Companies, the *affaire de la Compagnie des Indes* appears rather unremarkable. Even as its

⁷⁴ These disappearances (from the Danton trial dossier located in AN, W 342) are discussed in Mathiez, *Procès de corruption*, 387; Lestapis, *Conspiration*, 203. The missing documents are, at minimum, Delaunay d’Angers’ and Chabot’s interrogation transcripts, as well as an earlier draft of a report on the affair by the Committee of General Security (given by André Amar) to the Convention. The only remaining traces of these documents are the summary trial notes composed by the prosecutor, Fouquier-Tinville, located in AN, W 173. As these two surviving deputies were known to be peripherally involved in the *affaire*, it is frequently suggested that André Amar or Dominique-Vincent Ramel were responsible: Linton, “Do you believe that we’re conspirators?,” 141; Brugière, *Gestionnaires et Profiteurs*, 111-12. This is partly because the *Compagnie des Indes* itself later had some sharp words about Amar’s conduct towards them, as per ANOM, 8AQ 336, “Notice sur les faits.”

⁷⁵ Parsons, *Making Money*, 18-19.

⁷⁶ Robespierre, *Oeuvres complètes*, v.10, 145 (séance du 10 octobre 1793).

⁷⁷ Guillaume Sabatier is mentioned in the two versions of Basire’s denunciation, one in his own handwriting (AN, F⁷ 4590 (5), dossier 79) and a copy kept in the subsequent trial dossier (AN, W 342 (3), dossier 7). Basire claims that he was in contact with Sabatier (one version claims directly, the other, via an intermediary), to warn him of Delaunay’s plan to extort the Company.

influence came under increasing attack in the late eighteenth-century, the British East India Company continued to exercise uncanny skill in buying influence in Parliament.⁷⁸ From the French side of things, the scandal also appears similarly banal in light of recent understandings of the Terror as a period of fundamental weakness of central state authority, or “*défaut d’État*” – corruption being a well-recognized spoil of “fragile” states.⁷⁹ Moreover, as years of merchant complaints had noted, the Company itself was no stranger to accusations of corruption. As was largely customary under the Old Regime, the Company paid copious annual sums to ministers and their employees, especially in the Finance ministry.⁸⁰ From the seemingly implausible establishment of their extensive monopoly in 1785, to suspicions of having paid their way out of Loménie de Brienne’s investigation in 1787, to perhaps, in a dress rehearsal for 1793, having bought deputies in the National Assembly in 1790 to attempt to forestall the revocation of their monopoly, the Company’s name became synonymous with dubious business practices.⁸¹ In certain respects – in spite of self-declared, virtuous Jacobin intentions – the Revolution inherited Old Regime ways of doing business, but where the corrupt expectations of actors stayed the same, their means changed. Associations like the *Compagnie des Indes* – with copious financial means, but whose traditional “avenues to influence” had been severed – sought to exercise power

⁷⁸ Bowen, *Business of Empire*, 6-7.

⁷⁹ Martin, *Violence et Révolution*, ch. 5; Jean-Claude Waquet, *Corruption: Ethics and Power in Florence, 1600-1770*, trans. Linda McCall (Cambridge: Polity, 1991), 190.

⁸⁰ The Company customarily paid between 6000-30000 *livres tournois* annually to employees of the *Contrôle-Général*: ANOM, 8AQ 323-324, “Compagnie des Indes: Délibération du 16 Septembre 1785” and “Compagnie des Indes: Dépenses secrètes,” 1 February 1786.

⁸¹ For the accusations of Company corruption in 1787 and 1790, see chapters 5-6.

in ways that were novel in newly republican France, but had long been the routine practices of their rivals.⁸²

From the perspective of the directors and shareholders of the *Compagnie des Indes*, this probably seemed very appealing. Just as the Revolution brought them untold oversight over their own business that had been impossible under the Old Regime, it also seemed to open the promise of the kind of legislative influence – from lobbying to bribery – that financial elites in Britain had long enjoyed. In one of the more coherent moments in his many, rambling written confessions, François Chabot described a moment where Batz’s associate, Benoist d’Angers, having returned from his diplomatic mission to London, indicated that he did not understand why French deputies should “refuse to make a fortune...in producing a good decree; in England they boast about it in open Parliament.” The public prosecutor went as far as to mention this quote in his indictment at the trial.⁸³ For Jacobins, Britain itself was a “shorthand” for the selfish abuse of the common good by devious private interests, something that could only “degenerate” the society demanded by their own, universalist republicanism.⁸⁴ But other deputies and financial actors saw the British parliamentary model as not only plausible, but desirable to emulate. As such, one scholar termed the *affaire* the first “modern corruption scandal...[resulting from] the encounter between the ideal of republican virtue and the reality of republican politics” – a clash between financial elites, on one hand, and Jacobin political elites, on the other, as to the ultimate

⁸² James C. Scott, *Comparative Political Corruption* (Englewood Cliffs, NJ: Prentice-Hall, 1972), 28-34.

⁸³ AN, W 342 (3), dénonciation de Chabot du 25 brumaire an II (dossiers 4-6): “je ne sais pas pourquoi en France on se refuse de faire fortune, lorsqu’on le peut, en faisant rendre un bon décret; en Angleterre ils s’en vantent en plein parlement.” For the prosecutor’s statements, see Ibid., “Acte d’Accusation” (dossier 61), in which he alleges that Benoist d’Angers (who had evaded capture and was *not* on trial) had “étudié l’art de la corruption [en Angleterre].”

⁸⁴ Higonnet, *Goodness beyond Virtue*, 253. For the idea of “degenerative” corruption in republican thought, see Bruce Buchan and Lisa Hill, *An Intellectual History of Political Corruption* (New York: Palgrave Macmillan, 2014).

aims of the participatory, republican politics brought with the Revolution.⁸⁵ Under the Old Regime, the Company had been at the core of political battles over the shape of the French Empire; it was now a battleground over what kind of Republic the Revolution was creating.

The controversy that triggered the scandal in the first place – that is, the question of the broader economic effects of trading in the Company’s shares – reveals this in a different way. The attack on the *Compagnie des Indes* in summer 1793 converged with other newly radicalized revolutionary initiatives against Old Regime property, financial institutions, and debt: at that time, the Convention invalidated many forms of feudal property-owning (such as tenured landholding, or *seigneurie directe*) that earlier revolutionary assemblies had recognized as legitimate.⁸⁶ This change in perceptions of the ‘legitimacy’ of certain forms of property is also apparent in the case of the *Compagnie des Indes*: although it had not been stipulated by the earlier, National Assembly in 1790, Fabre d’Églantine was aghast that the Company had not liquidated after the revocation of its monopoly. As such, he argued, its illegitimate privilege continued to exist *de facto*, even if abolished *de jure*.⁸⁷ With its *de facto* privilege, the Company had found a way to benefit from the Revolution without contributing to the Revolution: instead, its very existence furnished ways for bad citizens, foreigners, and speculators to undermine it through the very ownership and circulation of its shares. These concurrent initiatives demonstrate a broader Revolutionary realization that the currency one used, and by association, the assets and property one owned, were constructive of citizenship. Revolutionaries did not seek to make property communal, but to make the ownership of property a communal, national

⁸⁵ Paul Jankowski, *Shades of Indignation: Political Scandals in France, Past and Present* (New York: Berghahn, 2008), 71.

⁸⁶ Blaufarb, *Great Demarcation*, 82, 60.

⁸⁷ Fabre d’Églantine, *Rapport*, 20.

experience: the shared usage of *assignats* and the common purchase of *biens nationaux* fostered “a community of believers” with a shared faith in the Republic and the Revolution.⁸⁸ For this reason, another significant charge against the venal deputies at their trial was fact that some of them had supposedly received their payouts in Company shares, foreign bills of exchange, or worst of all, pounds sterling.⁸⁹ This charge served to illustrate how Delaunay, Fabre d’Églantine and the co-conspirators had placed themselves outside the Revolutionary community: denying the value of the *assignat* by seeking instead to invest in other instruments (or currencies) was fundamentally antithetical to true, patriotic participation in the Revolution.

However, this problem was not only ideological, but rather perceived as materially necessary to secure France’s new financial order. Institutions like the *Compagnie des Indes* and the other financial companies, created to shore up public credit in the Old Regime, were seen as undesirable, problematic, and illegitimate under the New.⁹⁰ The suppression of the Company may have been accelerated thanks to the venal intrigues of certain deputies, but it strongly fit a broader Jacobin attempt to force the conversion of private assets into the *billets nationaux* that alone directly benefitted the Revolutionary state – hence the involvement of officials like Cambon in the legitimate aspects of the Company’s suppression. As such, the end of the *Compagnie des Indes* represented a final revolutionary attempt to repudiate the idea that companies could serve a fiscal-constitutional purpose for the French state. Old Regime officials

⁸⁸ Spang, *Stuff and Money*, 174.

⁸⁹ These charges are discussed in AN, AF II 49, “Précis et relevé des matériaux sur la conspiration dénoncée par Chabot et Basire” (dossier 379), and *Pièces trouvées*, 26-27 (Chabot to Convention, 5 frimaire an II). Their use at the trial is indicated in AN, W 173, “Delaunay d’Angers” and “Notes tirées du rapport d’Amar.”

⁹⁰ At time of the passage of the August 1792 tax laws, a deputy had called for total suppression of *compagnies financières* as means of stimulating investment in *billets nationaux*, see AP, v.48, 702 (Clauzel, 25 August 1792), but it was refused by the Legislative Assembly on the grounds that such a move would cause “ébranlements incalculables.”

understood institutions like the *Compagnie des Indes* as a necessary – if at times problematic – component of state financing, as granting privileges to certain bodies was used to secure loans from financial elites for the monarchy. Despite the evident benefits of this arrangement, the Company’s shareholders did not always like its political impositions. As such, with the loss of their monopoly in 1790, the shareholders of the *Compagnie des Indes* had fought to reestablish their institution as what they believed to be a truly private, ‘purely commercial’ and apolitical body. But just as the post-1769 reconceptualization of the *Compagnie des Indes* as a ‘purely commercial’ institution failed to achieve this separation in practice, neither could the Company’s own ‘revolution.’ In a memorable (if succinct) denunciation, Delaunay’s co-conspirator Julien de Toulouse told the National Convention that, among the *Compagnie des Indes*’ other crimes, “[its] name alone recalls the Old Regime.”⁹¹ Whether state-chartered or independent, the *Compagnie des Indes* continued to be understood as a public institution that destroyed Revolutionary finances just as it had been intended to bolster Old Regime ones. It was no longer an imperial actor, but the *Nouvelle Compagnie des Indes* remained “an affair of state” to its last.

⁹¹ *AP*, v. 73, 24 (25 August 1793, Julien de Toulouse): “le nom seul rappelle l’ancien régime.”

Conclusion

In spite of the National Convention's seemingly decisive proclamation that what was now known as the *ci-devant Nouvelle Compagnie des Indes*, as an institution, was henceforth extinct in France, it continued to exist for almost another century.¹ The liquidation of the Company's affairs was an arduous financial ordeal that could not be resolved with any purportedly definitive decree by the Convention, as their objective of eliminating seemingly undesirable forms of property ownership did not fundamentally invalidate the shareholders' existing stakes in the Company.² Instead, the realities of the war led to conflicting financial claims that lasted for decades. The ongoing war with Britain meant that Company funds in London, such as the insured value of the Company's seized ship, *la Constitution*, were sequestered by the British government and not returned until after the Congress of Vienna.³ The Company's numerous British shareholders, such as Walter Boyd (by then an MP), were locked into similar demands for the return of their assets, sequestered by the French government, well into the 1820s.⁴

Within France, the requisition of Company goods and ships in the course of the Republican war effort also created lasting, financial disputes. Although the Company's attempt to reestablish itself in Philadelphia had come to naught, the City of Brotherly Love played a curious role in the Company's financial fate when one of its returning vessels, *la Ville de*

¹ It could not be referred to as the *ancienne Compagnie des Indes*, a term that applied exclusively to the Law Company, whose liquidation continued until 1795.

² After the Terror, the Convention issued a final decree on the liquidation of the *Compagnie des Indes* to replace the fraudulent one: *Collection générale*, v.53, 125-127 (17 fructidor an II). It nominally rescinded the Company's (fraudulent) exemption from tax penalties, but maintained the Company's right to otherwise liquidate its own affairs.

³ AE Courneuve, 7MD/147, Dossier "Compagnie des Indes" (f° 103-170). For the dispute over the *Constitution*, as well as sums owed to London firms such as James Bourdieu's, see also 8MD/5 (f° 351-392), and ANOM, 8AQ 38, 8AQ 233, *passim*.

⁴ AE Courneuve, 7MD/147, Dossier "Compagnie des Indes: actionnaires" (f° 171-193vo).

Lorient, landed there to avoid the fate of *la Constitution* at the hands of the British Navy. Upon its arrival, it caught the notice of the French Republic's infamous but cash-strapped emissary, Edmond-Charles Genêt, who promptly seized the ship and its contents, arguing that the suppression of the Company meant its property now belonged to the Convention.⁵ Between the Genêt affair and similar requisitioning of ships and materiel in Europe – both voluntary and forced – the Company amassed a total of twenty million *livres tournois* in claims against the state, including the still unrepaid sums that Moracin had contributed to the Navy's failed Trinquemalay expedition in 1788.⁶ The Company continued to try to collect these sums from the French state, just as the state continued to demand payment for what the Company owed from its tax fraud.⁷ In spite of an 1808 law invalidating all *créances* against the French state incurred prior to year V, the Company's heirs continued to try to collect their assets until 1866.⁸ In their petitions to France's successive political regimes, the surviving shareholders, directors, and their eventual heirs constantly engaged in a relentless performance of their losses, not unlike the claims for indemnities made by the former white, French colonists of Saint-Domingue in the decades after the Haitian Revolution.⁹ As the Company's stakeholders were largely drawn from the wealthiest of financial elites, like the claims of their slave-owning Saint-Domingue

⁵ LOC, Edmond Genêt Papers (container 15, reel 8), Genêt to Randolph, 21 Ventôse an II (f° 4454); CADN, 518PO1 108, Malin to Genêt, 28 August 1793.

⁶ For the controversies emerging from the Navy's requisitioning at Lorient and the sale of the Company's ships, see ANOM, 8AQ 18, *passim*, and 8AQ 380. For the total sum of 20 million *livres tournois*, see AE Courneuve, 8MD/5, Lafitte to Richelieu, 18 July 1817 (f° 370).

⁷ ANOM, 8AQ 336, "Régie Nationale de l'Enregistrement et des Domaines," 12 pluviôse an II.

⁸ Conan, *Dernière Compagnie*, 167-85; Weber, *Compagnie française*, 669-75.

⁹ Such as ANOM, 8AQ 375, "Une classe de citoyens victims malheureuses[...]," 8AQ 376, "Reclamation de sept ou huit cent familles," and the petition to Charles X cited in Conan, *Dernière Compagnie*, 177-78. For Saint-Domingue, see Mary D. Lewis, "Legacies of French Slave-Ownership, or the Long Decolonization of Saint-Domingue," *History Workshop Journal* (2017): forthcoming.

counterparts, these cries of penury were frequently overstated. Even with the massive inflation of the 1790s and the Company's outstanding *créances*, a hypothetical shareholder who owned a stake of the Company between 1785 and 1796 would have retained around 90% of their initial investment.¹⁰ As recent economic historians have observed, the Revolutionary crisis affected “investors of relatively modest means” far more than elites.¹¹

As with its politically contested formation, the long twilight of the *Nouvelle Compagnie des Indes* unfolded against the even longer twilight of France in India. This said, the Revolutionary moment in the 1790s represented a sudden – if only ever ideological – revitalization of visions of French resurgence in India. After the Terror, “maintaining and even expanding France's overseas empire [became] a major priority for the republic,” and this included the Indian Ocean arena.¹² As France “regenerated” itself through its Revolutionary trials, it gave new life to the idea that India was a venue to be liberated – an idea that took on greater symbolic meaning as Republican France faced a loss of colonial control in both the Indian Ocean and Atlantic worlds.¹³ The Revolutionary governor of the Mascarene Islands, Daniel Lescallier, wrote in 1794 that Indian princes, who had long admired the “warrior” French, would respect them even more now that “French leaders will be severely guided by the

¹⁰ This estimate is calculated on the basis of the dividends and liquidation payments recorded in ANOM, 8AQ 338 and 340, and the figures for the inflation values of the *assignat* given in Pierre Caron, ed. *Tableau de dépréciation du papier-monnaie* (Paris: Imprimerie Nationale, 1909).

¹¹ Hoffman, Postel-Vinay, and Rosenthal, *Priceless Markets*, 201.

¹² Jeremy D. Popkin, “Thermidor, Slavery, and the “Affaire des Colonies,”” *French Historical Studies* 38, no. 1 (2015), 65.

¹³ As argued in Blake Smith, “Révolution(s) en Inde: dimensions coloniales, diplomatiques et culturelles, 1789-1799,” *Outre-mers* 103, no. 388-389 (2015).

principles of French regeneration...the French Republic will [be] the liberator of India.”¹⁴ The supposed benevolence of French leaders such as Dupleix and La Bourdonnais – as opposed to their cruel British counterparts – continued to be celebrated by authors such as Anquetil-Duperron in the Revolutionary period. The universalist credo of the Revolution seemed to have finally laid the groundwork for the ‘humanitarian’ liberation of India that had been heralded since Voltaire and Diderot.¹⁵ The Revolutionary Foreign and naval ministries showed a revived interest in *revanchiste* strategies abandoned by Old Regime ministers like Vergennes and La Luzerne, such as the attempt to develop a French route to India through Egypt.¹⁶

The continued ‘black legend’ of British barbarism in India continued to function, through French political and cultural depictions of India in the 1790s, as a filter for Anglo-French affairs and a method of ideological differentiation between the French Revolution and its most hated enemy.¹⁷ However, revolutionaries were equally determined to distance themselves from the apparent military failings and apathy of the last years of the Old Regime by resolutely insisting on Republican France’s role as the protector of the sovereignty of Indian princes. This was most vividly expressed in the French Republic’s outlandish (and often mutual) overtures to Tipu Sultan, who they hailed as the “hero of Hindustan,” even as they also stalled, just as their Old

¹⁴ ANOM, 25 DFC 94, lettre de M^r. l’Escallier, 24 vendémiaire an III (item 74): “les Français sont très braves et guerriers...les chefs français seront sévèrement guidés par les principes de la régénération française...la République française paraîtra comme la libératrice de l’Inde.”

¹⁵ Abraham Hyacinthe Anquetil-Duperron, *L’Inde en Rapport avec l’Europe: ouvrage divisé en deux parties[...]* (Paris: Lesguilliez, 1798), v.1, i-ii; J. Michaud, *Histoire des progrès et de la chute de l’empire de Mysore, sous les règnes d’Hyder-Aly et Tippoo-Saïb[...]* (Paris: Giguet, 1801), v.1, 65, 202.

¹⁶ ANOM, F^{2C} 12, “Rapport sur la proposition faite au Comité d’Instruction publique par Theophile Mandard, de joindre à sa traduction du Voyage de Thomas Howel dans l’Inde, celle d’un autre voyage anglais publié par James Capper en 1783,” 25 vendémiaire an III; AE Courneuve, 8MD/8, “Rapport: moyens de faire parvenir des Depeches[...],” 20 January 1793 (f° 76-78).

¹⁷ Marsh, *India in the French Imagination*, 99-100. ANOM, 25 DFC 94, lettre de Mr. l’Escallier, 24 vendémiaire an III (item 74).

Regime forebears had done, on Tipu's continued, direct demands for military support.¹⁸

However, these overtures culminated in 1798 with Napoleon Bonaparte's attempt to seize Egypt in order to "re-establish" the ancient Suez route to India and join in an alliance with Tipu. Faced with Ottoman and British opposition, the expedition failed, and Tipu Sultan was defeated and killed by the British at Seringapatam in 1799.¹⁹ Yet, some French observers improbably still celebrated the expedition as a viable basis of a future invasion of India and heralded Napoleon as a "true heir" of Dupleix upon his return.²⁰

All of these plans ended in little more than the enduring myth of *l'Inde perdue*, which itself continued to shape French imperial ideologies in the nineteenth and twentieth centuries. From their accounts of the Indian Rebellion of 1857 onwards, French officials and authors continued to insist on a counterfactual, humanitarian narrative of French rule in India as the superior counterpart of the realities of British brutality. During decolonization, some deputies invoked purported praise by Gandhi for the benevolent nature of French rule as a reason to *not* return the five *comptoirs* (now the cities of Puducherry, Chandannagar, Mahé, Yanam, and

¹⁸ ANOM, B 218, *Conseil exécutif provisoire* to Tipu Sultan, 4 December 1792: "modèle des héros de l'Indoustan"; Pierre-Louis Moline, *Mémoire historique et politique sur les Indes Orientales [...] présenté à la Convention Nationale par le citoyen P.L. Moline, bibliographe du Comité d'Instruction Publique* (Paris: Maret, 1794); AE Courneuve, 8MD/11, "Propositions faites par Tipou-Sultan, à la République Française," undated (f° 167-168). For a contemporary denunciation of the Old Regime's failure to support Tipu Sultan, see Michaud, *Histoire des progrès et de la chute de l'empire de Mysore, sous les règnes d'Hyder-Aly et Tippoo-Saïb[...]*, v.1, 138-140. For Tipu's curiously 'pro-Jacobin' views, see Jasanoff, *Edge of Empire*, 149-51; Hasan, *History of Tipu Sultan*, 289. The French Republic and the Nizam of Hyderabad also made similar political overtures to one another, see Dalrymple, *White Mughals*, 60-61, 99-101.

¹⁹ Dalrymple, *White Mughals*, 147; Ian Coller, *Arab France: Islam and the Making of Modern Europe, 1798-1831* (Berkeley: University of California Press, 2011), 11. On British fears of French efforts in Egypt, see CPL, EICMC (091.92B83m), Bruce to Dundas, 28 May 1798; Jasanoff, *Edge of Empire*, ch. 5.

²⁰ Charles-Stanislas Lefebvre, "Mémoire sur l'Importance actuelle de l'Inde" (1801), cited in Vaghi, *La France et l'Inde*, 205-11: "véritable héritier." See also AE Courneuve, 8MD/11, "Reflexions politiques sur l'Inde, présentés au Premier-Consul Bonaparte, par le Gal. de Brigde. Houdetot," an IX (f° 228-242).

Karaikal) to the Republic of India – a transfer that began in 1954.²¹ India may have never had the same economic importance as Saint-Domingue, but the loss of both continued to exert painful sentiments of imperialistic nostalgia.²² As subsequent French monarchies, republics, and empires rolled through Algeria, Indochina, and West Africa, creating the so-called ‘second’ French Empire, imperialists of all political stripes invoked the vision that “a new India is at your doorstep,” and new imperial ventures were presented as a corrective to the “perceived failure[s]” of the eighteenth-century.²³ In the case of India, the cause of these failures was easy to isolate. In writing of the benefits France could obtain from the colonization of Africa, Lucien-Anatole Prévost-Paradol wrote that officials need to take care that “Africa should not [become] a *comptoir* like India.”²⁴ Nostalgic writings blamed the national loss of India on impatience, frivolity, and having approached colonization “lightheartedly,” in spite of the attempts of figures like Dupleix to lead the way through military conquest.²⁵ The legacy of France’s failed Indian empire posited a decisive repudiation of the idea of ‘commercial empire’ by any means. The intellectual and physical wreckage of eighteenth-century experiments in empire seemingly fed

²¹ Claude Farrère, *L’Inde perdue* (Paris: Flammarion, 1935), 271. For French narratives of the 1857 Rebellion, see Nicola Frith, “Compensating for *l’Inde perdue*: Narrating a “Special Relationship” between France and India in Romanticized Tales of the Indian Uprisings (1857-1858),” in *France’s Lost Empires: fragmentation, nostalgia, and la fracture coloniale*, eds. Kate Marsh and Nicola Frith (Lanham, MD: Lexington Books, 2011); Vaghi, *La France et l’Inde*, 118-23. For Gandhi, see the statements cited in Kate Marsh, *Fictions of 1947: Representations of Indian Decolonization, 1919-1962* (New York: Peter Lang, 2007), 136.

²² Lewis, “Legacies of French Slave-Ownership”.

²³ Alphonse-Joseph-Constant Bourelle de Sivry, *Opinion de M. de Sivry sur la question d’Alger* (Paris: A. Henry, 1836), 22: “une nouvelle Inde est à vos portes”; Said, *Orientalism*, 218, 224; Marsh, *India in the French Imagination*, 141.

²⁴ Lucien-Anatole Prévost-Paradol, *La France nouvelle* (Paris: Michel Lévy frères, 1868), 417: “l’Afrique ne doit pas être pour nous un *comptoir* comme l’Inde.”

²⁵ Farrère, *L’Inde perdue*, 269-70: “coeur léger.”

new imperial ideologies and strategies that emphasized “military conquest and settlement colonization,” rather than commerce and trade.²⁶

This ideological repudiation of commercial empire seemingly corroborates that, even though the institution survived in a hollowed-out form, the *Compagnie des Indes* as an idea was dead after the French Revolution. In two successive decrees in 1793 and 1794, the National Convention confirmed that never again would any “society of French merchants” be permitted to use the very name of *Compagnie des Indes*, a stipulation that had been demanded by port cities since the *cahiers de doléances* of 1789.²⁷ This repudiation of empire by companies, whatever their prerogatives in practice, was in a certain sense a transnational, European phenomenon in the late eighteenth and early nineteenth-centuries. The Dutch Company collapsed in 1795, and the British East India Company saw its once extensive powers continually diluted – culminating in the abolition of its monopoly in 1813, followed by its total disestablishment after the Indian Rebellion in 1857.²⁸ Like their French *revanchiste* counterparts, British officials from Edmund Burke to Richard Wellesley had long expressed their contempt for an empire controlled by (as the latter styled them) the “cheesemongers of Leadenhall Street,” as imperial governance was the domain of the state.²⁹ In France, the indictment of monopoly companies long postulated in early *laissez-faire* political economy became seemingly enshrined in both law and intellectual discourse. In his last work before his suicide in the Terror, the marquis de Condorcet denounced

²⁶ Jennifer E. Sessions, *By Sword and Plow: France and the Conquest of Algeria* (Ithaca: Cornell UP, 2011), 3.

²⁷ This language appeared in *Collection générale*, v. 42, 154-155 (decree of 17 vendémiaire an II), v. 48, 189-190 (decree of 26 germinal an II): “aucune société de négocians français ne pourra, dans aucun cas, et sous aucun prétexte, prendre le titre de compagnie des Indes.” The request to ban all future privileged companies in the Indies trade first appeared in Bordeaux’s *cahier de doléances*, see *AP*, v.2, 401.

²⁸ Ittersum, *Profit and Principle*, xxii; Stern, *Company-State*, 209.

²⁹ Quoted in Bayly, *Imperial Meridian*, 150.

“exclusive companies” as both a tax on European nations and an “instrument of tyranny” at home and abroad.³⁰ A decade later, in his *Manuel du Commerce des Indes orientales*, Pierre Blancard wrote that in the aftermath of the Revolution, it would be inconceivable to debate the comparative advantages of a *Compagnie des Indes* or free trade: since equality was now the basis of French “social institutions,” no “dishonorable capitalists [or] *agioteurs*” could ever again even *think* to demand privileges at the expense of the nation.³¹ Similarly, the early liberal thinker Jean-Baptiste Say insisted in his 1803 *Traité d’économie politique* that one could no longer “lightly imagine that a certain trade can only be done by a Company”: while independent, merchant trading associations had their virtues, “a government is the worst of all merchants.” In Say’s view, all demands for exclusive privileges were founded on personal interest, never on the general good, to “[make] an usurious profit off the consumer.”³² His denunciation of privileged, corporate institutions represented the culmination of allegations long made by reformers such as Dupont de Nemours and Morellet: trade was a matter for the market, not the state, and chartered companies only resulted in corruption, inefficiency, and waste.

Even considering the general discredit of such institutions, the legacy of the *ci-devant Nouvelle Compagnie des Indes* continued to be judged particularly poorly. This curious commercial experiment of an empire and a company founded on trade, not sovereignty, had

³⁰ Marie-Jean-Antoine-Nicholas Caritat, marquis de Condorcet, *Esquisse d’un tableau historique des progrès de l’Esprit Humain* (Paris: Agasse, 1794), 334: “les nations de l’Europe apprendront enfin que les compagnies exclusives ne sont qu’un impôt mis sur elles, pour donner à leurs gouvernemens un nouvel instrument de tyrannie.”

³¹ Pierre Blancard, *Manuel du Commerce des Indes orientales et de la Chine; par Pierre Blancard[...]* (Paris: Bernard, 1806), ix: “institutions sociales...capitalistes déhontés [ou] agioteurs.”

³² Jean-Baptiste Say, *Traité d’économie politique, ou simple exposition de la manière dont se forment, se distribuent, et se consomment les richesses* (Paris: Deterville, 1803), v.1: 193 (“s’imaginer légèrement qu’un certain commerce ne puisse absolument être fait que par une Compagnie,” (194) “un gouvernement est le plus mauvais de tous les commerçans,” 200 (“[faire] un gain usuraire sur le consommateur”). On the republican origins of Say’s early liberal thought, see Whatmore, *Republicanism and the French Revolution*.

resulted in a “paltry Company” too small to do anything.³³ The former Pondicherry magistrate and author, Alexis-Guillaume-Henri Collin de Bar, argued that the very things intended to reform the *ci-devant Nouvelle Compagnie* were what doomed it – and France’s imperial destiny in India – to failure. As a sovereign power, its predecessor (the Law Company) had been invested in the broader development of French commerce and empire in Asia, but the interests of the New Company, as it “[owned] no property, were totally isolated from the general interest.” In making such a company, the Old Regime had created “the principal causes of the decline” of France’s Indian trade.³⁴ While it certainly overstates the case to blame the long history of *l’Inde perdue* on an institution that was more a product than a harbinger of imperial demise, this view was largely adopted in the historiography of the New Company. One of its most significant historians denounced its “excessively selfish attitude” towards its imperial mission and concluded with some relief that with the nineteenth-century “triumph of economic liberalism, the era of monopoly companies was over” in imperial matters.³⁵

However, as economic policies vacillated between regimes in the Revolutionary decade, the ultimate fate of the *Compagnie des Indes* was perhaps in more doubt than it may seem. During the French Revolution itself, some diplomatic sources indicated that the abolition of the Company’s monopoly in 1790 was, not unlike what happened in 1769, just another inevitable *interregnum* between company regimes.³⁶ Rupture, not continuity, had long been the hallmark

³³ M. Legoux de Flaix, *Essai historique, géographique et politique sur l’Indostan, avec le Tableau de son commerce[...]* (Paris: Pougin, 1807), v.1, 421: “la mesquine Compagnie.”

³⁴ AE Courneuve, 8MD/11, *Mémoire sur le commerce actuel des colonies françaises de l’Inde, par M. Collin de Bar*, 1817: 3 (“ne possédant aucune propriété, ses intérêts étoient absolument isolés de l’intérêt general,” “les causes principaux de la decadence”).

³⁵ Conan, *Dernière Compagnie*, 186-87: “attitude trop égoïste... triomphe du libéralisme économique, l’ère des compagnies à monopole est close.”

³⁶ AE Courneuve, 8MD/11, “Indes Orient. Discours préliminaire,” unsigned, post-1790 (f° 286vo).

of the *Compagnies des Indes* as institutions, and 1790 could readily be seen another episode in the ongoing cycle of monopoly and free trade. Even after 1793, as some Revolutionary *mémoristes* continued to worry about the effects of *agiotage* on government financial markets, they continued to argue that a company – if not a privileged one – was necessary. Undesirable as companies might be, the Indies trade was an exception to the “general principles of Commerce,” and “contrary to every principle of political Economy,” ruinous to Europe in general and French privateers in particular.³⁷ At the same time, orientalist writers like Anquetil-Duperron continued to assert that the cultural particularities of the Indies trade required not just a company, but a *sovereign* company. Like Collin de Bar, he denounced the *Nouvelle Compagnie*’s peculiarly commercial mandate – as “commerce alone has never made for lasting power” – and argued instead for the need to create a powerful company managed by culturally adept orientalist scholars.³⁸ In spite of the efforts of major theorists like Morellet and Say to establish that all nations and peoples responded to the same incentives in trade, even sources hostile to monopolies, like Blancard’s *Manuel du Commerce*, continued to perpetuate the same, enduring early modern tropes about the difficulties European traders faced dealing with “cunning” Asian merchants, or why trading practices must necessarily differ between settlement *colonies* and commercial *comptoirs*.³⁹ Like their Old Regime forebears, many Revolutionary-era writers still

³⁷ For the need for a company in spite of the risk of *agiotage*, see ANOM, C² 114, “Considérations sur le commerce de l’Inde,” post-1793 (f° 186-187vo). AE Courneuve, 8MD/11, “Indes Orient. Discours préliminaire,” unsigned, post-1790 (f° 286vo): “principes généraux du Commerce”; “Memoire sur l’Inde présenté au premier Consul le 5 Prairial an 9 par Pierre Dubuc[...]” (f° 270): “contraire à tout principe d’Economie politique, il est ruineux pour l’Europe.”

³⁸ Anquetil-Duperron, *Dignité du Commerce*; Anquetil-Duperron, *L’Inde en Rapport avec l’Europe*, v.1, 3, 34; v.2., 458-464: “le commerce seul n’a jamais fait une puissance durable.”

³⁹ Say, *Traité d’économie politique*, v.1, 195; Morellet, *Mémoires relatifs*, 36-37; Blancard, *Manuel du Commerce*, lxix: “les peuples de l’Asie sont naturellement méfiants et rusés.” For examples of the continued use of the *colonie/comptoir* dichotomy, see AE Courneuve, 8MD/11, “Reflexions politiques sur l’Inde, présentées au Premier-Consul Bonaparte, par le Gal. de Brigde. Houdetot,” an IX (f° 228-242); Garonne, *Mémoire historique et politique sur le commerce de l’Inde, par le cit. Garonne aîné* (Paris: Bailleul, 1802).

believed that a company was a vital symbol of France's status as "a great commercial power" and a necessary means of slowing "the growth of the British empire in India."⁴⁰

As a result, each successive interval of peace (or prospective peace) with Britain between 1795 and 1815 led to questions similar to those explored by French administrators and thinkers in the late Old Regime: whether to surrender France's claims in India, and if not, how to reaffirm them through war or commerce, under a company or free trade. Alongside the unmistakable revival of *revanchisme*, other Revolutionary and Napoleonic officials sought a means of rectifying France's "precarious and even humiliating state" in India merely through the more effective assertion of the trading rights that the Bourbon monarchy (and by association, the *Nouvelle Compagnie*) had not adequately secured and defended.⁴¹ With his imperial interests in India, Bonaparte's arrival to power seemed to offer the promise of a commercial regime change to this effect. Alexandre Legoux de Flaix, a former engineer for the Law Company, dedicated a lengthy treatise on India to Bonaparte, in which he advised the Emperor to create "a good and solid commercial system" that would allow French trade to expand to the far-reaches of the world and institutionally parallel his domestic achievements in the Civil Code. If Bonaparte had

⁴⁰ AE Courneuve, 8MD/11, "Indes Orient. Discours préliminaire," unsigned, post-1790: "une grande puissance commerçante" (f° 283), "l'agrandissement[sic] de l'empire Britannique dans l'Inde" (f° 286).

⁴¹ For these discussions during the French Revolution, see AE Courneuve, 8MD/11, "Considerations sur l'Inde," by Montigny, an V (f° 109-117): "l'état précaire et même humiliant"; Beurnonville to Barthélemy, 1 messidor an V (f° 133-136); "Analyse des sept differens Memoires sur l'Inde reçus le Treize Messidor an V" (f° 169-173); ANOM, 25 DFC 94, "Intérêts de la République française dans l'Inde," Léger, 19 frimaire an V (item 78); Moline, *Mémoire historique et politique sur les Indes Orientales [...] présenté à la Convention Nationale par le citoyen P.L. Moline, bibliographe du Comité d'Instruction Publique*. For these discussions at the time of the 1802 Treaty of Amiens, see J. Blanc de Volx, *Du Commerce de l'Inde, comparé dans ses effets avantageux ou nuisibles, et de la nécessité de le confier à une Compagnie[...]* (Paris: Pougens, 1802). *Mémoire sur le commerce de l'Inde et de la Chine, par LA. d. D. d. F.* (Paris: Desenne, 1802). For after the Restoration, see AE Courneuve, 8MD/11, "Sur l'avantage où le désavantage pour la France, d'avoir où de ne pas avoir des Possessions au delà du Cap de Bonne Espérance," by d'Enotais, 1816 (f° 326-332); *Mémoire sur le commerce actuel des colonies françaises de l'Inde, par M. Collin de Bar*, 1817; Des Cazaux to Dessolles, 6 August 1819 (f° 342-349).

any hopes of one day recovering France's former glory in India, Legoux de Flaix argued that it was self-evidently necessary that the Indies trade be granted to "a privileged Company."⁴²

These discussions seemed to offer hope to the *soi-disant* impoverished investors and heirs of the *Nouvelle Compagnie des Indes*. At the time of the Treaty of Amiens with Britain in 1802, just as in 1783, France had made a victorious peace with its rival and seemed in a position to demand territorial and commercial concessions.⁴³ As news of the impending peace spread, James Bourdieu began scheming again for the reestablishment of the French Company and the creation of a cartel between Britain and France, citing that Bonaparte's government seemed "inclined to the reestablishment of the last *Compagnie des Indes*."⁴⁴ Under Bonaparte and during the Bourbon Restoration, the Company's surviving *intéressés* repeatedly offered the settlement of their claims on the state in exchange for the restoration of their former commercial privileges or the creation of new ones.⁴⁵ Though ultimately unfulfilled, these petitions of "dishonorable capitalists [and] *agioteurs*," as Pierre Blancard would have termed them, were perhaps not as outlandish as they might seem. The "reactionary political economy" of the Restoration saw the revival of many conceits of Old Regime economic thinking, encompassing

⁴² Legoux de Flaix, *Essai historique*, v.1, xv("couronnons le superbe monument du code civil...par un bon et solide système de commerce"), 423("la nécessité...[d']une Compagnie privilégiée").

⁴³ Kaiser, "Foreign Plot," 614-15. Article III of the treaty provided for the restitution of all of the "Possessions and Colonies" seized by the British during the war, including the *comptoirs*, see *The definitive treaty of Peace, between his Britannick Majesty, and the French Republick, his Catholick Majesty, the Batavian Republick, signed at Amiens, the 17th of March 1802* (London: Strahan, 1802), 6.

⁴⁴ AM Bordeaux, 122 S 33 (Fonds Monneron), Bourdieu to Louis Monneron, 11 December 1801: "nous ne serions pas étonnés de voir votre Gouvernement incliner au rétablissement de la dernière Compagnie des Indes."

⁴⁵ For Bonaparte, ANOM, 8AQ 378, Paris administration to Bonaparte, 30 Prairial an X, "Commerce de l'Inde," "Au moment où la paix rend au Gouvernement[...]" For the Restoration, AE Courneuve, 8MD/5, Lafitte to Richelieu, 18 July 1817 (F^o 370). In this petition, the heirs agreed to settle their debts in exchange for a monopoly over trade with the Black Sea. In 1863, the Company's last liquidator proposed a similar settlement in exchange for a monopoly on trade with Madagascar, see Conan, *Dernière Compagnie*, 187.

even demands for the renewal of the colonial *exclusif* and a full ban against the “unprofitable trade with Asia.”⁴⁶

Thus, in spite of the vast institutional, political, and territorial ruptures of the era, there was much ideological continuity in French economic and imperial thought across the Revolutionary divide. The early nineteenth-century saw the persistence of the problems, questions, and ideas that had formed the basis of the ‘experiment’ of the *Nouvelle Compagnie des Indes* in the first place, which puts pressure on the idea of a clear demarcation between the ideologies and practices of the so-called ‘first’ and ‘second’ French colonial empires. Eighteenth-century reformers such as the Physiocrats had already identified what are usually held to be the key traits of the ‘second’ empire – settlement, agrarianism, and (often begrudgingly) conquest – through their policy prescriptions for the ‘first.’⁴⁷ This understanding was in some sense embodied by the constant, deliberate differentiation of *colonies* and *comptoirs*, with the former postulated as more modern, and therefore, more economically and politically desirable. Both periods were similarly defined by a continued, performed opposition between French and British imperial ideologies and practices. The Enlightenment insistence on the ‘black legend’ of British rule in India facilitated a myth of a more humane, French imperial alternative, not unlike the humanitarian, assimilationist corrective to the hypocrisies of British rule posited by Alexis de Tocqueville and other French theorists of the “liberal turn to empire” that later found expression in the republican *mission civilisatrice*.⁴⁸ Similarly, the chilling

⁴⁶ David Todd, *Free Trade and its Enemies in France, 1814-1851* (Cambridge: Cambridge UP, 2015), 25-27.

⁴⁷ On this point, contrast the approach of Pernille Røge, *Reinventing the Empire: Political Economy, France, and the African and Caribbean Colonies, c.1750-1800* (forthcoming), with the rigid opposition between the ‘first’ and ‘second’ empires postulated in Sessions, *By Sword and Plow*.

⁴⁸ Pitts, *Turn to Empire*, 219-226, 240; Alice L. Conklin, *A Mission to Civilize: The Republican Idea of Empire in France and West Africa, 1895-1930* (Stanford: Stanford UP, 1997).

nineteenth and twentieth-century insistence on the racialized, ‘exceptional’ legal status of colonies had multiple forerunners in the earlier period: from the slave regimes of the Antilles and the Mascarenes to the relentless insistence by eighteenth-century French political economists that certain colonial venues (*comptoirs*) constituted an orientalized ‘exception’ to the laws of commerce. The ‘first’ and ‘second’ empires existed on a continuum: the questions and problems of France’s eighteenth-century colonial ventures shaped later ones in myriad ways.

What is gained by looking at era of immense political upheaval through the eyes of an entity like the undeniably corrupt and chaotic *Nouvelle Compagnie des Indes*? As an institution, it does not cleanly fit any of the usual historical binaries: in an era that sought to “demarcate” public and private in new ways, it was caught between them, just as it was neither purely revolutionary nor counter-revolutionary. It was a curious microcosm of the divergent pulls of different ideals in French economic thought and practice in the eighteenth-century, as to the limits of the state and the market, and the emulation or repudiation of foreign ideas. There was no straightforward transition between a ‘mercantilist’ worldview and a ‘*laissez-faire*’ anticipation of modern liberalism: in practice, economic institutions were defined by hybridity and experimentation. French economic history in the eighteenth-century only makes sense by accepting this constant flux and reflux between alternatives, by observing historical actors in context as they tenuously negotiated “the way forward.”⁴⁹ French economic thought and development is frequently positioned against a normative, British ideal, especially in the eighteenth-century, when the seeds of British industrial and commercial hegemony are supposed to have been planted. However, the badly posed question of ‘why was France not more like Britain?’ fails to account for contemporary French observers’ genuine hesitation as to whether

⁴⁹ Cheney, *Revolutionary Commerce*, 6.

Britain was even a desirable model to emulate. On one hand, they were clearly aware of the relationships between global and domestic economies, between commerce and industry, and throughout the Revolutionary era and well into the nineteenth-century, French observers praised and envied Britain's ability to combine colonial, commercial power in India with flourishing cotton industries at home.⁵⁰ French observers from Diderot to Calonne to the National Assembly were eager to emulate this example, but profoundly unsure how to do so.

On the other hand, the creation of the *Nouvelle Compagnie des Indes* shows that this emulation had defined limits in practice, because in certain respects, the 'British model' seemed profoundly undesirable. After the Seven Years' War and throughout the Revolutionary era, French observers looked upon Britain's East India Company and its Indian empire with trepidation, if not outright horror. Their 'company-state' seemed expensive, brutally violent, and politically unstable – an impression corroborated by the domestic, British political tumult over its prerogatives from the 1770s onwards. While Fabre d'Églantine blithely claimed that the financial company he sought to "annihilate" was nothing more than a transplanted, British invention, the story of the *Nouvelle Compagnie des Indes* reveals the extent to which French observers – within the state and the company itself – were not content with their rival's approach and sought to transform it. While these French visions of benevolent, commercial colonialism may seem delusional to modern readers, their contemporaries saw them as genuinely viable. The Seven Years' War may have been a loss for France, but what the British had 'won' was not so appealing. From the French perspective, trade could be a form of enduring, peaceful power with none of the attendant burdens of imperial governance. The late eighteenth-century seemed to be

⁵⁰ Gottmann, *Global Trade*, 173; Todd, *Free Trade*, 29-30, 145, 171. AE Courneuve, 8MD/11, "Indes Orient. Discours préliminaire," unsigned, post-1790 (f° 280-282).

a period of inevitable imperial rethinking and transformation, even though many of these French experiments in empire seem improbable to us now.⁵¹

Although the *Nouvelle Compagnie des Indes* was short-lived, it was a site upon which opposing intellectual and political actors negotiated conflicting ideals of commerce and conquest and of the relationship between financial institutions and the state. The only thing (most) of them could agree upon was the imperative of preventing the new Company from wielding ‘the sword’ like its British counterpart. Yet, as much as these actors repeatedly tried to break the Company’s sovereign ties to the state, neither its architects, participants, or even the coming of the French Revolution itself could fully rupture this “corporate constitutional” arrangement. The Company was never a ‘purely commercial’ actor in India, and through its contested fiscal-constitutional position in metropolitan France, it became a symbol of the Old Regime’s unstable financial system.⁵² Like its corporate forerunners, its contemporaries and later critics saw it too as a failed, *opération détestable*. Yet, for all that was ‘detestable’ about it, to fully accept it on its own terms, one must allow oneself to be struck by how plausible it once might have seemed.

⁵¹ For instance, see the account of the ‘Kourou expedition’ in Emma Rothschild, “A Horrible Tragedy in the French Atlantic,” *Past & Present* 192 (2006): 67-108.

⁵² See, for instance, the incisive analysis in Weber, *Compagnie française des Indes*, 686.

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AD – Archives imprimées
AE B III – Affaires Étrangères. Consulats: mémoires et documents
T – Papiers d'origine privée tombés dans le domaine public
Marine B3-B4
X – Parlement de Paris

Site de Pierrefitte-sur-Seine:

AF II – Archives du Pouvoir Exécutif
D XI – Comité de liquidation
F⁷ – Police générale
F¹² – Commerce et industrie
W – Jurisdictions extraordinaires
297AP – Fonds Calonne
61AQ – Fonds de la Banque Greffulhe

Bibliothèque Nationale de France (BnF), Paris, France
Bibliothèque François Mitterrand

Département des Manuscrits (Richelieu)
Collection Joly de Fleury
Nouvelles Acquisitions Françaises (NAF)

British Library (BL), London, England
Auckland Papers (Add MS 34421-34424)
India Office Records (IOR)
I: Records relating to other Europeans in India, 1475-1824

Cleveland Public Library (CPL), Cleveland, OH
East India Company Manuscript Collection (EICMC), Special Collections

Columbia University Archives, New York, NY
Gouverneur Morris Papers

Hagley Library and Museum, Wilmington, Delaware
Winterthur Manuscript Collection

Harvard University, Cambridge, MA
Houghton Library
Baker Library
Kress Collection of Business and Economics

Library of Congress (LOC), Washington, D.C.
Edmond Genêt Papers (EGP)

Lloyd's Banking Group Archives, London, UK
A/26 – Herries, Farquhar & Company Records

The National Archives, Kew, England
PC/1/123-133 – Calonne Papers
PRO 30/8 – Chatham Papers
FO/27 – Foreign Office (France)

Newberry Library, Chicago, IL
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