PRIVILEGING COMMERCE: THE *COMPAGNIE DES INDES* AND THE POLITICS OF TRADE IN OLD REGIME FRANCE

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ABSTRACT

Gregory Mole: Privileging Commerce: The Compagnie des Indes and the Politics of Trade in Old Regime France
(Under the direction of Jay M. Smith)

This dissertation explores the history of the Compagnie des Indes (French East India Company), the privileged corporation established by the monarchy to oversee French settlement and trade in India from 1719 to 1769. Underfinanced, overly centralized, and wracked by infighting, the Company nonetheless became a key site of political experimentation in the final decades of France’s Old Regime. It also came to occupy a central place within the public life of the eighteenth century. A source of ongoing controversy, the corporation attracted a range of both critics and commentators, from jurists and Enlightenment philosophes to shareholders, crown officials, and colonial administrators. As these various groups wrestled over the principles and practicalities of Company trade, they also revisited prevailing assumptions about the political authority of the absolutist monarchy. The politics of the French state were thus reconfigured to accommodate the exigencies of its empire.

Focusing on a series of colonial scandals, this dissertation examines how concerns over empire inflected the political language and governing principles of the Old Regime. It uses the Company to place previously unexplored tensions over colonial governance, economic management, and labor regulation at the center of eighteenth-century public debate. It likewise connects political developments in India to the constitutional crises that beset the monarchy in the final decades before the French Revolution. In so doing, this dissertation ultimately reframes
the evolution of the early-modern French state as a global process driven by controversies and rivalries that originated far outside France’s borders.
To my parents
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Introduction

In 1773, Voltaire published his *Fragments sur l’Inde*—a lesser-known work that doubled as both a history of the late Mughal Empire and a chronicle of European colonization on the subcontinent. Like other prominent commentators on the political economy of the Old Regime, the *philosophe* viewed the Indian trade in terms of waste, excess, and “ruinous luxury”: a decadent traffic that led “simple citizens” to bedeck themselves with “more diamonds than queens” and to “corrupt their nostrils with the disgusting powder[s]” of the Orient.¹ He worried as well about the political consequences of establishing trade links with India. Voltaire described an alarming scene of “costly establishments,” “vast [conquered] domains,” and destructive rivalries: an entire empire born out of “the idleness of our cities and the greed of [our] traders.”² In India, he concluded, self-serving competition and the drive for profit had displaced both the ambitions and interests of Europe’s most powerful monarchs.

Voltaire’s criticism focused, in particular, on the activities of the *Compagnie des Indes* (French East India Company), the privileged trading corporation commissioned to oversee French commerce and settlement in India from 1719 to 1769. The *philosophe* outlined a long history of peculation, poor returns, and crimes against the crown. He likewise denounced the Company’s administrators, whom he claimed were consumed by “avidity” and guided by a


“personal interest that stood in opposition to the general good.” According to Voltaire, Company officials had consistently exploited their distance from royal supervision to fashion themselves into de facto “sovereigns.” They had adopted the ornaments and titles of Indian rulers, carving out local fiefdoms around the French territories on the subcontinents. They also started wars without bothering to consult the crown, and pled neutrality when the monarchy called on them to furnish it with troops and supplies. What should have been a mere “merchant society” had instead become a refractory kingdom: a parasitic body politic that ignored the needs of the French nation in pursuit of its own ends.

Such claims resonate loudly within both the history and historiography of the Company. As Danna Agmon notes, the story of French settlement in India has been transformed into a “trope of failure,” conjuring images of lost wars, foundering trade, embarrassing scandals, and stillborn imperial ambitions. At the heart of this narrative is a sense of profound contradiction between the commercial interests and institutional practices of the French monarchy, which founded the Company in 1719. The royal edict that chartered the Company described the overlapping interests that bound the corporation to the king: it referred to “the needs of the state” that would be met by “reestablish[ing] and augment[ing] French commerce in India.” But, in practice, crown policymakers often did more to hinder than facilitate Company operations; they not only failed to provide the corporation with consistent military support, but also catered to the

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3 Ibid, 8.
5 ALA C 749, Arrêt du conseil d’estat du roy, concernant la Réunion des Compagnies des Indes Orientales et de la Chine, à la Compagnie de l’Occident, 17 June 1719.
whims of privileged officeholders who opposed its trading monopoly. The monarchy likewise stifled commercial opportunities by saddling the Company with an inflexible and overly centralized administration—a convoluted bureaucracy that prevented merchants from acting on their own initiative. To critics like Voltaire, meanwhile, the corporation represented a perversion of the healthy commercial society envisioned by the crown; Company monopoly simply channeled the instruments of public power toward the pursuit of destructive private gains. As was the case with French domestic manufacturing, the crown’s reliance on privileged middlemen to facilitate its economic goals constituted a source of dynamic internal tension throughout the eighteenth century.

This dissertation provides both a history of Company settlement in India and a study of state formation in the early-modern world. Rather than offer a new perspective on an old question—why the Company ultimately failed—it instead uses the corporation as a window into the transformations wrought by colonial trade on the politics of the Old Regime. Far from merely weakening the bonds between the crown and its subjects, or exposing fundamental contradictions in French political practice, Company settlement in India also served to expand the conceptual

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limits of royal sovereignty. As a number of scholars have shown, the monarchy represented the lodestar of early-modern French commercial life: for statesmen and merchants alike, trade was imagined as a form of public service whose legitimacy stemmed from its capacity to facilitate the needs of the crown.\(^9\) While overseas commerce exposed certain institutional limits to royal authority—spurring the king to commission proxy agencies like the Company to trade, settle, and administer on his behalf—it also underlined the importance of the monarchy as a source of political legitimacy. In everything from the negotiation of trading concessions to the pursuit of commercial wars in India, corporate agents invoked the name of the king to explain their activities and justify new policy decisions—even, paradoxically, when such efforts contravened existing crown regulations. They imagined new applications for royal power, reinterpreting monarchical authority so that it could fit with, and make sense of, new economic and political conditions. By consistently citing the sovereign power of the crown, Company employees ultimately changed its meaning. This process blended traditional understandings of kingship with visions of a more depersonalized, commercially oriented, and bureaucratic state.

This dissertation examines the Company as a key feature of a political world constructed not merely through conflict and polarized opposition, but also through the ongoing negotiation between different sovereign institutions. It is story of an Old Regime constituted around a variety of political forms—from a far-flung empire to a centralized state, from a territorially-bound nation to a corporatist society composed of scattered agencies that, like the Company, exercised their own forms of proxy sovereignty. It is a story, in particular, about the understandings of

\(^9\) This connection between commerce and royal service, articulated first by sixteenth- and seventeenth-century theorists like Jean Bodin and Antoine de Montchrestien, remained a vital element of the political economy of the eighteenth century. Well into the final decades of the Old Regime, private commercial enterprise was understood to lack intrinsic value; instead, the merits of trade were reflected by its capacity to benefit the public interests of the state. See Henry Clark, *Compass of Society: Commerce and Absolutism in Old-Regime France* (Lanham, MD: Lexington, 2007).
French nationhood that emerged from this dynamic. Studies of eighteenth-century France project an image of a starkly agonistic political culture, of clearly formed battle lines separating state from society, monarchism from republicanism, and reformers from entrenched reactionaries. Yet as Jay Smith has argued, the early-modern state was neither an “already-coercive force” nor a set of “a priori ideological, institutional, and historical imperatives”; instead, it represented a “cultural field in which relations and meanings were never fixed.” A study of the Company’s efforts to settle and trade in India—and the controversies, lobbying efforts, and arguments generated by this process—reveal a political context where even the basic meaning of absolute state power was far from understood. As I show, the central focus of political thought in early-eighteenth-century France was not in determining where sovereignty should reside, but in answering the question of how it could be most effectively distributed.

To understand the history of the Company, I explore a series of colonial scandals, each of which evolved from small, personal conflicts to sensational cause célèbres. An exploration of these specific conflicts achieves two goals. First, this effort exposes the human side to the impersonal processes of globalization, state-building, and economic restructuring that dominate narratives of the eighteenth century. While adding “flesh and bone” to otherwise abstract developments, it also reveals the contingencies and personal interests that propelled state centralization in France—a trend that, from the perspective of hindsight, appears all too often as

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inevitable. This narrative focus likewise lays bare the complex agendas and overlapping relationships that shaped France’s colonial history in the final decades of the Old Regime. In place of a simple binary dividing metropolitan regulators from refractory colonial agents, we instead see Company employees negotiating a shifting line between licit and illicit behavior, and public and private interest.

Second, an analysis of Company scandal also underscores the influential role that the corporation played within French political life. The Old Regime economy is typically assumed to have channeled the majority of its capital into risk-averse investments like venal offices, rentes, and land. The supposedly patrimonial nature of French financial culture has obscured the importance of entrepreneurial projects like the Company during the eighteenth century—both in economic and political terms. Indeed, even as new scholarship has challenged the perception that the monarchy was essentially backward facing and anti-entrepreneurial, France’s overseas empire has continued to occupy a marginal position in the history of the Old Regime. As this dissertation shows, however, even minor Company disputes could become transoceanic controversies with far-reaching political consequences. Concerns over the Company consumed a range of actors and institutions—from colonial employees and metropolitan administrators to

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12 On the importance of pairing microhistorical perspectives with macrohistorical narratives of French globalization, see Kwass, *Contraband*, 13.


French jurists, Enlightenment *philosophes*, and royal ministers. In the increasingly global world of the eighteenth century, the politics of even the smallest colonial settlement were embedded within, and had the potential to transform, the politics of France’s entire imperial system.

On the one hand, the contests and controversies precipitated by Company operations in India laid bare the graft, violence, and disorder that, in the words of James Epstein, often “haunted metropolitan imaginings” of empire in the early-modern world. On the other hand, Company scandal created an important point of contact between colonial politics and the public life of the Old Regime. Eighteenth-century France bore witness to an emerging culture of literary consumption and informed discussion: an incipient public sphere through which the problems of the day were analyzed as part of a broadening political debate. Company agents both benefitted from, and contributed to, this process. Like parlementaire barristers, Jansenists, and other dissident polemicists, employees seized upon France’s expanding “politics of public opinion” to state their case in colonial scandals. They exploited a variety of publishing opportunities, from official Company memoranda to self-published *mémores* disseminated through the help of sympathetic patrons in France. This process not only helped “bring home” the realities of empire

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to a curious public readership, but also sparked an ongoing debate about the political, economic, and legal implications of corporate monopoly.  

Nonetheless, Company polemists did more than just insert themselves into preexisting channels of publication and contestation; they also helped to create them. Comparatively little of the Company’s archives remains—its records were mostly consumed by untimely fires or destroyed to avoid them from falling into enemy hands. But like their competitors in the Dutch, Portuguese, and especially British East India Companies, French employees were part of a vast epistolary network: an empire of paper constituted through official memoranda, commercial orders, and council reports, not to mention private correspondence between Company merchants and their patrons and family members back home. Such an extensive circulation of letters and ideas suggests an important spatial component to the publishing culture of the Old Regime.

Company writing helped to establish a firm sense of political hierarchy—a colonial chain of being linking administrators in Asia and the Indian Ocean to metropolitan directors and, ultimately, the king. Yet it also helped employees navigate a complex imperial geography that transcended any firm center-periphery divide.

Through both their official and personal correspondence, Company members connected different colonial sites into a coherent web of political relationships. They created informal coalitions and regional networks of power that often fit within, but were also distinct from, the official hierarchies of the Company. They negotiated with foreign power brokers (both European

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17 On the elision between “colony” and “metropole” brought about by Company writing—especially writing about scandal—see Indra Mukhopadhyay, “Imperial Ellipses: France, India, and the Critical Imagination” (PhD diss., University of California, Los Angeles, 2008), 63.

and Indian) to create new diplomatic settlements on the subcontinent. And they reinterpreted the contradictions and conflicts of interests that developed in the course of Company business to fit within a preexisting framework of established protocol, accepted legal practices, and prevailing economic principles.  

Part of a loosely defined conglomeration of people and settlements—what Kerry Ward calls an “empire within a state”—Company employees fashioned a range of identities, from that of loyal subject to local sovereign, Mughal feudatory to private merchant.

The distance between the Company’s settlements in Asia and its home offices in Paris meant that it could take up to two years for news and a corresponding response to travel. This gap provided employees with considerable latitude in disclosing new developments to Company authorities. By delaying reports, withholding certain information, and constructing favorable interpretations of local events, colonial agents could reframe the power structures and reinterpret the organizing principles of the entire Company enterprise in India.

Finally, a study of Company scandal sheds light on the global dimensions of developments that, until this point, have been seen as the exclusive domain of domestic politics: the formation of a centralized French state, and the erosion of France’s traditional corporatist social system. In everything from the parceling out of municipal privileges to the creation of a standard system of taxation, the crown confronted a variety of competing impulses—between centralization and decentralization, bureaucratization and the extension of patrimonial practices,

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the bolstering of hierarchy and the cultivation of citizenship. As historians like Gail Bossenga and Michael Kwass have shown, these internal tensions continued to grow over the course of the eighteenth century, until the entire Old Regime system collapsed under the weight of its own contradictions. The Company’s conflict-laden history, however, reveals that the fault lines dividing the “modernizing,” bureaucratic crown from its patrimonial heritage were rarely so clearly defined. Indeed, incipient globalization and the daily pressures of empire-management seemed to require the presence of both a powerful, centralized monarchy and a decentralized administration of proxy agencies that could assume the responsibilities of local government. Company trade reinvigorated traditional notions of corporate privilege and liberty by directing them toward new ends: policing a scattered network of French merchants, and negotiating the complex local politics encountered in India. Yet it also underlined the need for a strong, supervisory state, which could provide legitimacy, military support, and legal sanction to the Company’s activities.

An analysis of the publishing and lobbying efforts of Company employees underscores the importance of empire in shaping Old Regime political norms. By the beginning of the eighteenth century, crown officials had begun to pursue a vigorous policy of colonial development. From the Caribbean to the Indian Ocean, the monarchy established a string of


23 Recent scholarship on both the Old Regime and Revolution has adopted a global perspective to understand the history of France in the eighteenth century. While this “global turn” has revealed important new connections between France and territories both inside and outside of its colonial empire, it has concentrated mostly on the centrifugal flows of ideas and politics from the French kingdom to sites across the world. Meanwhile, the impact of empire, colonization, and global expansion on developments in France has received far less attention, particularly outside the realm of elite intellectual culture. For “state-of-the-field” assessments of this global focus, see Suzanne Desan, Lynn Hunt, and William Max Nelson, ed., The French Revolution in Global Perspective (Ithaca, NY: Cornell University Press, 2013) and David Bell, “Questioning the Global Turn: The Case of the French Revolution,” French Historical Studies 37, no. 1 (2014): 1-24.
trading companies—imbued not only with exclusive commercial rights, but also a mandate to govern on behalf of the crown. In many ways, this delegation of power represented a continuation of older political practices; the theoretical absoluteness of royal power was always limited by the decentralized realities of early-modern governance. Historians of the seventeenth century, for instance, have identified a number of the practical limitations that faced the French monarchy during this age of relentless state building: Louis XIV may have spoken a language of aggressive centralization, but in reality he depended on the collaboration of a variety of provincial elites to exercise power. Yet such a cooperative process, in which the need for accommodation tempered state expansion, is thought to have mostly unraveled by the end of the Sun King’s reign. Spiraling debt, rural unrest, and a consequent need for economic restructuring created an expanding gulf between the crown and the privileged middlemen upon whom it had once relied. As I argue, by contrast, the crown’s imperial experiments actually perpetuated the collaborative dynamics of the previous century. Colonial expansion riddled the supposedly clean lines of absolutist sovereignty with competing legal regimes, unequal zones of economic development, and multiple layers of political administration.


imperial system, the crown was forced to rely upon an array of agents and intermediate institutions.

For the monarchy, the benefits of this arrangement far outweighed the limitations. In parceling out political power to a range of colonial intermediaries, the crown softened deep-seated sociocultural tensions that, in the final decades before the Revolution, would unleash themselves in a storm of protest and popular revolt. On both an institutional level and in the minds of contemporary theorists, France remained a patchwork of sovereign powers and overlapping administrations long into the eighteenth century. As was the case in numerous colonial scandals, proxy institutions like the Company frequently bore the brunt of popular dissatisfaction when crown policy failed. Critics challenged the means by which the monarchy delegated its authority, and the trustworthiness of the agents it commissioned. What they did far less often was openly question the legitimacy of the king.27 Even embarrassing public controversies served to reinforce rather than challenge the political power of the monarchy. As Company employees moved beyond the practical limits of crown supervision, and as they encountered new rivalries and unforeseen challenges, they consistently relied upon crown authority to provide themselves with political traction. Thus positioned as a third party in a wide range of local conflicts and personal disputes, the crown found itself imbued with new forms of power by the very agents it commissioned to govern on its behalf.28

27 Kwass, by contrast, argues that discontent over the actions of delegated authorities like the General Farms ultimately undermined the authority of the crown, though the timing of this development lines up with the arguments of this dissertation, which suggests that the crises of empire of the 1750s and 1760s upset the collaborationist dynamic described above and eliminated the crown’s ability to insulate itself through the sovereign institutions commissioned to govern, fight, and trade on its behalf. See Kwass, Contraband, 10-11.

28 This model of state building draws, in particular, on Georg Simmel’s concept of *tertius gaudens*: a “rejoicing third” that benefits by acting as an intermediary between competing parties. Simmel describes two forms of arbitration processes: one in which the third party actively projects itself as a mediator, and another, more indirect model where the “*tertius* gains an advantage only because action by one of the two conflicting parties brings it about for its own purposes.” In other words, the *tertius* can benefit merely by being invoked or activated, rather than through the need for direct action. This second model most effectively describes the growth of French state power through Company
This dissertation thus describes the gradual, often-unexpected process of state formation that paralleled the monarchy’s active attempts to expand its power in the final decades of the Old Regime. Next to the image of an aggressively centralizing monarchy that often features in studies of the eighteenth century, we see a state that was in many ways constructed from the outside-in. Institutions like the Company played a key role in this process, as did the competing interests, political blocs, and opinions generated by the daily process of empire management in India. Yet if colonial expansion established a tenuous balance between the centrifugal and centripetal tensions infusing Old Regime politics, the dissolution of much of France’s empire during the Seven Years’ War shattered this delicate ecosystem. In India, the collapse of French military power established a new political settlement that robbed the Company of most of its sovereign authority. In France, defeat prompted a thoroughgoing reassessment of both administrative practices and political ideology. In either case, the monarchy reeled as the political space around it was abruptly compressed. For both royal policymakers and contemporary political theorists, the dissolution of France’s imperial system necessitated the creation of a more effective French state. The growing discord of the 1770s and 1780s was in no small part due to this abrupt shift in the conceptual shape of the nation, which highlighted the growing gap between the public agenda of the crown and private needs of its subjects.

“The very reason and nature of public credit”

The activities of the Company were always a function of the perceived goals of the crown, many of which shifted over the course of the eighteenth century. The first version of the conflict. See Georg Simmel, *The Sociology of Georg Simmel* (New York: The Free Press, 1950), 154-155. Another useful template comes from Michael Braddick’s arguments about state formation in early modern England. Braddick envisions the state as “a mind without a body”—a central power that is instantiated through an interchangeable series of agents, offices, and agencies. This framework likewise suggests a process of state expansion that is contingent and driven by multiple bodies and forces rather than by some preformed central will. See Michael Braddick, *State Formation in Early Modern England, c. 1550-1700* (Cambridge University Press, 2000), 20-21.
corporation was established in 1664 as part of the finance minister Jean-Baptiste Colbert’s ambitious scheme to revitalize the economy of absolutist France. Despite the commitment of both Colbert and Louis XIV (its chief investor), the Company struggled in competition with the more-established trading corporations managed by the Dutch, English, and the Portuguese. Early employees founded a string of commercial outposts across the coastline of the subcontinent, from Bengal to the Gujarat, but they failed to turn these settlements into profitable trading centers. By the 1680s, the Company was bankrupt, and had little choice but to rent out its monopoly to a group of merchants from Saint-Malo.

The Indian trade remained in the hands of this private consortium for nearly thirty years, until the arrival of an ambitious Scottish financier, John Law, at the French court in 1716. As the crown struggled to cover its debts in the aftermath of the War of the Spanish Succession, Law moved into a position of power behind his radical proposal for the reform of state finances. The Scotsman approached the crown with a scheme to create a national bank and replace French specie with a paper-based currency—a proposal intended to facilitate France’s shift into a credit economy. Central to this plan was the reestablishment of the French East India Company, which he merged with several other trading corporations (those responsible for commerce in China, the South Seas, Canada, and the West Indies) in order to create a newly expansive Compagnie des Indes Perpetuelle.

While Law’s plan enjoyed a rash of early successes, it also created a financial bubble that eventually crashed the French economy in 1721.29 The Company survived the ensuing tumult, but its reputation did not: the corporation became a source of popular derision among the legions

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of investors who had lost their fortunes by purchasing its shares. Stripped of many of the privileges that it enjoyed under Law, the Company was set once again to the task of trading and settling in India. Its record over the following decades would prove uneven: whereas commerce flourished in the French factories in Bengal, it languished in settlements along India’s western coast. Internal scandals wracked the Company, as administrators turned against each other, engaged in unsanctioned wars, and built private fortunes over the course of their tenure. At the same time, the British emerged as a serious threat to French interests on the subcontinent. As European conflicts such as the War of the Austrian Succession and the Seven Years’ War spilled over to India, the English gradually gained control of the French settlements there. The terms of the 1763 Treaty of Paris restored these towns to the Company; but the heavy burden of military costs, underperforming trade, and public scandal combined to seal the corporation’s fate. Over the following years, the crown gradually turned against the Company, stripping away its commercial privileges before finally dissolving it in 1769.

Law built his Company along highly centralized lines. The corporation was jointly administered by a coalition of ten directors and two royal commissioners, while plenary executive power resided in the hands of the Controller-General. Shareholders came from all walks of Old Regime life, though mostly consisted of court financiers and rentiers. As investors, they had little say in matters of corporate governance. Although the crown instituted several

30 The severity of this popular response is detailed in Kaiser, “Money, Despotism, and Public Opinion in Early Eighteenth-Century France: John Law and the Debate on Royal Credit,” 1-2. Here Kaiser argues that the protests generated in response to Law’s bubble played a critical role in the development of public opinion in France (backdating this trend by several decades).

31 These limitations, though, did not prevent shareholders from milking patronage connections to advocate for institutional change. Lüthy’s extensive study of financial life in the eighteenth century offers an in-depth look at how financiers, who floated loans and conducted business on behalf of the nobility (incapable of engaging in such business for fear of losing its noble status) used their political connection and economic capital not only to secure new investment opportunities but also to push for reforms outside of formal political channels. Herbert Lüthy, *La Banque Protestante en France de la Révocation de l’Edit de Nantes à la Révolution*, 325-330.
important reforms, particularly in 1731 and 1746, this basic administrative dynamic remained in place until a few years before the Company’s dissolution in 1769. A fusion between royal officials and independent administrators, the corporate leadership possessed an ambiguous mandate, governing a Company that seemed, at once, both public and private, state-run and semi-autonomous. The precarious balance between these positions helps explain why the meaning of Company sovereignty was so easily reinterpreted over the course of the eighteenth century. It also accounts for the public imprint left by Company scandals. The corporation was closely connected to the court politics at Versailles; even its middling bureaucrats owed their position to the intervention of well-placed courtiers. When embroiled in a personal conflict, Company employees could call on a range of important patrons to advocate on their behalf, turning minor disputes into polarizing public controversies.

The Company ruled over a far-flung series of colonial settlements, although the ambit of this jurisdiction shifted over the course of the eighteenth century. A key component of Law’s plan was the consolidation of France’s various imperial dominions under Company control. At the height of the “System,” corporate leaders thus administered a global network of settlements and factories. The Company’s trading empire extended from Louisiana to Saint-Domingue, the Barbary Coast to the West African littoral—and encompassed both large settlements and small trading factories in India and China. This imperial chain slowly dissolved over the course of the 1720s, as the crown reformed its colonial policies in the wake of Law’s bubble. Unprofitable investments like the Barbary Coast settlements were progressively abandoned, while the monarchy seized the Company’s lands in Louisiana—a transfer codified in a 1731 royal edict.

that ceded political authority to the king in exchange for a loan. This broad restructuring reduced Company sovereignty to a few colonies in Asia and several slave-trading ports along the Guinea coast. The latter remained small in size, and had only a limited impact on either the Company’s bottom line or its internal politics.  

Company administrators consequently devoted the majority of their attention after 1731 to the management of the Indian colonies, as well as their agricultural settlements and victualling stations on the Iles de France and Bourbon (Mauritius and Réunion Island). The jurisdiction of the corporation was concentrated in sites that were predominantly coastal, urban, and mixed in population. In all five of the major French settlements in India—Pondichéry (the Company’s chief colony), Chandernagor, Mahé, Karikal, and Yanam—Company agents rarely numbered more than a few hundred European settlers. The vast majority of the corporate employees living in India were soldiers; the rest consisted of administrators, merchants, support staff (ranging from clerks to surgeons and parish priests), and, in some cases, immediate family members. An admixture of rigid “imperial designs” crafted by metropolitan planners and a frontier politics governed by “local contingencies,” Company settlements conformed to the unpredictable pattern of early-modern colonial settlement described by Shannon Dawdy.  

On the one hand, colonies like Pondichéry were administered according to preexisting hierarchies of office and race. The settlement was divided into “white” and “black” towns, and its employees were limited by metropolitan statute to the purchase and export of a specific set of commodities.

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34 For estimates of the number of Company employees living in India, and projections about their labor and demographic distribution, see Manning, Fortunes à faire, 198-201.

hand, metropolitan provisions were rarely observed, and sometimes openly flouted. Across India, Company employees engaged in mixed-race marriages, insinuated themselves into local trading networks, and established regional political coalitions. Exercising neither “consistent loyalty” nor “constant resistance,” these individuals instead followed a pattern of what Jane Burbank and Frederick Cooper have termed “contingent accommodation”—a flexible politics of opportunity.36

The effort to determine how Company settlements fit within the political space of the Old Regime, and what to make of the many instances where metropolitan statutes were contravened, provided an ongoing source of contention. This dissertation offers a roughly chronological order of Company settlement and politics over the course of the eighteenth century. Yet it also focuses on the moments of conflict that brought concerns over Company jurisdiction, trade, and political responsibility to the fore of public consciousness. As William Sewell notes, “lumpiness, rather than smoothness, is the normal texture of historical temporality.”37 This claim rings especially true in the case of early-modern colonialism, where deep-seated convictions were often sidelined by practical need, political authority was reshaped by the charisma and personal influence of individual leaders, and news arrived in discrete and often distressing bundles.38 The Company’s history is defined by long periods of compromise and accommodation, followed by dramatic disruptions that called into question the wisdom of certain practices or the trustworthiness of


38 More generally, information exchange in the early-modern period posed problems when it came to discerning the accuracy of colonial reports. Exploration and colonization fulfilled an Enlightenment desire for discovery, but reports from these voyages and enterprises often failed to meet the necessary empirical criteria to be considered trustworthy. See Philip Stern, “Exploration and Enlightenment,” in Reinterpreting Exploration: The West in the World, ed., Dane Kennedy (Oxford: Oxford University Press, 2014), 54-79.
specific administrators. Put another way: it is a story punctuated by quick bursts of change, accompanied by protracted intervals of reaction and readjustment. For much of the eighteenth century, the faults and controversies generated by the Company reinforced state authority. But as France’s imperial presence in India collapsed, many of these unresolved issues were eventually projected onto the crown itself.

The first chapter of the dissertation examines the conditions under which the Indian monopoly was established in 1664. It follows the dissolution of the Company and its consequent reestablishment under Law, as well as the economic chaos resulting from the bursting of the Mississippi Bubble. This chapter focuses in particular on how the ideological foundations behind Company commerce, as well as understandings of the best practices for trading and settling in India, were reworked over the course of the early eighteenth century by various interest groups. Beneath the veneer of a state-controlled commercial enterprise emerged a complex lobbying network of courtiers, merchants, shareholders, and political functionaries—each of whom hoped to preserve the Company while also refocusing it toward new ends.

Next, I analyze the everyday problems of colonial governance and trade encountered by Company employees in India during the 1720s and 1730s. Employees struggled to balance metropolitan dictates with local political and trading conditions, and to reconcile the need for local innovation and initiative with the centralized administrative structure of the corporation. These difficulties projected onto a broader set of French debates about the function of patrimonial practices like nepotism and the purchase of government offices. As this chapter shows, Company trade continued to raise uncomfortable questions about not just the governance of France’s overseas colonies, but also about the sovereign composition of the Old Regime more generally.
The third chapter moves into the first of a series of public scandals involving high-placed Company administrators. Here I explore the fallout from the 1746 French conquest of Madras, a British colony on the southeastern coast of India. A military success, this development soon turned into a costly dispute between the Company governors who oversaw Madras’s capture. Both men claimed final authority in the disposition of the conquered city—a contest that first spurred local fighting between their supporters, and that then evolved into a heated polemical exchange over the legal foundations of Company sovereignty. Resolved through a series of lawsuits back in France, this controversial episode signaled the growing importance of the Company within the political life of the early-modern state. By reinterpreting their own powers and jurisdictions, both governors ultimately expanded the application and meaning of crown authority.

The following chapter explores the ramifications of another scandal: this one stemming from the practice of subcontracting Company troops to local political leaders in exchange for territorial concessions. Employed during the Second Carnatic War (1749-1754), a series of dynastic crises in southern India, such policy became a source of Company-wide dissension as French troops found themselves pulled into a broadening conflict against the British and the regional claimants they supported. French failure ultimately divided the Company into opposing political blocs. Each party clung to a specific vision of colonial governance in India—with one side arguing that the Company should restrict itself to small, commercially-oriented settlements, and the other asserting that French interests were best served through the creation of a large territorial empire. Once again, the dispute gave way to a lengthy judicial drama, played out in a series of lawsuits and libel cases during the 1750s and 1760s.
I then analyze the collapse of Company power in India over the course of the Seven Years’ War (1756-1763). As reluctant participants in this global conflict, Company employees struggled to cooperate with the regular French officers sent to the subcontinent to oversee the war effort there. As France’s military fortunes in Asia quickly declined—and as several important settlements were besieged and captured—corporate administrators became embroiled in a divisive cycle of accusation and recrimination with the royal army. This process culminated in the fall of Pondichéry, the Company’s chief colony, with mutual claims of treason being levelled by both sides. The controversy over the collapse of the French settlements would not be resolved until 1766, when the chief French general in India, the comte de Lally, was tried and executed for his part in Pondichéry’s surrender. Decreed by critics as a classic case of scapegoating, this episode also highlights the changing place of the Company within the political topography of the Old Regime. Through an unrelenting lobbying campaign started soon after the collapse of the French settlements, employees succeeded in turning a perceived crime against the Company into a capital crime against the nation.

The final chapter examines the gradual dissolution of the Company in the aftermath of the Seven Years’ War, and the growing politicization of its shareholders in response to this development. While examining the vicious dispute that occurred as investors squared off against the royal ministers attempting to abrogate the Company’s monopoly, I also explore the deeper shifts within French political theory that occurred as a result of the fall of France’s overseas empire. As I show, the collapse of the Company played a significant role in a broader process of conceptual adjustment. In the years following the Seven Years’ War, an empire where authority was composite, overlapping, and shared was replaced by a centralizing nation-state that proved increasingly jealous of its power. The distance between the crown and the corporate institutions
beneath it consequently widened, and the politics of accommodation that characterized the first half of the eighteenth century gave way to the oppositional dynamic that defined the last few decades before the Revolution.

In closing, this dissertation is not merely an attempt to recover the people, events, and places that constituted the French experience in India. It is instead a reminder that the complex dynamics of eighteenth-century politics cannot be fully understood outside the framework of France’s empire. The practices and reigning ideas of the Old Regime were neither preformed nor projected out; they were reshaped through a dynamic process of conflict and negotiation, adapted to suit the changing circumstances of sites far outside the seats of Bourbon power, and then thrust on the crown in a bundle of new legal assumptions, economic theories, and political ideals. In short, if the Company was the product of royal regulation and planning, so too was the French monarchy reshaped by Company intrigue and politics; their histories were not merely intertwined, but also mutually constituting.
CHAPTER 1: COMMERCE, COMPANY, AND THE CROWN

The King, who is committed to nothing so much as making his reign productive and happy, having recognized the importance of navigation and long-distance voyages, and that these are not just a guaranteed mark of the power of the state, but even more an infallible means of creating abundance, believes that it is to his glory and paternal benevolence toward his people to have them undertake the East Indies trade.

— François Charpentier

Such was François Charpentier’s rationalization for France’s growing interest in Indian commerce in his 1665 polemic, Relation de l’établissement de la Compagnie française pour le commerce des Indes orientales.39 Hired by the crown to generate investment interest in France’s newly chartered trading corporation, the Compagnie des Indes Orientales, Charpentier provided a step-by-step description of the Company’s origins, regulations, and future plans. He lauded not only the potential of trade in the Indian Ocean, but also the selflessness of the king in granting his subjects access to such lucrative commerce. The economic interests of the state were thus clothed in the garb of benevolent paternalism.

Charpentier’s description was more than just rhetorical flourish. In both the Relation de l’établissement de la Compagnie and his 1664 Discours d’un fidèle sujet touchant l’établissement d’une compagnie française pour le commerce des Indes Orientales he reproduced a vivid portrait of royal economic policy.40 The monarchy under Louis XIV worked vigorously to shape popular consumption. While the court at Versailles defined new fashion trends, the king

39 François Charpentier, Relation de l’établissement de la Compagnie française pour le commerce des Indes orientales (Paris, 1665).

40 Charpentier published the Discours d’un fidèle sujet touchant l’établissement d’une compagnie française pour le commerce des Indes Orientales (Paris, 1664) as part of the same propaganda campaign. The Discours is more laudatory of both the monarchy and the profit potential of the East Indies trade than the Relation, perhaps reflecting the crown’s initial priority of creating enthusiasm for the Compagnie des Indes Orientales among a French population reluctant to invest in overseas commerce.
enticed subjects to invest in ennoblements, offices, and other privileges—reinforcing the corporatist foundations of absolutist rule. Under this arrangement, crown ministers “determined” value within French society; they steered entrepreneurs toward the manufacture of luxury goods, while denouncing alternative, private trading options as immoral. The establishment of the Compagnie des indes orientales represented an attempt to extend this strategy of state oversight to overseas commerce. Charpentier’s task was to imbue this commercial venture with a sense of civic virtue and reciprocal interest. According to him, the king granted his subjects access to the wealth of the East Indies, while the expansion of French trade would redound to the glory of the state. Overseas commerce was to be a fundamentally political and patriotic undertaking.

A large and nationally backed trading corporation was central to the commercial vision that Jean-Baptiste Colbert, Louis XIV’s finance minister, developed for the French state. Envious of the growing influence of both the Dutch and English in Asia, Colbert established the Compagnie des indes orientales in 1664 as a means of achieving two related goals: opening up new channels for foreign trade while simultaneously denying commercial opportunities to France’s rivals. Whereas the English and Dutch both delegated control of their respective East India Companies to private merchants, however, the Compagnie des indes orientales remained state-run. Charpentier’s invitation on behalf of Louis XIV to share in the profits of the East Indian trade was really a call for investors to purchase stock in a corporation in which they

41 Henry Clark, Compass of Society: Commerce and Absolutism in Old-Regime France (Lanham, MD: Lexington, 2007). Clark refers to this trend as the “royal determination of value,” and sees it as a key element of Ludovician economic policy. For more on the relationship between state centralization and the development of taste, fashion, and consumerism see Clare Crowston, Fabricating Women: The Seamstresses of Old Regime France (Durham, NC: Duke University Press, 2001).

42 Colbert’s vision is often aligned with the tenets of mercantilism, but not as they are traditionally understood. For instance, he encouraged the export of bullion to stimulate trade in the East Indies, in spite of the supposed mercantilist maxim that bullion should be stockpiled domestically in order to promote national economic power. See Glenn Ames, Colbert, Mercantilism, and the French Quest for Asian Trade (DeKalb, IL: Northern Illinois University Press, 1996), 20. On a more traditional, bullionist view of Colbert’s policies, see Aimé Richardt, Colbert et le Colbertisme (Paris: Tallandier, 1997), 124-125.
would have no managing authority, and in which commercial interests came second to the needs of the monarchy and the strategic concerns of the kingdom. The propagandist’s goal was not only to make this project appealing to potential shareholders, but also to explain how such an administrative arrangement would suit the cause of commercial expansion.

Charpentier’s claims were a carefully-crafted fiction. But they have often been taken as evidence of an institutional reality: that the Company was always a product of crown initiative and campaigning. In political terms, this trend has meant that the early history of the corporation has primarily been told from the perspective of a select group of royal ministers and policymakers. In economic terms, it has meant that the competing impulses and ideas that shaped the establishment of the Company have been subsumed under a common rubric of commercial practice known as “mercantilism.” Conventionally associated with the state regulation of trade and domestic manufacturing—a protectionist tradition known in French as dirigisme—this term has long been used by scholars seeking to highlight the importance of the crown in shaping the economic life of the Old Regime.43 By framing the Company as a product of mercantilism, historians have used the corporation mostly to confirm the standard narrative of French commercial development: one that aligns France’s economic growth directly with the evolution of the early-modern state.

Far from merely facilitating the economic goals of state policymakers, however, the corporation also carved out space for a variety of competing lobbying interests and political programs. Beneath Charpentier’s bold pronouncements about royal magnanimity lay a deep-seated uncertainty about how to manage foreign trade, not to mention an enduring skepticism

43 The prevalence of dirigiste thought is often taken as a given—evidence of a “French way” of handling the economy that extended from the Old Regime through the Industrial Revolution, and that continues to influence France’s approach to financial development. See, for instance, David Todd, L’Identité économique de la France: Libre-échange et protectionnisme (1814-1851) (Paris, Grasset, 2008) and Jeff Horn, The Path Not Taken: French Industrialization in the Age of Revolution, 1750-1830 (MIT Press, 2006).
about the benefits that overseas commerce would provide to French society. The uncertain implications of royal monopoly inspired a range of both committed supporters and vicious critics—from crown officials to Ponant merchants, Paris speculators to Enlightenment philosophes. Colbert’s efforts thus sowed the seeds for a polarizing public debate that linked concerns over the corporation to broader criticisms of the absolutist state. This conflict would evolve over the following decades, as various interest groups grappled for authority over the Company.

This chapter traces the early history of the Company, from its establishment in 1664 to its restructuring in the aftermath of Law’s Bubble: the last set of major reforms the corporation would face during its years of operation. Of central interest here are the diverse strategies, campaigning efforts, and petitioning work that shaped the public image of the corporation in the late seventeenth and early eighteenth century. Such a focus reveals the many parties involved in the development of the Company: a diverse array of actors and institutions whose engagement with the corporation exposes many of the underlying limits to crown authority in the early-modern period. It likewise suggests the importance of the Company as a lobbying network that, from the very beginning, connected outside interest groups to court patronage and the mechanisms of state power. Finally, the Company’s tumultuous beginnings also shed light on the shifting assumptions about trade that infused discussions of corporate monopoly. For both detractors and advocates, the value of Company commerce was never simply a question of cost and profit. Disputants invoked a wide-range of ideological traditions to make sense of the Company and its privileges—from reason-of-state arguments to Renaissance humanism, neo-

44 Anoush Terjanian sees this ambivalence as not only a byproduct of anxieties concerning corporate monopoly, but also as a manifestation of deep-seated French misgivings about the impact of trade on the politics, society, and culture of the kingdom. See Commerce and Its Discontents in Eighteenth-Century French Political Thought (Cambridge: Cambridge University Press, 2012).
Aristotelian science to incipient credit theory. Such a broad approach to issues of commerce paralleled similar debates in England and the United Provinces, and underscores the permeability of the boundaries demarcating economic knowledge from other fields of early-modern inquiry.45 From its very inception, the Company provided a framework through which questions about the social order, moral legitimacy, and political hierarchy of the Old Regime were worked out.

**Absolutist Trade**

The seventeenth century was littered with failed French attempts to settle and trade in the East Indies, most of which were undertaken by private companies operating from France’s Atlantic ports. Inspired by the success of Dutch merchants trading in Asia, the small *Compagnie des marchands de Saint Malo, Laval et Vitré* sent a fleet to the Straits of Malacca in 1601. Although company ships successfully traded there with the Sumatran kingdom of Aceh, the corporation quickly collapsed under the dual weight of Dutch hostility and internal dissension.46 A second company, operating with the support of the influential admiral and statesman Henri de Montmorency, established itself in Rouen in 1615. Though larger and better funded than its predecessor, the *Compagnie de Montmorency* fared little better: the corporation ceased operations in 1620 in response to both continued Dutch aggression and the death of its patron.47

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Undeterred by these failures, Cardinal Richelieu sponsored a new venture in 1626. Soon after negotiating a peace treaty with the United Provinces at Compiègne, he created the *Compagnie de Morbihan*—an ambitious corporation that drew on ships, crews, and capital from across France. Yet even with the benefits of Richelieu’s patronage and the removal of the Dutch threat to French commerce, this company soon foundered. The Cardinal simply could not entice or coerce enough merchants to commit to the enterprise.48

French efforts from the 1630s to the early 1660s were decidedly smaller in scale, but enjoyed more success. Merchants in Dieppe organized annual expeditions of at least one ship to the Indian Ocean; French vessels explored the Persian Gulf, Red Sea, and northwestern coast of the Indian subcontinent; and a private society established colonies in the Mascarene Islands. These accomplishments overseas, however, paled in comparison to those of the English and Dutch, both of whom boasted large, joint stock corporations, and built a string of successful factory-towns across the Indian Ocean. Overall, French undertakings during this period remained desultory. France’s Atlantic ports continued to compete rather than cooperate with each other, and the capital and commercial expertise required for larger expeditions remained scattered throughout the coastal provinces of Normandy and Brittany.49

Where in this long history of failure and frustration lay the incentives that drove Colbert to commission a French East India Company? The Controller-General’s motives become clearer when considered against broader patterns in European commercial practice and theory during seventeenth-century. Sophus Reinart notes the emulative nature of early-modern political economy, which led to the reproduction of commercial policies, strategies, and ideas throughout

48 Ibid, 21-22.
49 Ibid, 23.
the continent. Instead of focusing on questions of commodity flows and profits—the “balance-of-trade” fixation that was supposed to have captured the minds of the period—economic writers worried far more about the constitution of their respective states. The capacity for commercial progress was understood to reflect a nation’s specific government, laws, institutions, and cultural practices.\(^50\) Colbert was less concerned about the specific commodities contained within the Indian market than in reproducing the success of his European rivals there.

In short, competition and a consequent “jealousy of trade” fixed the gaze of statesman like Colbert on the economic programs of France’s most immediate rivals: England and the Dutch Republic.\(^51\) Both states boasted extensive commercial connections in Asia, and possessed large trading corporations through which they pursued their economic and political interests there. To challenge these successful trader nations, Colbert sought to reproduce their commercial infrastructure within the context of Bourbon absolutism. A powerful East India Company, he believed, would provide a practical solution to the most pressing questions facing the French monarchy: how to gain a favorable balance of trade, how to create self-sufficiency through improved domestic manufacturing, and how to gain an edge on France’s rivals on the global commercial stage. The force of crown authority would overcome the earlier deficiencies that had plagued French commercial operations in India.

\(^{50}\) Cheney, *Revolutionary Commerce*, 25. Finkelstein notes the important of early-modern epistemological frameworks in shaping economic ideas and policy. Influenced by beliefs in a finite cosmology, economic world, and social order, contemporary writers emphasized the need to maintain harmony through market society—and to ensure a balance between interests and constitutions. This was particularly the case for late-seventeenth-century writers like Charles Davenport. Andrea Finkelstein, *Harmony and Balance, An Intellectual History of Seventeenth-Century English Economic Thought* (University of Michigan Press, 2000), 5.

\(^{51}\) This formulation comes from Istvan Hont’s seminal work on early-modern political economy, which is titled after a chapter of David Hume’s *Essays, Moral, Political, Literary* (1758). See Istvan Hont, *Jealousy of Trade: International Competition and the Nation-State in Historical Perspective* (Cambridge, MA: Harvard University Press, 2010).
Understanding the competitive impulses that inspired the creation of the French East India Company explains the particular course of its development. Motivated by geo-political rivalry, Colbert approached economic reform as a problem of political will: both the Company and its trading practices were tailored to fit the competitive needs of the French monarchy. The 1660s were the height of the Controller-General’s power, and he relied upon a combination of executive fiat, personal influence, and sheer intimidation to clear the ground for his vision. Colbert reprinted Charpentier’s arguments in leaflets that he sent to possible investors, broadcasting the profit potential of the Company, and leaned heavily on the parlements, the provincial estates, and various municipal governments to fund his trading enterprises. He also secured the public backing of the crown, which agreed to cover one-fifth of all Company expenditures on shipping during the corporation’s first three years of operation. Louis XIV even delivered the inaugural address to the first meeting of Company investors in 1668—a speech in which he promised shareholders who had not yet met their stock obligations that “his memory was too good to forget them.” These efforts followed on the heels of a series of reforms designed by Colbert to rationalize the economy, as he improved tax collection, streamlined France’s archaic system of internal tariffs, and created a royal council of commerce to consolidate mercantile expertise.

As Reinert argues, the “entangled” set of ideas, principles, and perspectives on trade that comprised early-modern commercial was ultimately “mediated by the centripetal pull of

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competing local contexts.” Simply put, the process of imitating and adapting commercial practices to new contexts ultimately changed their meaning. Consider Colbert’s efforts to ground his new Company within the moral framework of late French humanism through the pamphleteering of Charpentier. Driven by early-seventeenth-century thinkers such as Antoine de Montchrestien and Emeric Crucé, this humanist tradition posited that trade was a fragile endeavor that needed to be molded by a strong, centralized authority if it were to prosper. By invoking the moral authority of the crown, Colbert framed Company trade as a symbiotic process that connected economic prosperity to processes of state centralization. Such work paralleled the petitioning efforts of earlier English and Dutch writers like Thomas Mun, Josiah Child, and Hugo Grotius—advocates of corporate trade who engaged in prolonged efforts of pleading and debate to fix their respective East India companies on a firm ideological footing. In each case, monopoly was as much an economic instrument designed to meet existing market conditions as it was political program oriented around specific social, moral, and administrative goals.

Colbert did far more than simply repurpose the commercial practices of his rivals and sheath them in the ideological plating of absolutist political theory; he also used the power of his office to pursue his own agenda within the French ministry. From its very inception, the Company thus bore the stamp of Colbert’s specific interests and intellectual fixations. Despite efforts by historians to categorize his administration under a single ideological program (mercantilism, Cartesianism), Colbert’s policies were more experimental and reactive than driven by a specific doctrine. As Controller-General, he subscribed to a combination of pragmatic statecraft, ecumenical thinking, and, perhaps most important, dilettantism backed by

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55 Reinart, Translating Empire, 3

56 Clark, Compass of Society, 41. Some have objected to Clark’s use of Humanism in describing the commercial ideology of the seventeenth century, particularly as the French political economists who fall under this classification lacked the secular, republican bent of the Italian intellectuals who first shaped the Humanist movement.
the machinery of royal power.\textsuperscript{57} This eclecticism represented an important administrative strength, revealing an openness to new projects and ideas. But it also stood as an important limiting factor in the early history of the Company. Despite his wide ranging curiosity, Colbert showed a surprising lack of interest in the realities of France’s overseas colonies. He was also unreceptive to criticism, and proved unwilling to listen to French merchants when they complained about the suitability of his projects to existing market conditions.\textsuperscript{58}

The correlation between personality and deficiencies in corporate practice is readily apparent in Colbert’s organization of the \textit{Compagnie des Indes}. To surpass his rivals, the Controller-General imagined he would borrow from their practices and employ state power to make them work within the French context. Colbert thus used the Dutch East India Company (\textit{Verenigde Oost-Indische Compagnie}), which was managed by private assemblies scattered throughout the United Provinces, as an institutional model for his own trading corporation. The Controller-General divided the Company’s administration between municipal chambers in Paris, and five of France’s largest commercial centers: Lyon, Rouen, Le Havre, Nantes, and Bordeaux.\textsuperscript{59} Each city assembly would possess an independent budget, which it would employ to furnish and conduct its own trading ventures. Merchant expertise, it was believed, would flow naturally from these trading hubs. Yet while Colbert successfully replicated the institutional structure of the VOC, he failed to account for the drastic differences between the fiscal


\textsuperscript{58} Colbert’s struggle to work with local merchants is readily apparent in his debates with the municipal leadership of Marseille over his regulation of local commerce. See Junko Takeda, \textit{Between Crown and Commerce: Marseille and the Early Modern Mediterranean} (Baltimore: Johns Hopkins University Press, 2011), 3-5. Cole’s description of Colbert as “almost a doctrinaire of the type of Robespierre” seems particularly apt for understanding his relationship with private traders and non-state commercial interests. Cole, \textit{Colbert and a Century of French Mercantilism}, 335.

\textsuperscript{59} Kaeplin, \textit{La Compagnie des Indes Orientales et François Martin}, 102.
landscapes of France and the United Provinces. In the Dutch Republic, urban traders had replaced seigniorial interests as the chief financial power in the United Provinces; in France, by contrast, the economy remained rooted in the ownership of land and the purchase of offices. Successful merchants bought their way into the nobility or lent money to the crown rather than build their fortunes through commerce.\(^{60}\)

Indeed, even with Colbert’s full commitment behind it, the new Company experienced a fitful beginning. The finance minister’s subscription campaign succeeded in raising only 7,400,000 *livres* out of the 15,000,000 that he deemed necessary for the Company’s starting capital; and over half of this amount came directly from the king. Private investment was concentrated overwhelmingly in Paris, particularly among the Sun King’s intimates: the royal family, princes of the blood, and officials of the court accounted for close to 2,000,000 *livres* of the subscribed capital.\(^{61}\) Colbert struggled to generate enthusiasm for the East Indian trade outside of these circles. The city magistrates of Toulouse, for example, met little more than one-third of the contribution requested of them by the finance minister. While they pledged their commitment to the king and his commercial enterprises, municipal leaders seemed to have found the appeals to self-sacrifice and national community promoted by Charpentier unconvincing. The Toulouse council searched for the minimum level of investment needed to satisfy the crown without sacrificing local political and economic interests.\(^{62}\) Such lukewarm commitment was symptomatic of a more general problem. Potential investors simply saw Colbert’s campaign for

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\(^{61}\) Cole, *Colbert and a Century of French Mercantilism*, 496-497. Outside the royal family and state officials, the local courts and parlements invested the most heavily in the Company.

\(^{62}\) Clark, *Compass of Society*, 44-45.
what it was: an obligation imposed by the crown. When subscriptions were purchased, they were
done so reluctantly, and shareholders often failed to cover their full investment obligations.

Those few merchants who actually purchased subscriptions in the Company found they
could do little to shape corporate policy. Colbert oversaw the Company’s finances, while the
king appropriated the stockholders’ right to select Company directors after 1668. As
shareholder assemblies met with decreasing frequency, decision-making powers shifted even
more to the monarch and his ministers. Colbert’s political aspirations also cost the Company in
mercantile expertise. Colbert had ascended to the top of the Sun King’s cabinet by denouncing
the former minister of finance, Nicolas Fouquet. While such political gamesmanship advanced
Colbert’s career, it also earned him the enmity of Fouquet’s family, which possessed extensive
trading experience and boasted useful overseas contacts. Colbert labored tirelessly to bolster
commercial expertise within the Company. He brought in Dutch experts such as François Caron,
the former head of the VOC’s trading-factory in Japan, to assume a leading role in trading
operations, and appointed several prominent French merchants as directors. But these actions did
little to change the fact that the Company was essentially a political project with an improvised
commercial agenda. Colbert’s corporation would thus lack consistently in both mercantile
experience and guidance.

The Company possessed greater resources, a more substantial political backing, and
loftier ambitions than France’s previous ventures in the Indian Ocean. Like these unsuccessful
earlier efforts, however, the new trading corporation struggled to construct a coherent
commercial strategy. Colbert’s obsession with the VOC led to a series of early letdowns. One of

63 Haudrère, La Compagnie française des indes au xviii\(^{e}\) siècle, vol. 1, 25.

the finance minister’s primary commercial goals was to create a French entrepôt on Madagascar that would rival the Dutch colony of Batavia. As he imagined it, this colony would provide a base for future French operations in the Indian Ocean, as well as for voyages to China and Japan. This plan, though, proved both costly and difficult to implement. From the Company’s first voyage to the island in 1665, the French encountered numerous setbacks, including undersupply, the resistance of the local Malagasy kingdoms, and a lack of coordinated leadership. Unable to overcome the basic problem of maintaining the colony, Company employees could do little to expand French trade in the Indian Ocean. By 1667, they had run a deficit of 1,800,000 livres.65 The Company made repeated efforts to improve and reinforce its languishing settlements in Madagascar, but failed to turn the island into a viable entrepôt. With their presence reduced by disease and warfare to a few colonists in the factory-town of Fort Dauphin, the French finally abandoned their settlement plans in 1671.66

The Company’s experience in Mughal India was to prove no easier. The French arrived as latecomers to the subcontinent, trailing behind the Portuguese, Dutch, and English by several decades in establishing a serious trading presence there. This delay, however, did not stop the Company from quickly making its commercial presence known. On 4 September 1666, French envoys secured a firman, or royal mandate, from the Mughal emperor Aurangzeb that granted them the right to trade in the port of Surat. Located along the northwestern coast of the subcontinent in the province of Gujarat, Surat was a busy and cosmopolitan city: the future governor of French India, François Martin, described it as a modern-day Babylon whose roads were “always full of carts, elephants, camels, beasts of burden, coaches, horses, palanquins, and

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other vehicles.\textsuperscript{67} The 1666 firman granted the French the same trading rights as their two main European competitors in Surat, the Dutch and the English. Despite this dispensation, though, the French struggled in competition with their more established rivals. As the Company’s early shipments failed to turn a profit, dissension split the ranks of its senior administrators.\textsuperscript{68} By 1670, the French had begun scouting new locations for a factory-town. Company leaders recognized that their employees needed time and opportunities to build local trading relationships. Busy Surat offered neither.

By 1683, The French had shifted their attention definitively from Surat to a more promising site along the Coromandel Coast: Pondichéry. But this change of location did little to offset the Company’s chronic shortage of capital. Colbert’s death in that same year dealt a serious blow to France’s already flagging fortunes in the Indian Ocean. Louis XIV’s chronic wars also cost the Company dearly in shipping and infrastructure, culminating in the temporary Dutch seizure of Pondichéry in 1693 (they would return the city in 1699 as part of the terms of the Treaty of Ryswick). For the next few years, the underfinanced Company teetered precariously on the edge of insolvency, using the proceeds from the single load of cargo it could afford to ship each year to finance its next annual voyage to Asia.\textsuperscript{69} After Colbert’s death, his son, the marquis de Seignelay, assumed administrative responsibilities over the Company. He attempted to stave off disaster, but he could do little to improve the corporation’s desperate financial situation. In 1685, the crown decided to liquidate the Company’s debts and lease its commercial monopoly to a private society of merchants from Saint-Malo.

\textsuperscript{67} François Martin quoted in Ibid, 53.

\textsuperscript{68} Ames, Colbert, Mercantilism, and the French Quest for Asian Trade, 102.

\textsuperscript{69} Agmon, “An Uneasy Alliance,” 20.
Even as a failure, however, Colbert’s efforts revealed how readily the mechanisms of state power could be deployed to the purpose of expanding overseas trade. His projects suffered from what Julia Adams terms the “idiosyncratic rhythms” of French statecraft under Louis XIV: a “systole/diastole” that juxtaposed periods of tremendous interest in specific projects with long periods of neglect—all related to the caprices of the French court. Yet the finance minister nonetheless created both an institutional foundation for later companies, and a ready set of ideological justifications for the consolidation of commercial interests under crown authority. His efforts to establish a workable Company monopoly would prefigure longer term developments in the corporation’s history. Over the following century, the nature of French settlement in India would be closely shaped by the institutional practices of the absolutist state. Personal influence and the quest for royal favor inflected processes of reform and administrative centralization.

**Commerce Reimagined**

France spent most of the thirty years following Colbert’s death on a war footing, engaged in a nearly unending series of conflicts with the English, Dutch, and their various allies. This bellicose period saw the progressive dismantling of the Controller-General’s fiscal policies. Focused almost exclusively on the short-term goal of funding the French military, Colbert’s successors discarded his program of careful debt management. These ministers borrowed heavily, farmed out tax collection privileges, and sold sinecures and ennoblements with new vigor. Louis XIV’s death in 1715, which resulted in the creation of a regency government under the control of the Duc d’Orléans, added the messy politics of succession to the litany of problems facing

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France. By the end of the War of the Spanish Succession that same year, the French economy was in shambles.  

The financial crisis that followed this conflict precipitated a string of reforms meant to reduce the debt and streamline the French economy. Under the regency government, political opportunism went hand-in-hand with broader shifts to commercial epistemology. As one prominent specialist notes, this era “quickly turned into a period of unprecedented experimentation in peaceful, contestatory public politics.” Eager to curry royal patronage and glean the rewards for their foresight, petitioners known as donneur d’avis flooded the royal council with proposals. These reformers included men such as Etienne Lécuyet de la Jonchère, treasurer to the War Minister, and the famed polymath Henri de Boulainvilliers, as well as a number of lesser known administrators, academics, and writers. The reformist impulses of the period helped clear space once again for crown experimentation in monopolistic trade. Both Lécuyet de la Jonchère and Boulainvilliers recommended consolidating France’s commercial enterprises under a single trading company, the proceeds of which would be used to pull the crown out of insolvency.

The search for economic alternatives fixed the French gaze once more on practices and policies across the English Channel. Although France and England had fought on different sides of the War of the Spanish Succession, their common struggles in the aftermath of the conflict
inspired an intense period of cross-fertilization. “Anglomania” gripped France during the Regency period; salons celebrated English society, statecraft, and manners as symbols of modernity and progress.\textsuperscript{74} Such affinities extended beyond the level of culture to include a widespread fascination with English commercial practices and political economy. As was the case throughout the eighteenth century, the success of England’s fiscal-military state inspired a string of continental imitators, each of whom hoped to secure important advantages by adopting English practices.\textsuperscript{75}

For both regency ministers and French economic theorists, the hardships encountered during the final years of the Sun King’s reign underscored the success of English trading practices and commercial ideas. With its vibrant investment culture, efficient tax collection system, and national bank, the English state coped with the heavy costs of war far more effectively than its Bourbon enemies.\textsuperscript{76} Early-seventeenth-century English commentators may have bemoaned the country’s deficit in trade when compared with the United Provinces. But over the course of the 1600s England had undergone a financial revolution fueled by the development of a powerful credit-based culture. The anxieties and enthusiasm generated by these economic changes penetrated to nearly every corner of English society—from the Halls of Parliament to the epistolary networks of prominent academics and natural philosophers, debtors’ prisons to the brokerages of “Exchange Alley.” Financial news likewise circulated across the

\textsuperscript{74} Lüthy, \textit{La Banque Protestante en France de la Révocation de l’Edit de Nantes à la Révolution, Volume 1}, 291-292.

\textsuperscript{75} French interest in English practice often followed a paradoxical logic. Both statesmen and economic writers hoped to emulate English success, but all within a specifically French context: that is, to maintain the social structures, moral authority, and cultural identity of the French people while orienting them toward commercial society. Shovlin explores some of these tensions in the attempt by French political economists to cast commercial activity as an undertaking more akin to the noble pursuit of honor than a merchant’s pursuit of profit. John Shovlin, “Emulation in Eighteenth-Century French Economic Thought,” \textit{Eighteenth-Century Studies} 36, no. 2 (2003): 224-225.

\textsuperscript{76} The landmark study of the structural developments driving British financial and political growth during this period remains John Brewer’s \textit{The Sinews of Power: War, Money, and the English State, 1688-1783} (Cambridge, MA: Harvard University Press, 1989).
English Channel in a wave of letters, trade papers, and published polemics. The Regency’s interest in England during the early eighteenth century reveals the cyclical nature of commercial emulation, which seemed to thrive through a precise combination of economic hegemony by one power, relative weakness by another, and a vigorous exchange of ideas between both.77

It was within this climate of financial hardship and commercial envy that the John Law first came to the attention of the French ministry. A Scottish émigré, gambler, and commercial theorist, Law approached the regency government with a radical proposal to restructure the economy through the creation of a national bank and trading corporation. As a proponent of credit-based economies, in which paper currency tied to a central bank would replace specie, the Scotsman was the driving force behind the reconstitution of the Compagnie des Indes. His larger-than-life personality has attracted an array of critics and apologists; he has been characterized as everything from a misinformed theorist and a charlatan to an economic pioneer undermined by the ignorance of his opponents and the irrationality of the Old Regime’s fiscal landscape.78 As Herbert Lüthy points out, however, Law “did not act in a vacuum.”79 An ardent lobbyist who had experienced numerous frustrations in pitching his economic ideas to Scottish, English, Genoese, and, on a prior occasion, French authorities, he tailored his ideas to ensure a positive reception within the absolutist ministry. In the process, he transformed corporate monopoly from a crown-sponsored trading privilege to an instrument of public finance.

Put simply, Law saw the circulation of goods and currency as the foundation of economic growth. He first laid these ideas down in the treatise Money and Trade considered with a

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77 Reinert, Translating Empire, 38-44.

78 For a breakdown of these historiographical camps, see Kaiser, “Money, Despotism, and Public Opinion in Early Eighteenth-Century France,” 1.

79 Lüthy, La Banque Protestante en France de la Révocation de l’Edit de Nantes à la Révolution, Volume 1, 268.
proposal for supplying the nation with money, which he published anonymously in 1705. Here Law argued that trade was not just a component of the economy, but a barometer for a nation’s financial health. Fiscal strength, he wrote, “consists in numbers of People, and Magazines of Home and Forreign Goods. These depend on Trade, and Trade depends on Money.” Law drew upon the work of earlier English academics, particularly those who comprised the seventeenth-century correspondence network known as the Hartlib Circle. Inspired by the empirical methodology of Sir Francis Bacon, these economic writers broke with conventional wisdom (based on Aristotelian and Ciceronian worldviews that placed natural limits of economic expansion) to suggest that society, and even human nature, had the capacity for infinite improvement. At the center of the Hartlib Circle’s ideology was a belief in the ameliorative effects of credit, the proliferation of which would spark economic growth and, in turn, create a happier and more productive population. While Law did not adopt Hartlibean ideas wholesale, he nonetheless insisted on the social value of widespread credit. The circulation of money, he believed, would create the conditions for a more harmonious society: “procuring the general Good of the Kingdom” by “indissolubly uniting the king’s interest with that of private Persons.”

Fortuitous circumstances ensured Law’s rapid rise. Court interest in English culture and commercial practices meant his proposals received a welcome reception at Versailles. The ongoing financial crisis helped as well. The royal ministry initially rejected Law’s banking project in 1715. But mounting debt created growing sympathy for the Scotsman at court. The regency’s implementation of the Visa—a partial bankruptcy accompanied by the creation of a

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81 Ibid, 10-15.
special Chamber of Justice tasked with the punishment of abusive financial practices—silenced
Law’s potential rivals and provided the political foundation for a wholesale restructuring of
French finances. Noblemen and parlementaires who might have otherwise criticized Law’s
efforts muted their opposition so as to avoid the attention of the Chamber of Justice. 82

These factors provided the conditions for a vertiginous rise to power. In May 1716, Law
received permission to establish the General Bank, a private institution underwritten by his own
funds. He then successfully lobbied to transform the organization into a royal bank. At first used
exclusively for the payment of state taxes, the bank’s notes gradually became regular currency.
In 1717, Law expanded this arrangement by founding a royally sanctioned trading corporation,
known variously as the Company of the West, the Mississippi Company, and the Compagnie
perpétuelle des Indes. This corporation was intended to perform the dual function of encouraging
trade and settlement in French Louisiana—a massive swath of territory that covered nearly a
third of what would become the continental United States—and of eliminating state debt. The
profit potential of Law’s reforms attracted attention in London, as Parliament embarked on a
similar project of financial consolidation through its South Sea Company. 83 One of the few cases
where French economic reform paced British commercial development, this cross-Channel
exchange proved disastrous for both sides.

Law’s program of economic recovery followed a twisting path of new investment
opportunities and shifting debt obligations. The Scotsman hoped to convince purchasers of state
debt to convert their holdings into Company stock. Since dividend payments on corporate shares
would initially be lower than the crown’s debt obligations, the government would gradually

82 For a detailed treatment of the Visa and its impact on Law’s rise to power see Murphy, John Law, 149.
83 On the impact of Law’s ideas in England, see Neal, "I Am Not Master of Events."
become solvent, while the growing value of Company stock would strengthen the value of Law’s new currency and appease investors. This vision, accompanied by Law’s tireless petitioning, propelled the Company’s meteoric growth from 1717 to 1720. As Law gained greater power within the regency government, the Mississippi Company accumulated numerous privileges and trading monopolies, assuming, among other things, control of the French slave trade in Senegal and Guinea, the exclusive right to sell beaver pelts from Acadia, authority over tobacco customs in France, and a monopoly on French commerce in India and Asia. By 1720, the Company managed a vast swathe of France’s economy.  

Law’s ambitious process of fiscal restructuring, known metonymically as his “System,” consolidated almost all of France’s commercial interests into a single company. Size, centralization, and standardization joined with circulation, credit, and confidence to become the bywords of the new financial order. The principles behind Law’s Company bore certain similarities to those of Colbert’s. Like Colbert, Law emphasized the interconnected nature of the French economy. The traffic in African slaves and the sale of goods from French trading outposts would promote the development of new settlements in North America, which would in turn add value to both Company stock and the new paper currency. But whereas Colbert saw trade as one component of the economy, Law envisioned corporate commerce as the centerpiece of France’s financial regeneration. The Company, and the system of credit that it supported, would facilitate the wholesale reform of French society. Money would flow rather than stagnate.

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84 ALA C 738, 27 September 1720, “Qui Accorde et réunit à perpétuité à la Compagnie des Indes le Privilège Exclusif pour le Commerce de la Côte de Guinée”; ALA C 743, 30 May 1721, “Portant Rétablissement du Privilège Exclusif de la Vente du Castor, en faveur de la Compagnie des Indes.”

as rentes and investments in ennobling offices, and the purchase of Company shares would replace the crown’s ineffective strategies for debt management.

Also like Colbert, Law’s scheme had little grounding in the realities of French overseas trade. The Scotsman certainly did not lack for commercial expertise. He had assiduously studied the practices of English and Dutch East India Companies, modeling his “System” on their investment structures. But he treated corporate commerce primarily as a tool for economic restructuring, and concerned himself less with the subtleties of the Company’s diverse overseas interests than in assembling monopolies, economic privileges, and political capital to bolster his system of public credit. Law needed to market his ideas, both to the regent and to potential investors; what mattered most was his ability to promote the value of Company commerce. He therefore exaggerated the wealth of the Mississippi territory, claiming that it contained “mines” more “fertile” than those exploited by the Spanish in Mexico, and hid the extensive maintenance and infrastructure costs for the Louisiana colony from investors.\(^86\) He also made sweeping claims about the commercial struggles of private merchants groups such as the Malouin Society, painting them as corrupt, irresponsible, and unsuccessful while ignoring any evidence to the contrary.\(^87\) The viability of Company trade meant little at the height of Law’s power in 1719 and 1720. As the mechanism through which the “System” generated wealth, commerce was represented through outlandish claims about the wealth of France’s far-flung colonies, optimistic notions about social regeneration, and the rising price of Company stock.

\(^86\) On the contrast between mines in Mexico and Louisiana, see Museo Civico Correr, Codice Cicona, 3046/20, fol. 50 in Rubenstein Library, Earl J. Hamilton Papers, box 13. For Law’s efforts to mask the costs of the Louisiana colony see Haudrère, *La Compagnie française des indes au XVIIIe siècle*, vol 1, 46-52 and Dawdy, *Building the Devil’s Empire*, 57.

Law’s Company reflected both his deeply held convictions about the economy, and the lobbying efforts designed to advance his cause. The Scotsman employed a shifting set of claims to justify the expansion of Company powers and prerogatives. For example, before arriving in France Law expressed doubts that a despotic monarchy could accommodate a thriving overseas trade. By 1715, however, he had changed his position to argue that only an absolutist government offered the stability and centralization necessary for commercial success. This adaptability ensured the Company’s rapid growth. To the regent, the Company represented an expansion of the monarchy’s economic powers and relief from an ever-growing debt. To the public, the corporation was a valuable investment opportunity, capable of generating vast wealth over a short period of time. Unlike Colbert, Law succeeded in making his Company appealing to a wide audience. Corporate commerce became more than a tool of statecraft, catering solely to the geopolitical and economic interests of the king.

Speculative fever gripped France at the height of Law’s influence. In 1720, the cost of Company shares rose almost overnight, skyrocketing in value from 500 to 12,000 livres. Investors came from across the social spectrum; nobles, courtiers, merchants, soldiers, and artisans all sought to profit from the rapid explosion in stock prices. Families sold their fortunes to purchase as many shares as possible. The mania was so great that French duchesses would kiss John Law’s hands as they pleaded with him for shares. The Duchesse d’Orléans, upon observing these acts, wondered what areas of his body non-noble ladies might kiss in exchange for these valuable commodities.

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Such an arrangement, though, proved unsustainable. Law transformed the Company into an appealing investment, but he relied on deceit, coercion, and exaggeration to generate popular enthusiasm for his project. The Scotsman’s vision for a harmonious balance between public and private interests, overseas commerce and the domestic economy, struggled to accommodate natural fluctuations in the market. The price of corporate shares did not correspond to the Company’s actual worth, and when the cost of this stock could no longer be artificially inflated, the entire “System” collapsed.

An Equitable and Efficient Exchange

1720 was a disastrous year for John Law and the Company. By the late winter, the value of shares had blown up to such a precarious point that even minor attempts at regulation resulted in catastrophe. A series of measures promulgated in February and March 1720 sowed the seeds for the “System’s” breakdown. In order to inflate the price of Company stock, Law used the royal bank to purchase shares in the corporation. When the Bank and the Company merged in February, however, Law put an end to this policy, which had required the constant printing of new banknotes. Likely motivated by a desire to restore some balance to the economy and prevent the devaluation of paper money, Law’s actions instead precipitated a dramatic drop in share prices. Attempts to halt this plunge by fixing the price of shares and manipulating the value of French specie further eroded public confidence.⁹⁰ Later efforts to adjust share prices and bring them back under their natural ceiling precipitated a panic. Over the following months, the “System” crumbled.

By June, France was in chaos. Investors rushed to sell their steadily depreciating stock. According to the *Gazette de Bruxelles*, the general bank’s office on the Rue Quincampoix was so overrun by the “mob” of shareholders, petitioners, and speculators “that one individual suffocated.”\(^{91}\) The *Histoire du système des billets de banque* evoked a similar sense of turmoil. It noted the lines of refugees who made their way into Paris from the countryside, overfilling the city’s inns and sleeping in “alleys” and “monasteries,” as well as others who resigned themselves to passing the night in their “carriages,” sacrificing comfort to ensure that the vehicles would not be stolen in the growing tumult.\(^{92}\) In cities across France, vandalized street signs denounced Law as an “execrable tyrant” who had pushed the nation to financial ruin.\(^{93}\) With thousands of investors on the edge of bankruptcy, unscrupulous speculators made a fortune, shorting their shares and then purchasing large quantities of corporate stock when prices bottomed out. By the end of December, Law had fled across the border to the Austrian Netherlands.\(^{94}\)

Many blamed the Company directly for the mayhem. The anonymous author of the *Décision théologique sur les actions de la Compagnie des Indes*, for instance, argued that the corporation was little more than an instrument for currency manipulation—an “arbitrary increase and debasement” of specie that served the interests of a few plutocrats and financiers.\(^{95}\) By camouflaging the destructive designs of these speculators, the Company lured the public to financial ruin. Through his dishonest dealings and arbitrary devaluation of metal currency, Law

\(^{91}\) Gazette de Bruxelles, 7 Juin 1720 in RL, Earl J. Hamilton Papers, 13.

\(^{92}\) *Histoire du système des billets de banque*, BVL, Ms. 1677, fol. 290 in RL, Earl J. Hamilton Papers, 13.


\(^{94}\) Lüthy, *La Banque Protestante en France*, 327.

\(^{95}\) *Décision théologique sur les actions de la Compagnie des Indes* (1720), 6. See also Shovlin, *The Political Economy of Virtue*, 35.
came to symbolize the worst excesses of absolutist rule.\textsuperscript{96} So too did the Company. Richard Cantillon, a former colleague of Law’s, worried that the regency’s decision to concentrate state finances in this institution left the economy vulnerable to the machinations of unscrupulous ministers.\textsuperscript{97} Montesquieu voiced similar concerns in his 1721 \textit{Lettres Persanes}.\textsuperscript{98} Within the popular imagination, Company activity became a symbol of peculation, venality, and secrecy. One of the more damning criticisms was also one of the most creative. A 1727 Anagram manipulated the title \textit{Compagnie des Indes Orientales} to spell out “\textit{Indigne atelier des ânes} [shameful workshop of asses].”\textsuperscript{99}

The actions of several high-placed employees in the aftermath of the bubble collapse further discredited the Company. In April 1721, the director of the corporation’s port in Lorient, Edouard Rigby, came under official scrutiny for his excessive personal spending and unreliable bookkeeping. Gerard Mellier, the Mayor of Nantes, complained of ships “languishing” in Lorient for “fourteen months,” juxtaposing the “disorder” of the port with Rigby’s opulent behavior.\textsuperscript{100} While the city’s inventory books were a mess—a jumble of “crossed out words, erasures, and scribbling between the lines”—Rigby lived an untroubled life of luxury, going around town with his “liveried servants, his squires, and his gentlemen” and “conducting himself like sovereign prince.”\textsuperscript{101} Ostentatious in display, he proved imperious in his administration. While rebuking


\textsuperscript{97} For Cantillon’s critiques see Antoin Murphy, \textit{Le Rival de Law} (Paris: Hermann, 1997), 206.

\textsuperscript{98} Montesquieu criticized Law in the \textit{Lettres Persanes} through a thinly veiled allegory about a “seller of windbags,” in which a charlatan convinces the people of the kingdom of Betica to abandon to abandon their coin-based currency for imaginary wealth. See Charles-Louis de Secondat Montesquieu, \textit{Lettres Persanes} (Milton Keynes, UK: Jiahu, 2013), 437-441.

\textsuperscript{99} BA, MS-3724, \textit{Anagramme de la Compagnie des Indes en l’année 1727}.

\textsuperscript{100} AMN, HH 209, Mellier to Ferrand, 20 April 1721.

\textsuperscript{101} For the comments of Rigby’s bookkeeping, see AMN, HH 209, Mellier to Ferrand, 19 May 1721; For the criticism of Rigby’s lavish lifestyle, see AMN, HH 209, Mellier to Ferrand, 14 May 1721.
one subordinate, for instance, he remarked: “Do you not know that I, Rigby, am the king of Lorient inside and out?”  This volatile combination of arrogance, pomp, and inconsistent accounting made Rigby’s superiors suspicious. At the end of May, Rigby was arrested and sent to the Bastille on charges of corruption and embezzlement. His chief cashier and accomplice, Rodollet, was detained soon after in Lorient’s harbor fort of Port-Louis. Over the following months, state officials systematically reviewed Rigby’s papers, Rodollet’s receipts, and the Company’s inventories in the city.  Rigby would die in prison two years later—before he could receive an official trial, but long after his actions had created a scandal.

Acting through the banker Joseph Pâris-Duverney, whom it tasked with reorganizing the Company, the state enacted a large-scale restructuring of the corporation between 1721 and 1723. One of Law’s strongest critics, Pâris-Duverney consolidated several offices, increased royal oversight by placing the Company under the nominal direction of the Controller-General, and made the corporate administration more stable and transparent.  The Company directorate shrank from twenty members to twelve, and the crown appointed a set of commissaires to act on behalf of its interests among the corporate leadership. Eight syndics would be elected in the shareholder assembly each year to represent investors.  A 1721 Visa liquidated the Company’s debts and reimbursed shareholders—sometimes at a fraction of their initial investment—while fines were imposed on directors and speculators who had profited from the collapse of the

102 AMN, HH 209, Mellier to Ferrand, 16 May 1721.

103 AN, G7 21 June 1271, This letter ordered the transfer of a sealed chest containing Rigby’s papers to the Bastille, where it was to be opened in his presence. AN, G7 1 August 1721. Company official sent to Lorient to investigate receipts from the time of Rigby and Rodollet’s tenure.

104 Haudrère, La Compagnie Française des Indes au XVIIIe siècle, 106-107.

105 Wellington, French East India Companies, 55-56.
The crown solidified Company finances by guaranteeing the tobacco monopoly and by giving the corporation control over the sale of coffee; the small but consistent returns from these privileges ensured the regular payment of investor dividends in the future. Throughout the 1720s, the king also stepped in to finance the Company directly.

Well-documented as these reforms are, they were only part of a larger campaign to restore the Company’s public image and political capital. In the wake of Pâris-Duverney’s restructuring, a diverse group of financiers, Company administrators, and royal ministers worked together to silence the corporation’s growing chorus of critics. Anonymous pamphleteers joined with celebrated French writers like Jean-François Melon, a former secretary of Law’s, to offer a new defense of corporate monopoly. While their writings were by no means coordinated, Company apologists reiterated themes consistent with their need to distance the corporation from Law. This exculpatory process entailed a reimagining of the Company’s place in French society. Advocates scaled down Law’s claims about the limitless economic growth created by overseas commerce and turned instead to traditional arguments about the regulation of labor and the utility of corporate privilege to justify the Company’s monopoly. In a flurry of polemics, published works, and special petitions, trade was thus recast from the linchpin of France’s financial

106 Haudrère, La Compagnie française des indes au xviiié siècle, 77-79.

107 ALA C 22, 12 October 1723, “Pour la prise de possession par la Compagnie des Indes du Privilège de la ventre exclusive sous le nom de Pierre le Sueur, à commencer au premier Novembre 1723”

108 The Company retained a diverse of array supporters even after the disasters of 1720. The regency government continued to support the corporation, and the duc d’Orléans even entertained the possibility of recalling Law from his exile, though the Scotsman’s death in 1723 prevented him from pursuing this plan. The economic writer Jean-François Melon was a famous supporter of both Law and the Company, and served as one of the corporation’s most vocal advocates throughout the 1720s and 1730s. Several of Law’s most prominent detractors championed the Company while criticizing aspects his policies. These critics included Pâris-Duverney, whose financial interests had suffered as a result of the fiscal shake-up implemented through the “System,” and Nicolas Dutot, a political economist who served as a treasurer in of the General Bank and supported some of Law’s policies, but also criticized his manipulation of French currency. Many of the Company’ directors had a personal stake in the corporation’s continued existence, but some of these officials who had served in Malouin Society proved highly critical of the institution in the aftermath of the bubble, hoping to regain their original commercial privileges. Both critics and supporters of the Company occupied a variety of overlapping offices and relationships to the corporation.
regeneration to a specialized vocation requiring experience, connections, and expertise. Such advocacy efforts speak to the overdetermined nature of Company monopoly in early-eighteenth-century France—the meaning of which was constantly reworked to offer new perspectives on trade, society, and political order.

The anonymous mémoire Si c’est l’intérêt de l’État que la Compagnie des Indes soit composée d’actionnaires ou qu’elle soit rendue royale, ou bien qu’elle soit donnée à une société de marchands reveals the broader implications of debates over corporate monopoly.109 Here the author considered two popular positions regarding the Company following Law’s bubble: the claim that the Company should be managed completely by the crown, and the argument that the Company should be dissolved and its trading privileges divided among various private commercial societies. After examining both perspectives, the essayist concluded that France could only hope to turn a profit in overseas trade if the Company retained its structure and trading rights. He offered a detailed description of commercial practice in India, and expounded on the difficulty of finding the right balance between regulation and autonomy needed to conduct long-distance commerce. He likewise lauded the Company’s investment structure, which committed a diverse set of shareholders to the expansion of overseas commerce, as well as its ability to mobilize royal credit for overseas expeditions. “In the hands of a capable leader,” he concluded, the Company “could do no wrong.”110

The issue, for this memoirist, was to ensure that trade continued to be managed by the “capable” leadership of the Company, whose very office provided the credentials needed to conduct overseas commerce. He consequently examined the composition of other prominent

109 BA, MS-4500, Si c’est l’intérêt de l’État que la Compagnie des Indes soit composée d’actionnaires ou qu’elle soit rendue royale, ou bien qu’elle soit donnée à une société de marchands.

110 Ibid.
trading corporations in Europe, each of which enjoyed considerable independence from state
officials. Juxtaposing the French Company with these other commercial institutions, the author
insisted that the corporation should never be directly managed by the crown. A royal corporation
would fall under the jurisdiction of the *Chambre des comptes*, the sovereign financial court of
Paris; there the “shackles of protocol” would paralyze commercial enterprise. In this scenario,
the Company would have to wait for the court’s permission to advance the sums needed for its
annual trading operations.\(^{111}\) Since bureaucratic inertia would prevent the *Chambre des comptes*
from giving consent in a timely manner, and the Company would be forced to rely on loans from
the very same financiers who had destroyed the “System” to fund its commercial ventures. These
unscrupulous men would lend the Company money at usurious rates of interest, profiting once
again from the state’s misfortunes. Under crown management, trade would thus come “at a very
dear price.”\(^{112}\)

A logical consequence of royal intervention into the Company was that the corporation
would fall under the “dependency of the royal navy,” which already oversaw the defense and
administration of parts of France’s colonial empire.\(^{113}\) Grounding his claims in the conventional
belief that commerce and conquest were mutually exclusive practices, the essayist argued that
placing the Company under the control of the navy would rob employees of the incentive to trade.
“One could not hope,” the memoirist wrote, “that the officers of the king who would command
the Company’s vessels in times of war would favor the needs of commerce.”\(^{114}\) Conditioned to
prefer the pursuit of glory to that of commercial enterprise, these officials would instead abandon
\(^{111}\) Ibid.
\(^{112}\) Ibid.
\(^{113}\) Ibid.
\(^{114}\) Ibid.
their trading mission at the first “opportunity to showcase their valor and to acquire glory through combat.” While reiterating the argument that trade needed to be governed in order to be effective, the author diverged from Colbert and Law by portraying the Company as a source of sound commercial management. He thus insisted on the importance of the corporation as an intermediary institution that could pursue the crown’s trading goals of the state more effectively than the monarchy could on its own.

Finally, the memoirist also considered claims that the Company should retrocede its trading rights to the private societies from which it had originally obtained them. These groups had become increasingly vocal after the collapse of the “System.” The aggrieved Malouin society, for instance, lobbied aggressively for the return of its commercial monopoly in India and China. Spearheaded by some of the city’s most influential shipbuilding and merchant families such as the Magons, this group petitioned patron within the Paris Parlement to pressure the monarchy into honoring its original contract. In response to this effort, the author once again turned to the problem of commercial efficiency. Private traders, he argued, were so blinded by the desire for short-term gains that they “see only the present”; these merchants possessed neither “the foresight nor sufficient funds” to practice overseas commerce. The memoirist contrasted the motives of these individual traders with those of Company’s shareholders, whom he depicted as selfless patriots. Even when they lacked mercantile “expertise,” stockholders supported the commercial interests of the nation by funding the efforts of experienced Company traders.

115 Ibid.
117 BA, MS-4500 Si c’est l’intérêt de l’Etat que la Compagnie des Indes soit composée d’actionnaires ou qu’elle soit rendue royale, ou bien qu’elle soit donnée à une société de marchands.
118 Ibid.
The author of the anonymous 1726 *Mémoire pour la Compagnie des Indes* echoed these claims, arguing that the retrocession of the Company’s trading privileges would destroy France’s commerce since “[individual] merchants only look after their own interests.”

He likewise drew on the examples of the Dutch and the English, both of which had consolidated overseas commerce under large national corporations. Despite a tradition of entrepreneurialism and distaste for heavy-handed governance, neither country permitted free trade abroad. According to this writer, even “nations very jealous of their liberty” recognized that trade should be subject to some degree of regulation. When left alone, traders could not sustain the heavy losses that might occur in the early stages of a commercial enterprise, nor stay solvent over the several years it might take to turn a profit. A successful trading enterprise required the focus and structure of a large corporation, not the conflicting interests and insufficient capitalization of a few private merchants. Dozens of pro-Company *mémores* written during the 1720s emphasized this same point, concentrating on the Company’s ability to float the capital needed to create new trading posts, negotiate with foreign dignitaries on behalf of the king, and defend French commercial interests.

By promoting the Company as a commercial association, organized according to the practicalities of trade rather than the demands of public finance or the political projects of the absolutist state, these treatises also discredited the corporation’s critics. If the Company offered the most efficient model for foreign trade, the logic ran, those who denounced the institution must have done so out of either ignorance or self-interest. “It is difficult,” noted the author of one 1726 treatise, “for those who have lost their fortunes through actions attributed to the Company

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119 BA, MS-4500 *Mémoire pour la Compagnie des Indes en Décembre 1726*.

120 Ibid.

121 Ibid.
to examine this establishment calmly.” A 1720 mémoire made a similar claim, arguing that the “enraged” public lacked “the worldly knowledge” needed to judge the economic principles upon which the “System” and the Company were based. The Law affair thus compelled a diverse group of apologists—investors, members of the corporate directorate, and agents in the colonies—to redefine both the Company and the state of economic knowledge in France. Before an increasingly critical public, Company traders argued that they were specialists in commerce who operated according to their experience in foreign trade. In place of their relationship to the discredited economic policies of the crown, they grounded their authority in their mercantile credentials.

Such views later resonated within several of the most prominent works on commercial science in the early eighteenth century. In two popular 1733 essays, the abbé de Saint-Pierre expounded on the economic, political, and social consequences of a well-run national trading company—all while cautioning against excessive intervention by the monarchy in foreign commerce. While Saint-Pierre believed that any expansion in trade would benefit France, he worried about the suitability of an absolutist government to the creation of any viable commercial system. Indeed, he argued that the French would have to alter many of their laws, political inclinations, and cultural practices in order to ensure the development of a trading society that could best exploit the “commerce of the Indies.”

122 BA, MS-4500, Mémoire pour examiner quelles sont les contradicteurs de la Compagnie des Indes; Pourquoys ils en demandent la suppression, et de quelle utilité cette Compagnie est à l’état. Although it is listed as anonymous, Jean-François Melon likely wrote this treatise. Entire paragraphs are repeated verbatim from the Essai politique sur le commerce.

123 GSK, Mémoire pour servir à justifier la Compagnie des Indes, contre la Censure des Casuistes qui la condamnent (1720).

124 Charles Irénée Castel de Saint-Pierre, “Project pour perfectionner le Commerce de France,” Ouvrajes de Politique, Volume 5 (Rotterdam, 1733), 258-259. Significantly, however, although Saint-Pierre worried about the impact of excessive intervention by the absolutist state on corporate trade, he did suggest merging the Company’s navy with that of the royal navy to improve the efficiency of both services.
reforms intended to valorize trade among the French population: creating a company of noble cadets who would spend years learning about commerce and navigation at the Company’s headquarters in Lorient, thereby infusing a merchant corporation with noble blood; and restructuring the Company’s payment system so that directors received incentives for improving trade. These proposals, he insisted, would remove the social and political impediments that the absolutist state posed to the development of effective commercial practices, unifying the interests of individual merchants with those of France, and grounding Company policy in sound business practice. The celebrated French economic writer Jean-François Melon, who cut his teeth as secretary to John Law, made similar claims. In both technical works written about the administrative structure of the Company, and in his celebrated Essai politique sur le commerce (1734), Melon emphasized the importance of “liberty” in commercial operations—a freedom from the constrictive oversight of bureaucrats and ministers untutored in trade.

Law’s reputation wavered throughout the eighteenth century: he seemed at once to encapsulate both the shortsighted nature of absolutist economic policy and the innovative potential of public credit. The Company, though, survived both his fall from grace and his changing popular image. The continued support of the regency government, which had benefitted immensely from the consolidation of French debt under the “System” and entertained hopes of bringing John Law back to France once the clamor against him had settled, meant that the corporation retained the funding and political capital necessary to expand its commercial

125 Ibid, 225.
127 BA MS-3187, Jean-François Melon, Réponse au Mémoire touchant l’Administration de la Compagnie des Indes, 10 October 1725.
operations throughout the 1720s. The integration of some of the Company’s most vocal critics into positions of administrative influence also muffled calls for its dissolution. While Pâris-Duverney and other financiers who had opposed Law oversaw the corporation’s reform, many of the dispossessed members of the former Saint-Malo society became prominent investors and administrators.¹²⁹

**Conclusion**

This chapter highlights the shifting agendas and ideological perspectives that shaped the early history of the Company. Although founded by a royal minister, supported through crown patronage, and tied to a commercial agenda worked out in Versailles, the corporation was never simply a state-building enterprise. From the political programs of Colbert to the polemics of post-System investors, many of the ideological justifications for corporate monopoly were worked out after the Company was founded. The corporation thus provided space for an array of competing interests and arguments—some of which supported the cause of crown centralization, some of which undercut the authority of the monarchy to oversee trade.

From the very beginning, then, the Company represented a source of both controversy and conflict. Debates about the implications of crown-sponsored trade easily bled into larger questions about the composition and legitimacy of the absolutist state. These tensions would only grow as the French presence in India expanded. Just as Company apologists employed arguments about commercial utility to defend corporate privilege, so too would employees in India cite concerns over efficient trading practices to promote their authority over that of their handlers in Paris. The history of the Company thus cannot be divorced from the diverse interests, agendas,

and individuals that composed it. Built through the influence and intervention of the absolutist crown, the corporation provided a space from which to challenge and reinterpret its power.
CHAPTER 2: INTEREST, ABUSE, AND THE POLITICS OF COLONIAL TRADE

The Company’s object is to favor and satisfy merchants, and deep down we cannot rely upon them to enforce regulations against [those] merchants.

— Mémoire from the Controller-General concerning Company smuggling

Betrand-François Mahé de la Bourdonnais was one of the Company’s most polarizing employees. Born in 1699 in a Saint-Malo orphanage, he rose from humble origins to become the governor of Ile de France and Ile de Bourbon (the Mascarene Islands) in 1735. Along the way, he amassed a fortune through private trade, cultivated the patronage of powerful figures back in France, and made a number of well-placed enemies. To his admirers, La Bourdonnais was a model of private initiative; to his critics, he epitomized the corrupt nature of the Company’s administration. Whereas honest Company administrators in Paris “struggled to maintain a small carriage,” lamented the bibliophile Jean-François Mamet in a 1744 treatise, men like La Bourdonnais earned vast sums overseas. These employees exploited their offices, and their distance from supervisory authorities in France, for personal gain. They flouted the very regulations they were supposed to enforce, amassing great wealth through abusive practices. Distrust of La Bourdonnais and his motives would hound him throughout his career. In 1740, only a few years into his governorship of Ile de France and Ile Bourbon, he would complain that “the ministers, the Company, the public—in a word the entire world seemed to regard me with suspicion.”

130 BNF, MF 14.931, Jean-François Mamet, Idée de la Compagnie des Indes.

131 Betrand François Mahé de la Bourdonnais, Mémoires historiques de B.F. Mahé de la Bourdonnais, recueillis et publiés par son petit fils (Paris: Imprimerie Ferdinand Imbert, 1890), 28.
Misgivings about La Bourdonnais fueled criticism of the ambitious set of reforms that he enacted as governor. These reforms, and the opposition against them, are worth examining at length for what they tell us about the tensions plaguing Company commerce and politics. When La Bourdonnais took power in 1735, the Mascarene Islands were subject to a draconian set of commercial regulations: prohibited from trading outside the isles, inhabitants were forced to buy food, supplies, and slaves directly from the Company. Local industry and agriculture stagnated as the Company charged a mark-up of up to 150% on goods sold to the islands. After taking office in 1735, La Bourdonnais worked tirelessly to reinvigorate this flagging economy. The governor bolstered local food supplies by encouraging planters to cultivate rice, grain, and manioc alongside cash crops like coffee. He improved the islands’ infrastructure by raising bridges, constructing ships, and improving port facilities. And, most notably, he began a contentious campaign to overturn the Company’s injunction on commerce in Ile de France and Ile Bourbon. La Bourdonnais sent frequent petitions to France and, when recalled to Paris in 1739, pled his case in person to the Controller-General, Philibert Orry—his long-time patron.

In his appeals, La Bourdonnais emphasized the unjust nature of the Company’s monopoly on goods sold to the islands. Exclusionary trading practices, he argued, must be imposed sensibly to ensure shared prosperity: “If one charges the isles with only buying from the Company, by all the laws of justice it [the Company] should supply them with all that they want to buy.” Rather than providing goods at reasonable rate, however, the Company charged

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132 For more on La Bourdonnais’s efforts to improve the economy of Ile de France and Ile Bourbon, see Haudrère, La Compagnie Française des Indes au XVIIIe siècle, volume 2, 934.

133 ANOM, C43, La Bourdonnais to d’Eprémesnil, 1 December 1738; See also Georges Azéma, Histoire de l’Ile Bourbon, depuis 1643 jusqu’au 20 Décembre 1848 (Paris: Henri Plon, 1862), 59-60.

134 Bertrand François Mahé de la Bourdonnais, Mémoire des Iles de France et de Bourbon (St. Denis, Réunion: Daudé, 1937), 40.
exorbitant prices that reduced the populace to penury. Arbitrary regulations exacerbated the abject conditions on the isles. Company officials condemned attempts to supplement the islands’ meager food supplies through private trade as “illicit and fraudulent commerce”—profiting from the misery of the local population by misapplying ordinances against contraband. As a remedy for this situation, La Bourdonnais proposed an alternative vision for island commerce based on mutual interest and reciprocal gain. He launched a small expedition from Ile Bourbon to Persia in 1737 to illustrate the profitability of commerce in the Mascarenes, and implored the Company to exploit the weak Portuguese presence in eastern Africa to establish a slave trade in Mozambique. The governor hoped to transform Ile de France into the central French entrepôt in the Indian Ocean. Doubling as both a settler colony and a trading hub, the island would fuel commercial growth in the same way that Batavia did for the Dutch. It would also serve as a resupply station for French ships, a refuge for Company vessels during the monsoon season, and a treatment center for sick sailors. 

La Bourdonnais’s pleas did not fall on deaf ears. Orry approved a six-year (1742 to 1748) suspension of the Company’s monopoly in Ile Bourbon and Ile de France. Obstacles to this free trade experiment, though, soon appeared. France’s entry into the War of the Austrian Succession seriously damaged its commercial interests in the Indian Ocean, and the Mascarene trade never turned the profits that La Bourdonnais predicted. Company politics further hindered La Bourdonnais’s plans. The Company’s directors in Paris feared that free trade on Ile de France

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135 Ibid, 39.
136 ANOM, C4,3, La Bourdonnais, 25 August 1738.
137 ANOM, C4,3, Dumas to La Bourdonnais, 30 January 1738.
138 CCSC IV, Pondichéry to Paris, 18 October 1744.
and Ile Bourbon would hinder France’s other commercial ventures in the Indian Ocean.\textsuperscript{139} Indeed, many believed that La Bourdonnais’s proposal was little more than a thinly veiled attempt to secure personal profits in the name of Company service.

The suspicious circumstances behind La Bourdonnais’s fortune added weight to these concerns. Jacques D’Eprémesnil, a prominent employee, believed that the governor’s policies were motivated entirely by self-interest. La Bourdonnais’s improvements to the infrastructure of Ile de France, he claimed, went against the “wishes of the Company” and “would never serve a use.”\textsuperscript{140} Charles Godehau, then a director in Paris, was more direct: “What can you say about the commercial liberty granted to the Isles? I do not think that one could find a better means for our man [La Bourdonnais] to make money without exposing himself to any blame.”\textsuperscript{141} In another letter written a week later, Godehau cautioned that the governor’s policies would bring about the “ruin” of the Company.\textsuperscript{142} Even allies like Benoît Dumas, the governor of Pondichéry, remained skeptical. Dumas worried about the feasibility of La Bourdonnais’s commercial schemes and expressed doubts that free trade would actually benefit the Company.\textsuperscript{143} La Bourdonnais was well connected, but so were the opponents to his plan; their continued resistance eroded ministerial support for his experiment.

La Bourdonnais’s failed project continues to attract debate. Whereas some scholars question both La Bourdonnais’s motives and the profitability of his schemes, others bemoan the Company’s rejection of his proposals. To these apologists, the failure of the free trade

\textsuperscript{139} For more on unsanctioned private trade in Ile de France and Ile Bourbon, particularly as it involved La Bourdonnais, see Catherine Manning, \textit{Fortunes à Faire}, 171-174.

\textsuperscript{140} ANOM, 3 APC 1, d’Eprémesnil to Dupleix, 23 October 1743.

\textsuperscript{141} ANOM, 3 APC 1, Godehau to Dupleix, 17 November 1742.

\textsuperscript{142} ANOM, 3 APC 1, Godehau to Dupleix, 26 November 1742.

\textsuperscript{143} ANOM, C\textsuperscript{43}, Dumas to M. de Saintard, 20 June 1738.
experiment on Ile de France and Ile de Bourbon reveals many of the deficiencies that would ultimately doom the Company: rampant jealously among employees, a shortsighted administration in Paris, and an institution-wide aversion to innovation.¹⁴⁴ La Bourdonnais helped create this narrative through a string of mémoires, depicting himself as a tragic figure beset by enemies ignorant of the Company’s true commercial needs. While self-serving, this account nonetheless highlights the contradictions that arose through the Company’s commercial activities.

The Company’s monopoly was intended to facilitate the needs of both Company and crown by keeping overseas commerce centralized, equitable, and concentrated on a specific set of commodities. In practice, however, this focus often limited the Company’s ability to adapt to local political and economic conditions. The Company’s directors in France vacillated on trading policy—at times supporting the type of private enterprising that had made La Bourdonnais wealthy, at other times condemning it. They bemoaned the Company’s lack of credit among merchants and regional powerbrokers on the Indian subcontinent, all the while remaining suspicious of those employees whose wealth and connections could elevate the reputation of French commerce there. Company politics often played as important a role as financial need in determining the corporate policy. La Bourdonnais’s famous line, “I conduct my own business according to my knowledge, and that of the company according to its instructions,” was an exaggeration meant to reconcile his shortcomings as an administrator with his success as a

¹⁴⁴ French historians from the Third Republic have offered especially sympathetic revisionist narratives—their goal often being to legitimize France’s colonial activities in the nineteenth century by showing that the French had a long and successful tradition of colonial administration, and that the failures of France’s eighteenth-century empire had more to do with the social and political failings of the Old Regime than any deeper French dispositions against overseas trade and settlement. For such treatments see Adrien D’Epinay, Renseignements pour servir à l’histoire de l’île de France (Ile Maurice: Nouvelle Imprimerie Dupuy, 1890), 96-98, and Georges Azéma, Histoire de l’Île Bourbon, depuis 1643 jusqu’au 20 Décembre 1848 (Paris: Henri Plon, 1859), 64. For a summary of this historiographical tendency see Virginia Thompson, Dupleix and His Letters (1742-1754) (New York: Robert O. Ballou, 1933), 1-3.
private trader. Yet it also hints at the tense interplay between public finance and private interest, hierarchy and local initiative that infused the Company’s trading efforts.

This chapter examines the strains that developed from these commercial operations. Before the dust from fallout of the Mississippi Bubble had even settled, the challenges of governing and trading in the Indian Ocean exposed fundamental tensions within the Company’s policies and institutional structure. Central to these anxieties was a perceived disconnect between sanctioned Company practice and actual economic and political conditions on the subcontinent. Both within and without Company ranks, commentators questioned not only the efficiency of the corporation’s activities, but the deeper ideological foundations on which they were premised. Such concerns paralleled, referenced, and ultimately reframed key themes within early-modern political economy: from speculation about the nature of wealth to fears about the degenerative effects of luxury, and from prevailing assumptions about the relationship between corruption and virtue to suspicions about the utility of patrimonial tradition. Conflicts over Company practice in India thus gave way to broader questions about how the corporation fit within the political and social space of the Old Regime.

I focus in particular on three of the most divisive issues facing the Company as it expanded its commercial interests and political presence in India: the terms of the corporation’s monopoly, the balance between commercial regulation and free-trade initiatives, and the shifting boundaries between licit and illicit behavior among colonial employees. These institutional problems often overlapped, and remained a source of intense contestation until the dissolution of the Company in the 1760s. As La Bourdonnais’s arguments suggest, Company activities seemed to revolve around mutually exclusive imperatives. The corporation settled and managed colonial

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populations while imposing extortionate monopolies on them; its employees labored to integrate themselves into local markets while honoring dictates hammered out in Paris; and its leaders sought to streamline its administration at the same time as they engaged in nepotism, favoritism, and other abusive practices. The struggle to reconcile these competing impulses within a harmonious colonial system remained a constant source of anxiety for the Company. Over time, these tensions raised doubts about whether Company activity could ever prove consistent with established notions of the public good.

**A Centralized and Directed Trade**

Within the commercial lexicon of the eighteenth century, few concepts inspired as much ambivalence as that of monopoly. Works of French jurisprudence typically used the term to describe abuses in commerce and manufacturing, equating *monopole* with hoarding and price gouging. In 1721, for instance, a former director of the St. Malo-based *Compagnie royale de la Chine* was accused of being a “*monopoleur*” for secreting large quantities of “tea,” “porcelain,” “food,” and “clothing” in an Augustinian monastery.\(^{146}\) By the highpoint of the Enlightenment, monopoly had become synonymous with state-enforced inequality, conjuring images of exclusionary guild practices and arbitrary privileges enforced through royal fiat. As Anoush Terjianian has shown, the domestic and commercial implications of the term gradually aligned over the course of the eighteenth century to signal a blatant abuse of political power—regardless of the specific commodity being protected.\(^{147}\)


\(^{147}\) Anoush Terjianian, *Commerce and its Discontents in Eighteenth-Century French Political Thought*, 143-147. This elision became most apparent between the 1750s and 1760s, during which time appeared a string of polemics criticizing the state regulation of everything from domestic grain production to painted cloths imported from India and tobacco products from North America. Michael Kwass notes a similar conceptual shift precipitated by the
Yet monopoly—whether in the form of corporate privilege or exclusive trading rights—was also understood to perform important economic, social, and political functions. For the guilds and corporations that comprised the urban landscape of the Old Regime, the control of labor and production was seen as vital to the production of quality merchandise. If monopolies stifled competition, they also stood as a “form of rationalization” that offered a standard metric of quality for finished goods and limited volatile shifts in the market.¹⁴⁸ As in England and the United Provinces, the ideological justifications for monopoly came from a long tradition of corporate government based on feudal contract.¹⁴⁹ Whether in the form of a municipal constitution, university charter, or commercial privilege, Old Regime monopoly not only provided special rights and legal exceptions, but also represented a type of political jurisdiction. While controlling products and labor, they also managed people and places, linking them together in a hierarchical chain of being culminating in the divine power of the monarch.

As La Bourdonnais’s complaints from the beginning of this chapter suggest, the balance between the productive and abusive qualities of Company monopoly was often a matter of context. Overseas trade stretched traditional justifications of monopoly to the breaking point, as geography, circumstance, and personal politics impacted the perceived equity of corporate

violent royal campaign to eliminate contraband trade and reinforce the monopolies on imported cloths and tobacco. Kwass, Contrañand, 8-11.


regulation. This problem was noted not only by Company insiders, but also by prominent French economic writers. Jean-François Melon, for instance, made the shifting implications of commercial monopoly a central feature of his celebrated 1734 treatise: the *Essai politique sur le commerce*. Melon focused in particular on the question of how to enforce monopolies within different colonial contexts. Like La Bourdonnais, he insisted that *monopoles* needed to be applied with “gentleness” and “equity” to overseas colonies—to be calibrated according to their specific political and economic circumstances.¹⁵⁰ The *Essai politique* thus contrasted the impact of exclusive commercial rights on a city like Pondichéry, where the Company maintained a small population of employees, held few territorial ambitions, and relied heavily upon local merchants, with the corporation’s settler colony of Louisiana.¹⁵¹ Whereas in India monopoly offered much needed protection in a volatile foreign market, in North America it reduced colonists to penury and “servitude” by restricting opportunities for economic growth.¹⁵²

For Melon, monopoly was a Janus-faced political instrument. One the one hand, the regulations provided by the Company’s charter checked the selfish impulses of “human nature.”¹⁵³ On the other hand, they rendered merchants “idle” by removing competition and shielding abusive practices under “the shelter of the law.”¹⁵⁴ Overseas trade reproduced—and ultimately amplified—the asymmetries of France’s feudal system. The Company’s monopoly may have consolidated different territories and commodities under a rationalized administration, but it also fostered dependent markets, invidious categories of subjection, and exclusionary

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¹⁵⁰ Jean-François Melon, *Essai politique sur le commerce* (1734). Melon is referring specifically here to the Company’s commercial administration on Île Bourbon. Ibid, 89.

¹⁵¹ Ibid, 88.

¹⁵² Ibid.

¹⁵³ Ibid, 64.

¹⁵⁴ Ibid, 28.
practices. Meant to facilitate the “common good” by linking subjects around the world together under Company and, ultimately, crown authority, monopoly gave rise to competing interests that were not easily reconciled. In 1730, for example, a Nantais priest petitioned the crown in despair, noting that the Company’s exclusive control of the Guinea slave trade had robbed his parishioners of their livelihood. As his descriptions of a community emptied of “communicants” and devoid of “commerce” suggest, the advantages generated by corporate privilege ultimately came at the expense of others.\textsuperscript{155} Under Company monopoly, public interest and parochial agendas sat uncomfortably beside each other.

In both France and India, the defense of monopoly rested mostly on its capacity to police employees and bolster the regulatory powers of the crown. Launched at the behest of the regent, Pâris-Duverney’s reforms streamlined the Company’s bureaucracy and punished the most blatant instances of corruption. These changes placed the Controller-General at the head of the corporate administration, and created the position of conseillers de roi, an independent office that served as the king’s personal representative to the Company. According to one shareholder in 1728, this combined administration “remedied many abuses and established a surer and more exact government that made [the Company’s] commerce more useful.”\textsuperscript{156} As this investor noted, the Company shipped goods with greater regularity in the aftermath of the reforms, and also expanded its commercial infrastructure by improving its factory-towns in India and establishing a resupply station in the Mascarene Islands.\textsuperscript{157} The crown’s continued commitment to the Company also helped offset poor returns in the early 1720s, especially after the king agreed to renew the corporation’s monopoly on tobacco customs. Only a few years after the collapse of the

\textsuperscript{155} AMN, HH II 88, de Pichereau (1730).

\textsuperscript{156} ANOM, C\textsuperscript{2} 20, Mémoire concernant le commerce de la Compagnie des Indes aux Indes orientales, 1728.

\textsuperscript{157} Ibid.
“System,” the Company’s previously moribund Asian and Guinean trade was, for the first time, profitable enough to cover all of its annual operating costs, bringing in nearly 3,000,000 livres in 1727.158

Overseas, the Company’s connection with the crown and its resources helped bring it credibility among native lenders. One 1728 mémoire lauded the crown for “remedying abuse,” maintaining an “efficient administration,” and guaranteeing the regular “returns of its vessels.”159 Company agents often measured commercial success through the multi-layered concept of credit; this term referred both to the status French merchants enjoyed among indigenous suppliers and buyers and, as a consequence of this reputation, the Company’s ability tap into local money markets. Crown management improved French credit by ensuring a regular demand of goods from Europe, sizeable infusions of bullion, and improvements in the Company’s infrastructure. In a 1727 report commissioned by the then governor of Pondichéry, Pierre-Christophe Lenoir, Joseph Dupleix (a future governor himself) wrote that one of the new building projects supported by this funding, the city’s new ring of walls, had “reduced fraud,” put the “local inhabitants at rest,” “augmented the Company’s farms,” and sowed “confidence” among resident Indian merchants. As a result, the new fortifications contributed to a revenue increase of 20,000 pagodas over the previous three years.160 With greater infusions of bullion, Company agents also gained the favor of local officials such as Imam Sahib, an influential military official in the court of the Nawab of Arcot161


159 ANOM, C2 20, Mémoire concernant le commerce de la Compagnie des Indes aux Indes orientales, 1728.

160 ANOM, C2 20, Dupleix, Mémoire sur les établissements de la Compagnie et sur son commerce dans les Indes Orientales, Pondichéry, 8 Octobre 1727.

Yet the crown’s role in the Company’s commercial operations also raised serious concerns. Even employees who supported the basic premises of crown-sponsored monopoly still objected to the monarchy’s management of corporate affairs. In France, the complaints mostly concerned the bureaucratic waste generated by royal administrators. “It is surprising,” wrote a M. Ramont in a 1730 treatise, “that for a business like the Compagnie des Indes, there are four inspectors, nine directors of commerce” and an “extraordinary quantity of useless commissioners” who, together, create “unnecessary expenses and contribute steadily to the ruin of the Company.” Jacques Deshayes, a director from 1723 to 1730, voiced similar concerns. According to him, the “Company could easily be managed in Paris by three or four directors and five or six commissioners and, consequently, incur much lower administrative costs.” As critics of the Company often argued in the wake of the Mississippi Bubble, unscrupulous ministers exploited this excessive bureaucracy to award positions and contracts to their favorites. The crown’s involvement in the Company reduced efficiency and provided license for the very same abusive practices that royal officials were supposed to police.

A series of administrative reforms launched in 1730 by the new Controller-General, Philibert Orry, addressed some of these objections by reducing the size of many the Company’s offices. More serious resistance, though, came from those involved directly in Company trading operations. Among these merchants and administrators, opposition focused not just on specific problems such as a bloated bureaucracy, but also on the limited commercial knowledge of the Company’s directors, royal handlers, and the clients they appointed to oversee trading.

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162 ANOM, C2 23, Ramont à Layarn, Mémoire au Sujet de la Compagnie des Indes et de ce qu’il y a faire pour soutenir cet établissement, 28 Juillet 1730.

163 ANOM, C2 23, Deshayes, Mémoire sur la régie du commerce de la Compagnie des Indes, M. des Hayes, March 1730.

164 ANOM, C2 20, Dupleix, 8 Octobre 1727.
operations in India. Dupleix, for instance, complained that the Company granted power to
royally appointed governors “of mediocre experience” while ignoring Pondichéry’s conseil
supérieur, which possessed “greater or equal” expertise in commerce and colonial
administration.165 A treatise written to the Controller-General from Nantes in 1726 echoed this
claim, lamenting the influence of crown officials who lacked proficiency in commercial matters,
and who crafted policy according to the politics of the court.166

Unsurprisingly, a sense of aggravation pervades much of the early correspondence
between the Company and the conseil supérieur in Pondichéry. Despite positive returns from
India in the late 1720s, the French struggled to generate consistent profits outside the Company
settlement of Chandernagor in Bengal. Among the councilors’ chief complaints was a lack of
accountability by their corporate superiors and the insufficiency of funds available for commerce.
Take one letter written by members of the Pondichéry council in response to ongoing criticisms
by the Parisian directors about the poor quality of textiles coming from India: “the reasons are
not difficult to know…the lack of funds here forces us to do in a few days [placing orders for
goods] what other nations do in the course of a year…if we had more money in advance, we
could commission better weavers.”167 The conseil complained frequently about commercial
strategies hammered out in Paris, which concentrated on sending a small number of goods
annually from India to France rather than experimenting with the potentially lucrative “country”
or intra-Asian trade.168 Part of the councilors’ criticism stemmed from their desire to profit

165 ALA C 751, Mémoire sur les commerces réunis dans la Compagnie des Indes, qui Existe aujourd’hui en France,
13 November 1726.
166 CCSC, vol. 1, 30 September 1730, 133.
167 See, for instance, CCSC, vol. 1, 8 October 1727, 47.
individually from this type of commerce, but their complaints nonetheless highlight a key drawback of the Company’s centralized administration. From a distant headquarters, the Company struggled to adjust to the challenges and opportunities created by a foreign market.

That conseils of the Company’s other comptoirs registered a similar set of grievances against the councilors of Pondichéry—who declaimed against the heavy handedness and ignorance of the Parisian directors but then demanded obedience from the rest of the French Indian settlements while possessing limited knowledge of conditions within them—speaks further to this tension between regulation and commercial growth. Employees in the colonies complained about the despotic administration of their immediate superiors; these administrators in turn criticized the shortsighted and oppressive management of the directors in Paris and their royal handlers. The Company’s chronic shortages of shipping and money added fuel to the critical fire, reminding detractors that crown supervision did little to improve commercial efficiency.

These practical failings informed a powerful ideological critique concerning the equity of crown rule. According to Melon, the abbé de Saint-Pierre, and a string of other economic writers, deficiencies in Company trading practice reflected the deeper inadequacies of absolutist government. Compared to republics and moderate monarchies (as in England and the United Provinces), absolutist kings struggled to generate public confidence and cultivate commercial expertise. An enduring question of early-modern political economy was how the constituent elements of a given society—its laws, practices, institutions, and habits—fit together as a coherent whole. From this perspective, the shortcomings of the Company’s monopoly were part

169 CCSC, vol. 1, 28 December 1726, 45.
of a systemic series of faults. Corporate regulation not only impeded commerce, it interfered with sound government and disrupted the interlocking set of interests on which the monarchy built its empire. While projecting royal authority to new lands and markets, Company monopoly also diminished the crown’s sovereign reach by producing new tyrannies overseas.

Monopoly thus stood, at once, as a viscous economic practice and a regulatory instrument that policed the morals of corporate employees, an exclusive commercial license and a form of indenture to the crown. Questions abounded over this confused bundle of juridical, institutional, political, and moral definitions: Did exclusive trading rights curb corruption, or encourage it? Did Company privilege facilitate commercial operations abroad, or hinder trade by shackling the Company to the dictates of inexperienced royal officials? Did monopoly facilitate the public good, or merely support a specific set of partisan interests? The reinforcing of a top-heavy command structure, with added regulatory powers and an emphasis on the accountability of employees, was one of the Company’s most significant post-“System” reforms. Yet for all the benefits created by institutional restructuring, this emphasis on a centralized and hierarchical administration created enduring problems in both France and the subcontinent.

**Profit-Seeking and Public Interest**

Located on India’s western or Malabar Coast, the French settlement at Mahé dealt primarily in coral, spices, and pepper. Company representatives established the comptoir in 1721 through an agreement signed with the Bayanour of Bargaret, ruler of the small princely state of Kadattanad, which permitted them to trade on his land. The machinations of Robert Adam, the British governor in nearby Tellicherry, however, delayed Company attempts to settle in the region. Eager to prevent French encroachment on the Malabar pepper trade, Adam incited a civil war in Kadattanad, attacked Company outposts around Mahé, and pushed the Bayanour to
abrogate his agreement. A French squadron led by Mahé de la Bourdonnais eventually relieved the settlement in 1725, landing a force of 250 soldiers and 100 sailors. The damage to the town, though, had been done; years of conflict frustrated French trading efforts in the region, saddling the settlement with a considerable debt.

Mahé was subject to a constant strain, torn between alluring commercial prospects and the material realities that constrained them. When the French established the comptoir in 1721, pepper was in high demand both in Europe and along regional trading circuits in the India Ocean. Indeed, the price of this commodity rose by 50% between 1722 and 1739. The Company required Mahé’s employees to meet an annual quota for pepper, as well as the other goods available in the settlement. Yet regional conflicts and the costs of Mahé’s garrison depleted the funds set aside by the Company for these purchases. As one specialist notes, “it was money, always money” that proved the limiting factor in the comptoir’s commercial growth. The constant lack of funding forced town administrators to rely on independent French traders operating along the Malabar Coast to develop Company commerce in the region. These merchants bought surplus pepper from the cash-strapped Company merchants to sell within local markets. Necessity thus created the conditions for a thriving private trade—one in which Company employees, who faced a shifting set of prohibitions against independent commercial activity, often engaged.

Private trade proved integral to European commercial operations in India. In the seventeenth century, the English East India Company condemned independent merchants as

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171 Manning, *Fortunes à faire*, 156-157. Figures prices from the pepper markets at Calicut, which grew slightly more dramatically than those of Mahé.

“interlopers,” and sought royal sanction to punish them. Over time, however, the corporation relaxed these restrictions, allowing employees to pursue individual trading commitments throughout the Indian Ocean and Asia. As Emily Erickson argues, these efforts not only reduced the Company’s costs, but also improved its access to local capital and its ability to navigate regional markets. The French, for their part, depended on private trade to sustain their less profitable settlements. Prominent employees like Pierre Duvalaer, who eventually served as a director in Paris, made their start as independent merchants. Company agents were also allowed to engage in private commerce, though this license was occasionally revoked or reduced during the 1720s and 1730s. Even when they restricted this commerce, however, many of the Company’s top administrators secretly encouraged it by sending money and promising favor to employees who traded on their behalf.

French merchants plied a variety of regional routes, trading in coastal settlements along the Bay of Bengal, Arabian Sea, Persian Gulf, and the Straits of Malacca, and sending shipments as far as China and the Philippines. This “country” trade, so-called because it concentrated on markets in Asia and the Indian Ocean rather than on the export of goods to France, yielded excellent returns in the 1720s. In the late 1730s and early 1740s, however, a civil war among the Safavid rulers of Persia, and on ongoing drought and famine in India on the Coromandel Coast, reduced the profitability of these routes. Still, for cash-strapped employees in settlements like Mahé, private trade remained an effective solution to recurring fiscal crises. Yearly funds sent

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173 For more on the English East India Company’s struggles to define and punish interloping, see Stern, The Company-State, 44-60.

174 Erickson, Between Monopoly and Free Trade, 10-15

from France to Mahé often arrived late—or sometimes not at all. The large profits generated by the “country” trade, by contrast, could be used immediately to purchase more pepper. Policymakers in Paris weighed the benefits of this commercial activity with the various challenges it created—struggling, in the process, to adopt a consistent position. After all, the demands of these local trading networks were almost always in tension with the Company’s broader commercial agenda. In Mahé, the “country” trade facilitated the development of Mahé’s pepper industry, but it also diverted commodities earmarked for France to more lucrative regional markets.

The town’s 1739 pepper scandal underscores this tension. Nearly insolvent after its 1725 war with the Bayanour, town officials commissioned private merchants to buy pepper on the Company’s behalf. Although Mahé had enough money to purchase this commodity on its own after 1728, the town’s employees continued to rely on private traders and their lucrative regional connections. Instead of commissioning independent traders to float the capital for Company pepper quotas, these officials began to sell surplus quantities to these merchants at an 8% surcharge, investing the profits in the town’s infrastructure. Throughout the 1730s, private societies such as Bonaventure Louet’s Société de Mahé flourished, exploiting the high local demand for pepper—and their easy access to discounted sources of the commodity—to expand their role in the “country” trade. Even with its mark-up, the Company’s prices for these middlemen were roughly 15% cheaper than those of the open market.\(^{176}\) Private traders thus eagerly purchased Mahé’s pepper surplus.

Initially, this arrangement seemed to meet the needs of all the parties involved. The Company received regular infusions of specie, while private merchants gained cheap and easy

\(^{176}\) Ibid, 157.
access to the region’s pepper.\textsuperscript{177} Such a compromise, however, proved untenable in the long run. The division between private and Company commerce, unclear in the best of circumstances, became particularly muddled in Mahé as many of its councilors and employees began investing in societies such as Louet’s. As more members of the Company became involved in private trade, the comptoir stopped meeting its pepper quotas—all this despite the fact that independent merchants operating out of Mahé continued sending private expeditions to Mocha, Basra, and China during the same period.\textsuperscript{178}

Over time, the conseil supérieur in Pondichéry grew suspicious of the commitment of the comptoir’s employees to the Company’s trading interests, blaming “the poor administration of [Mahé’s] council” for the years of diminishing pepper returns.\textsuperscript{179} Tensions came to a head in April 1739, when several key figures in the comptoir’s administration—Bunel, who served as a councilor, as well as Louet and another employee, Saint-Martin—replaced a ship transporting private freight to the port of Mocha, \textit{L’Heureux}, with a Company vessel, \textit{La Marie Joseph}, which was carrying “equipment” to the French outpost at Pegu in Persia. While initially perplexed over why Bunel and his accomplices had switched the ships, the conseil supérieur quickly guessed the reason: whereas \textit{La Marie Joseph} was in “good condition” and “well crewed,” \textit{L’Heureux} was “leaky,” and its sailors “completely exhausted” after a fifteen-month voyage.\textsuperscript{180} Bunel and his associates ensured the safety of their goods by placing them in the most seaworthy vessel available in Mahé. They had openly neglected their obligations to the Company in favor of private enterprise, seemingly confirming the conseil supérieur’s fear that officials in

\textsuperscript{177} 158 AP 14, Jacques d’Eprémesnil, \textit{Sur le Crédit de la Nation dans l’Inde} (1755).
\textsuperscript{178} CCSC, iii, 41.
\textsuperscript{179} ANOM, C\textsuperscript{2} 28, \textit{Extrait du Registre Général des Délibérations de la Compagnie des Indes, du 14 Juillet 1739}.
\textsuperscript{180} ANOM, C\textsuperscript{2} 77-79, 2 April 1739; 15 April 1739.
Mahé had been reselling Company pepper through the city’s private societies.

The councilors in Pondichéry responded to these transgressions by dismissing the entire administrative council of Mahé and placing Bunel, Louet, and Saint-Martin under house arrest in mid April. Not all of the councilors, however, accepted their punishment gracefully. Bunel fled his home on the night of the sixteenth or seventeenth, “leaving no trace by sea or land.” Suspicions of complicity immediately fell on his erstwhile accomplice, Louet, who lived so close next door that “it seemed impossible that” he or “several of his servants could not have seen his movements by the light of the moon.”¹⁸¹ It was not until 3 May that Bunel was found hiding in the house of a Company gunner, where he was promptly rearrested and taken to the fort of Mahé.¹⁸² He would eventually be recalled to France. Louet would return to Europe to plead his case as well. Better connected employees like George Duval de Leyrit, the future governor of Pondichéry, were quickly forgiven of any crimes and allowed to return to Mahé.¹⁸³ As was frequently the case in Company courts, sentencing varied according to the degree of influence that an employee commanded.

While the Company’s punishment of individual crime varied, its reaction to the Mahé affair itself was unwaveringly severe. The directors in Paris used the incident as an excuse to launch into a general denunciation of private commerce. In their correspondence with Pondichéry, they called officials on the conseil superieur “equally reprehensible [as the employees in Mahé] for knowing of similar incidences and not reporting them to the

¹⁸¹ ANOM, C² 77-79, 30 April 1739.
¹⁸² ANOM, C² 77-79, 4 May 1739; 6 May 1739.
¹⁸³ 3 APC 1, Bayanor, Prince de Baragert aux directeurs et syndics de la très illustre et Royale Compagnie de France, 21 February 1740; Manning, Fortunes à Faire, 158.
Company.**

Having long protested against violations of Company trading policies by employees overseas, the Paris directors were quick to use the scandal as a pretext for denouncing the corruption, abuse, and “low regard for the interests of the Company” that seemed to characterize French commercial activity throughout India.**

If this stern rebuke had been the end of the affair, the 1739 scandal would merely represent one sensationalized example in a long line of disagreements over the trading ambitions of Company employees. The pepper crisis, though, continued to inspire contentious debate for several decades. While the directors seethed and the councilors in Pondichéry demurred, Company employees took it upon themselves to judge the implications of the Mahé scandal. Jacques d’Eprémesnil—the onetime head of the Company’s council in Madras after the French conquest of the city—offered perhaps the most vocal reaction to the affair in his 1755 *Sur le Crédit de la Nation dans l’Inde*, where he lamented the long-term consequences of the Company’s reaction to the incident. The Company’s directors, he argued, failed to calibrate their trading policies according to the diverse political and economic circumstances within each of the comptoirs.**

The incident in Mahé turned from an extreme and public case of abuse by colonial officials to a more general indictment of arbitrary regulation and the Company’s limited commercial vision. According to d’Eprémesnil, the directors’ response introduced the disastrous notion “that the Company would look with disfavor on all employees who enriched themselves by legitimate means.”**

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**184** CCSC, iii, 26 September 1739.

**185** Ibid.


**187** Ibid.
surrounding the affair as evidence that the Paris directors knew little about the actual practice of trade. While continuing to blame employees in Mahé for neglecting their duties in the pursuit of “private interests,” the councilors blasted the Company for imposing heavy duties on goods entering the Malabar Coast, which prevented ships from Basra, China, and Macao from selling their wares in the French port. According to the council, unjust Company prohibitions had pushed the employees in Mahé down a destructive path by impeding the commercial development of the comptoir.

D’Eprémesnil elaborated on this claim in his 1755 treatise. Like the Pondichéry councilors, he argued that the Mahé scandal was symptomatic of a more general problem: the failure of Company directors to understand market conditions on the subcontinent. Administrators in Paris grumbled about the Company’s lack of profitability while at the same time condemning men like Louet, who in his “long stay at Mahé had acquired a perfect knowledge of the language, customs and commerce of the country”—attributes necessary for commercial success. D’Eprémesnil argued that the development of a robust private trade was the most assured way of acquiring credit among indigenous lenders in the French-occupied regions of the subcontinent. He saw in the Mahé affair a perfect example of how the Company mismanaged its affairs. Company directors ignored the pleas of employees in India while allowing misplaced suspicion, imperfect understandings of commercial science, and political circumstances in France to dictate their policies.

To be sure, d’Eprémesnil’s account overlooked key details about the Mahé affair, including the seemingly clear complicity of Bunel, Louet, and Saint-Martin in defrauding the

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188 CCSC, iii, 30 September 1740.
189 Ibid.
Company. There were good reasons for such an omission. D’Eprémesnil had begun his career in India as a private trader, and his brother, Georges de Leyrit, was heavily implicated in the pepper scandal. The entire focus of d’Eprémesnil’s essay was on the failure of the Company’s efforts to support credit-acquiring ventures in India, and his emphasis on the economic fallout from the Mahé controversy strengthened his overarching claims. Nonetheless, d’Eprémesnil’s interpretation of this incident highlights a problem that had become obvious to employees early in the Company’s trading operations in India. The issue of private trade by Company employees represented a significant stumbling block in relations between those undertaking commerce in India and those regulating it in France. What on the one side constituted innovation and local initiative seemed to the other like self-interested abuse. These divergent perspectives reflected a fundamental disagreement within the Company over the compatibility of profit seeking and private enterprise with the obligations of public service.

Unlike its English rivals, the French Company lacked the institutional framework to incorporate and control private trading interests. The Compagnie des Indes was not a joint-stock corporation run by shareholders; and as we have seen, merchants had little say over policy decisions made by the crown and the Company’s directors. At some points, the Company assumed direct control of all commerce in India; at others, it delegated the “country” trade entirely to private merchants. Reversals in policy occurred quickly: “nothing,” argued the celebrated scholar of the Company Alfred Martineau, “was more capricious” than the Company’s approach to private commerce. While the Paris directors decided to extricate the

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191 Manning, Fortunes à faire, 24-26. Manning’s work remains the most authoritative treatment of private commerce and its impact. Her focus, though, is primarily on how this commerce fit with Company policy on an institutional level, and less on the ideological ramifications of “country” trade.

Company from “country” trade and relegate it to independent merchants in 1722, they abandoned this proposal in 1724 at the behest of the *conseil supérieur* of Pondichéry.

Compounding the confusion was the fact that private traders often could not succeed without the Company’s investment capital. The Company’s renewed commitment to the “country” trade in 1724 represented a response to this problem: the Pondichéry Council feared that commerce would wither without the small annual investment of 10,000 pagodas that the Company allowed its employees to commit to intra-Asian trade. The 1730s saw a similar trend, with the Company withdrawing from local trading obligations in 1734 only to return to it with new vigor in 1737. Throughout this period, and beyond, Company employees continued to trade on their own—a factor that only exacerbated the directors’ struggles to craft effective commercial policy.

Private trade was problematic because it introduced the specter of destructive personal interests into the Company’s commercial operations. The renowned French Sanskrit scholar Anquetil Duperron described this problem in his widely read travel journal. Here he complained that the Company’s employees “were rarely concerned with their nation,” and that they sought only to improve their station by acquiring wealth. When frustrated in their designs, they either deserted or descended into “idleness.” Mamet was also critical of private trade and its implications in his history of the Company, where he dismissed free enterprise as “the spirit of interest, avidity, and the desire to make an immense profit during a short period of time.” Both opponents and defenders of the Company worried about the corrosive effects of pecuniary interest on employees stationed abroad. Even as private trade promised to improve liquidity in

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France’s beleaguered Indian settlements, it also threatened to lure Company agents into corrupt and self-serving practices.

In France, trade and the economic interests associated with it inspired ambivalence. As John Shovlin has shown in his study of mid-eighteenth-century works of political economy, many among France’s middling nobility were repelled by commercial self-interest, equating the unrestricted pursuit of profit with the covetous actions of crown financiers and other plutocrats. Everyday people traded, conducted business, and established elaborate networks of credit. But French intellectual culture remained in many ways rooted in a humanist worldview that rejected materialism in favor of glory and abstemious virtue. In the 1730s, however, France also experienced an upsurge in Anglophilic literature defending trade and its effects. Voltaire praised commerce in his 1734 Letters on England, arguing that merchants enriched the nation, safeguarded the liberties of the British nation, and improved the human condition by moving necessary goods to new markets. From Montesquieu to later theorists like the Gournay Circle and physiocrats, a growing segment of eighteenth-century French writers embraced commerce as a means of social and moral improvement.

Within the Company, concerns over the “country” trade centered both on the moral ramifications of private interest and on the more immediate problems of commercial efficiency

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197 The difference between popular conceptions of market society and understandings of trade within elite circles of political economic writers has received little attention in the French context. Clare Crowston charts this relationship, but focuses mostly on the practical connections between different fields of credit and economic activity. Laurence Fontaine offers a longer term study of credit and its more cultural ramifications, though touches mostly on issues of moral philosophy rather than political economy. Crowston, Credit, Fashion, Sex and Laurence Fontaine, The Moral Economy: Poverty, Credit, and Trust in Early Modern Europe (Cambridge: Cambridge University Press, 2014).

198 Voltaire, Lettres sur les anglais (Cambridge: Cambridge University Press, 1962). Voltaire focuses on commerce specifically in chapter 10, but he discusses the general political, moral, and cultural implications of trade throughout this work.
and employee satisfaction. As Duvalaer wrote after his tenure as a private trader, “Nothing is better able to increase the zeal of employees for the service of the Company than the small profit that they can find in the private commerce permitted to them.” While the allure of profits could override employee’s loyalty to both the Company and the state, it could also reinforce these commitments. Even Mamet, who so criticized the avarice of Company employees, saw the motivational problems that could occur by eliminating opportunities for private wealth: “What came of that maxim of legislation sent to the comptoirs a few years ago, that is, that employees of the company should abandon any idea of making a profit? Who would not feel the turpitude and dangerous consequences of the promulgation of a similar law?”

While weighing the productive benefits and moral risks of unrestricted private trade in India, Company administrators also faced more practical concerns. If the Company allowed its employees to trade privately, how would it regulate such operations to ensure that they proved beneficial rather than detrimental to Company operations? The frustration arising from its system of pacotilles and ports-permis speaks to this challenge. Derived from Spanish, a pacotille was, according to Savary des Bruslons, “a certain weight, volume, or quantity merchandise permitted to officers, sailors, and crewmen to trade for their own accounts.” Separate from the regular cargo of a ship, it was theoretically regulated by a “verbal agreement” with the ship owner, though in practice the Company set standard limits on private freight. The Company first permitted the use of pacotilles in 1722, imagining they would subsidize the low salaries it paid to its employees. Almost from the beginning, however, this arrangement served as a catalyst for


200 BNF, MF 14.931, Mamet, Idée de la Compagnie des Indes (Original emphasis).

201 Savary des Bruslons, Le Dictionnaire Universel de Commerce (Paris, 1741), 663. This paragraph is particularly indebted to Manning, Fortunes à faire, 95.
illicit trade. In June 1726, the Company responded to the ongoing threat of smuggling by arranging a reward system for informants who denounced employees using their *pacotilles* to sell contraband, awarding them a quarter of the value of any merchandise confiscated as a result of the information they provided. After two captains, Le Brun de la Franquerie and Briand de la Feuillé, were convicted of fraud in Rennes in 1733, it tightened its guidelines. The Company replaced the *pacotilles* with the more standardized *port-permis* and limited the amount of sanctioned freight to 165 *piastres* for officers, 12 for sailors, 6 for novices, and 2 for apprentice sailors.

The 1733 regulation reflected the Company’s twin goals of supervising private commerce and using profits to generate loyalty among its employees. Before this reform, it was up to the individual sailor or officer to negotiate the sale of *pacotilles*; after 1733 employees received a fixed sum determined by the amount of cargo they were permitted to carry by rank. Yet while these guidelines guaranteed individual profits, they did little to halt the flow of smuggled goods. Given the hidden nature of the contraband trade, it is difficult to tell exactly how much money the Company lost through the misuse of the *port-permis* system. Considering the great distances involved in its trade, the ease of manipulating ship manifests, and the complicity of port officials in offloading contraband, though, abuse likely abounded. Unscrupulous captains and officers appropriated the cargos allotted to their sailors to sell more of their own goods, as one extract from 1749 complained. They offloaded their private cargo onto fishing ships six or seven

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203 SHDL, 1 P 305, 6 June 1726.

204 CSCC I, 61-62.


miles out to sea, thereby avoiding inspection in a French port,²⁰⁷ or sold excess merchandise within restricted zones such as the Mascarene Islands. As Michael Kwass has shown, an “illicit economy” based on the smuggling of tobacco, calicoes, and other New World and Asian commodities blossomed in France in the eighteenth century. Traffickers were organized, armed, and closely connected to Company agents.²⁰⁸

Against these abusive practices, the Company had limited recourse. It could, for instance, reduce the amount of cargo permitted by the port-permis regulations, as it did on 31 August 1745,²⁰⁹ or streamline the system by eliminating certain exceptions and qualifications.²¹⁰ Neither approach, however, offset the Company’s limited enforcement ability, especially against ships at sea. In the most extreme cases, officials in France would refuse to honor the sale of any port-permis, as they did in response to the rampant “falsification and theft” that took place on two of its ships returning from China in 1760.²¹¹ This measure, however, also nullified the potential benefits of the port-permis system, and seems to have been rarely employed.

Whether discussed in debates about cargo dispensations or on the proper way of conducting intra-Asian commerce, the concept of private trade provoked basic questions about the Company’s institutional structure and agenda. Personal enterprise both reinforced and weakened the monopolistic principles on which the Company was founded. Even ardent advocates of free trade in the 1720s and 1730s recognized the need for a centralized commercial

²⁰⁷ ANOM, C² 40, Mémoire concernant les différents abus très préjudiciables au commerce de la Compagne des Indes.


²⁰⁹ SHDL, 1 P 305, 31 August 1745.

²¹⁰ SHDL, 1 P 305, 18 October 1740.

²¹¹ SHDL, 1 P 305, 1760.
authority that could quickly infuse the colonial market with capital. At the same time, a number of merchants and administrators argued that a uniform system of exclusive trading rights could hamper rather than encourage Company commerce. While monopolistic commercial practices proved suitable for the Indian subcontinent, for instance, they were impractical in a different context like the Mascarene Islands. By engaging in “country” trade, moreover, Company merchants often found themselves trucking in unusual goods that, to quote director Pierre Duvalaer, were “unsuited for Europeans.”212 As employees adapted to the market rhythm of commodities as banal as rice and as exotic as elephants, the limitations of commercial strategies created in Paris became more apparent. Finally, the pressures of colonial commerce also exposed the inadequacy of the Company’s institutional safeguards. The Company struggled to enforce prohibitions—on smuggling, profiteering, or peculation—both on trading ships and in its far-flung entrepôts.

Debates over private commerce drew attention to a fundamental question: who, or what, should govern trade in India? In this confused climate, little was clear about the Company’s proper course of action. Should merchants in India adapt to commercial circumstances in an attempt to make a profit? Should they adhere rigorously to regulations and a conception of the public good handed down by the crown, even if these proved detrimental trade? Company employees, colonial administrators, and royal officials failed to arrive at a consensus about these questions. As a result, they also struggled to develop a common perspective on the effectiveness of the Company’s commercial efforts, and on its ability to serve the needs of the state.

212 ANOM, C² 56, Pierre Duvalaer, Mémoire général du commerce que la Compagnie des indes peut faire dans ses établissements de l’Inde tant pour l’Europe que pour les autres parties de l’Inde, 1735. Here Duvalaer is discussing the main commodities traded with Mergui, in present-day Myanmar.
The Ambiguities of “Abuse”

In a posthumously published memoir advocating the creation of a series of literary societies that would discuss trade, Jacques d’Eprémesnil examined the prevalence of abuse in commercial enterprise. His take on this issue was rather unusual. Rather than attempt to distinguish sound commercial practices from abusive ones, he argued that it was instead better to determine when abuse served a productive role and when it did not. According to him, abuse fell into two categories: the “harmful” and the “useful.” By his definitions, “The harmful instances are those that interfere with the course of affairs and spoil finances. Useful instances, by contrast, are those that encourage the course of affairs without negatively impacting finances.”213 For d’Eprémesnil, the task of any political leader was to distinguish between these two types of abuse, and to encourage the positive while suppressing the negative; doing so, he claimed, would lead to “immense advantages” in the “handling of affairs.”214

D’Eprémesnil set out to bridge the gap between commercial practice and commercial theory, to show that trading activities should be judged by how they impacted the bottom line—and the broader political goals of the state—rather than by whether or not they adhered to specific regulations. Such an argument was a logical follow-up to his commentary on the Mahé affair, where he criticized the Company’s directors for condemning private trade without considering its potential merits. As with his treatment of this incident, D’Eprémesnil glossed over potential problems and counterarguments. While he expounded clearly on the benefits of this type of regulatory dichotomizing, he offered little real advice on how to put it into practice. D’Eprémesnil may not have been completely convinced of his own argument, or at least fearful

213 AN, 158 AP 7, Projet d’une société littéraire de commerce, 1789.
214 Ibid.
of its reception: he crossed out this section on abuse in one of his drafts. Yet for both its limitations and the misgivings it possibly inspired, d’Eprémesnil’s argument got to the very heart of the ongoing disagreements between the powers regulating Company trade in Paris and those responsible for conducting it in India.

For employees and administrators in the colonies, questions of usefulness and efficiency factored heavily in deciding what guidelines to follow and which ones to ignore. Since these concepts proved difficult to define, though, they often sparked conflict; what was represented as efficient policy in one context might be seen as harmful practice from another. This problem was especially pronounced in the Company’s trading operations, where the lines between political, economic, and military concerns often blurred. Company officials often disagreed on what activities facilitated the needs of the corporation and what constituted harmful practices, a problem with both practical and deeper ideological implications. This ambivalence lent itself to ambiguous policy and hesitant administration.

Scholars have at times overstated the revolutionary nature of European commerce in the late seventeenth and eighteenth century; merchants in the Middle East, Asia, and Italian city-states anticipated many of the period’s key innovations, such as the evolution of credit-based economies, by several centuries. Still, this era bore witness to significant changes to economic knowledge, popular attitudes toward trade, and the level of state participation in commercial ventures. As we have seen in the anxious theorizing of the Regency years, these shifts created a

215 Ibid.

216 World-system scholarship argues both that different regional and national economies were integrated into global economic networks earlier than traditionally believed, and that ancient and medieval Asian and Middle Eastern societies practiced various aspects of capitalist enterprise before Europe. See Jane Schneider, “Was there a pre-capitalist world system?” Peasant Studies 6 (1977); Janet Abu-Lughod, Before European Hegemony: The World System 1250-1350, AD (New York: Oxford University Press, 1989); and Kirti Chaudhuri, Asia Before Europe: Economy and Civilization of the Indian Ocean from the Rise of Islam to 1750 (New York: Cambridge University Press, 1990).
sense of crisis across Europe. According to Amalia Kessler, the eighteenth century witnessed a reconceptualization of commerce within the popular imaginary; among French nobles, economic writers, and Enlightenment thinkers, a growing obsession with profit replaced earlier visions of commerce as a virtuous and equitable exchange. Long despised activities such as fraud and speculation were reinterpreted as regrettable but necessary byproducts of this commercial revolution—or perhaps even the engines of financial growth.\(^{217}\) In France, popular culture struggled to keep pace with, and offer a consistent way of assessing, economic change.

Company commerce further exposed the inadequacy of existing economic frameworks. Across Europe, commercial theorists, ministers, and jurists struggled not only to determine the consequences of monopolistic practices and the untrammeled pursuit of private, but also to define the nature of wealth itself. Company debates turned frequently on this problem, and the questions it sparked. Was wealth calculable—something that could be measured in yearly returns, or quantified by the Company’s ability to meet its annual obligations to shareholders? Was it a reflection of population and cultural capital? Or was it a marker of political power, embodied in the influence and authority of the French king. Distance and poor communication added to the confusion: critics in both France and the Company’s outposts often judged policy based on inadequate information, and personal agendas and antagonisms shaped basic assumptions about wealth, profit, and commercial success. The practical concerns posed by the Company’s unclear agenda, ambiguous relationship with the state, and far-flung trading interests only fueled French misgivings about—and misunderstandings of—commercial development in the eighteenth century.

In this uncertain climate, there was no easy consensus on what was good or, to borrow d’Eprémesnil’s metric, “useful.” Consider the speculative practices that infused Company investment. The collapse of Law’s system led to a widespread denunciation of speculation (agiotage). Some critics linked speculative activity to France’s despised class of court financiers, whose influence had risen after the War of the Spanish Succession crippled the French economy. Others, such as the financier Nicolas Dutot, refocused this criticism toward the crown and its harmful manipulation of the French currency. In either case, concerns over speculation tapped into a broader set of political and social anxieties. Alongside fear and condemnation, however, sat a countercurrent of arguments that focused on the potential benefits that speculative activity could offer to society. The debate between opponents and supporters of speculation touched directly on the large-scale, credit-based transactions on which Company commerce was built.

Defenders of speculative activity argued that it posed only a small threat to the interests of either the Company or the state. As one memoirist pointed out in the anonymously authored Mémoire sur les Causes du Discrédit fait en Mai 1726, “What harm does speculation really cause the state? It occurs between a certain number of adventurers who often trick one another; gains and losses flow back and forth between them, all of which is of little concern to the rest of the world.” Speculators got what they deserved, and the broader financial community suffered little for it. Moreover, their efforts proved fundamental to the advancement of commerce. Speculation was common to all trade, as were duplicity and bad faith. “The value of a commodity is fixed by the buyer. If there are no buyers, it has no value; one needs both buyers for whom the commodity has value, and whose intention is to diminish the price of things, just as

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219 BNA, MS 4500, Mémoire pour la Compagnie des Indes en Décembre 1726.
the intention of the seller is to augment them.” As the author saw it, “one congratulates oneself, and is complimented, for having the skills to buy the commodities of some unfortunate at a low price, as is another who uses trickery and lying to sell goods at a high price; this is the criminal element in all of commerce.”

To others, speculation was not even a regrettable byproduct of commercial development. Rather, it was a positive force of political and economic change. “Far from prohibiting speculation,” wrote the author of a treatise advocating Company reform to the Regent, “it should be tolerated and even protected. It is an easy means of reestablishing circulation [of money and credit], increasing the power of the king, and putting the Company in a position to raise or lower public funds as it deems necessary.”

To post-System contemporaries, speculation conjured images not only of unscrupulous plutocrats lining their pockets at the expense of the public, but also of the state haplessly manipulating currencies. Yet for all those disillusioned by the failures of Law’s Company, many others were convinced that speculative activity was the most assured means of spurring financial growth. Melon for one remained a particularly vocal advocate of currency manipulation and a speculation-fuelled economy.

A similar degree of ambivalence surrounded the patronage practices followed by Company employees. These seemed at once to constitute both an abusive tradition and a set of acts that facilitated the goals of efficient governance. As was the case with many institutions in the Old Regime, patronage was central to the administrative and commercial hierarchies of the Company. The sons of directors and other prominent members of the Company were fast-tracked

\[\text{\textsuperscript{220}}\text{Ibid.}\]

\[\text{\textsuperscript{221}}\text{ANOM, C\textsuperscript{2} 40, Mémoire pour la conservation et accroissement de la Compagnie des Indes, 5 Octobre 1721.}\]

\[\text{\textsuperscript{222}}\text{Melon, Essai Politique sur le Commerce, 269-263. Melon does not totally excuse speculation, but cautions against lumping all speculative activity together without paying attention to possible benefits to the economy.}\]
to administrative positions, and employees engaged in a complicated set of political and commercial alliances. Powerbrokers in France relied on clients in India to look over their private trading interests, while employees in the colonies trusted in benefactors back home to care for their families and intercede on their behalf. The activities of François Castanier, one of the Company’s directors in Paris, exemplified this practice. Castanier employed a variety of prominent clients to trade on his behalf in India, including both Le Brun de la Franquerie, whose abuse of Company regulations had led to the overhaul of the *pacotilles* system in 1733, and Joseph Dupleix.²²³

At times, this type of practice created institutional friction. The interests of family and patron-client networks were jealously protected, and often formed the basis of broader political alliances that encompassed the entire administration of a given comptoir. Different patronage groups did not always cooperate, leading to a breakdown of communication between various French outposts. Patronage practices also generated personal rivalries, as Jacques d’Eprémesnil discovered when he married the stepdaughter of Joseph Dupleix. This marriage, which created a potential clash between d’Eprémesnil’s obligations to his family and to his new father-in-law, drew the ire of d’Eprémesnil’s father, who wrote his son out of his will.²²⁴ Such animosity could interfere with the shipment of goods, the adjudication of disputes, and the adoption of new policy.

Moreover, the politics of patronage impeded advancement by merit—as employees in India frequently complained—²²⁵ and shielded incompetent or corrupt employees from Company justice. Such was the case of one Sieur Martin, who secured a position in Mahé through a

²²³ Manning, *Fortunes à faire*, 100-104.

²²⁴ AN, 158 AP 1, Testament and Codicil of Jacques Duval d’Eprémesnil, 1744-1748.

²²⁵ The prominence of these patronage systems could lead to resentment when employees were passed over for promotion, or even open hostilities when client networks had conflicting interests. See Manning, *Fortunes à Faire*, 59-65.
recommendation written by the Duchesse of Orléans in 1755.\textsuperscript{226} Arrested in 1757 for attempting to “go over to the English at Tellichery,” he was then released and escaped to the Danish outpost at Calicut, where he once again attempted to join the English. Despite Martin’s intentions of switching sides, upon reaching Tellichery he was captured, held as a “prisoner of war,” and then paroled. Noting that the conduct of Martin and his accomplice “merited that he return them to France,” Duval de Leyrit, the then governor of Pondichéry, demurred out of respect for “the interest that the Duchess de Orléans had shown toward Sieur Martin.” Instead he sent Martin to Ile de France, a new setting that he hoped would restrain his “vagabond humor.”\textsuperscript{227} He left it up to the governor there to “give him employment.”\textsuperscript{228}

Yet patronage practices also generated certain advantages for the Company. Client networks stimulated economic activity on the subcontinent. A well-connected official could use his connections and position to move goods and acquire credit, thus offsetting the Company’s chronic shortage of capital and shipping.\textsuperscript{229} On the administrative side, the advancement of individuals based on family or personal connections was, paradoxically, one of the most assured means of finding skilled and experienced employees. As Philippe Haudrère has argued, nepotism afforded stability: certain families held positions of influence for decades, and the long exposure that the children of Company officials received to both trade and colonial administration allowed for the relatively efficient management of company affairs despite the great distance between

\begin{footnotesize}
\begin{enumerate}
\item AN, 158 AP 6, De Leyrit to Duchess of Orléans, 22 October 1757.
\item AN, 158 AP 6, De Leyrit to Silhouette, 18 February 1758.
\item AN, 158 AP 6, De Leyrit to Magon, 18 February 1758.
\end{enumerate}
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India and France. Contemporaries seemed to have been of a similar opinion. Defending himself against accusations of mismanagement by Dupleix in 1754, Charles Godehau, who was then serving as governor of Pondichéry, viewed his appointment through family connections as a point of pride, arguing that as “the son of one of the members of this Company, I was raised in such a manner as to be useful to it.”

Here was a theme common to institutions of the Old Regime. In the schizophrenic value system of eighteenth-century France, merit and privilege sat side by side in an uneasy relationship. The crown tolerated practices such as nepotism, favoritism, and patronage in intermediary bodies such as guilds and tax farms in order to ensure the support of these organizations. These activities proliferated because of the structural weakness of the monarchy. The Company faced a similar situation: since it could not perform its daily administrative or commercial functions without the support of influential powerbrokers in both France and India, it afforded these men considerable latitude in advancing the interests of family and friends. Yet the Company’s position on patronage, and the questions that it provoked, represented more than just a negotiated response to institutional inadequacies. Corporate patronage created so many paradoxes because it also reflected the more specific problem of running a transnational corporation with conflicting political and commercial goals. In such an ambiguous situation, few agreed on what was useful, what promoted trade, and what actually constituted “abuse.”


231 158 AP 69, *Réfutation des Faits Imputés a Sieur Godehau, par le Sieur Dupleix*, 1764.

The ambivalence surrounding specific activities such as speculation and patronage illustrate the more general moral concerns generated by the Company trade. Questions about productivity, utility, and the common good were not just theoretical concerns played out in the abstract by contemporary moral philosophers and political economists; rather they were fundamental problems on which the commercial and administrative practices of the Company turned. The Company’s inconsistent attitude toward concepts such as free trade, individual profit, and good governance reflected these concerns. Distance and the unclear nature of the Company’s institutional agenda only added to the confusion. If the Company’s mission was to ensure the regular return of goods to France, should it tolerate illicit commercial activities if they in fact promoted local trade, increased the confidence of Indian investors, and offset its chronic shortage in bullion on the subcontinent? Alternatively, if it was to function instead as a tightly regulated instrument of state finance and debt consolidation, should it expand its bureaucracy and institute new prohibitions, sacrificing trade for the transparency and centralization that these processes would supposedly generate? Such uncertainty did little to allay contemporary misgivings about commerce. When critics could not agree on the effectiveness of certain commercial activities—nor even on what the ultimate aims of those activities were—Company trade became suspect in general.

Conclusion

The Company’s confusing relationship with the state, and its overlapping and often conflicting institutional agenda, created a series of contradictions. Commercial operations were at once centripetal and administrated locally, subject to a strict set of monopolies and driven by concerns for profit. The Company’s experience with overseas commerce further aggravated these tensions. So too did internal rivalries and the distortion of information by the distances involved
in trade. There was no consensus on what represented proper commercial activities—and on the moral legitimacy and utility of certain Company operations. Nor was there an agreement as to what exactly constituted public interest within the French kingdom. The Company’s trading efforts confounded any clear distinctions between free trade and monopolism, centralization and the advocacy for local autonomy. The problems posed by its commercial experiences, and the lack of a clear solution to them, reshaped popular perceptions of the Company. Between the 1740s and 1760s, these tensions would play themselves out over a series of public scandals.
CHAPTER 3: “I DON’T SELL HONOR”: EMPIRE, AMBITION, AND THE MADRAS IMBROGLIO

Have I not said that God will visit with His Judgments those who disobey me?
—Joseph Dupleix

Prison had broken Bertrand François Mahé de la Bourdonnais, the former governor of Iles de France and Bourbon. Thrown into the Bastille in early 1748 on charges of corruption and treason, he descended into a months’ long depression—unable even to stir himself from bed. Under such conditions, his health quickly deteriorated. According to one report, La Bourdonnais suffered three strokes and lost all his teeth within the span of a few years.233 Broken and disgraced, he seemed destined for a premature death—a sad end to a career that, until recently, had been marked by fame, glory, and good fortune.

Yet despair bred unexpected resilience. In October, La Bourdonnais roused from his melancholy determined to defend himself against his charges. Using tissue fortified with rice water for paper, coffee grounds and soot for ink, and a sharpened coin that he jammed into a stick for a pen, he proceeded to write several hundred pages of notes.234 After twenty-six months, La Bourdonnais commissioned an attorney, Pierre de Gennes, to transform this narrative into a legal petition, which he published as a three-volume factum in 1751. Circulated widely in Paris, this mémoire judiciaire became an immediate hit, drawing sympathy and powerful supporters to


234 Louis Charles Mahé de la Bourdonnais, Preface to the Mémoires historiques de B.F. Mahé de la Bourdonnais (Paris: Pélicier et Chatet, 1827), ii.
his cause. Within days, the forgotten La Bourdonnais had become a cause célèbre. Within weeks, a special judicial committee constituted by the king had cleared him of all charges.

La Bourdonnais’s story is one of grit, determination, and legal brinksmanship. It is also a reminder about the contested understandings of sovereignty and authority that infused the French colonial project in India. La Bourdonnais’s incarceration was the consequence of a longstanding dispute with Joseph Dupleix, the governor of Pondichéry, over the treatment of the captured British settlement at Madras. After seizing the city in a 1746 siege, La Bourdonnais offered to ransom it back to the British. This decision drew the ire of Dupleix, who claimed final authority over Madras as the Company’s chief representative on the subcontinent. The two subsequently engaged a protracted feud fueled by malicious gossip, backroom dealing, and the growing threat of civil war. La Bourdonnais’s incarceration and his public plea for justice were the culmination of this bitter tug-of-war over precedence and legal right in the Company’s settlements. His judicial brief not only outlined the tragic circumstances of his imprisonment, but also offered a vision for colonial authority that justified his actions in Madras.

This chapter uses the dispute between Dupleix and La Bourdonnais to explore how Company conflict redefined the legal limits of royal sovereignty in the eighteenth century. More specifically, it examines how a personal dispute premised on parochial agendas contributed to the consolidation of power and rationalization of colonial territory within the Company’s overseas settlements. Recent studies of early-modern colonialism have stressed the porous nature of imperial authority, seeing empires as a contested political construction full of quasi-sovereign territories, competing legal traditions, and improvised regulatory mechanisms. The ongoing

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235 For an in-depth perspective on this approach to imperial politics see Benton, *A Search for Sovereignty*, particularly chapters 1 and 2. Epstein offers a similar framework for imperial law, which was grounded in “an assymetrical ordering of exchange between metropole and colony,” while also disentangled and reworked through explosive moments of colonial scandal. See Epstein, *Scandal of Colonial Rule*, 15-17.
attempts by Company officials to develop greater administrative and commercial autonomy within the comptoirs seem to confirm this trend. Yet as the wrangling over Madras reminds us, “pluralism and centralism did not simply square off as antagonists” within imperial politics.\(^{236}\) Even as employees relied on legal exception and privilege as forms of colonial power, they built up crown sovereignty as an overriding source of authority. As this chapter shows, the very impulses that divided Company authorities and territory also acted as powerful tools for centralization, spurring rival administrators to imagine new ways in which royal power could project into the colonial sphere.

Such infighting also highlights the contingent relationship between national sovereignty and imperial authority in eighteenth-century France. Scholars have long acknowledged the role of European colonial conflict in establishing the intellectual foundations for a common system of international law. A patchwork of natural law theory and ad hoc diplomatic practices, this legal framework is often seen as a reflection of preexisting ideas of national sovereignty established in the seventeenth century through the treaty of Westphalia; in order for a law of nations to exist, the idea of a nation as a territorially-bound sovereign entity had first to be established. As this chapter suggests, however, European powers did not simply project a preformed conception of national sovereignty into the colonial sphere.\(^{237}\) For the Company, both imperial interaction and local intrigue—all of it played out far beyond the conventional boundaries of crown power—ultimately redefined the limits of crown power. Rather than simply carrying royal law with them


\(^{237}\) On revisionist approaches to Westphalian sovereignty see Stéphane Beaulac, The Power of Languages in the Making of International Law (Leiden: Martinus Nijhoff, 2004); Edward Keene, Beyond the Anarchical Society: Grotius, Colonialism and Order in World Politics (2002); and Richard Tuck, The Rights of War and Peace: Political Thoughts and the International Order from Grotius to Kant (Oxford: Oxford University Press, 1999).
to distant colonial settlements, employees like Dupleix and La Bourdonnais also exported a new sovereign framework back to Europe. Their arguments would not only help to facilitate their individual agendas, but also to change the relationship between the monarchy and the Company chartered to serve it.

The Siege

The conflict leading up to the French seizure of Madras began in Europe as the War of the Austrian Succession, but it soon took on the qualities of a distinctly colonial affair. In July 1745, a British fleet under the command of Commodore Barnet arrived in the Bay of Bengal and began harassing French shipping. Although Britain and France had been at war in Europe for nearly two years by this point, Company officials in India found themselves unprepared to deal with this new development. In 1741, La Bourdonnais lobbied the naval minister, Maurepas, to provide him with a small squadron to police the waters around the French settlements. But after a brief engagement in 1742 against the Bayanor of Bargaret, an Indian prince threatening the Company’s settlement at Mahé, Maurepas demanded he return the ships to France, citing the prohibitive cost of maintaining a war fleet in the Indian Ocean. With no warships to protect French shipping, the British struck in quick succession, seizing several merchantmen at the mouth of the Ganges. Their fleet “infested the oceans” complained one Company soldier, “and desolated our commerce.”

These circumstances are worth examining in detail, as they illustrate the conflicting legal assumptions that framed the dispute over Madras. Recent scholarship on early-modern French

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239 AN, AP 100, “Journal de Mon Voyage des Indes sur L’Escadre Français armée en Guerre, Sortie de l’Île de France sous Les Ordres de M. Mahé de la Bourdonnais dur Février au 24 Mars 1746 au Nombre de Neuf Vaisseaux et une Frégate Marchande.”
empire stresses the divisive and unstable nature of France’s overseas expansion: settlers in North America invoked seigneurial rights and feudal custom to undermine royal power in the New World, while Company merchants clashed with Jesuit missionaries in Asia over how to manage indigenous populations of non-Christians.\textsuperscript{240} New studies of early-modern trading companies further highlight the competing agendas and shifting trajectories that underlay the French imperial project. These works emphasize the amphibian circumstances of corporate governments, which often redefined their political status to gain leverage in diplomacy and military operations. As Philip Stern argues, trading corporations “modulated between positions of deference and defiance,” casting themselves alternatively as merchant and sovereign.\textsuperscript{241} In India, European affairs were often premised upon changing claims of jurisdiction, obligation, and identity—all of which facilitated the normal tasks of trading and treaty making.

Consider, for example, Dupleix’s attempt to broker a preemptive peace with the British before the arrival of Barnett’s fleet. In 1745, the governor sent envoys to Madras with a proposal that the two companies remain neutral while war raged in Europe, operating as merchants rather than as political agents of their respective crowns. The British Company agreed to these terms, but quickly reneged on them after their war fleet arrived. When the French envoys accused them of double-dealing, their British counterparts replied that the neutrality pact only extended between the two companies. Since Barnett’s ships were from the royal navy, they were not


\textsuperscript{241} Stern, \textit{The Company State}, 13. Adam Clulow explores a similar pattern of rebranding in the Dutch East India Company’s activities in Japan, suggesting that such activities were a common element of corporate administration across Asia, where Europeans encountered powerful political authorities and military forces, and gained access to territory through diplomacy as well as conquest. See Adam Clulow, \textit{The Company and the Shogun: The Dutch Encounter with Tokugawa Japan} (New York: Columbia University Press, 2014).
subject to any such restrictions. By emphasizing the distinctions between corporate and state diplomacy, the British envoys developed a legal framework that enabled them to conduct war against the Company settlements while also purporting to maintain peaceful relations among the colonial powers on the subcontinent.

The British argument betrays a cynical and convenient logic, but it was rooted in an ongoing European debate over the freedom of sea-lanes and the enforcement of sovereignty outside national borders. Since the early seventeenth century, European jurists like Gentili and Grotius had labored to develop a viable framework for inter-imperial interaction—one that balanced exclusive claims of ownership over colonies in the New World and Indian Ocean with the desire to maintain open trade routes and share the burden of policing the oceans against piracy. An eclectic blend of Protestant theology and reason-of-state doctrine, natural law and established colonial legal practice, this incipient “law of nations” was cited both to police European activity within the colonial sphere and to adjudicate developments like the capture of enemy ships within foreign waters. For both the British and the French, inter-imperial conflict provided a framework in which imperial agents worked out the limits of national sovereignty—negotiating the conditions of peace and war in reference to an emerging script of international legal regulation.

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243 The law of nations was commonly understood as a tradition of natural law building on the common ideas about sovereignty worked out in the aftermath of the peace of the Westphalia. Recent scholarship, however, has shown this to be a much more eclectic legal script, based not only on the theoretical work by European jurists but also on common practice and settlements negotiated between different colonial intermediaries. On the more ecumenical foundations of the international legal tradition, see Benton, *A Search for Sovereignty*, 121-124.

244 For the role of international legal practices in defining metropolitan political rights see Ogborn, *Indian Ink*, especially 27-66.
were thus constantly reframed over the eighteenth century, hammered out in the course of real-world entanglements overseas.

In response to Britain’s continued aggression, Dupleix looked for help among the regional princes on the Coromandel Coast, an action that further highlights the shifting legal foundations of the Company settlement in India. Operating through a network of native intermediaries (vakils), the governor laid down his grievances before Anwar-ud-din, the Nawab of Arcot, on whose land both Madras and Pondichéry were situated.\(^{245}\) While Dupleix approached the British on equal terms—as the representative of a business with little interest in prosecuting a European war in India—he came to the Nawab as a supplicant. According to Ananda Ranga Pillai, Dupleix’s Tamil translator, the governor cast both companies as feudatories to Arcot, dependent on the Nawab to police his territory and prevent the outbreak of violence.\(^{246}\) In response to these entreaties, the Nawab sent two letters to the councils of Madras and Pondichéry: one prohibited violence along the Coromandel Coast, while the other granted Mughal passes to French trading ships to prevent their seizure. The British, meanwhile, relied upon a similar rebranding strategy to sidestep this injunction. Whereas Dupleix positioned the Company as a subordinate to the Nawab and the imperial court in Delhi, British envoys from Madras argued that Mughal charter granted autonomy to both them and the French.\(^{247}\) The representatives further justified the capture of French ships by referencing European prize law conventions, which permitted the British to hunt down enemy ships in foreign waters. In the face

\(^{245}\) IOR Orme MSS 14, *History of the Province of Arcot from 1709 to the death of Anaverdekan*, 23\(^{rd}\) July.


\(^{247}\) IOR Orme MSS 14, *History of the Province of Arcot from 1709 to the death of Anaverdekan*, 23\(^{rd}\) July.
of these claims, the Nawab relaxed his earlier restrictions, forbidding the British from attacking Pondichéry directly, but permitting them to capture merchant vessels at sea.\footnote{Henry Dodwell, \textit{Dupleix and Clive: The Beginning of Empire} (Hamden, CT: Frank Cass and Company Limited), 9-10.}

Both companies thus drew upon a range of seemingly mutually exclusive legal and political arguments—simultaneously expanding and diminishing their jurisdictional claims. Like Dupleix, the British Company depicted itself as an autonomous corporation in its correspondence with the French; the Company made and broke treaties independent of Parliament, and was therefore unable to rein in Barnett’s royal fleet. To the Nawab, by contrast, the Madras envoys cast themselves as the subjects of the British crown. They were settlers granted territorial rights through charter, enforcing their own jurisdiction and importing their own customs to India. The French employed a similar strategy. In their exchanges with the Nawab, they portrayed themselves as loyal supplicants; to the British, they were economic competitors, non-combatants concerned only with the bottom line; and to authorities back in France, they were loyal subjects entitled to the full protection of the crown against an encroaching enemy. Flexible identity politics—and the porous legal culture upon which they were founded—facilitated the diplomatic agenda of both corporations.

The conflict between Britain and France thus fostered a range of creative arguments about Company sovereignty. While asserting their loyalty to the crown, Company administrators also insisted upon the authority of inter-imperial legal conventions, situating royal decree alongside Mughal \textit{farmans}, regional trade settlements, and natural law in constructing the guidelines for corporate practice overseas. In times of war, the French settlements in India often insisted that they were “beyond the line”—cut off from both the support of the metropole and the obligations it imposed on them, and thus subject to different sources of legal authority. The idea
of a frontier was open to interpretation, dependent not only on material factors such as geography and distance, but also on the performance of certain contractual arrangements such as the defense of a vulnerable outpost by royal forces. An 11 February 1745 letter from the Pondichéry council, for example, pleaded with the Paris directors for regular armed “convoys” from France, noting that the Company otherwise “lacked the means of protecting their goods” in India. A year later, with Barnett’s fleet sailing around the Bay of Bengal unmolested and shipments between France and the Indian Ocean all but cut-off, the councilors sounded a more frantic refrain: “Could it be any clearer,” they wrote in a February 1746 memorandum, “that we have been abandoned by Europe?”

According to administrators in Pondichéry, this notion of being cast aside by superior authorities in France justified a variety of extraordinary measures: the creation of a private merchant society, modeled on the lines of the recently censured trading collective in Mahé, to offset expenses through the expansion of “country” trade; the loosening of Company regulations that held the Pondichéry councilors personally accountable for all expenses in India over the annual limit of 400,000 rupees; and the granting of immunity for colonial employees for failing to fulfill their commercial obligations. Central to all of these petitions was the idea that royal authority was provisional rather than unconditional: the obligations of Company employees varied according to whether or not the Paris directors put them in a position to fulfill their duties.

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249 For the specific formulation of being “beyond the line”—a term that referred initially to regions literally beyond the Tropic of Cancer—see Benton, A Search for Sovereignty, 114. On the fragmented, contingent, and porous nature of the concept of frontier more generally, see Hannah Weiss Muller, “The Garrison Revisited: Gibraltar in the Eighteenth Century,” The Journal of Imperial and Commonwealth History 41, No. 3 (2013): 354-355.

250 CCSC IV, 11 February 1745.

251 CCSC IV, 20 February 1746.

252 On the creation of an independent trading society, see CCSC IV, 11 February 1745; On the consequences of exceeding Company debts, and the council’s request to be released from these restrictions and obligations, see CCSC IV, 7 October 1745 and 11 January 1746.
Any breakdown in communication consequently altered the juridical status of a colonial settlement.

The confusing circumstances leading up to the siege of Madras sheds light on how a personal conflict exploded into a more fundamental struggle over precedence and legal right within the colonial space. Notions of proper conduct, chain of command, and accountability were improvised in the process of settling and trading in India, not to mention tested and reinvented through the trying circumstances of colonial warfare. Power, in this context, depended as much on individual influence as it did on established procedure—on the ability to mobilize coalitions and build support, and thus render certain claims credible.253 Nowhere was this trend more apparent than in the relationship between Dupleix and La Bourdonnais immediately preceding the capture of Madras. Just as Company negotiators attempted to redefine Company sovereignty in the service of colonial diplomacy, so too did these two administrators employ a variety of different strategies to assert their authority over French operations in India.

La Bourdonnais arrived in Pondichéry at the head of a relief force in July 1746, tasked with protecting the Company’s ships by the Controller-General, Philibert Orry. As governor of the Mascarene Islands, he had overseen the refitting of a French fleet intended to combat the British during much of the last year. Yet although his arrival dramatically improved Company fortunes in the Bay of the Bengal, it also created a tumultuous political climate in Pondichéry. Dupleix and la Bourdonnais shared a long history of conflict. Their first interaction seems to have been in the 1720s, when Dupleix brought La Bourdonnais before the Superior Council of

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253 For the importance of personal authority and the performance of authority-granting acts in the French colonies see Dewar, “Litigating Empire,” 58-59.
Pondichéry in a commercial dispute.\textsuperscript{254} The two freighted and owned ships together, and engaged in numerous business transactions in the decades preceding the capture of Madras.

Ongoing contact bred familiarity, but also bitterness: in 1739, Dupleix charged La Bourdonnais an exorbitant commission for the purchase of a supply of cowries, while La Bourdonnais accused Dupleix of stealing his idea to establish a Company slave trade in Mozambique and passing it off as his own to the Paris directors.\textsuperscript{255} In Pondichéry, the two disagreed fundamentally over who had the right to oversee the Company’s military operations in India.

As governor of the city, Dupleix saw himself as the supreme authority in the Company’s comptoirs. La Bourdonnais, by contrast, believed he was equivalent in status to Dupleix in political matters (both were governors), and his superior in local military operations (his orders came directly from the Controller-General). Both men relied upon conspicuous displays of power to convince others of their vision of authority. Dupleix, for instance, regularly provoked the status-conscious La Bourdonnais, announcing his arrival with a fifteen-gun salute rather than the more prestigious twenty-one, and insisting that La Bourdonnais meet him in Pondichéry’s administrative headquarters instead of welcoming him on the beach when he first arrived there.\textsuperscript{256} He assigned him an honor guard of twenty-four troops: the same number Dupleix provided for a subordinate commander, d’Auteil, when he sent him to treat with the British.\textsuperscript{257} He also jailed an officer in the Pondichéry garrison for welcoming La Bourdonnais with a beating of field drums (the \textit{tambour aux champs})—a tradition reserved for the city’s governor. In

\textsuperscript{254} ANOM, N 71, \textit{Déclaration et protestation de Dupleix contre François Mahé de la Bourdonnais en matière commerciale}.

\textsuperscript{255} Manning, \textit{Fortunes à faire}, 105, 170.

\textsuperscript{256} Virginia Thompson, \textit{Dupleix and His Letters} (New York: Robert Ballou, 1933), 160.

so doing, he hoped to push La Bourdonnais into pleading for the man’s release by forgoing all claims to this honorific greeting. In response, La Bourdonnais did nothing, implicitly reasserting his claim that he was of equal rank to Dupleix.258

Petulant, bitter, and theatrical, this wrangling over precedence nonetheless proved fundamental to establishing authority in the comptoirs. Municipal governance in the colonial settlements was always highly personal.259 Each comptoir was overseen jointly by a governor and administrative council: the conseil supérieur in Pondichéry, and conseils provinciaux in smaller settlements like Chandernagor, Mahé, and Karikal. In theory, this arrangement reinforced the hierarchical model of Company rule, distributing power according to seniority, and creating an orderly set of subordinate assemblies to enforce the dictates of the Paris directors. In practice, the councils were semi-autonomous nodes of patrimonial authority, staffed with their governor’s favorites and little inclined to cooperate with the competing patronage networks in the other comptoirs.260 Even in times of peace, municipal power revolved around the visible exercise of personal influence and power, from the wealth of individual governors to their ability to call on powerful patrons at court and in the Company directorate.261 Dupleix and La

258 Ibid, 120-123.

259 For the patrimonial nature of municipal governance, which was often based around family groups and the immediate patronage connections, see Manning, Fortunes à faire, 62.

260 On the tensions between individual comptoirs see, for example, CPC II, 7 September 1738. An important factor in these disputes were the hostilities of different family groups, around which each comptoir was typically organized. Consider how Jacques d’Eprémesnil, a member of one of the Company’s most powerful family networks, was disowned by his father for marrying the stepdaughter of Joseph Dupleix—who commanded another well-connected group of relatives—without his permission. AN, 158 AP 1, Testament and Codicil of Jacques Duval d’Eprémesnil, 1744-1748.

261 Political symbolism played a critical role in the articulation of early modern power and sovereignty, both in Europe and the colonial sphere. See Quentin Skinner, “The State,” in Terence Ball, James Farr, and Russell Hanson, eds., Political Innovation and Conceptual Change (Cambridge: Cambridge University Press, 1989); on the use of ceremony and invented protocol among the corporations in India, see Ogborn, Indian Ink.
Bourdonnais’s dealings prior to the siege illustrate how much authority in the colonial settlements relied on the “performance” of certain rituals and protocol.

As this chapter shows, the ongoing feud spurred Dupleix and La Bourdonnais to transform a political culture marked by pluralism and negotiated sovereignty into an explicit form of colonial authority. Their contest ultimately revolved around competing methods of codification. The two debated the facts on the ground, disputing the timing of certain events and the secrets divulged in backroom deals. They resorted to ad hominem attacks to cast suspicion on each other’s motives. But, more than anything, they both sought to situate the imbroglio over Madras within a clearly defined framework of colonial governance: to actualize a specific set of administrative protocols, to empower particular agents and institutions to enforce this vision, and to depict competing models of rule as impractical or immoral.

Conceptualizing Madras

For all the controversy it generated, the actual seizure of Madras was an anticlimactic affair. For months, Dupleix had pushed La Bourdonnais to attack the British settlement. In August, however, the admiral was stricken with tropical fever, and his refusal to delegate authority to a subordinate delayed the potential assault by several weeks. Fully recovered, La Bourdonnais finally set sail from Pondichéry on the night of 12 September. His force consisted of “nine warships,” “two mortar boats,” and 3,000 men. Seven days later, he made

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262 On the nature of legal codification within imperial contexts see Elizabeth Kolsky, “Codification and Colonial Law: Criminal Procedure in British India,” Law and History Review 23, No. 3 (2005), 632. As Kolsky notes, empire is a framework that has eluded the notice of most legal historians—especially the ways in which comprehensive imperial law and statutes were constructed by together by administrators and agents in different colonies and metropolitan offices. See also Arthur Fraas, “‘They have Travailed Into a Wrong Latitude:’ The Laws of England, Indian Settlements, and the British Imperial Constitution, 1726-1733 (PhD diss., Duke University, 2011). On attempts at legal standardization by French imperial agents see Laurie Wood, “Îles de France: Law and Empire in the French Atlantic and Indian Oceans, 1680-1780” (PhD diss., University of Texas at Austin, 2013).

landfall on the outskirts of the city, surrounding it by both land and sea. Both writers and historians have since romanticized the siege. The popular French author Judith Gautier, who envisioned France’s struggle against the English in India as a heroic lost cause, waxed poetic about the “the mysterious allure” of the Company ships, which were “silent as ghosts” and appeared “gigantic in the darkness” as they sailed toward Madras. In reality, though, the battle offered little in the way of gripping narrative. French forces drastically outnumbered the small and unprepared garrison of English and sepoy troops, to whom the futility of protracted resistance quickly became apparent. On 22 September, only three days into the battle, Madras capitulated.

Yet while the siege lacked for drama, the terms of La Bourdonnais’s settlement soon inspired controversy. In exchange for the city’s timely surrender, the admiral unilaterally offered to ransom the city back to the British. Such leniency shocked the municipal council in Pondichéry, which claimed jurisdiction over Madras immediately after its capitulation. Dupleix had already made his own plans for the city, hoping to raze its fortifications and then deliver it to the Nawab of Arcot. Even if the Nawab ultimately sold Madras back to the English, as Dupleix and his councilors assumed, the destruction of the city’s military and trading infrastructure would seriously hinder England’s commercial activity in the region for years to come.

To put this plan into action, Dupleix dispatched a group of councilors from Pondichéry to assume the reins of government in Madras at the end of September. La Bourdonnais, meanwhile, continued to insist on his right to dispose of the city on his own. He hammered out the final draft of his ransom treaty on 26 September.

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265 CCSC IV, 6 February 1747, 254.

266 Ibid, 251-253.
Both men pressed their claims by building networks of local support. Dupleix created a provincial council to oversee the administration of Madras, staffing the assembly with favorites such as the head councilor Jacques d’Eprémesnil—his son-in-law—and his nephew, Jacques Friell. He also named a trusted subordinate, Louis Paradis, as commandant of the city. In Pondichéry, the governor won the battle of public opinion by holding an assembly of city notables on 30 September, creating popular resentment against La Bourdonnais among the settlement’s elite.267 La Bourdonnais, meanwhile, surrounded himself with his own clients, mostly officers from Iles de France and Bourbon. During the three weeks following the conquest of Madras, these competing tangles of supporters each claimed administrative precedence within the city.

Over this period, political conditions within Madras changed at a dizzying pace. In late September, d’Eprémesnil and the other councilors sent to treat with La Bourdonnais fled Madras for nearby San Thome when it appeared that the admiral would not cooperate with them.268 They returned a few days later at the head of a more substantial force from Pondichéry. At times, La Bourdonnais appeared set on abrogating the ransom and leaving the city; at others, he reaffirmed his commitment to the treaty, claiming that he had already given his word to the English.269 Yet even as he engaged in such a dramatic show of brinksmanship, La Bourdonnais’s resolve was weakening. On 11 October, La Bourdonnais wrote to Dupleix that he would remain in the city until January, providing protection for the French settlements against the threat posed by a nearby English fleet. Natural disaster, however, forced La Bourdonnais to accelerate his timetable: a hurricane devastated his ships on the night of 13-14 October. Worn down by the

267 Thompson, Dupleix and His Letters, 163.
269 CCSC IV, 6 February 1747, 273.
constant infighting, and hoping to salvage what remained of his fleet, La Bourdonnais agreed on 18 October to give sole command of the city over to d’Eprémesnil, requesting in desperation that the council still respect the terms of his capitulation treaty. On 23 October, his fleet departed Madras under a twenty-one-gun salute,\(^\text{270}\) ironically receiving the honor in this moment of defeat that was denied to him when he first arrived in Pondichéry.

Histories of the Madras siege tend to concentrate on the factional disputes surrounding it, emphasizing the acrimony and petty jealousies that engulfed the Company elite in India. The affair is thus depicted as little more than a personal contest between Dupleix and La Bourdonnais: the culmination of years of animosity between two larger-than-life personalities, and the prodrome of the internal dissension that would tear the Company apart over the following two decades.\(^\text{271}\) What is lost in this account is a sense of uncertain legal conditions that not only served as the source of their conflict, but also provided them with the opportunity to consolidate their authority through creative interpretation of the law. The conflict over Madras occurred not only as the result of a toxic partnership; it was also fueled by the uncertain configuration of power within the comptoirs. La Bourdonnais’s conquest of the city forced the French leadership in India to make definitive claims about the legal and political status of European settlements in India—and then to bolster these arguments through various institutional channels and networks of support in France.

By its very nature, the conquest of Madras posed a fundamental challenge to the Company’s colonial administration. Past military engagements on the subcontinent offered the


\(^{271}\) This tendency is particularly apparent in the analytical focus of accounts such as Crepin, *Mahé de la Bourdonnais*, Forrest, “[The Siege of Madras in 1746 and the Action of La Bourdonnais],” Dodwell, *Dupleix and Clive*, and Thompson, *Dupleix and His Letters*. These works all come from the late nineteenth and early twentieth centuries. Since there has been very little recent exploration of the Madras siege, both the event and its immediate aftermath have yet to benefit from the analytical perspectives offered by cultural history and new imperial history.
French few lessons on how to dispose of captured cities, especially territory governed by other European powers. The 1741 conflict against the Bayanour of Bargaret, for example, was a limited contest that merely confirmed previously agreed-upon commercial and political rights along the Malabar Coast. French expansion was rare during the eighteenth century, as the Paris directors strictly forbade colonial administrators from meddling in local politics. The purchase of Karikal—a Coromandel port—by the Pondichéry governor Benoît Dumas from an Indian feudatory in 1738 represented the Company’s only significant territorial acquisition since the Mississippi Bubble; and even such a modest annexation generated harsh criticism in France. During the late seventeenth century, the French negotiated with the Dutch for the return of Pondichéry, which they had conquered in 1693. But these deliberations took place in Europe as part of the 1697 Treaty of Ryswick. Royal ambassadors, not Company administrators, oversaw the return of the city, framing their negotiations around dynastic politics in Europe and the geo-strategic imperatives of Versailles.

In short, the disposal of Madras demanded procedures for which there were few diplomatic or judicial precedents. Compounding these procedural challenges was the fact that 1746 campaign took place on territory subject to overlapping sovereign claims: Madras’s leaders governed the city on behalf of both the British East India Company and the crown, all under the auspices of a charter first granted by the Vijayanagara Empire and later confirmed and expanded by feudatories of the Mughal throne. The problem facing both La Bourdonnais and Dupleix

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272 On the commercial circumstances behind this conflict see ANOM 3 APC 1, Bayanor, Prince de Baragert aux directeurs et syndics de la très illustre et Royale Compagnie de France.

273 Haudrière, La Compagnie Française des Indes au XVIIIe siècle, 214-215, 737-738.

274 Kaepplin in particular notes this trend in the drafting of the Treaty of Ryswick. See La Compagnie des Indes Orientales, 346.

was not just about who had a right to treat with the city in the wake of its conquest, but also how
to define this newly conquered space. Was Madras a European city in a foreign land, subject to
the same considerations given captured towns during sieges on the continent? An enemy
warehouse whose goods could be confiscated and resold? Or sovereign territory leased out by
charter, over which the Nawab of Arcot and Mughal emperor still exercised ultimate authority?
The conflicting schemes of the two Company governors—and the jurisdictional claims that
infused them—both hinged on the more fundamental issue of what the European settlements in
India actually constituted.

Consider La Bourdonnais’s rationale for ransoming Madras. The admiral maintained that
his commission from Maurepas gave him license to defend the Company by any means
necessary, but restricted him from occupying captured territory. His treatment of Madras
reinforced this vision of his sovereign powers. As La Bourdonnais noted in a September letter to
Dupleix, “Madras is certainly not a colony, but a conquest that I have made, thus no one has the
right to rule here but me.” The terms of La Bourdonnais’s ransom supported this claim by
treating Madras as a set of seizable assets, not a settlement to be occupied, policed, and governed.
The capitulation treaty concerned only the movement of goods and property, requiring the
British Company to pay a sum “1,100,000 pagodas” over a three-year period and forfeit all
merchandise in the settlement to the French. The lone stipulation regarding the population of
Madras concerned security for the ransom, demanding that the families of several city notables
send hostages to Pondichéry to guarantee British payment. Such treatment reflected a common
interpretation of sovereign claims in Mughal India, which saw European settlements more as a

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276 La Bourdonnais to Duplex, in La Bourdonnais, Mémoires historiques, 124.
277 RCP ECD, Capitulation pour le Fort St. George et la Ville de Madras, 1746.
series of financial arrangements—organized around trading rights, port fees, and commercial infrastructure—than enclaves of autonomous political authority.\textsuperscript{278}

During his time in the city, La Bourdonnais emphasized the expansive powers given to him as a military commander operating in enemy territory. In a claim redolent of Grotius’s argument concerning free navigation, he insisted upon the portability of the crown’s jurisdiction, which permitted him to police Company trading interests beyond French territorial limits. La Bourdonnais asserted his authority not only against Dupleix and the Pondichéry council, but also to indigenous leaders concerned about the Company’s intentions in Madras. Essential to his jurisdictional claims was the idea that the British harassment of French ships constituted a sufficient justification for pursuing combat against them. Defining the conditions of “just war” had been a central preoccupation of European jurists since the seventeenth century; the shifting meaning of this concept was not just an abstract problem to be worked out in theoretical works of jurisprudence, but a vital part of colonial diplomacy.\textsuperscript{279} In a letter written to the Nawab of Arcot soon after the city’s conquest, La Bourdonnais insisted that it “was a right of war” to pursue “my enemies even on your territory,” using this rationale to defend a conflict fought

\textsuperscript{278} The exact nature of European settlements in India remains a contentious point within current historiography, particularly within scholarship on the British empire. Historians traditionally distinguish between patterns of colonization in North America and the Atlantic, where Europeans established large settlements and plantations, and the Indian Ocean, where colonies remained smaller in scale and where often established through charters granted by established indigenous power. Challenges to this historiographical trend have been levelled most recently in P.J. Marshall, \textit{The Making and Unmaking of Empires: Britain, India, and America, c. 1750-1783} (Oxford: Oxford University Press, 2005) and Philip Stern, “British Asia and British Atlantic: Comparisons and Connections,” \textit{William and Mary Quarterly} 63, no. 4 (2006): 694-700. Whether Dutch, British, or French, colonialism did not fit any firm dichotomy of colonization—as evidenced by the powerful settler colony established by the Dutch in Batavia, and the reliance on companies and trading missions to create small, urban, and coastally concentrated settlements in North America—is still a point for debate. Nonetheless, the very terms of Company settlement in India, secured through negotiation with Mughal or other regional powers, imposed limitations on the size of the European colonies there, and were often framed around specific economic agreements—conditions that simply did not exist in the case of Atlantic settlement.

outside French territory.\textsuperscript{280} Such unapologetic assertions of military privilege sat poorly with the Nawab, especially since Dupleix had only recently petitioned him to guarantee peace between the French and the British around his territory. They also promoted a highly personalized form of political authority, granting La Bourdonnais considerable latitude to construct policy in the interest of military need.

Indeed, throughout his dealings with both the Pondichéry council and the notables of Madras, La Bourdonnais emphasized the importance of his name and his honor as markers of power in the captured city. As he insisted in one letter to Dupleix, he was “a slave to his word,”\textsuperscript{281} unable to adjust the terms of a capitulation which he had sworn to uphold. In the contested space of Madras, this recourse to honor and its obligations represented a powerful rhetorical tool, affirming ties of loyalty to the crown while providing legitimacy for a variety of political projects. As Jay Smith has argued, the meaning of honor became increasingly fluid over the course of eighteenth-century France: a traditional marker of exclusivity, hierarchy, and noble privilege, the concept gradually came to signify a more open-ended notion of meritorious service to the king. Nowhere was this transformation more apparent than in the military, where the concept of honor became synonymous with valor and personal glory—qualities that transcended social distinction.\textsuperscript{282} La Bourdonnais’s contention about the overriding importance of honor further illuminates this process, collapsing reputation and charisma into claims about the right to act on behalf of the crown. In the absence of agreed-upon laws and enforcement mechanisms, an

\begin{thebibliography}{9}
\bibitem{280} Crepin, \textit{Mahé de la Bourdonnais}, 337-338.
\bibitem{281} Ibid, 370.
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individual’s promises constituted a powerful form of political authority. Time and time again, La Bourdonnais insisted on the overriding importance of his “word” in deciding what was legally binding.

Within Pondichéry, meanwhile, Dupleix and his subordinate councilors developed an opposing set of claims regarding both the Company’s jurisdictional rights and the status of the conquered city. While d’Eprémesnil challenged La Bourdonnais’s authority on the ground, these officials bombarded him with letters denying his right to ransom the settlement. According to them, Madras had become sovereign French territory upon its capture. Whereas only months before the governor had openly questioned the conditions of Pondichéry’s obligations to negligent authorities in France, he now asserted his right to manage on the king’s behalf. The Council outlined this rationale in a letter written to La Bourdonnais on 25 September, insisting that “he should not ignore the intentions of the king and the Company in those places in India where the royal pavilion is planted.”283 The councilors relied upon established hierarchy and precedence to bolster their claims to Madras: by depicting themselves as direct representatives of the king in India, they argued that their authority overrode even the commission that La Bourdonnais had received from Maurepas—a set of orders that the admiral had, in any case, completely misinterpreted to justify his ransom.284 This argument left little room for competing assertions to power, or even for the idea that multiple networks of authority could coexist in colonial India. With the conquest of Madras, Dupleix and the council not only tried to assert their authority within the city, but also to frame this jurisdictional right as a self-evident claim.

283 CCSC, 6 February 1747, 249.
This effort extended beyond mere rhetoric. While the Pondichéry council remonstrated in a series of letters to La Bourdonnais, Dupleix relied upon his new provincial council to establish government in the city. This assembly reinforced Dupleix’s authority in several ways. First, its presence in Madras bolstered claims that colonial power stemmed from corporate hierarchy. The Madras council answered directly to the councilors and governor of Pondichéry, who in turn took orders from the corporate directorate and the Controller-General. This chain of command culminated in the person of the king, reinforcing the notion that Company administrators stood as his proxies on foreign shores. Second, by empowering this group of loyal men and sending them to Madras, the governor could monitor and interfere with La Bourdonnais’s attempts to conclude his separate peace with the British. Third, the creation of the council enabled Dupleix to transform his claims that Madras was a colony into a reality by improving and governing the captured city.285

Indeed, the council’s efforts to establish order in the city represented one of the governor’s chief claims to legitimate authority in Madras—one that he emphasized in his correspondence with the Company directors in Paris. Such efforts were grounded in traditional conceptions of territorial sovereignty in the colonial sphere, which insisted that land must be occupied, improved, and administered to support ownership claims. Once La Bourdonnais had been removed as a threat in the city, the council attempted to bring order in the city. Paradis, for instance, oversaw the seizure of all British arms and took a census of the population. He brought in new supplies of food and reopened Madras’s cisterns, and also restored discipline among the French garrison by “halting the brigandage and thefts to which impunity had accustomed

285 Grounded in arguments by Grotius, and placed more generally within the Roman legal tradition concerning Res nulliss, the idea that land needed to be not only occupied but also improved represented a key future of jurisdictional claims within early-modern colonial history. See Andro Linklater, Owning the Earth: The Transforming History of Land Ownership (London: Bloomsbury, 2014), 27.
them.”286 One month later, the council successfully defended Madras against a series of attacks by the Nawab of Arcot, who had grown frustrated that the French had attacked the city despite his injunction against violence in his territory, and that Dupleix had not ceded the settlement to him as he had once promised. In its letters to the directorate in Paris, the Pondichéry council used these military encounters to emphasize how it held the city “in the name of the King and the Company.”287 Through these acts of civil management and defense, Dupleix reinforced the idea that Madras was not only an occupied territory, but also a governable space over which the Company held dominion.

Dupleix complemented his arguments about the scope of colonial governance with concrete examples of his ability to intermediate on behalf of the king. The council he created fought, adjudicated, and established regular bureaucratic procedures; it imposed order over a mixed population of British citizens, and Tamil, Armenian, and Portuguese traders. Dupleix sought not only to establish order over these non-subjects within the limits of Madras, but also to integrate them into the broader French colonial project. He demolished the buildings in Madras’s “black town,” the neighborhood where indigenous merchants, laborers, and bureaucrats lived, so as to coerce this population into relocating to Pondichéry.288 He ordered the repair and expansion of the city’s citadel so as to protect it from future attacks by either the British or the Nawab of Arcot. And he wrote a number of letters to the head of Madras’s Armenian population, Coja

286 CCSC, 6 February 1747, 289-290.
288 This event later spurred civil unrest in Madras, as the citizens of the black town felt the restored British authorities were not attending to the rebuilding of this neighborhood in a timely fashion. IOR Orme MSS 71, Letter from Pappa Brame to Edward Boscawen, November 1751.
Petrus, to entice them to move as well—an effort that ultimately proved unsuccessful.\textsuperscript{289} Just as the governor defined Madras as a sovereign space that could be administered on behalf of the king, so too did he identify its population as subjects to be governed, regulated, and transformed into an active and loyal citizenry.

The factional disputes between Dupleix and La Bourdonnais in Madras played out over only a few weeks. During that short period of time, both men crafted distinct but overlapping arguments about their rights to dispose of the city. Both offered expansive readings of their individual authority, but did so by promoting the overarching power of the king within the Company sphere. While privileging certain precedents within the history of French empire building—the established responsibilities of a fleet commander during times of war, the superior council’s governing authority—the two also relied on more informal measures to reinforce their claims. La Bourdonnais repeatedly threatened to leave India with his troops from Iles de France and Bourbon as well as the Pondichéry garrison, attempting to cow Dupleix while also demonstrating his authority as a military commander.\textsuperscript{290} Dupleix, meanwhile, made good on his claims that Madras had become sovereign French territory by creating a new municipal administration. Even as the two called on local networks of patrons and supporters to advance their specific agenda, the disposal of Madras was made to be a \textit{national} problem, a question of the military imperatives and administrative rights of the French crown. Worked out on the ground to provide a rationale for these personal projects, such logic would ultimately serve as the foundation for sophisticated legal arguments concerning the Company and its imperial commitments. After the destruction of La Bourdonnais’s fleet compelled him to abandon his

\textsuperscript{289} AN 2 AP 158, Dupleix to Coja Petrus, 2 May 1747.

\textsuperscript{290} Résumé des Lettre du Conseil Provincial de Madras avec Mahé de la Bourdonnais, Dupleix, le Conseil Supérieur et Divers, 7 October 1746.
initial claims to the city and return to Europe, both he and Dupleix were forced to appeal to a broader metropolitan audience to sanction their actions in Madras.

The Emerging Scandal

La Bourdonnais’s return to France was long, hazardous, and full of strange twists—a slow journey that highlights the importance of timing and circumstance in the exercise of colonial power. After several weeks of smooth sailing, La Bourdonnais encountered a massive storm near the Cape of Good Hope. In need of supplies and a safe harbor, he then detoured for the French colony of Martinique. There he acquired a Dutch passport and obtained passage on a vessel heading to the United Provinces. Poor weather, however, continued to frustrate La Bourdonnais’s plans. On 2 January 1748, a tempest in the English Channel forced his ship to dock in England, where La Bourdonnais was promptly identified and imprisoned. There his journey would take a new twist. In London, he enjoyed celebrity status, meeting with the royal family, members of the ministry, and directors of the British East India Company. A month later, he was released after swearing that he would not again take up arms against Britain.

La Bourdonnais’s odyssey paralleled another lengthy voyage: the transmission of official reports from the Superior Council of Pondichéry to the Company’s headquarters in Paris. Initial news of the siege reached France in the spring of 1747, circulating through Company and ministerial channels before slowly filtering out to the public. For instance, the May journal entry of the Duc de Luynes, a courtier whose journal offers an in-depth perspective on court life under Louis XV, described the conquest of Madras at length, but provided only a few details about the “quarrel” between Dupleix and La Bourdonnais.291 News travelled slowly, carried by word of

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mouth on Company ships, and repeated and then retold in settlements along the way like Ile de France. By the time La Bourdonnais reached France, Dupleix’s correspondence to the Company had filled the gaps in the story with particularly incriminating evidence. The admiral soon found himself facing several well-placed enemies, including the king’s mistress, Madame de Pompadour, and Charles de Bacquencourt, a director of the General Farm. Whereas Pompadour acted out of spite—she detested La Bourdonnais’s two most prominent patrons, the Orry brothers—Bacquencourt operated out of family loyalty: he was Dupleix’s brother-in-law. From these divergent motives came a common purpose. Pressured by their intrigue, the king ordered La Bourdonnais sent to the Bastille on charges of treason, providing neither conditions for his release nor an opportunity for him to answer the charges against him.

In the drawn-out affair that followed, La Bourdonnais and Dupleix constructed formal legal arguments that both defended their individual conduct during the siege and pushed a specific configuration of power within the Company’s settlements. Over a period of several years, the two men crystallized ideas developed in the immediate aftermath of Madras’s surrender into uncompromising claims about colonial hierarchy and power. Their judicial clash is instructive not only for the attention it generated in France but for the way that their conflicting claims promoted royal sovereignty as the only proper form of authority within French colonial territory. Even as the two disputed how crown power was instantiated in India—who could act on behalf of the king, how royal decrees applied within the particular geographic and legal context of the Coromandel Coast—they each insisted on the crown’s overarching jurisdiction in the colonial sphere. Such claims promoted the arguments of each party while simultaneously repudiating any sense of personal interest in the disposition of Madras.

292 Crepin, Mahé de la Bourdonnais, 404-405.
Refined over several years of incarceration, La Bourdonnais’s 1751 mémoires mixed intrigue and Company policy, natural law and conspiracy theory to create a compelling defense of his actions. The admiral explained his generous terms as a matter of military expediency: a British fleet lurked nearby, and a protracted siege would leave his men vulnerable to a surprise attack. He also claimed that while his orders from Maurepas required him to disrupt British shipping, they had forbidden him from occupying and settling captured territory. More than anything, he emphasized the limited nature of Company sovereignty in India—a narrow jurisdiction that restricted both Dupleix’s power and the scope of corporate diplomacy. “One always imagines,” he reported in his mémoire, “that S. Dupleix is the governor of this immense land known as India; and from that false supposition, one concludes that S. la Bourdonnais was under the jurisdiction of S. Dupleix when he fought in India.” 293 In contrast to this image of undifferentiated power, however, La Bourdonnais insisted that Company authority extended only as far as the five comptoirs. Madras, he therefore claimed, was “enemy territory,” “an English jurisdiction” over which the Pondichéry council could make no sovereign claims. 294 Such arguments were not unique to La Bourdonnais or the Company. Over the course of the eighteenth century, European powers grew increasingly aggressive in asserting their rights to police violence outside their territorial boundaries—a process that ultimately redefined the meaning of national sovereignty across the continent. 295

La Bourdonnais’s claim not only imposed limits on Dupleix’s ability to negotiate with the British; it also suggested that only certain types of diplomatic arrangements could appropriately be made with the captured city. In the absence of Company authority—and the

293 La Bourdonnais, Mémoires historiques, 96.
294 Ibid, 95.
privileges it carried to colonize, trade, and negotiate—the French army in Madras had recourse to few legitimate options when disposing of conquered territory. As Louis-Charles Grant, a settler on Ile de France, insisted on his behalf, La Bourdonnais “could not conceive that M. Dupleix would assume to himself the character of a sovereign; and give to one nation those places which have been conquered from another.”296 While emphasizing how territorial boundaries fundamentally restricted the Company’s authority, La Bourdonnais also maintained that royal sovereignty could be delegated to agents tasked with performing certain missions on the king’s behalf. Such commissions did not suffer from any sort of geographical constraints, but they were fundamentally limited in scope. As La Bourdonnais reiterated in his mémoire, the orders he received from Maurepas entrusted him with the defense of the French settlements in India while expressly forbidding him from “seizing any enemy establishment or factory with the goal of occupying it.”297

Such claims were consistent with a longer history of jurisdictional negotiation over maritime space in early-modern Europe. During the seventeenth century, for example, the French admiralty attempted to usurp the traditional privileges of the parlements and municipal and seigneurial courts in coastal regions by redefining the boundaries between ocean and littoral space.298 They also reflected the changing juridical context of prize law in the seventeenth and eighteenth centuries, as legal scholars like Grotius and Gentili turned to the emerging field of natural law to justify the seizure of foreign ships, the policing of sea lanes, and the protection of


297 “Secret Orders from Orry,” quoted in La Bourdonnais, Mémoires historiques, 104.

coastal settlements. La Bourdonnais drew on both of these traditions. He justified his actions in Madras through references to earlier French privateering operations, particularly the capture and subsequent resale of Rio de Janiero by the Malouin corsair Réné Duguay-Trouin in 1711. And he cited Grotius to illustrate the capacious authority of a military commander in negotiating the surrender and ransoming of enemy cities. At once insisting upon both the limitations and license created by his royal commission, La Bourdonnais asserted his right to handle Madras as a justly seized prize.

While establishing juridical precedence for his treatment of Madras, La Bourdonnais also questioned Dupleix’s motives in seeking to retain and occupy the city, dismissing his plans as little more than a project of personal aggrandizement. “The most precise orders from the king and the most important concerns for the Company,” he noted “were not capable of keeping Dupleix within the limits of his duty.” Throughout his account, La Bourdonnais painted Dupleix as a tyrant who created a culture of fear among his subordinates, and who used intimidation to compel others to disrupt the judicious treaty signed after the siege. He placed particular emphasis on the unscrupulous tactics that Dupleix and his clients used to discredit La Bourdonnais: spreading libelous stories before the notables of Pondichéry, attempting to incite

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299 For the ambiguous nature of prize law claims, see Terjanian, *Commerce and its Discontents in Eighteenth-Century French Political Thought*, 113-121. On the applications of Grotius’s and Gentili’s arguments to inter-imperial disputes, see Benton, *A Search for Sovereignty*, 120-137.

300 La Bourdonnais, *Mémoires historiques*, 141.


302 Ibid, 130.


304 Ibid, 165.

305 Ibid, 164-166.
an insurrection among the soldiery of Madras,\textsuperscript{306} and forging a letter from the Company’s directors that instructed the admiral to follow the orders of the Pondichéry superior council.\textsuperscript{307} La Bourdonnais juxtaposed these accounts of Dupleix’s double-dealing with repeated claims about the justness of his own conduct, thereby infusing his actions with both legal authority and moral legitimacy.

While La Bourdonnais built and published his case, Dupleix remained in India. The French returned Madras to the British several years before the publication of La Bourdonnais’s \textit{mémoire judiciaire} as part of the Treaty of Aix-la-Chappelle, and by 1751 the governor had become embroiled in a new crisis. Acting without consulting his superiors in France, Dupleix engaged the Company in a set of succession conflicts along the Coromandel Coast—an ill-fated series of military entanglements that would earn him the censure of both the crown and the Paris directors. He was thus in no position to answer the charges leveled against him half a world away by La Bourdonnais. Instead, Dupleix’s family campaigned on his behalf, publishing two short \textit{mémoires} in response to the admiral’s lengthy factum. These legal briefs built on the claims first developed by Dupleix and the Superior Council in their original report to the Company. Like La Bourdonnais, the governor’s family combined arguments about the reach of royal authority with numerous examples of how the admiral had sacrificed the crown’s interests in the pursuit of personal gain.

In their first \textit{mémoire}, Dupleix’s family demonstrated how Company statutes had gradually augmented the power of the governor of Pondichéry in the years preceding the conquest of Madras. Citing a 1742 Company provision that gave him broad discretionory powers

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\textsuperscript{306} Ibid, 170-173.
\textsuperscript{307} Ibid, 207-209.
\end{flushright}
in the “conservation of the forts, French establishments and comptoirs, and the commerce and glory of the nation,” they asserted the wide-ranging powers of both Dupleix and the Superior Council. The mémoire contrasted the legally guaranteed rights of these officials with the arbitrary, “supposedly absolute authority” of La Bourdonnais; while recognizing his power to command Company ships and soldiers on the sea, Dupleix’s family argued that he was entitled to little more than an advisory role when it came to planning land operations and administering the settlements during time of war. Like Dupleix’s dispatches to the Company, the brief paid particular attention to how the council’s authority applied within the geographical context of the Coromandel Coast. Not only was Madras a mere “30 leagues” from Pondichéry, noted the authors, but the “seizure” and “use” of the city was in the interest of the entire “French nation established in India”—a sovereign entity on whose behalf only the governor and council could rightfully act. La Bourdonnais’s claims to jurisdiction in Madras thus extended no further than the physical occupation of the “walls, fortifications, and the soil of the town.”

The mémoire did not limit itself merely to discussing the legal foundations of Dupleix’s authority in India; it also highlighted how the Superior Council transformed Madras into a French colony. Dupleix’s family wrote at length about the factors that made the city into sovereign territory at the moment of its capitulation: “The royal pavilion is displayed on its walls; French troops have taken possession its fortifications and magazines; the French reign supreme there [les Français y disposent de tout en maître]; what better characterizes a French

309 Ibid, 17.
310 Ibid, 11.
311 Ibid, 18.
establishment on the Coromandel Coast?"\textsuperscript{312} They also contrasted the council’s ongoing attempts to improve Madras with La Bourdonnais’s negligence during his time there. Whereas Dupleix and his councilors delegated power through a subordinate assembly, their first \textit{mémoire} noted, La Bourdonnais insisted on disposing of the city “on his own.” While the governor demanded to see the “books” and take “inventory” in the city, the admiral gave the keys to the Madras’s treasury to his brother, keeping its accounts secret. Indeed, this lack of access to the city’s finances represented one of the primary criticisms in the second \textit{mémoire} published by Dupleix’s family, which complained at length about the city’s missing great books and \textit{olas} (palm-leaf parchments recording Tamil grants, political orders, and financial records).\textsuperscript{313} In each case, the supposed transparency of Dupleix’s administration buttressed his jurisdictional claims, providing evidence that he was not empowered to govern Madras on behalf of the king, but that he also administered this space properly.

Dupleix’s family used these claims to criticize La Bourdonnais for crafting policy meant to serve his private interests. An ongoing contention of the superior council was that the admiral had so readily agreed to ransom Madras because the British had offered him a bribe of 88,000 rupees to do so. During the French occupation of the city, Dupleix obtained confessions from several leading English employees verifying this claim.\textsuperscript{314} An inquiry into the matter by British officials in 1752 also suggests that some money was exchanged.\textsuperscript{315} Dupleix likewise incarcerated and tried La Bourdonnais’s brother, Jacques Mahé de la Villebague, for reportedly pilfering the

\textsuperscript{312} Ibid, 15.

\textsuperscript{313} Second \textit{Mémoire à Consulter pour la famille Dupleix} (Paris: L’Imprimerie d’Antoine Boudet, 1751), 11.

\textsuperscript{314} JOR I/1/15, Savage and Dupleix, 21 August 1747.

\textsuperscript{315} JOR L/L/31, \textit{Proceeding of the Law Case No. 31}, 3 March 1752. Both Crépin and Malleson, working on British East Company records, claimed that the admiral was paid 1 Lakh (about a 10th of the ransom) as part of the capitulation treaty. Pierre Crépin, \textit{Mahé de la Bourdonnais, Gouverneur Général des Iles de France et de Bourbon (1699-1753)} (Paris: Éditions Leroux, 1890), 450.
British Company’s treasury when he was given the keys to its warehouse.\footnote{ANOM, M 125-130. For the actual trial, see RCP ECD, \textit{Information judicaire contre Mahé de la Villebague et Desjardins}, 152-154. While ordered by the crown to conduct an inquiry into the matter, Dupleix used handpicked witnesses—his son-in-law, officers who had been detained by La Bourdonnais for opposing the ransom—in a likely effort to secure a guilty verdict against Mahé de la Villebague.} While bemoaning La Bourdonnais’s attempts to “arrogate” the “authority” of Dupleix and the Superior Council, the governor’s family also noted his attempts to produce false witnesses to defend his and Mahé de la Villebague’s conduct in India. This “recourse to low artifice,” the family insisted, was consistent with his efforts throughout the Madras campaign to conceal corruption under a veneer of legitimacy.\footnote{Mémoire à Consulter pour la famille du Sieur Dupleix, 23, 27-31.} In each \textit{mémoire}, Dupleix’s family emphasized both the illegitimacy of La Bourdonnais’s claims and the immoral agenda behind them. La Bourdonnais not only ignored proper procedure by ransoming Madras; he sacrificed the broader interests of both the Company and the crown in the pursuit of profit, implanting a tyrannical administration within newly acquired French territory to do so.

The publication of these successive legal briefs created a sensation throughout Paris in early 1751, even if few knew what to make of the conflicting accounts. Crowds formed outside La Bourdonnais’s home on the \textit{rue d’Enfer}, while the king took a personal interest in his case.\footnote{De Luynes, \textit{Mémoires du duc de Luynes sur la cour de Louis XV, Volume 11}, 37.} The ambivalence of the Duc de Luynes provides a sense of both the excitement and confusion. Upon reading La Bourdonnais’s \textit{mémoire}, he praised the admiral for his eloquent writing, which demonstrated convincingly that he had “acted within the bounds of the powers given to him, and that if he had extended them to their limit, he could have arrested those whom M. Dupleix sent to take possession of Madras.”\footnote{Ibid, 3.} After Dupleix’s family published their own factums a few weeks later, however, he reversed his position, admitting “that M. la Bourdonnais’s argument has been
effectively answered.” How the five-man committee interpreted these competing claims is unknown, since they did not publish their decision. But since La Bourdonnais was acquitted all crimes, his efforts must have convinced at least some of his judges of both his innocence and the merits of his interpretation of colonial jurisdiction.

More important than the circumstances of this verdict are the common threads within the arguments of both Dupleix and La Bourdonnais—the unifying interests and values that each promoted as hallmarks of imperial politics. Indra Mukhopadhyay argues that the high-profile cases of prominent Company employees created a broad interest in empire among the French reading public, immersing them for the first time in the tensions, hierarchies, and power dynamics of far-flung colonial outposts. As the Madras scandal suggests, these published trial briefs not only offered intimate accounts of the politics and intrigue within the Company’s settlements, but also descriptions of how royal authority was enacted within distinct geographies and spaces. Both La Bourdonnais and Dupleix attempted to transform a Company that had historically defended itself against crown encroachment into a distinctly state institution, making the corporation complicit in the monarchy’s efforts at empire building and national defense. The reactions to La Bourdonnais’s acquittal suggest the impact of this argument. Poems lauding La Bourdonnais’s accomplishments made the rounds of the salons, including an acrostic that proclaimed, “He would live forever in the hearts of Frenchmen.” Voltaire placed La Bourdonnais among the great heroes of France’s maritime past like Jean Bart and Abraham Duquesne. French scholars from the Third Republic built on this trend, reaffirming the place

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320 Ibid, 10.
322 Quoted in Crepin, Mahé de la Bourdonnais, 438.
of both Dupleix and La Bourdonnais as national icons in an effort to burnish France’s imperializing credentials in the nineteenth century.\textsuperscript{324}

In short, while buttressing their claims to jurisdiction in Madras by extending the royal reach to India, the two men remade the Company into a centralized, subordinate, and fundamentally patriotic institution. Company officials in Paris did much the same thing. Desperate for funding in the 1740s, the corporate administration published a flurry of tracts designed to convince the crown of the services the Company performed on its behalf. As the director François Castanier emphatically declared in a 1746 address, “The Company is the state’s affair.”\textsuperscript{325} These efforts reveal an important shift in the relationship between the Company and the monarchy—a growing emphasis among administrators in both colonial and metropolitan offices on the unified interests of corporation, crown, and country. In past decades Company officials paid lip service to royal authority while promoting their rights to self-government; Dupleix’s maneuvering at the beginning of the Madras campaign illustrates the considerable latitude afforded to corporate administrators to fight, govern, and negotiate in India. The ironic consequence of this push for autonomy, however, was that it created conflicts that ultimately forced the Company to reaffirm the supervisory power of the monarchy within the colonial sphere.

\textsuperscript{324} For a summary of this historiographical trend, see Thompson, \textit{Dupleix and His Letters}, 1-3. On the more general project of recovering empire Third Republic historiographers, writers, and statesmen, see Christina Carroll, “Defining the French Empire: Memory, Politics, and National Identity, 1860-1900” (Ph.D. dissertation, University of North Carolina at Chapel Hill, 2015).

\textsuperscript{325} ANOM C\textsuperscript{2}36, \textit{Mémoire de M. Castanier, sur la nécessité et les moyens de relever le commerce de la compagnie} (1746).
Conclusion

The Madras imbroglio illustrates how the Company confronted the problems of empire as both a lived reality and an abstract bundle of rights, jurisdictions, and privileges. It charts not only the shifting nature of crown and corporate relationships, but also how imperial administrators laid claim to new organizing principles of overseas expansion. While Dupleix and La Bourdonnais disagreed on how royal sovereignty applied within the newly conquered space of Madras, both constructed a vision of empire oriented around a common moral compass: state service. Their arguments undercut the realities of French empire as a tangle of competing privileges, legal regimes, and rights to emphasize the obligations that bound all subjects to the monarchy, regardless of distance or juridical status. Their efforts also suggest a broader change in the way people talked about empire in the context of the Old Regime—a shift that encompassed not only Company officials, but also traders in the Atlantic ports, colonial administrators in Caribbean, and contemporary economic thinkers in Europe. As Paul Cheney has shown in his study of the exclusif (the exclusive trading rights to North American commerce enjoyed by Nantes, Bordeaux, La Rochelle, and Saint-Malo), merchants increasingly dressed parochial agendas in the garb of national economic interest, collapsing metropolitan ports and Atlantic settlements into a common imperial space. The physiocrats developed similar arguments about the relationship between France and its colonies in the 1760s and 1770s.326 More and more, empire was seen to occupy an integral—rather than incidental—place within French political culture and political economy.

This episode also reveals an important paradox in the way that Company officials thought and wrote about French overseas enterprise. Dupleix and La Bourdonnais invoked different traditions of crown law in an effort to advance resolutely personal agendas—first to affirm their precedence in colonial affairs and then to gain traction in their ongoing legal feud. In so doing, they espoused a language of patriotic service that disavowed any sense of vested interest, recalling common humanist arguments about the selfless nature of good citizenship.\textsuperscript{327} Company claims about empire were thus increasingly premised upon the repudiation of private interest, even as profit seeking and patrimonial politics were sewn into the very fabric of France’s colonial project. As the Company became more involved in military and economic affairs on the subcontinent, this contradiction would create both new occasions for conflict and new opportunities for legal innovation.

CHAPTER 4: THE POLITICAL ECONOMY OF JOSEPH DUPLEIX: COMMERCE, AUTHORITY, AND THE SECOND CARNATIC WAR

He can only stand with the bitterness and pain of a citizen who watches his nation, blind to its own interests, give up the treasures [he won for it]. —Anonymous Mémoire regarding Joseph Dupleix

In a 1755 treatise concerning France’s economic and political standing on the Indian subcontinent, Jacques d’Eprémesnil lamented what he considered to be a great “sophism” popular among officials in Paris: the idea that “it is not appropriate for a trading company to fight a war.”

328 To d’Eprémesnil, conflict was an unavoidable “accident”—even for the “wisest and steadiest leaders.”

329 It was also an opportunity for economic expansion. Military efforts shaped around “the land, manners, [and] customs” of India, he argued, would augment the “trade, credit, the glory, and the honor of the French nation.”

330 If practiced effectively, warfare was not only a suitable vocation for a trading company, but also an efficient means of satisfying its commercial needs. A long-tenured administrator in the Company, d’Eprémesnil was well versed in the politics and commercial practices of the subcontinent. He contrasted his experience with the shortsightedness of the Company’s directors in the metropole, whom he believed lacked the local knowledge needed to craft effective policy, and who failed to consider suggestions for reform from officials stationed abroad. The Company’s continued opposition to aggressive expansion was, to him, one of the many examples of its misguided approach to commercial

328 AN, 158 AP 14 Jacques III Duval D’Eprémesnil, “Sur le Crédit de la Nation dans l’Inde” (1755).

329 Ibid.

330 Ibid.
strategy. The “failure to exploit new trading opportunities,” he lamented, “is the first step to losing all of one’s commerce.”

D’Eprémesnil had an obvious agenda behind this critique of Company practice: to defend the policies of his patron and stepfather-in-law, Joseph Dupleix. Dupleix had been dismissed nearly two years before for implicating the Company in a series of dynastic struggles in southern India—known collectively as the Second Carnatic War (1749-1754). Eager to expand France’s territorial holdings, influence, and commercial privileges, the governor committed Company soldiers to support claimants in two succession crises: one in Hyderabad, the other in the province of the Carnatic. These efforts, and the early victories they produced, brought the Company considerable short-term gains. When Company military aid secured Hyderabad in 1751, the French-backed pretender, Muzaffar Jung, granted France access to a wide swathe of revenue-producing lands. Dupleix’s proxy conflicts, however, soon spiraled out of control. Alarmed by the prospects of French expansion, the English East India Company stepped into the fray behind its own set of claimants. Dupleix soon experienced a series of reverses, culminating in a disastrous defeat at the fortress town of Trichinopoly and the death of Chanda Sahib, the French claimant for the Carnatic. As the proxy conflict escalated, and as France’s early advantages evaporated, the Company directorate eventually lost patience with Dupleix, recalling him to France and suing for peace in 1754.

This chapter examines the fallout from the Second Carnatic War, which moved from a vicious internal feud that pitted Dupleix and his supporters against a diverse array of critics in both India and France to a public fiasco played out before the Parlement of Paris.

331 Ibid.
332 AN, 158 AP 1, Testament of Jacques Duval d’Eprémesnil, 1744-1748.
D’Eprémesnil’s argument illustrates the crux of this conflict. As his treatise suggests, Dupleix’s involvement in the campaigns in Hyderabad and the Carnatic reinvigorated contentious questions about economic strategy and political power in France’s colonies. If profit and commercial expansion were to be the markers of the Company’s success, what were the limits to appropriate behavior by its administrators? Could colonial officials, guided by superior local knowledge and trading expertise, ignore or even countermand orders from France when they seemed ill suited to conditions on the subcontinent? Should efficiency and proficiency, rather than strict obedience to the regulations enforced by the Company’s directors, serve as the markers of good service and citizenship?

An analysis of this conflict underscores the partisan nature of the French colonial project in India. As in the aftermath of the Law episode, the ability to redefine the commercial goals of the Company represented a significant form of political power. Visions of Company trade were not only contingent, uncertain, and changing, but were also inflected by the specific conflicts and agendas of corporate employees. The contest between Dupleix and the Company highlights the conflicting assumptions about wealth and commercial management that framed debates about trade in the early modern period. It likewise shows how these ideas were ordered into a coherent economic and political program. The shifting political circumstances on the Indian subcontinent provided the opportunity for innovative policymaking. But they also fueled a divisive internal conflict concerning both the priority given to France’s overseas colonies, and the bonds linking them together as a coherent imperial system.

**Empire and Trade**

Dupleix has often been seen as pivotal figure in the history of empire. In the nineteenth century, both French and British scholars saw him as a precocious imperializer who transformed
the European colonial project in India from one of modest trade to aggressive territorial expansion. According to Jouveau-Dubreuil, Dupleix initiated the strategy of nababisme—grounding French power in Mughal titles, offices, and pecuniary privileges—that the English would later put to such effective use in their creation of an Indian empire. Thomas Macaulay, in his triumphalist account of British colonial enterprise in India, compared him favorably with Robert Clive, who was soon to achieve fame for his own military exploits on the subcontinent. In each of these accounts, Dupleix has been depicted as a tragic and misunderstood figure, unappreciated by a Company that simply failed to grasp the realities of colonial power on the subcontinent, and undone by the aggressive factionalism within the corporation.

A wave of revisionist scholarship on Mughal India, however, raises doubts about Dupleix’s supposed foresight as an empire-builder. Instead of an arch-imperialist, Dupleix appears in these accounts as one of a number of European and Indian actors seeking legitimacy in a post-Mughal world, and as an individual who could not always predict the consequences of his policies. C.A. Baylay and Muzaffar Alam have both emphasized the political and economic vitality of provinces in the north of India during the disintegration of the Mughal Empire. Steward Gordon, meanwhile, has explored the sophisticated bureaucracy and taxation system of the Mahrattas, the confederation of Hindu princes who ruled in the center and south of India.


the subcontinent. This attention to the strength of local political powers during the 1750s and 1760s undermines arguments that envision Dupleix and other Europeans as simply inserting themselves into a political vacuum created by Mughal decline.

More than anything, Dupleix seems to have borrowed from the strategies of his Indian neighbors. Like the princes of the new successor states that emerged along the Coromandel Coast in the eighteenth century, the governor realized the importance of grounding his authority in Mughal titles and contracts, which he gained by lending out Company soldiers in regional conflicts. And like the native “portfolio capitalists” who dominated economic activity in southern India, he sought to safeguard Company finances by diversifying its investment practices, supplementing trading operations through tax farming, agriculture, and mercenary warfare. Dupleix did not develop a comprehensive “strategy” for the Company as much as privilege adaptability and contingency in the formulation of new policy—a vision of empire that empowered agents on the ground.

Luck and circumstance played a large role in shaping Dupleix’s policies. The setbacks of the 1740s, when British raids effectively halted both the Company’s local and European trade, left the French settlements heavily in debt and created a growing sense of isolation from the corporation’s headquarters in Paris. During his hasty retreat from Madras, La Bourdonnais left over 1,000 soldiers behind in the city, a surplus that the French could easily farm out. Dupleix’s successful defense of Madras against the vastly superior forces of the Nawab of Arcot showcased

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the potency of the Company’s army—making these troops attractive as mercenaries. Finally, the presence of Chanda Sahib’s family in Pondichéry, where they had resided after his capture by the Marathas in 1740, provided Dupleix with an open channel of communication with the would-be nawab, allowing the two to build a gradual alliance in the years leading up to the succession crisis in the Carnatic.339

That this slow-developing, unscripted series of developments was recast into an innovative policy designed to draw the Company out of economic ruin is a testament to the efforts of Dupleix in defending his policies. As French fortunes began to turn in the Second Carnatic War, the governor and his supporters drew on a range of commonly rehearsed arguments about the Company and its activities, couching their defense of the French military effort in familiar debates about the balance of trade, the deleterious effects of unrestrained private interests, the pacifying nature of commerce, and the unique circumstances of credit acquisition in India. Broadcast in a variety of forums, from correspondence between the Company and the Superior Council of Pondichéry to published works of commercial science, these apologies for Dupleix each relied upon—and helped crystallize—a common set of arguments about trade and its management.

For Dupleix, arguments about the Carnatic War ultimately hinged on a single question: did the Company’s engagement in the proxy wars of southern India actually benefit France? France’s early victories netted a series of territorial concessions and tax-collecting rights. With the death of Nasir Jung, the English claimant to Hyderabad, the Company obtained land grants for Mitchletatam, Covelong, and Nagore, not to mention the jewellery and treasure plundered

339 Ananda Ranga Pillai, The Private Diary of Ananda Ranga Pillai, Volume VI. Ranga Pillai reports numerous instances where Dupleix used Chanda Sahib’s family as bargaining chips in negotiations with him during his captivity, granting and revoking travel passes (44-46), petitioning his wife to remain in Pondichéry while it was under siege (14-15), etc.
from the dead Nawab’s camp and given to France as rewards by Chanda Sahib and Muzzafar Jung. But with Chanda Sahib’s death, the French-supported war effort stagnated; by 1752, the English had installed its own pretender, Muhammad Ali, as Nawab of the Carnatic. As the French found themselves drawn deeper into a war that offered only dwindling prospects for victory, and as concerned parties in Paris began to clamour about the Company’s reverses, Dupleix struggled to demonstrate that the concessions he had secured would translate into real gains. In 1753, he dispatched two trusted subordinates, his nephew d’Auteuil and a fellow councillor Amat, to convince the directors of the value of his conquest. Although d’Auteuil quickly repudiated his uncle in Paris, Amat remained loyal, publishing a treatise that discussed in detail the value of Dupleix’s new concessions.

This defense relied on a specific vision of commerce, one in which cost and profit mattered more than either political considerations in Europe or jurisdictional agreements made in India. In a 1753 mémoire written to the Company, Dupleix noted that the new territories acquired from Chanda Sahib and Muzzafar Jung had yielded 1,090,200 rupees that year, and predicted that their value would increase by nearly 500,000 rupees in 1754. Supporters of Dupleix, who included most of the senior officials in Pondichéry, family members and clients in France, and even some interested onlookers who heard of his exploits, also offered more qualitative measurements in his defense. The comte de Bussy, Dupleix’s chief commander in the Deccan, reported that the Company had acquired “forests of teak wood”, a bounty of “roots” used to make painted fabrics, and an abundance of navigable rivers on which to build a “port” or “shelter

341 ANOM C2 205, Mémoire du Sieur Amat, 3 May 1754.
342 ANOM, 25 DFC 93, Mémoire de M. Dupleix concernant le commerce de l’Inde, October 1753.
for Company ships” during the monsoon season.”343 In each case, Dupleix and his apologists contrasted the ostensibly low cost of France’s military enterprise with favorable calculations about future revenues.

More important than these profit projections, however, was the idea that the territory would add stability to the Company. In the same treatise, Dupleix expounded on the difficulties that overseas corporations faced in maintaining a favorable trading balance, avoiding the exhaustion of national bullion reserves, and building a colonial infrastructure. “The truth,” he argued, “is that no trading company can sustain itself by the profits of its commerce”—a “fixed revenue,” secured through the taxation of new territory, was required to fund the construction of ships, fortifications, and warehouses, and to compensate for lean years.344 Dupleix juxtaposed the Company’s commercial failures with the success of the Dutch, who had created a flourishing settler colony in Batavia, and who actively expanded their territorial holdings in the Indonesian archipelago. His argument recalled years of grumbling by Company employees about the corporation’s insufficient capitalization of its Indian factories—much of which called for looser restrictions on private trade to create a more reliable supply of specie. It also evoked an ongoing concern, expressed as far back as Colbert’s establishment of the first Company, that Indian commerce would deplete France of its stores of bullion. Dupleix, however, went far beyond such targeted complaints about corporate policy. Instead, he offered a fundamental reevaluation of France’s Indian enterprise, reorienting it toward the acquisition of taxable property rather than tradable commodities.

343 NAF 9359 Bussy, du Camp Français par Aurengabat, 18 Décembre 1753).
344 ANOM, 25 DFC 93, Mémoire de M. Dupleix concernant le commerce de l’Inde.
This proposition depended on the idea that the colonial marketplace was a finite space, and that trade in India was thus a zero-sum game in which Europeans competed over limited quantities of resources, choice territory, and fixed supplies of credit. As one anonymous author wrote in support of the Company’s acquisition of new territory, “the commerce of one nation cannot be established or increased except at the expense of another.”345 The anxious writings of British officials in Madras in 1751, who feared that the concessions given to the Company would enable the French to “annoy,” “levy customs” on, and “ruin” English commerce,346 suggests that such an aggressive understanding of market relations was not just posturing on the part of Dupleix’s supporters. Indeed, commercial theorists throughout the eighteenth century commonly described trade as a war-like rivalry with clear winners and losers, even if few would have gone so far as to extend these bellicose analogies into an endorsement for violence.347

Dupleix did not so much argue that war was a necessary component of commerce as insist upon the uniqueness of trading conditions in India. D’Eprémesnil, for instance, blasted Company officials for their stubborn belief that commerce adhered to “simple constants” and “invariable principles,” and for flattening the complexities of the natural world to force it to cohere to universal “laws of gravity and motion.”348 Here was a critique of an entire corpus of Enlightenment writings on trade, from Montesquieu’s Spirit of the Laws to Hume’s conjectural theory. Untutored in the practicalities of corporate trade, these thinkers relied upon uniform principles to explain commercial development—constructing cultural and political taxonomies,

345 ANOM, 25 DFC 95, Mémoire sur l’Inde (sans date).
348 AN, 158 AP 14, Jacques III Duval D’Eprémesnil, “Sur le Crédit de la Nation dans l’Inde” (1755).
creating standardized rules for human behavior, and applying abstract theories of natural science. Dupleix’s supporters, by contrast, argued that commerce simply did not adhere to such rigid principles, and that only those who had experienced the vagaries of trade in India were thus qualified to speak about it. As another observer noted in a 1753 treatise: “We say that war is evil, that peace is good, but before elevating one over the other, let us learn of the actual circumstances.”

Central to this distinction between totalizing theories of political economy and contextually specific commercial practices was the ambiguous concept of credit. As scholars of early modern France have recently shown, credit, or crédit, was an imprecise term—operating at once as a marker of reputation and individual status within traditional patronage relationships and as an instrument of exchange within impersonal economic transactions. These seemingly conflicting moral and material foundations of credit were by no mean mutually exclusive. Social esteem often served as a form of capital within financial negotiations, where elites traded on their name to secure lines of credit, and personal wealth provided access to the ennoblements and offices that transformed roturiers into nobility. In Paris, financiers regularly exploited their connections in the royal court to secure contracts and favorable loans.

The Company found this complex entanglement of social status with borrowing and lending power particularly difficult to navigate in India. As relative latecomers to the subcontinent, the French struggled to win the confidence of indigenous moneylenders, :

349 ANOM, 25 DFC 96, Réflexions sur l’état présent des affaires de la Compagnie aux Indes, 1753.

350 For credit and its various meanings see Smith, “No More Language Games, 1425-1440,” Fontaine L’économie morale, 1-5, and Crowston, Credit, Fashion, Sex, 18-20. Whereas Smith argues that the meaning of credit changed from a social to financial category between the seventeenth and eighteenth centuries, Fontaine and Crowston see more of an overlap and coexistence between these different understandings of the concept—even into the nineteenth century.

351 Shovlin, The Political Economy of Virtue, 35.
particularly along the Coromandel Coast. Pondichéry was caught between too many competing economic and political centers, from Madras and Porto Novo to Negapatam and Arcot, to attract a sufficient settlement of merchants, suppliers, and lenders.\textsuperscript{352} The Company’s limitations on private trade, meanwhile, foreclosed attempts to improve this situation by creating new commercial relationships. Credit was highly personal—grounded in the individual relationships between French merchants and their indigenous partners, and in the status of the Indian intermediaries who negotiated on the Company’s behalf. Dependability in repaying debts, knowledge of regional customs and practices, and the ability to simultaneously navigate multiple systems of influence and power all played a critical role in determining French access to local money markets.

To many Company employees, there was a clear correlation between the corporation’s level of local esteem and its inadequate supply of regional credit. In his 1755 essay \textit{Sur le Crédit de la Nation dans l’Inde}, D’Eprémesnil produced a long list of factors that had eroded the native confidence in the Company: the Jesuit persecution of the Company’s Indian intermediaries, French ignorance of local practices, and the niggardly disposition of the Tamil merchants settled around Pondichéry.\textsuperscript{353} This treatise was not just a list of random grievances based on abstract principles of commercial science, but rather a systematic critique of Company practices grounded in knowledge of the political, economic, and cultural conditions along the Coromandel Coast. The councils of the French settlements registered a similar set of complaints. A common theme in the correspondence between Chandernagor and Pondichéry, as well as Pondichéry and

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\textsuperscript{352} For more on Pondichéry’s relationship to the other commercial and financial centers on the Coromandel Coast see Catherine Manning, \textit{Fortunes à faire}, 129-136.
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\textsuperscript{353} AN, 158 AP 14 Jacques III Duval D’Eprémesnil, “Sur le Crédit de la Nation dans l’Inde” (1755).
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Paris, was the inability of Company employees to transform themselves into “reputable” figures on the subcontinent.

In both India and France, Dupleix’s supporters fixated on this connection between personal and material capital as a justification for his policies. War, claimed Bussy, pulled the “the French name” out of “ruin, ignominy, and opprobrium,” securing French commerce by raising the Company to “the highest point of native esteem.”

D’Eprémesnil recorded similar sentiments, noting that “credit in India is absolutely dependent on the reputation of the [French] governors.” If Dupleix’s conquests granted the Company a stable source of revenue, the logic ran, then the esteem won through French feats of arms provided it with a real foundation through which to cultivate new commercial relationships. Such formulations crystallized decades of complaints about the low esteem of Company merchants into an argument that reputation represented the source of power for the French in India. As one writer noted, “the good appearance that they [Bussy and Dupleix] have made with the Indian Nabobs, and the high opinion that these Nabobs have of them, represent a real force for the Company.”

To Dupleix’s supporters, the Company’s conspicuous displays of honor, glory, and élan rendered its merchants dependable in the eyes of both native powerbrokers and other European and Christian traders. Military victory achieved what many had hoped looser restrictions on private trade would accomplish, extending French influence into new political and commercial spheres.

Such assertions had far-reaching implications, for they not only illustrated the value gained by Dupleix’s proxy wars, but also suggested a new way of conceptualizing legitimate

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354 ANOM, 25 DFC 93, Entretien de deux seigneurs mogols (1753). The skill of French soldiers was recognized by Indian rulers, and they were sought out as mercenaries by a number of Indian leaders. Jean-Marie Lafont, Fauj-i-Khas: Maharaja Ranjit Singh and his French Officers (Amritsar: Guru Nanak Dev University, 2002) p. 9, 72-75.


356 ANOM 25 DFC 95, Mémoire sur l’Inde.
authority within the Company. From the propaganda of Charpentier to the polemics of Law, from the published texts of Melon to the correspondence of an assortment of corporate directors and investors, a common sentiment regarding the Company was that one its primary functions was to supervise and discipline its employees. The corporation extended both the sovereignty and the regulatory power of the king to distant colonial spaces; it controlled refractory traders, and transformed overseas commerce from a morally hazardous activity to a productive vocation undertaken on behalf of the state. The idea that merchants required such stringent moral policing had long served as a justification for the Company’s restriction of private trade. Dupleix’s claim that personal reputation and local knowledge represented the core of Company power in India explicitly challenged this heavy-handed regulation of the Asian settlements.

Consider the variety of claims that identified the experience of the Company’s employees—rather than the regulatory apparatus put in place by the corporation—as the fundamental source of strength for French trade in the subcontinent. As one long-tenured employee noted in his discussion whether or not to surrender the Company’s land concessions in order to broker a peace with the English: “I maintain that it’s necessary to be in India to judge and decide according to the circumstances whether to sacrifice [them].”357 Another memoirist saw Dupleix’s experience as a necessary credential in the formulation of colonial policy: “the governor has a knowledge without which it would be difficult of perhaps even impossible to succeed in managing the interests of the Company [parvenir à concilier les intérêts de la Compagnie].”358 According to this logic, experience and expertise stood as the ultimate marker of authority within the Company—and as the most reliable safeguard against corruptive self-

357 BNF NAF 9355, Réflexions sur l’affaire de l’Inde, 1753.

358 ANOM, 25 DFC 96, Réflexions sur l’état présent des affaires de la Compagnie aux Indes, 1753.
interests. The “spirit” of the corporation, noted D’Eprémesnil, “is manifested in a code of conduct that discharges the directors and makes the [colonial] employees responsible for what they cannot manage.”

Many of the tracts written in defense of Dupleix were thus laced with a powerful critique of the Company. While the expertise of individual employees safeguarded the French commercial interests, the Company created a culture of ignorance, peculation, and double-dealing. Bussy argued that the Dupleix’s critics among the Company directorate were “oblivious to the interests of the Company,” and that they grounded their criticisms of the governor’s initiative in “deceit and false zeal.” Dupleix, meanwhile, turned the common trope of Asiatic primitiveness on its head, blasting his critics in France for thinking “a little too much like the oriental who cannot see beyond the present.” Central to each of these arguments was the idea that the Company empowered the wrong people, and that the institutional structures put in place to maintain order and probity actually hampered the profitability of Company operations. If Dupleix’s actions actually benefitted the Company, and if the critics among his superiors were too blind or self-interested to understand the advantages he had secured, who should have the final say in crafting corporate policy? In short, the attempt to justify Dupleix’s actions in the Carnatic War ultimately revealed a more general criticism of how authority was distributed within the Company.

By 1753, Dupleix’s efforts had earned him a wide range of supporters. Some were closely implicated in his projects of expansion; others were random observers with a dilettantish

359 AN, 158 AP 14 Jacques III Duval D’Eprémesnil, Réflexions sur les affaires des Indes, 1753.
360 ANOM, 25 DFC 96, Extrait d’une Lettre de M. Bussy à la Compagnie, 1753.
361 ANOM, 25 DFC 93, Mémoire de M. Dupleix concernant le commerce de l’Inde.
interest in the problems of empire and trade. Some were high-placed members of the Company bureaucracy; others were anonymous employees. Yet despite this wide range of backgrounds and affiliations, these writers each focused on a common set of themes. They all lauded the value of Dupleix’s conquests by placing his achievements within a broader framework of Indian business relationships and credit structures. They each drew a clear connection between experience with overseas trade and claims to authenticity and trustworthiness—inverting the Company’s claim to moral authority by investing it in the employees who operated furthest outside its institutional controls. Elaborating upon decades of grievances voiced by Company employees, these arguments posed a radical challenge to the very idea of a state-enforced commercial monopoly.

Managing Trade, Managing Traitors

Company officials responded to the news of Dupleix’s early victories with guarded optimism, tempering their celebration of these triumphs with admonitions for caution. In an October 1750 letter, for instance, the directors wished the governor every success in his alliance with Chanda Sahib, but also expressed their concern that future victories would cause the Indian princes around them to view the Company as either “dangerous meddlers, or as a “resource” they could exploit “in their private quarrels.”362 Such concerns became more pronounced as the French war effort bogged down. In its correspondence from April 1751, the Company pressed Dupleix to bring about a peaceful resolution to the various conflicts in which he was engaged.363 It made a similar push two weeks later: while noting that they “could only applaud the wisdom of [Dupleix’s] arrangements,” the Paris directors warned that they “could not regard” France’s

362 AN, 158 AP 20, Compagnie to Dupleix, 15 October 1750.
363 AN, 158 AP 20, Compagnie to Dupleix, 22 April 1751.
new gains as “assured until the governor concluded a solid peace.” After the defeat at Trichinopoly, these criticisms became more frequent and less restrained.

Dupleix attempted to broker a peace with the English that would allow him to maintain the titles and concessions granted to the French. In a tendentious letter sent to the governor of Madras, John Saunders, he shifted the blame for the conflict to England. But the English employees in India were unwilling to agree to his version of events, and the royal diplomats in Europe refused to concede to his demands for peace. As the war continued, shipments to France were increasingly delayed or cancelled. Frustrations mounted as Dupleix’s reports about territories won, privileges secured, and concessions earned failed to translate into tangible gains. The royal commissioner to the Company, Etienne de Silhouette expressed this irritation pithily in a 1752 letter to Dupleix: “No victories, no conquests, lots of merchandise and little increase in the dividend [paid to investors].” The strained cycle of accusation and unconvincing justification finally culminated in Dupleix’s recall and replacement by the director Charles Godehau on 2 August 1754.

Many of the scholars who have chronicled the Company’s response to the Second Carnatic War frame this reaction as a collision between two incommensurable visions of the colonial project: one based on trade, the other on conquest. The Company’s continued demands for a peaceful conclusion to the Carnatic Wars seem to bear out this claim. Yet an overriding desire for peace only partially explains the opposition to Dupleix, which developed in concert with the French war effort rather than at the opening of hostilities. The directors’ letters

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364 AN, 158 AP 20, Compagnie to Dupleix, 5 May 1751.
365 Silhouette to Dupleix, 13 September 1752, quoted in Haudrère, La Compagnie des Indes au XVIIIe Siècle, 129.
366 The definitive accounts of Dupleix concentrate mostly on this dynamic, particularly works that have linked Dupleix’s politicking to precocious imperializing. See, for instance, Prosper Cultru, Dupleix: Ses plans politiques; sa disgrâce; étude d’histoire (Paris: Hachette et cie, 1901).
to the governor, for instance, betray an assortment of concerns: anxieties about the expense of
the governor’s campaigns, about the difficulty of defending new territory, and about the
logistical challenge of maintaining a large military presence so far from France. For them,
arguments about the relationship between peace and commerce were grounded in more basic
claims about the proper management of trade and the nature of Company wealth. The
controversy over the Second Carnatic Wars crystallized such ideas into a powerful new
justification for corporate regulation.

Dupleix attracted a wide range of opponents; his ambition had made him enemies
throughout his career, particularly after the seizure of Madras. Among his most vocal critics were
Jean-Baptiste Machault d’Arnouville, the controller-general; Pierre-Claude Delaître, a syndic;
and Silhouette. 367 Hostility toward the governor, however, ran far deeper than these senior
officials. As Philip Haudrère has argued, there was a broad consensus of opinion against Dupleix
among the shareholders, who feared that his machinations would reduce the value of their
dividends. 368 From this tangle of offices, motives, and agendas emerged a common sentiment
that would color perceptions of overseas merchants for years to come: in stepping outside the
Company’s normal circuits of regulation, Dupleix had sacrificed French interests to his own
avarice and ambition.

Even before the defeat at Trichinopoly, such wide-ranging opposition boiled over into ad
hominem attacks. Charges of moral corruption, oriental despotism, and untrammeled greed were
frequently leveled against the governor. According to Silhouette, Dupleix had sold himself and

367 Thompson, Dupleix and his Letters, 10-15.
368 Haudrère, La Compagnie des Indes au XVIIIe Siècle, 128-129.
the Company to the highest Indian bidder.\textsuperscript{369} Another writer represented the governor as a tyrant who left in his wake a string of “broken treaties” and “500,000 burnt homes.” France’s enemies on the subcontinent, he asserted, opposed “M. Dupleix,” not the “the Company.”\textsuperscript{370} That Dupleix had become a larger-than-life figure in the south of India was hardly disputed. The governor founded a string of eponymous settlements of the new lands granted to the Company, including the town of Dupleix-Fath-ábad on the site of the French victory against Nasir Jung.\textsuperscript{371} He was granted a number of private land concessions (\textit{jacquiers}), and adopted prominent Mughal titles and emoluments. Muzaffar Jung named Dupleix Nawab of a territory stretching from the Krishna River to Cape Comarin on the southern tip of the subcontinent, and invested him with the mahi-o-maratib, a fish standard representing one of the highest markers of Mughal sovereignty.\textsuperscript{372} To his critics, this conspicuous display of pecuniary interest and glory seeking—all of it marred by the oppressive, indolent, and decadent features of the oriental world—offered a clear reminder of how colonial order could break down if not carefully girded by corporate restrictions.\textsuperscript{373}

A recurring theme in the critiques written about Dupleix leading up to his recall was that by sidestepping the Company’s administrative hierarchy, the governor had implicated France in developments far beyond his control. Even at the height of French success in 1750, Dupleix’s efforts created unforeseen perils: that year, an army under Nasir Jung got as far as nine miles away from Pondichéry before being turned back; several senior Company officers mutinied; and

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\textsuperscript{369} NAF 9355 \textit{M. de Silhouette sur l’abus des pacotilles et les pensions exorbitantes que le vue roi de Golconde paie à la famille Dupleix et aux officiers de la compagnie.}

\textsuperscript{370} NAF 9355 Letter to Silhouette, 1753.


\textsuperscript{372} Cultru, \textit{Dupleix}, 254-255.

Chanda Sahib ignored his campaign plans and forced the French to commit to an invasion of the nearby kingdom of Tanjore. The pitfalls seemed to multiply as the conflicts in Hyderabad and the Carnatic dragged on. The Paris directors cautioned Dupleix that his actions had created a new culture of violence in India, where European powers would look to any future succession crisis as a pretense for challenging French gains along the Coromandel Coast. Jean Guignard de Saint-Priest, a royal commissioner to the Company, reported a similar sense of foreboding, noting that “the private letters from India speak of nothing but the flight of weavers, the desertion of merchants, and the emptying of the country.”

Such criticisms relied on an understanding of trade that went beyond simple projections about cost and profit. As one anonymous critic wrote, “the affairs of India… are not just the concerns of company to company, but of nation to nation.” Consider Delaître’s response to a letter from Georges de Leyrit, the governor of Chandernagor, reporting on the turmoil in Bengal resulting from Dupleix’s campaigning. In an addendum that he forwarded to Machault, Delaître wrote that the Company could follow two paths: a tranquil one in which it maintained a modest set of settlements and trading privileges and honored the claims of its European and indigenous neighbors, and an aggressive route like Dupleix’s. This second approach, he warned, required the Company to continue sending “ships, men, and money,” “ran the risk of war in Europe,” and ensured ongoing hostility against the French settlements in India. Even if Dupleix’s

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374 For this narrative of events, see Malleson, *Rulers of India*, 79-85; for the French mutiny, see AN 158 AP 20, Company to Dupleix, 28 December 1751.
375 AN 158 AP 20, Company to Dupleix, 2 February 1752.
376 NAF 9355 *Lettre que M. Guignard de St. Priest se proposait d’écrire à M. Dupleix lorsqu’il passa de la place de commissaire du roi à l’intendance de Languedoc (Opposition à l’esprit de conquêtes au nom de la compagnie)*, 5 February 1751.
377 NAF 9355 *Observations sur les instructions et ordres à envoyer à M. Dupleix sur les affaires politiques de l’Inde*
378 NAF 9355 de Laistre to the shareholders’ assembly, 4 October 1751.
machinations generated immediate returns for the Company in the form of tax revenue—something that few of the governor’s enemies were willing to concede—they failed to cover the losses France had incurred to its international reputation. “No one would believe that we mean to restrain ourselves within the bounds of moderation,” Delaître wrote, “as long as everything is in the hands of a man who breathes nothing but aggrandizement.”

The Company evaluated Dupleix’s actions against a backdrop of tense internal politics and anxious international diplomacy. In 1744, the corporation began holding regular investor meetings as a concession to its stockholders, upon whom it had imposed a string of forced loans. Empowered by this new emphasis on shareholder advocacy, the syndics (officers tasked with advocating on behalf of the Company’s shareholders) grew into a powerful lobbying group. The mounting costs of the war effort, which imposed new burdens on the shareholders even as Dupleix extolled the virtues of his new conquests, provided them with a platform to air their grievances and expand the powers of the shareholders.

Delaître, for instance, wrote a scathing review of the Company in his 1750 Observations sur le gouvernement passé et présent de la Compagnie des Indes. In it, he criticized the corporation’s administration, which was fractured by “jealousy,” “collusion”, and nepotism in France, and rendered ineffective by competing factions of incompetent favorites in the colonial settlements. Dupleix provided the perfect foil for Delaître’s attack, which sought to show how the despotic power of the Company’s royal commissioners prevented the syndicate from exercising any real authority. With the syndics thus constrained, he claimed, the Company had

379 Ibid.
380 This development is noted in particular detail by the Marquis d’Argenson, former Secretary of State for Foreign Affairs. His journal charts the shifting power dynamics within the Company—all from an outsider’s perspective. René Louis d’Argenson, Journal et Mémoires du marquis d’Argenson, Tome VII (Paris: Jules Renouard, 1859), 54.
381 BNF, NAF 9355, Observations sur le gouvernement passé et présent de la Compagnie des Indes, 1750.
no means of controlling recalcitrant employees like Dupleix, who exploited his position as governor of India to accrue a “fortune” and an assortment of “private benefits.”

Delaître used these growing anxieties about Dupleix to propose several reforms: increasing the regulatory powers of the syndics, giving stock to the directors in order to ensure their interest in developing the corporation, and reducing the arbitrary control of the royal commissioners. What Delaître wanted was not only to imbue the syndicate with greater authority, but also to create a new set of institutional controls in order to rein in various abuses. He hoped to establish a new culture of accountability, and to ensure that the shareholders received adequate protection for their investments. The syndic expressed what was to become a common argument among Dupleix’s enemies: that overseas commerce must be bounded by a system of self-reinforcing interests in order to be productive. His arguments illustrate the climate of reform that had developed around the Company as a result of the institutional shake-ups of the 1740s. They also hint at how the chaos of the Second Carnatic Wars was used to advocate for new policy and the creation of a new institutional culture.

Concerns over international diplomacy further shaped the Company’s criticism of Dupleix. The governor wrote at length about the revenues that would be generated by his new territory. His opponents, by contrast, argued that trade should be measured through a more sophisticated calculus—one that registered financial concerns alongside considerations for dynastic politics, conventions of international law, and the geo-strategic imperatives of the French state. The tension between the economic imperatives of trade and this broader set of

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382 Ibid.

383 NAF 9355, de Laistre to the shareholders’ assembly, 4 October 1751

384 Shovlin argues that this emphasis on restraint and respect for dynastic and diplomatic imperatives represented a key feature not just of the Dupleix episode, but of early-modern French political economy more generally. Shovlin, “War and Peace,” 307-308.
political and legal concerns was put on spectacular display during the Anglo-French peace negotiations in London. Diplomats on both sides feared that the Carnatic Wars would expand to Europe, and the English insisted on Dupleix’s recall as a condition for peace. Machault d’Arnouville, upon whom the responsibility to sack Dupleix ultimately rested, dismissed the governor in large part to placate the English.\(^\text{385}\)

Central to all of these claims was the idea that the Company performed a key mediating function, calibrating its commercial activities so as to manage the often-conflicting interests of crown, employee, and investor. The restrictions put in place over the colonial settlements—the Company’s prohibitions on private commerce, its injunctions against conquering new territory—were meant to make trade predictable and dependable, and thus safeguard the delicate balance of agendas that infused France’s overseas enterprise. According to critics like Delaître and Machault d’Arnouville, the Second Carnatic War represented a breakdown of this harmonious system. From the explosion of hostilities in India to the failure of negotiations with England, and from the new military costs imposed on the Company to the marginalization of its shareholders—the ill effects of this development were felt numerous times over.

By 1753, the Company’s patience was at an end. While Dupleix pled his case from afar, and Amat defended him in Paris, dissatisfaction over the flagging war effort united a diverse array of critics against the governor: royal commissioners, corporate directors, syndics, investors, and employees in India. These complaints created a culture of opposition to the governor as Machault d’Arnouville worked to create a peace with the English. They also provided a forceful reminder that commerce must be managed to be productive—or at the very least nondestructive. Few believed Dupleix’s description of the costs and benefits of his campaign, or accepted the

\(^{385}\) Dodwell, *Dupleix and Clive*, 79.
political economy that he used to justify his arguments.\textsuperscript{386} Indeed, just as Dupleix used the conflict in India as a way of rethinking authority within the Company, his opponents turned his exploits into a new justification for corporate control. The Company, with its procedures and hierarchy, served as the marker of legitimate colonial enterprise; the unguided actions of colonial employees, by contrast, represented a dangerous moral hazard—even when couched in claims about potential profitability. In the wake of Dupleix’s recall, these internal discussions boiled over into a divisive judicial dispute. The very logic behind the Company’s management of overseas commerce was put on trial.

\textbf{Trials and Tribulations}

In his 15 October 1754 diary entry, Ananda Ranga Pillai recorded the tragic scene of Dupleix’s recall, contrasting the ambitions of a once “great” man with the unceremonious circumstances of his departure.\textsuperscript{387} The colored flag, traditionally hoisted over the \textit{hotel de ville} to honor a governor on his return to France, was conspicuously absent; Dupleix in every sense seemed a defeated man. Where he once defended his policies with such vigor as to challenge the very logic behind underpinning Company commerce, he now quietly advised his replacement, Charles Godehau, on how to rule in his stead. Although he was unhappy to see his longtime superior forced from the place where had once “hoped to leave his bones,” Ranga Pillai was unwilling to spare him much remorse: “Such is the fate of the man,” he wrote, “who seeks his own will without the fear of God.”\textsuperscript{388}

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\textsuperscript{386} Dupleix found himself abandoned by several key allies within the Company administration, including his longtime patron François Castanier, not to mention his own nephew. In short, while he was able to generate support from new sources for his policies, his politicking also led to the destruction of his traditional base of support in Paris as well as to a lesser degree in Pondichéry.

\textsuperscript{387} Ananda Ranga Pillai, \textit{The Private Diary of Ananda Ranga Pillai, Volume IX}, 53.

\textsuperscript{388} Ibid.
Initially, Dupleix’s recall seemed to settle the conflict over colonial authority and Company policy begun by the Carnatic War. Soon after assuming the governorship, Godehau signed a treaty with the British to bring the fighting to an end. Dupleix, meanwhile, seemed to follow the course of quiet compliance outlined by his dubash. Upon reaching France, he was forced into a retirement. Although the directors stripped him of all his former offices and duties, they mostly left him alone, hoping the controversies of the last three years would quickly fade away. Such aspirations, however, proved fleeting; Dupleix would not be so easily consigned to the margins.

While he was willing to accept his expulsion from India, Dupleix also expected to be compensated for the personal expenses he had incurred during the wars. With the English fleet limiting supplies of bullion from France, Dupleix claimed he was forced to advance money for the war effort from his personal fortune. After returning to France, he wrote letters to the Company reminding it of its debts. His wife also contributed to this epistolary campaign, as did his nephew, Colonel Jacques Kerjean—an influential employee recalled to Europe because of his loyalty to Dupleix.389 When the Company ignored these entreaties, he sued it before the Parlement of Paris. This attempt to force the Company’s hand escalated into a decade-long series of legal disputes. These involved suits and countersuits between Dupleix and the Company, and defamation cases involving Godehau, Dupleix’s wife, and several prominent employees. Each trial led to new scandals, new libels, and new delays. Indeed, a judgment concerning the original indemnity suit would not be passed until 1776, when Dupleix’s assets from India were unfrozen

389 ANOM C² 205 Lettre du S. Kerjean qui se prétend créancier de la Compagnie d’une somme considérable, par la disposition que M. Dupleix a faite, 2 May 1758; ANOM C² 205 Lettre de Madame Dupleix; au sujet des comptes et prétentions de son mari, 12 January 1756.
and his debts restructured. It took the direct intervention of Louis XVI to settle the case for good in 1790.\textsuperscript{390}

More significant than how these cases were resolved is the way that they reignited—and ultimately reframed—the debates about empire and trade precipitated by Dupleix’s campaigns in India. Over hundreds of pages of legal briefs, the disgraced governor and the Company squared off over the principles and practicalities of colonial trade. What had begun as an internal conflict over policy and configurations of Company power evolved into a widely read \textit{cause célèbre}. As Sarah Maza argues, judicial proceedings grew into a source of public consumption in the 1760s and 1770s; the briefs (\textit{mémoires judiciaires}) from particularly celebrated trials were reprinted cheaply and sold by the thousands, and the forensic arguments within them couched in a sentimental language meant to drum up popular support for the defendants. As interest in these legal dramas grew, barristers used particularly sensational cases to advocate for larger political causes: they crafted stories not only to educate readers about the circumstances of a particular crime, but also to undermine the despotic policies of the crown, reinforce gender hierarchies, and effect judicial reform.\textsuperscript{391}

The drawn-out proceedings of the Dupleix case reflected many of these practices. Hoping to garner popular support for their claims, each side in this judicial contest employed the common techniques of forensic writing to make their arguments relatable and attractive to an audience untutored in foreign commerce. They presented biographical narratives laced with larger-than-life stories of tragedy and triumph, creating an emotional connection with their readership. They reduced complex calculations about credit, profit, and the moral and political

\textsuperscript{390} Mukhopadhyay, “Imperial Ellipses,” 26.

\textsuperscript{391} Maza, \textit{Private Lives and Public Affairs}, 27.
consequences of trade down to simple themes of equity, reciprocity, and fair compensation. And they called on an abstract public, and the reasoned opinion that supposedly guided it, as the ultimate arbiters in their judicial conflicts. Here competing claims about the political economy of empire adopted the tendentious tone and sensationalized style of the trial brief.

Dupleix’s first mémoire judiciaire offers an illuminating view into this blend of commercial science, biography, and legal writing. A firsthand narrative by Dupleix, the factum detailed his employment record and explained his motivations for publishing against the Company. The treatise was infused with pathos: Dupleix wrote at length about the calumniating enemies who forced him from the path of “moderation” and silence after returning to France; about his need to sell his wife’s “jewelry” in order to rescue Pondichéry from the brink of insolvency; about the spiteful officials in Lorient who impounded his personal effects—including his wife’s clothes; and about the Company’s willingness to profit from his efforts and expenditures without adequately compensating him.392 This tragedy-ridden framework served two purposes: it provided an index of Dupleix’s service to France, and established a personal connection between the governor and his wider reading audience. Indra Mukhopadhyay, for instance, compares the structure of Dupleix’s trial briefs to the narrative framing of eighteenth-century epistolary novels, which drew the audience in by breaking down by the barrier between author and reader.393

Dupleix and his family combined this theme of individual loss with legal arguments about the relationship between the Company and its employees to illustrate the nature of the corporation’s debt obligations. In his first mémoire he grounded his claims in a simple call for

392 ANOM C2 205, Mémoire de M. Dupleix (1756).
393 Mukhopadhyay, “Imperial Ellipses,” 22.
fair treatment by his superiors in the Company—all set against a backdrop of arbitrary policy, “cruel” calculation, and persecution.\textsuperscript{394} In a follow-up brief published in 1758, he elaborated on this assertion through specific references to contractual law, depicting himself as a proxy empowered to act on the Company’s behalf in India and entitled to compensation for all expenses incurred in this capacity.\textsuperscript{395} As he did in the letters written to the corporate directorate before his recall, Dupleix appended tables detailing the overall cost of his campaigns, the personal funds he contributed to the French war effort, and the projected revenues from the territorial concessions granted by Chanda Sahib and Muzzafar Jung.\textsuperscript{396} He relied upon an imprimatur of empiricism and legal precedent to legitimize his narrative of personal suffering, contrasting the transparency of his ledger books with the Company’s shadowy attempts to discredit his accounting.\textsuperscript{397}

Dupleix’s case evolved from a series of arguments concerning his rights to compensation into a systematic critique of French imperial policy. “India,” he noted in his second legal brief, “is a chasm where money perpetually enters but never leaves.”\textsuperscript{398} Throughout his various \textit{mémoires}, Dupleix recapitulated his earlier theories about the nature of colonial commerce, noting the importance of initiative, credit, and experience of individual traders. He argued that he was not only legal empowered as governor of Pondichéry to negotiate treaties and incur debts on the Company’ behalf, but that he was also compelled by the logics of overseas trade to commit to these acts without delaying to consult authorities in France. Dupleix hired Pierre le Gennes, the

\textsuperscript{394} ANOM C\textsuperscript{2} 205, \textit{Mémoire de M. Dupleix} (1756).
\textsuperscript{395} ANOM C\textsuperscript{2} 205, \textit{Mémoire pour le Sr. Dupleix contre la Compagnie} (1758).
\textsuperscript{396} Ibid.
\textsuperscript{397} Ibid.
\textsuperscript{398} Ibid.
attorney who had represented La Bourdonnais in 1751, to argue on his behalf in the compensation suit. An ironic consequence of this decision was that Dupleix ended up using many of the claims La Bourdonnais had earlier employed against him to criticize Company policy. While Dupleix professed his enduring fidelity to the Company and its economic interests, he painted the corporate administration as self-interested, averse to innovation, and jealous of its authority. This complaint centered both on particular employees, like Charles Godehau, and on the corporation’s management of trade in general.

Dupleix framed his claims as an appeal to an abstract group of public arbiters; references to earning the “public confidence,” to being “under the eyes of the public,” and to an “educated public” peppered his forensic writing. This narrative construction implicitly challenged Company authority. Duplex’s allusions to popular opinion were not merely symbolic flourishes; they were an acknowledgement of the readers who followed his trial with voyeuristic interest, and an attempt to press these spectators into his cause. Dupleix wrote in such a way as to illustrate the intricate circumstances of colonial commerce to a readership untutored in the principles of trade; he then called on this audience to render a verdict based on universal standards of justice and equity. Such appeals fundamentally undermined one of the Company’s central claims to legitimacy: the notion that only a group of commercial specialists, restrained through a rigid hierarchy and a wide assortment of disciplinary measures, could decipher and manage the exotic circumstances of trade in India. Throughout his legal briefs, Dupleix called on non-specialists to support his vision of commercial development. He “empowered” them to measure the economic interests of the French nation, and, ultimately, to sanction his claims about the proper relationship between the Company and its employees.

Joseph Dupleix, Réponse de Sieur Dupleix à la lettre du Sieur Godehau (1761), 8, 36.
At first, Company officials ignored Dupleix’s petitions, hoping to muffle his cries for compensation with their silence. But the former governor’s tenacity for litigation eventually compelled the corporation to respond with its own mémoire judiciaire in 1761. Charles Godehau, Jacques Maïssin, and Jacques Law de Lauriston—employees who were both libeled by Dupleix in his trial briefs—also brought their own suits against him. So too did a number of his creditors.400 These campaigns employed many of the same legal strategies as Dupleix; they appealed to popular sentiment, and reduced technical problems of commercial management down to more easily digestible questions about Dupleix’s character and motives. In the process, the litigants recycled arguments made about the Company and its authority during the initial debates over the Carnatic War.

Whereas Dupleix framed his case as that of an individual denied just payment by faithless corporate administrators, the parties who opposed the governor adopted a different strategy: each claimed that he had purposefully deceived the Company. Godehau, for instance, accused the governor of violating longstanding Company regulations against participating in local wars, and of arrogating the political authority of the Paris directors to himself.401 He cited Dupleix’s frequent usage of the Persian title given to him by Muzaffar Jung, Zapherzingue Bahadour—“always brave and victorious”—as evidence that the governor had forgotten his obligations to the Company in the pursuit of local power and esteem.402 Law de Lauriston echoed these claims. He insisted that the governor had “spilled [French] blood in order to fill his coffers with gold,” and had misrepresented the cost of the war to the Company’s directors.403 Like Godehau, Law de Lauriston

400 Martineau, Dupleix et l’Inde Francaise, 178.
402 Ibid, 87-88.
403 François Boisserolle, Plaine du Chevalier Law Contre le Sieur Dupleix (Paris: 1763), 72.
Lauriston argued that Dupleix’s ambitions made him dangerous and untrustworthy: “Brothers-in-law, nephews, parents, and friends; all, by turn, are sacrificed to his various caprices.” 404

A number of the different litigants complained about Dupleix’s desire to hide his crimes through cunning and false sentimentality. One of Law’s witnesses, for instance, condemned the governor for “writing for the public”: for hiring a “famous and eloquent barrister” to dress his arguments in attractive “falsehoods and lies.” 405 The Company leveled similar charges in a 1761 mémoire written in response to his lawsuit. Here Company agents criticized the governor for masking the real history of the Second Carnatic War behind irrelevant stories about his family, personal struggles, and service record. “The questions that should be discussed”—about Chanda Sahib’s legitimacy, about Dupleix’s status as a creditor for the Company, and about the utility of territorial holdings in India—are “the only ones that sieur Dupleix does not explain,” declared the Company’s memoirist. 406 These complaints extended beyond the tone and structure of the governor’s writing. The Company also protested his long history misleading his superiors, from the “tricks of the pen” that he used to mask the costs of his campaigns to his mendacious reports about military conditions in India. 407

In its countersuit, the Company built on evidence of Dupleix’s dishonesty to reinforce its central claims about overseas trade. The 1761 mémoire thus emphasized the importance of peace in promoting commerce, particularly in a region as lawless and disorderly as India. 408 Indeed, the Company’s barristers wasted little time in laying out the principles for appropriate commercial

404 Ibid, 78.
405 ANOM C² 205, Lettre à M. le Duc de ***, 1759.
407 AN 158 AP 19, Moyens de M. Dupleix contre la Compagnie.
408 Mémoire pour la Compagnie des Indes contre le Sieur Dupleix, 159.
practice. In their introductory remarks, they emphasized that “commerce should be restrained” by law and regulations, lauding the Company’s hierarchy for balancing order with initiative, and mercantile expertise with respect for royal authority.\footnote{409} The piece juxtaposed accounts of Dupleix’s double-dealing with reminders about the need for good bookkeeping and the importance of invariable regulations in controlling recalcitrant employees.\footnote{410} These arguments not only challenged the governor’s claim to have improved Company trade through aggressive expansion; they fundamentally undercut his argument that overseas commerce could not be successfully managed according to fixed principles of governance and political economy.

The company used the trial to promote itself as a safeguard for the nation’s commercial interests. Like Dupleix, the corporation’s barristers lined their forensic writing with references to a popular audience unfamiliar with the rudiments of colonial trade. In its mémoire, the Company represented its shareholders as a microcosm of the general public, with the interests of investors aligning perfectly with that of the French population as a whole.\footnote{411} Rather than call upon this readership to render judgment on France’s colonial politics, however, the Company reaffirmed its place as a supervisory institution that sifted through and balanced the competing political and economic interests that infused the French colonial project. Company writers spilled hundreds of pages of ink refuting the details of Dupleix’s argument—all of which was framed as a means of correcting popular misconceptions about the events surrounding the Second Carnatic War. But the Company also insisted that it was by no means obligated to educate outsiders about the vagaries of colonial politics. The 1761 mémoire noted that the corporation was an instrument of the state, “tied to the government by its administration and the protections it received,” and thus

\footnote{409} Ibid, 6-7. \\
\footnote{410} Ibid, 115-117. \\
\footnote{411} Ibid, 123.
complicit in the management of the realm.\textsuperscript{412} In such a capacity, the Company had a responsibility to keep certain policies a secret, even in a trial that cut to the very core of France’s commercial strategy.

Dupleix’s suit against the Company thus created a legal drama that both highlighted the ambiguities riddling trading operations in India and forced the litigants to stake specific claims about the nature of commerce. Often lost in the whirl of hyperbole, ad hominem arguments, and circumstantial evidence were deeper questions about the nature of wealth, the means of obtaining it, and the applicability of universal principles and standardized rules for regulating it. These were arguments about how to quantify commercial progress, about how to gauge the reliability of information coming from distant colonial locales and written by individuals with partisan agendas.\textsuperscript{413} They were conflicts over specific issues like the distribution of power within the Company, but also about more general concerns over the role of people as individual economic actors. The parties involved in this contest employed a common legal strategy by calling upon an abstract public to endorse their story of the events. While they attempted to win the support of voyeuristic spectators through colorful narratives of suffering, injustice, and personal triumph, they also charged these readers to act as impartial judges in validating their particular visions of empire and trade.

**Conclusion**

The factional conflicts that emerged from this Second Carnatic War offer a new perspective on its significance. From the first grumblings about Dupleix in Company council

\textsuperscript{412} Ibid, 5.

\textsuperscript{413} For questions about the reliability of colonial narratives see Stern, “Exploration and Enlightenment,” 65-69. On the more general problem about authorial status and reliability in commerce and commercial epistemology see Leng, “Epistemology,” 111-113.
meetings to the savage legal contest that ultimately followed, this affair helped crystallize an
ambivalent set of attitudes about France’s Indian trade into resolute positions concerning the
management of trade. Through this process, increasingly definitive claims about overseas
commerce seeped into the public consciousness. The controversy surrounding Dupleix’s policies
sparked new ways to talk about both the Company and the colonial enterprise it oversaw; it also
raised fundamental questions about the economic interests of the French nation, and the people
within it.

The 1750s have become increasingly seen as a moment of growing interest in the French empire. Concerned that France had not sufficiently developed itself as a colonial power, the
Intendant of Commerce Vincent Gournay embarked on a campaign to translate texts of political
economy and inculcate a spirit of commercial enterprise in the French people.414 French failures
in the colonial theaters of the Seven Years’ War, meanwhile, sparked numerous debates about
the value of empire and overseas trade, culminating in the revenge-oriented policies of the Duc
de Choiseul, France’s foreign minister. Such concerns were not just the preserve of high politics
and high culture. As John Shovlin has shown, the crown successfully mobilized popular support
for the preservation of its Atlantic empire through a concerted propaganda campaign from 1755
to 1756.415 By this period even the most remote and landlocked French towns were connected to
the colonies through a web of overlapping social networks, credit relations, and commercial
transactions linking the interior to the sea.416

414 For more on Gournay’s efforts see Reinert, Translating Empire, 148-152.
The fallout from Dupleix’s trial forces us to rethink these imperial connections in several ways. First, it demonstrates that concerns over France’s empire extended beyond the Atlantic and Caribbean. The Dupleix imbroglio broadcast to a wide audience the diverse nature of the France’s imperial commitments—the differences between distant enclaves in India and sovereign French territory in North America, and between commerce-oriented factory towns and settler colonies. These distinctions are important; the 1750s were significant not only as a result of France’s growing interest in its overseas possessions, but also because developments abroad exposed the French to the various types of commercial relationships, instantiations of sovereign power, and forms of international competition encountered across different colonial spaces.

An awareness of these factors not only provided greater appreciation of the problems of geo-strategy in the wake of the Seven Years’ War, but also gave contemporaries a new way of thinking about public life in the Old Regime. Although Dupleix and the Company framed their dispute as a contest over commercial strategy in a distant colonial locale, their conflict ultimately touched on the more basic relationship between individuals and governing institutions meant to regulate their economic interests. These were debates over hyphenated agents: the shareholder-citizen, the merchant-patriot, the Company-tyrant. As the threat of warfare in India loomed once more with the Seven Years’ War, the lines between domestic politics and commercial policy would become increasingly blurred.
CHAPTER 5: TREASON, PATRIOTISM, AND THE FALL OF PONDICHERY

Hell vomited me into this land of iniquities, and I am waiting like Jonah for the whale that shall receive me in its belly.

—Comte de Lally

“You have only ever regarded us as a society of petty merchants.” Thus wrote the members of the Superior Council of Pondichéry on 13 August 1760 to Thomas Arthur de Lally, the general appointed by the king to command France’s field armies in India during the Seven Years’ War. The council had ample reason to be frustrated: British forces had bested Lally in a series of battles and now threatened Pondichéry. In three months, the city itself would be under siege. Even as he imposed exactions of food and money on the settlement’s inhabitants, Lally went to great lengths to villainize both the Company and commerce more generally. In his dispatches to the Controller-General, he painted the councilors as an assortment of self-serving cabals, dominated by women and avaricious Indian servants, and who spoke nothing but “indecent words against the Paris administration.” A few months later, he declared Pondichéry “a Sodom” that was beyond saving. Under Lally, the council not only found itself excluded from managing the defense of the colony, but also branded as an internal enemy bent on

417 Superior Council to Lally, 14 August 1760, in Mémoire à consulter et consultation, pour le sieur Duval Dumanoir, & M. Duval d'Espremenil, avocat du roi au Châtelet, héritiers du feu sieur Duval de Leyrit, gouverneur de Pondichéry: avec les lettres que les sieurs Duval de Leyrit & de Lally se sont écrites dans l'Inde, pour servir de pièces justificatives Mémoire à consulter et consultation, pour le sieur Duval Dumanoir, & M. Duval d'Espremenil, avocat du roi au Châtelet, héritiers du feu sieur Duval de Leyrit, gouverneur de Pondichéry: avec les lettres que les sieurs Duval de Leyrit & de Lally se sont écrites dans l'Inde, pour servir de pièces justificatives (Paris: L’Imprimerie Michel Lambert, 1766).

418 ANOM C² 95, Lally to Boulougne, 12 June 1759.

419 Lally to de Leyrit, 14 February 1760, in Voltaire, Fragments sur l’Inde.
undermining the French military. Next to the war effort against the British emerged a parallel conflict over the virtues and loyalties of the Company’s employees—one that would not be resolved until Lally’s conviction and execution for treason six years later.

This tumultuous relationship reflects the difficulties that the French army faced when cooperating with its colonial partners during the Seven Years’ War. In Canada, royal officers reacted with disdain toward their Amerindian allies, who lacked the discipline of regular forces but nonetheless exceeded them in military effectiveness. In India, meanwhile, European soldiers fought alongside a disorganized Company army composed mostly of impressed prisoners and native mercenaries. Reliant on pillage to offset their meager incomes, and employed by a corporation that, to its detractors, reeked of corruption and odious privilege, this force inspired little confidence among the French regulars. Even as the crown ministry oversaw an unprecedented propaganda campaign designed to underscore the value of France’s overseas colonies to the nation, royal officers struggled to overcome the differences in race, culture, and social organization that they confronted abroad. Instead of promoting a common cause through the shared objectives of military service, the Seven Years’ War often served to highlight the distinctions between French subjects in the metropole and the colonies.

This chapter explores the conflicts that arose between Company and crown forces during the Seven Years’ War, concentrating in particular on the contentious dispute between Lally and the conseil supérieur of Pondichéry. I argue that the failures of this military collaboration spurred Company employees to develop a newfound political assertiveness. While Lally raged

420 Julia Osman, “The Citizen Army of Old Regime France” (PhD diss., University of North Carolina at Chapel Hill, 2010), 64-68.

421 On royal propaganda during the Seven Years’ War see Edmond Dzeimbowski, Un nouveau patriotisme français, 1750-1770: la France face à la puissance anglaise à l’époque de la guerre de Sept Ans (Paris: Voltaire Foundation, 1998) and Bell, The Cult of the Nation in France; on the implications of this propaganda campaign for understandings of empire, see Shovlin, “Selling American Empire on the Eve of the Seven Years’ War,” 147-149.
about suspected treasons, the Pondichéry council insisted on its loyalty to the French nation—first to the general himself, and then to royal authorities back in France. Both sides in this contest adopted a common language of patriotism, casting a localized and personal dispute in the more general terms of French national interest. Such claims suggest the growing importance of the French state as a source of legitimacy in the eighteenth century. During the Seven Years’ War, crown officials successfully forced the reluctant Company settlements, which often tried to maintain neutrality in the face of European conflict, to fight on their behalf in India. Even as Company soldiers brided under the command of royal officers, they committed themselves to a war plan laid out in Versailles.

This chapter, however, is about more than the growing capacity of the crown to impose order over privileged officeholders operating outside French territory. While the conflict between Lally and the Pondichéry council spurred Company men to define themselves more explicitly as Frenchmen, they did so on their own terms—developing a language of patriotism, and a vision of the French nation, that could facilitate both colonial politics and corporate intrigue. Such efforts point to a more de-centralized process of state formation than is traditionally recognized in France at the end of the Old Regime. Building on Tocqueville’s thesis about the ineluctable process of state centralization, historians have emphasized the numerous ways in which the crown expanded its authority over the course of the eighteenth century; during this time, the monarchy created a sophisticated bureaucracy and a standardized system of taxation, all the while reducing the political power of oppositional groups like the parlements. Often, the consequences of this process have been taken as evidence of preexisting intent: a “conscious will”

422 Tocqueville, The Old Regime and Revolution. on monarchical standardization through tax administration, see Kwass, Privilege and the Politics of Taxation in Eighteenth-Century France; on the growing standardization and bureaucratization of the French state see Bossenga, The Politics of Privilege and Smith, The Culture of Merit.
spurring the crown to increase its administrative authority. As I argue, though, this process of centralization was less the product of a coordinated effort of crown expansion as it was a negotiated process in which subordinate authorities invoked state power in order to gain local status and authority. Less Leviathan than a source of legitimacy for various interest groups, the absolutist state was constituted, in many ways, from the outside-in—a “net effect” of numerous instances of claims-making and internal competition.423

This chapter, in short, shows how conflicts between different agents of the monarchy helped create new ideas about French nationhood. In their disputes with Lally, Company employees not only insisted upon their civic loyalties; they also relied upon the high courts and a new culture of public debate to provide themselves with legal sanction while branding their accuser as a state criminal. They recast Company affairs as the affairs of the nation, adopting a language of common interests that elided differences in geography and status to emphasize shared connections with other Frenchmen. And, in identifying themselves as aggrieved subjects, they expanded the ideological reach of the crown to make it apply in distant settlements and unfamiliar political circumstances. Neither openly resisting nor unquestioningly obeying the monarchy, Company employees instead insisted upon their place within a French national community that was, in part, of their own making.

423 This formulation is indebted to Michael Braddick’s work on state formation in early-modern England, which focuses on the relationship between centralized authority and local institutions, and the symbiotic dynamic in which subordinate officials invoked state authority to legitimize decision-making on the local level and, in turn, expanded the state’s political reach. While Braddick’s analysis is rooted in the specific political circumstances of Tudor and Stuart England, his model of state development is also useful for understanding political relationships in other contexts, such as Bourbon France. See Braddick, State Formation in Early Modern England, 88. On the implications of this model for French political life, particularly in France’s New World colonies in the seventeenth century, see Dewar, “Litigating Empire,” 51-52.
A Mercantile Army

Over the course of the eighteenth century, the royal army developed into a bold political laboratory—a site where reformers investigated the pressing questions of authority, political will, and national identity facing France in the final decades of the Old Regime. As David Bell has shown, the carnage of the Seven Years’ War channeled these energies into a particularly virulent brand of patriotism, blending incipient notions of French nationhood with a xenophobic antipathy toward France’s chief enemy in the conflict: Great Britain. In stark contrast to earlier French conflicts, which were seen as battles between opposing royal houses or religious factions, literature during the Seven Years’ War framed the violence as a clash between two “irreconcilable nations.” Frenchmen voiced their loyalty to the patrie, and their hatred of the British, in increasingly visceral tones. Poems, songs, and panegyrical essays elevated fallen French soldiers to martyrdom, while invective-stained pamphlets denounced the “perfidious Albion” and all he stood for. Throughout the conflict, propagandists emphasized the mythical roots of the French nation and the affective ties between its people, framing these ideas through reference to British difference.

Behind this war-fueled chauvinism, however, lurked a more hesitant and uneven sense of national identity. The patriotic rhetoric preached by the crown was fundamentally inclusive, reflecting a common bond between citizens, and affective ties that went beyond differences in legal, social, and economic status and particular type of government. Such notions were given


425 Bell, The Cult of the Nation in France, 80-81.

426 The process of “othering” has been shown to play a key role in the process of nation building in the eighteenth century—a point made by Linda Colley in her study of the development of British national identity in the eighteenth and nineteenth centuries. See Linda Colley, Britons: Forging the Nation, 1707-1837 (New Haven, CT: Yale University Press, 2005), 5-7.
institutional form by the early revolutionaries, who substituted a system of citizenship based on juridical equality and shared national identity for the invidious, privilege-seeking subject of the absolute monarchy. Yet even during the final decades of the Old Regime, patriotic sentiment was often premised on the very same divisions, privileges, and legal exceptions that this language of national citizenship was supposed to transcend. In the constitutional disputes leading up to the Revolution, everyone from venal magistrates objecting to the impositions of the crown to nobles defending traditional tax exemptions claimed to speak on behalf of the “nation,” defining the collective will of the French people in terms of specific corporatist interests. 427 Enlightenment thinkers, meanwhile, frequently looked to privileged society to articulate the values of French nationhood, as Montesquieu did when he argued that the nobility’s competition for honor represented an ideal foundation for good citizenship. 428 The evolution of French patriotism during the eighteenth century thus entailed not only a growing recognition of the nation as a political and cultural unit, but also a charged debate about the relationship between social distinction and civic virtue. 429

Scholars have generally overlooked the role of French colonialism in nurturing the patriotic impulses of the Old Regime. For many historians, France’s overseas possessions became important only in their absence—the loss of the North American colonies during the Seven Years’ War bringing France’s disaffected subjects together through a common desire for vengeance. Yet far from occupying a marginal role in the development of an inchoate national consciousness, France’s empire exposed many of the underlying limits to patriotic thought in the

427 On this tendency to frame ideas about the nation and public interest through corporate idioms, see Baker, Inventing the French Revolution and Kessler, A Revolution in Commerce. For the significance of these idioms in post-revolutionary social and political life see Sewell, Work and Revolution in France.

428 Montesquieu, De l’Espirt des Lois (Paris: P. Forrat Frères, 1931), Book III.

429 Jay M. Smith, Nobility Reimagined, 6-9.
eighteenth century. From Mahé to Martinique, colonial councils worked to clarify the legal and political rights of French settlers so as to push the crown into relaxing its trading restrictions. Even the most basic business of empire-management forced administers to negotiate a shifting dichotomy of subjecthood and non-subjecthood, the lines of which were redrawn through statutes determining who could possess property, serve in town militias, or hold local office.\textsuperscript{430}

Indeed, even as Old Regime writers came to speak of the nation as a primordial community carrying with it specific cultural characteristics and loyalty claims, many still saw the terms of membership as highly conditional, especially within the context of France’s overseas territories.\textsuperscript{431} Thorny questions abounded across the colonial sphere: Could Frenchmen maintain their national character in distant lands and unfamiliar climates like that of India, especially given the influence that Enlightenment thinkers imputed to geography and temperature in the development of human personalities?\textsuperscript{432} To what degree did institutions like the Company, which exercised sovereign claims over exotic spaces, be considered part of a territorially-bound French nation? Situated far outside the levers of state power, Company settlers often invoked patriotism to gain authority over local commercial and political affairs. Yet such loyalties were inconsistently professed. As we have already seen, corporate officials adopted a variety of identities in the interest of colonial diplomacy; depending on the audience, they alternatively cast themselves European subjects, independent merchants, plenipotentiaries exercising proxy


\textsuperscript{431} For the changing definitions of French citizenship in the Old Regime see Peter Sahlins, \textit{Unnaturally French: Foreign Citizens in the Old Regime and After} (Ithaca, NY: Cornell University Press, 2004), 4-14.

\textsuperscript{432} Montesquieu, \textit{De l’Esprit des Lois}, Book XIV.
sovereign powers, or the feudatories of Indian princes. Throughout the course of Company service, the bonds between subject and sovereign were repeatedly made and unmade, as royal tradition was reframed according to the dictates of natural law, inter-imperial politics, and Mughal contract.\footnote{The cultural processes of subject-making in eighteenth-century imperial settings have been studied most closely by scholarship on the British empire. See, for instance, Hannah Weiss Müller, “Bonds of Belonging: Subjecthood and the British Empire,” Journal of British Studies 53 (January, 2014), 34-35.}

Far from resolving the divisions imposed by privilege and geography by aligning the obligations of Company members more closely with those of their fellow Frenchmen, military service spurred both jurisdictional disagreement and personal conflict. Like other early-modern European trading corporations, the Company divided its employees into civilian and military arms: \textit{la plume} and \textit{l’épée}. Vital to the defense of vulnerable settlements in Asia and the Indian Ocean, the second was rarely appreciated and often criticized. The Company directors condemned most offensive actions by its administrators, reiterating the popular argument that violence harmed trade.\footnote{This tension has been most famously analyzed by Albert Hirschmann. See The Passions and the Interests: Political Arguments for Capitalism Before its Triumph (Princeton, NJ: Princeton University Press, 2013).} Many shareholders proved similarly critical of martial activity, especially since excessive military costs could reduce dividend payments.\footnote{Philippe Haudrère, \textit{La Compagnie Française des Indes au XVIII\textsuperscript{e}}, 128-139.} In India, the civilian and military spheres often squabbled. The Company’s heavy defense budget limited commercial opportunities: soldiers outnumbered civilians in every settlement, and smaller towns like Mahé could afford little beyond their garrison costs.\footnote{Company troops far outnumbered the merchants and support staff living in the factories. Manning estimates that over half of the French population in India from 1727 to 1747 consisted of soldiers. Catherine Manning, \textit{Fortunes à faire}, 69.} Dissatisfied soldiers, many of them former prisoners impressed into service, deserted in droves. Anquetil Duperron, a celebrated French
scholar of Persian, noted that 40 of the troops quartered on his ship during his 1756 voyage to India abandoned the Company when they reached Pondichéry.  

Intra-service rivalries with regular French forces abounded during times of war. In some instances, the Company’s sailors and soldiers cooperated effectively with their counterparts in the royal navy and army. During the Company’s years of operation, over 100 of its officers received brevets to serve on the king’s ships, and dozens of senior officers in the royal navy commanded Company vessels. Yet there were also notable disagreements between the two services. The Company supplemented its allocations of European troops by commissioning indigenous auxiliaries; these men, who constituted the bulk of the Company’s soldiery in India, served as everything from infantry and cavalrymen to porters, sailors, and support staff. Vital to the Company’s war effort, such diversity nonetheless stirred racial tensions. French regulars also bridled under the command of Company traders, recalling traditional French biases denigrating the acquisition of money while celebrating the pursuit of military glory. Mahé de la Bourdonnais, for instance, is reported to have rallied his troops into supporting him during his conflict with Dupleix by playing on their aversion to being commanded by “mere merchants.”

Even to its supporters, the Company fit uncomfortably within a broader project of national defense. According to one 1761 memoirist, the corporation’s Indian settlements “were

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437 Duperron, *Voyage en Inde*, 81-82.


439 Native soldiers could not advance in rank in the French army, while Indian sailors on Company ships were occasionally mistreated and underpaid. See Dalgliesh, *The Perpetual Company of the Indies in the Days of Dupleix*, 110-112


441 Résumé des Lettre du Conseil Provincial de Madras avec Mahé de la Bourdonnais, Dupleix, le Conseil Supérieur et Divers, 7 October 1746.
isolated and circumscribed establishments that contained no Frenchmen other than the employees and officers in its employ.”"442 Such towns could be easily “abandoned, whenever their commerce required it, without affecting the glory of their king.”"443 While refuting claims from critics of the corporation, who insisted that it aspired to become a “state within a state,” the author nonetheless noted that the Company’s mercantile ethos endowed its members with a fundamentally different code of conduct than that of regular French subjects. Administered according to the dictates of commerce, the corporation created an institutional culture that cohered little with the war-like, honor-driven culture of France more generally.444 The naval administrator-turned-belle-lettriste André-François Deslandes echoed these sentiments, arguing that the French national character was poorly suited for the tedious commercial vocations practiced by the Company.445

The Company’s performance in past conflicts did little to allay suspicions about its military capabilities, or about its willingness to incur costly sacrifices on behalf of the crown. The French lacked a strong naval presence in the Indian Ocean, and the Company’s settlements were often left to fend for themselves during times of war. To avoid the destruction of their commercial infrastructure in India, employees would negotiate ad hoc peace agreements with their Dutch and British counterparts on the subcontinent—with varying degrees of success. While Dupleix’s entreaties failed to prevent the outbreak of hostilities with Madras during the War of the Austrian Succession, councilors in Mahé were able to maintain a regional non-

442 ANOM, 25 DFC 96, Mémoire sur la nécessité d’une Compagnie exclusive pour le commerce des Indes Orientales (1761).
443 Ibid.
444 Ibid.
445 André-François Deslandes, Essai sur la marine et sur le commerce (Paris: Chez François Changuion, 1743), 158-159.
aggression pact with British traders in Tellichery for nearly twenty years. Prior to the start of the Seven Years’ War, the Superior Council of Pondichéry likewise labored with officials in Madras to create a comprehensive neutrality agreement, though this effort ultimately failed.446

In France, too, Company officials struggled to reconcile the conflicting imperatives of trade and conquest. At a shareholders’ assembly in 1746, for instance, corporate representatives refused to provide investors with a “detailed account of the Company’s [financial] operations,” arguing “that prudence dictates concealing the condition of the Company from our enemies.”447 The creation of a six-man secret committee tasked with overseeing the corporation’s military affairs further underscored this tension between fiscal transparency and military secrecy.448 Intra-Company feuding created additional problems. The beginning of the Seven Years’ War saw the corporation embroiled in its ongoing dispute with Dupleix, one that pitted high-ranked officials within the Paris administration against several of the Company’s most successful commanders in India. In this climate of mistrust, Company officials were quick to label their opponents as “internal threats” bent on undermining both crown and the corporation for personal gain, creating doubts about the ability of Company agents to conduct military operations on behalf of either crown or country.

Yet at the same time as the Company's uneven war record produced misgivings about its loyalty, reformers offered some startling reassessments of the corporation’s capacity for civic virtue. In an attempt to facilitate the development of commercial society in France, royal

446 IOR H 94, Duval de Leyrit, 1755; Fort Williams to Admiral Watson, 3 January 1757.

447 ANOM C232, Je vous dois, Monsieur, un compte exact de ce qui s’est passé hier, 20 Octobre 1746 à l’assemblée de la Compagnie des Indes, le voicy.

448 For the correspondence between Company officials and this Secret Committee, see AN 158 AP 6, Registre des lettres écrites par Monsieur de Leyrit à Messieurs du Comité Secret de l’Inde, au Ministre, et aux Commissaires du Roi à la Compagnie des Indes à Paris (5 Octobre 1755 jusqu’à 11 Septembre 1756) and IOR H 94, Duval de Leyrit to the Secret Committee of the East India Company
administrators in the 1750s embarked on a publicity campaign that sought to reframe mercantile activity as a form of state service, imputing to traders a selfless love for their country that overrode any baser pecuniary agendas. While few advocates actually equated this “patriotic commerce” with the violent sacrifices undertaken by the French army, such efforts nonetheless helped combat traditional biases against the Company by making its merchants appear concerned with the broader interests of the nation. Some prominent apologists went so far as to see the values inherent in trade as foundational qualities for modern citizenship. The abbé Coyer, for one, equated commerce with the humanist ideal of active living, contrasting the utility and productiveness of mercantile activity with the idleness, waste, and vanity of military-oriented society.449

Within these same circles, a growing concern with the geo-political implications of commercial rivalry complemented these claims about merchant patriotism. As Istvan Hont has argued, a pathological “jealousy of trade,” characterized by an obsession with economic competition, emerged as a dominant theme in the commercial science of the eighteenth century—supplanting earlier understandings of commerce as form of peaceful sociability.450 Contemporary political economists often described trade in bellicose terms, envisioning the marketplace as a zero-sum game and lacing their works with analogies to violence and combat. Commerce, in this sense, served as a proxy for actual warfare: a means of protecting the nation, imposing power over lesser states, and ensuring France’s survival.451 During the 1750s, concerned administrators such as Vincent de Gournay, the intendant du commerce, poured state


450 Hont, Jealousy of Trade, 3-4.

451 For this “militarized” conception of commerce see Shovlin, “War and Peace,” 311.
resources into various projects meant to increase the commercial disposition of the French population, commissioning translations of several major works of early-modern commercial science. For many of these more competition-minded commercial thinkers, Company employees were on the frontlines in a contentious battle over the nation’s economic future.

The Company therefore found itself in a confusing position at the outbreak of the Seven Years’ War. Decried in some camps as avaricious merchants who by their very vocation could never adopt the selfless virtues of citizenship, Company employees were seen by others as new-model patriots who played a vital role in the nation’s defense. Reluctant to engage in a protracted military campaign, the corporation was not only forced to commit its own soldiers to combat the British in India, but also to fight alongside royal troops with whom it had traditionally struggled to cooperate. The conflict with Lally would bring questions about the Company and its obligations to the fore, pushing employees to assert both their rights as French subjects and their capacity for civic virtue.

“Here bad faith is extended to its very limits”

During the War of the Austrian Succession, French policymakers at Versailles relegated India to a secondary theater—with disastrous consequences for the Company. With no French naval vessels in the region, the British ravaged commercial shipping in the Bay of Bengal for nearly a year before Mahé de la Bourdonnais’s squadron arrived in relief. Ten years later, royal planners proved more proactive in defending France’s Indian settlements, dispatching two regiments under Lally to India soon after hostilities were declared between France and Britain in 1756. The first French troops arrived in Pondichéry the following year. While Lally’s

deployment was not rapid enough to prevent the British capture of Chandernagor in the early months of 1757, it did provide the Company with a large advantage in manpower and material along the Coromandel Coast.

Company administrators in Paris understood this effort as not only a defensive campaign against the British, but also as an opportunity to establish greater control over its colonial employees in the wake of Dupleix’s defiant policymaking. Lally was their handpicked candidate: he had extensive military experience and, more important for officials in France, was opposed to implicating Company forces in native political squabbles.\footnote{Daniel Baugh, \textit{The Global Seven Year’s War: Britain and France in a Great Power Contest} (Harlow: Pearson, 2011), 463.} His mission carried with it two seemingly overlapping mandates. While the crown tasked Lally with the defense of the French settlements in India, the Company ordered him to reduce corruption among its colonial merchants and administrators. In a 1758 letter to the general, for instance, the Controller-General Jean de Boulougne pushed him to discontinue the common practice of subcontracting Company troops in exchange for money and local favor—projects, he claimed, that “exhausted the Company” and succeeded only in “enriching individual officers.”\footnote{ANOM C\textsuperscript{2} 95, Lally to Boullogne.} By its own instructions, the Company thus made Lally responsible for the policing of refractory traders and the creation of a new disciplinary regime in India, giving him wide latitude to define the boundaries between licit and illicit activity among Company employees there.

Almost from the beginning, however, Lally struggled to reconcile European military practices and standards of conduct with the dictates of a distant colonial theater. The general stamped his arrival in India with immediate success, capturing the British outpost at Fort St. David, less than twenty miles south of Pondichéry. Yet even victory produced intractable
logistical problems. Lally brought nearly three million *livres* with him to finance his campaign, intending to cover any additional debts by drawing on the credit of Pondichéry’s Superior Council. Despite these preparations, costs quickly spiraled out of control. The Company depended heavily on local contractors to supply its army and to man its wagon train; even short campaigns required vast expenditures on food, support staff, and native mercenaries.\(^{455}\) Their reserves exhausted by over twelve years of steady warfare along the Coromandel Coast, the Pondichéry council could do little to supplement Lally’s war chest. The general’s aversion to meddling in local politics cut off other sources of income, particularly in the Deccan, where Bussy had maintained close relations with Nizam of Hyderabad. Soon after his capture of Fort St. David, Lally would find himself disastrously short of money and provisions.

Inconsistent support from the French fleet under the comte d’Aché, which had carried Lally to India and remained in the Bay of Bengal to combat a British squadron there, exacerbated these supply problems. After the conquest of Fort St. David, Lally turned his attention to Madras, which he planned to take through siege. The general called on the French squadron to transport food and artillery for the upcoming campaign. D’Aché, however, refused to risk his ships in an engagement with the British fleet, retreating to Ceylon and stranding the French army in Pondichéry. In desperate need of supplies, transportation, and funding, Lally then turned his attentions to the nearby kingdom of Tanjore, whose Raja he forced into a one-sided alliance intended to victual his troops in preparation for an assault on Madras. Through a campaign marred by violence—Lally threatened to “sack, pillage, burn, and impale” those towns and individuals who refused his entreaties, strapping several Brahmans to the muzzles of his cannons

\(^{455}\) Baugh, *The Global Seven Year’s War: Britain and France in a Great Power Contest*, 465.
and firing—the French gained much needed supplies and money. Yet even these violent exactions did little to restore Lally’s forces to a sound logistical footing. When the general finally launched his assault on Madras in December 1758, he could keep his army on the field for little more than three months before desertion and a lack of food compelled him to retreat to Pondichéry.

These setbacks brought long-simmering tensions over the Company’s role in the war to the fore. Frustrated with the delays to his campaign, and predisposed by his instructions to suspect the Company’s colonial administrators, the general vented his frustration at the “abyss of misappropriation” into which he believed Pondichéry had fallen. Alongside the stagnating war effort against the British emerged a parallel conflict between Lally and the city’s administrators. The general also became involved in a protracted feud with the comte de Bussy—the senior Company commander in India—whom he petitioned repeatedly for personal loans to sustain the French effort. Over the following months, Lally shifted the blame for his losses to Pondichéry’s council, saving his harshest words for its leader: Georges de Leyrit. The general’s poor choice of allies only aggravated this tense relationship. Lally increasingly sought council with a Jesuit missionary named Père Lavaur—a cunning manipulator who volunteered to act as an intermediary between the general and the Company’s employees. Despite his pretended lack of interest in local politics, Lavaur played both sides off each other, adding to the friction in the

456 IOR ORME Mss 16, Letters written by an officer, who came in the squadron with Lally, to a person of distinction in France, from April 23rd 1758 when the squadron had sight of the island Ceylon to the 18th of October 1759, when the French troops revolted and were brought back by Viscount Fumel. On the death of the Brahmans, see Baugh, The Global Seven Year’s War, 468.

457 ANOM C² 95, Lally.

458 AN 158 AP 5, Mémoire à consulter et consultation, pour le Sieur de Bussy, Maréchal des Camps et Armées du Roi au sujet du Mémoire que le Sieur de Lally, Lieutenant Général, vient de répandre dans le Public (Avec les Lettres que les Sieurs de Bussy et de Lally se font écrites dans l’Inde, pour servir de pièces justificatives).
hopes of turning their growing conflict to his advantage by becoming a “trusted” advisor to whichever side eventually prevailed.\textsuperscript{459}

The general’s growing criticism of the Pondichéry council betrays a singular logic: Company employees were intentionally undermining the French war effort in order to safeguard their ill-gotten fortunes. On a map of the 1746 Madras siege, repurposed by Lally into a makeshift chronicle of his own campaigns, the general wrote despondently of how his soldiers had been reduced to “eating on the credit and from the table scraps of the [Pondichéry] councilmen.”\textsuperscript{460} He recorded similar complaints in his letters to Company authorities in France, even as the councilors insisted that “they had exhausted all of their resources” trying to resupply the army.\textsuperscript{461} Such accusations were not merely the product of a suspicious mind, but also a manifestation of a particular vision of national service—one that elevated the war effort to a paramount place, and that viewed the corporatist and commercial dispositions of Company employees as incapable of supporting patriotic behavior. Consider a letter written by Lally to de Leyrit in August 1760, which cast the mounting discord between the military and the Pondichéry notables as a natural outgrowth of Company corruption: “But I declare it is in your nature to object to having a superior on the council, to having a superintendent, and for the entire colony, as merchants, to see royal troops arrive here who are not in your pocket, and therefore animated by different interests.”\textsuperscript{462}

\textsuperscript{459} Tibulle Hamont, \textit{La Fin d’un Empire Français aux Indes sous Louis XV} (Paris: E. Plon, Nourrit, et Cie, 1887), 199.

\textsuperscript{460} RL, \textit{Madraz et Fort St. George}.

\textsuperscript{461} ANOM C\textsuperscript{2} 95, \textit{Conseil supérieur} to Lally, 3 March 1759.

\textsuperscript{462} Lally to de Leyrit, 16 August 1760, in \textit{Mémoire à Consulter et Consultation pour le Sieur Duval Dumanoir}. 
One can see evidence of similar tensions in other dealings between Company administrators and French military officials, as during d’Aché’s efforts to resupply his fleet in Ile de France. An overly cautious commander who, according to one subordinate, was “detested by all his men [tout son corps],” the Admiral harbored his ships in the Mascarene Islands during the monsoon season in 1758. There he embarked on the painfully slow process of refitting his forces—an effort that took so long (nearly a year) that it earned d’Aché the condemnation of both Lally and the governor of Ile de France, René Magon. Over the course of these drawn-out repairs, the admiral’s relationship with the islands’ chief administrators became strained as his sailors requisitioned much-needed food and supplies from its inhabitants.

Incapable of supporting even their own populations through local agriculture, which concentrated mostly on cash crops such as coffee and cotton, the colonies’ provisions were soon depleted by the extra mouths. Noting that the French settlements had “exhausted themselves under the weight” of supplying d’Aché’s fleet, Magon repeatedly begged the admiral either to return to the Bay of Bengal or to search out additional provisions from the Dutch colony at the Cape of Good Hope. D’Aché, in response, accused the governor of aspiring to impede the military projects of the king through “guile” and “tortuous conduct”—a sentiment he reiterated in his reports to Paris. Driven to the extremes of frustration by both the admiral’s requisitions and unwillingness to accept that the islanders were not concealing food from the fleet, Magon

463 ADIV 1 F 1892, Journal de M. des Bretonnières.

464 There is some debate about whether or not the Mascarenes were simply unable to provision themselves because of physical conditions on the island—soil conditions, climate, agricultural infrastructure—or whether Company policies, which forced the islands’ inhabitants to grow cash commodities and buy foodstuffs at a premium, created conditions of scarcity there. See Megan Vaughan, Creating the Creole Island: Slavery in Eighteenth-Century Mauritius (Durham, NC: Duke University Press, 2005), 52.

465 ANOM C 4 11, Mémoire de M. Magon présenté à M. le Ct. d’Aché le 4 Juin 1739.

466 ANOM C 4 11, d’Aché to Magon, 13 July 1759.
eventually quit his position and returned to France. There he would find that d’Aché’s dispatches had already poisoned the opinions of the corporate directors against him. As in the case of Lally and the council, inadequate provisions provided the pretext for questioning the loyalties of Company agents.

In each circumstance, French military commanders adopted a fundamentally different view of the common interest than their Company allies. Like the Paris directors, the controller-general, and other senior officials in France, Lally viewed the Company as a constituent part in a broader war effort; the corporation was expected to facilitate the campaign in India, rendering up men and supplies while playing a subordinate role to the regular forces sent to the subcontinent. “Your duty,” he wrote to de Leyrit in 1760, “is to receive every morning my orders regarding the civilians here, and to use your authority to execute them.” Employees in India, by contrast, expected to be protected as well as to serve—to maintain the integrity of French commerce and the Company’s colonial settlements while also fighting against the British. In both Pondichéry and Ile de France, colonial officials bristled as the broader challenges of integrating Company employees into a war effort run from Europe gave way to accusations of disobedience and disloyalty. These difficulties extended beyond Lally’s reluctance to adjust his war plans, which failed to account for the logistical impediments of colonial warfare and hindered the establishment of any type of collaborative relationship with the princes of the Deccan. At the most basic level, they reflected an underlying disconnect over the duties that Company members owed to administrators in other bureaucratic spheres such as the royal army.

467 SHDL 1P 305, Mémoire, 19 April 1762.

468 AN 158 AP 70, Lally to De Leyrit, 30 September 1760.
By the summer of 1760, the conflict along the Coromandel Coast had turned decisively against Lally’s forces, which had retreated back to Pondichéry. The British began laying siege to the city in September, having already captured many of the other Company settlements. While Chandernagor had fallen in 1757, Masulipatam capitulated in 1759, an event that pushed Salabat Jang to renege on the territorial concessions he had granted to Dupleix and sign them over to the British. In Pondichéry, frustration boiled over into open disobedience. Lagrenné, who served as the secretary of the conseil supérieur, threatened to quit his post in response to Lally’s harassment. Defamatory graffiti denouncing the general appeared on several public streets, while a muster of Pondichéry’s militia descended into an impromptu mutiny against Lally, which only the direct intervention of de Leyrit succeeded in dispersing. Members of the council, meanwhile, grew increasingly firm in asserting their rights against Lally, and in trying to reconcile the competing obligations of colonial governance with the need to defend France’s national interests on foreign soil.

In August 1760, the council petitioned Lally to convoke a “national assembly” comprised of all the colony’s French inhabitants. Once constituted, this collective body would present a formal grievance against d’Aché for his refusal to bring his fleet back to the Bay of Bengal in support of the city and manage the defense and provisioning of Pondichéry during the upcoming siege. By this point, Lally had essentially stopped consulting the conseil supérieur on political matters, appointing his own clients to administrative positions and ruling through executive

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469 Baugh, The Global Seven Years War, 474-475.
470 ANOM C² 95, Langrenné to the Superior Council, 20 May 1759.
471 On the spread of seditious graffiti around the city, see ANOM, M 160, 10 August 1760. On the failed mutiny against Lally, see Hamont, La Fin d’un Empire Français aux Indes sous Louis XV, 256-257.
472 De Leyrit to Lally, 15 August 1760, in Mémoire à Consulter et Consultation pour le Sieur Duval Dumanoir.
The August “revolution,” as it has since been termed, attempted to create a more equitable system of governance by involving all Company employees in the administration of the city. While finding justification for this reform agenda in the Company’s “constitution,” which delegated the administration of the French settlements in India to a representative council, the councilors also cited the exigencies of the upcoming siege to push for an expansion of the city’s franchise. With the entire remaining population of Pondichéry under threat by the British, all its inhabitants were thought to have a stake in its defense. After initially resisting the councilor’s petitions, Lally finally conceded to their demands, becoming the reluctant president of the new national assembly. The body fell apart soon after.

In short, the growing British threat pushed the council not only to press for greater administrative responsibilities in Pondichéry, but also to clarify the status and responsibilities of the city’s inhabitants—both as employees and subjects of the French crown. Theoretically, Company agents were organized in a strictly defined series of vertical relationships; they served under the king and his councilors, receiving payment and other incentives for their labor. As conditions in Pondichéry deteriorated, however, the councilors reframed the hierarchical structure of the corporation as a set of horizontal solidarities, arguing that their service endowed them with a common set of rights such as security from arbitrary punishment and a voice in the war council. Both Lally and d’Aché saw the inability of the colonial governors to provision their forces as proof of bad faith by the Company’s merchant-subjects. The Pondichéry council, by

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473 AN 158 AP 26, Réponse du conseil du 9 Octobre a Projet de Traité avec les Marattes communiqué par M. de Lally.

474 De Leyrit to Lally, 15 August 1760, in Mémoire à Consulter et Consultation pour le Sieur Duval Dumanoir.

475 “Plans des différents chefs proposés par M. de Leyrit et le Conseil à l’Assemblée Nationale convoqué par M. le Comte de Lally, ce jour 18 Août 1760,” in Mémoire à Consulter et Consultation pour le Sieur Duval Dumanoir.
contrast, asserted that Lally’s failure to respect their jurisdiction, preserve their property, and protect their lives represented a form of “tyranny.”

Throughout the fall, Lally and de Leyrit engaged in an increasingly bitter exchange of letters, juxtaposing problems of military expediency with a deeper debate over the patriotic disposition of Pondichéry’s inhabitants. Each clung to a specific vision for civic virtue in the colonial sphere. De Leyrit expounded on the selfless commitment of the Company’s employees to the defense of the French settlements, noting the “zeal” and “good will” that they showed in the sieges of Chandernagor and Masulipatam. Lally, in turn, accused the councilors of professing a conspicuous but nonetheless misguided patriotism, arguing that “the Company needs neither the lives nor the blood that the councilors persist in offering me; it needs food and money.” This contest came to a head when Lally expelled Pondichéry’s non-French inhabitants to reduce the strain on the settlement’s dwindling stores. Forced to navigate through the British siege lines, many of the expellees were killed in the crossfire. Their deaths sparked vocal objections by the Pondichéry council, which claimed both political authority over the settlement’s Indian population and a paternalistic obligation to discipline them and look after their welfare.

As this episode suggests, Company employees articulated their opposition to Lally in increasingly capacious terms; they demanded not only protection for themselves, but also the preservation of social relations in the city. The expulsion of the natives, de Leyrit argued, tore at the communal fabric of Pondichéry by disregarding basic rules of reciprocity, denying sanctuary to a population that had served the Company on a daily basis by filling commercial orders,

476 AN 158 AP 26, Lettre de Lally avec les réflexions de de Leyrit, 7 October 1760.
477 De Leyrit to Lally, 18 September 1760 in Mémoire à Consulter et Consultation pour le Sieur Duval Dumanoir.
478 Lally to de Leyrit, 30 September 1760 in Mémoire à Consulter et Consultation pour le Sieur Duval Dumanoir.
performing translation work, and acting as domestic servants. “Here is your compensation,” lamented de Leyrit, “for having helped this colony by any means possible; we took your money, your goods, [and] your lives, and then we threw you out…leaving you either to be butchered by the enemy or die of hunger under our walls.” According to him, such behavior robbed the French of their moral authority in India, even if the natives blamed Lally alone for their plight; military practices needed to be adapted to conditions on the subcontinent to be considered patriotic, equitable, and conducive to France’s national interests.

The conflict with Lally thus entailed the renegotiation of basic categories of Company service, a redrawing of the lines between employee and citizen, merchant and soldier, and Frenchmen and non-Frenchmen. What Lally defined as the simple imperatives of an effective campaign—to combat the British and discipline any employees who interfered with this process—Company employees labeled as both an abrogation of the traditional rules of sociability in India, and a violation of their rights as French subjects. Each side cleaved to a specific notion of what it meant to fight for France in a colonial theater, as well as a particular conception of French military interests. In so doing, they both sought to define the appropriate conditions for collaboration between the royal and Company armies.

By January, conditions in the city had reached the point of desperation. Realizing the futility of continued resistance, Lally surrendered Pondichéry to the British in the middle of the month—doing so without consulting any civilian authorities beforehand. The city’s capitulation stripped the French of their last remaining settlement in India. Although the Company regained control of the comptoirs as a result of the 1763 Treaty of Paris, the terms of this agreement dramatically constrained French rights on the subcontinent, stipulating the destruction of all Company fortifications and prohibiting the deployment of new garrisons. The terms of the treaty
thus resolved the immediate challenges of coordinating between the Company and royal army by restricting future opportunities for colonial war. Back in France, however, the deeper problems exposed by the siege remained, as did the frustration of Pondichéry’s inhabitants toward Lally.

“The blackest treason”

Upon hearing the news of Pondichéry’s surrender, several employees rushed to his chambers, intending to kill the general. With a pistol in hand, he was able to delay his would-be assassins long enough for the British to take him into custody, where they would hold him until 23 September 1761. In this instance at least, Lally’s assertiveness and unwavering conviction served him well, likely saving his life. For the seething civilians of Pondichéry, however, the thirst for revenge would not be so easily slaked. Quickly paroled by the British, many returned to France ready to denounce the general to all who would listen. Through published mémoires and gossip, in the royal court and on the streets, these frustrated employees placed the blame for the recent military failures squarely on Lally’s shoulders. They also attempted to prove him guilty of a more malicious crime: committing an act of treason by betraying France’s colonial settlements to the British.

This conflation of military defeat with treason was rare during the Old Regime, even in the climate of embarrassment, scapegoating, and vengeance-seeking that permeated France following the humiliation of the Seven Years’ War. The unfortunate French commander Charles de Rohan, for instance, suffered no such accusations for his disastrous rout at Rossbach in 1757—an event that damaged the French military effort far more grievously than the loss of

479 Hamont, *La Fin d’un Empire Français aux Indes sous Louis XV*, 270.

the Indian factories. Several factors, however, combined to provide the Company’s claims with legal traction. First, Lally’s family was foreign: the general was the son of a Jacobite émigré, and critics pointed to his Irish roots to emphasize both his weak ties to France and his natural affinity to Britain.\footnote{Hamont, \textit{La Fin d’un Empire Français aux Indes sous Louis XV}, 277.} Second, many of the aggrieved employees boasted influential patrons at Versailles. The comte de Bussy, for instance, was related by marriage to the duc de Choiseul, France’s foreign minister, and used this connection to expedite Lally’s incrimination. Finally, the eagerness of several Jansenist-leaning magistrates to embarrass the king by finding a high noble guilty of treason spurred the parlement to pursue a case against Lally, even though, as a civilian tribunal, its judges held no jurisdiction in military matters. With pressure mounting on the crown to launch an official investigation into the events surrounding the collapse of Pondichéry, Lally was arrested on charges of treason on 1 November 1762. He would be confined to the same cell in the Bastille as La Bourdonnais.\footnote{Voltaire, \textit{Fragments sur l’Inde}, 136.}

The case against the general relied upon several unsubstantiated claims. The councilor Lenoir, for instance, published a 1761 \textit{mémoire} that delved into fabricated details about the general’s schemes to sell Mazulipatam and French-occupied Arcot to British forces. Lally’s harshest critic was his erstwhile ally, Père Lavaur, who had died in 1762. Reluctant to take sides in a conflict until the outcome was clear, Lavaur recorded two contradictory accounts of the siege of Pondichéry: one that incriminated Lally, and another that blamed the council for the city’s loss. Posthumous chance led Lavaur’s executors to discover only the journal denouncing the general. In it, the priest produced a litany of controversial reports; he painted Lally as an incompetent commander who alienated his subordinates, disregarded the advice of the “loyal
subjects” and “true patriots” in the Company with whom he was meant to cooperate, and exhibited the avidity and foul temperament of the natives he so openly despised.\textsuperscript{483} With so many of Pondichéry’s inhabitants eager to incriminate Lally, few questioned the validity of Lavaur’s story.

Such self-serving motives have obscured the importance of the Lally trial in reframing the Company’s relationship to the nation. Yet beneath the inflammatory rhetoric lay a tense and substantive debate about the obligations owed by the French crown to corporate employees. As Sarah Maza has shown, the judicial opinions and \textit{mémoires} produced by the Paris Parlement in the middle of the eighteenth century were often laced with social commentary, with barristers using the legal stage both to expose the problems facing Old Regime society and to investigate possibilities for reform.\textsuperscript{484} In asserting Lally’s guilt, Company lawyers sought, by extension, to clarify the political status of the corporate settlements in India.\textsuperscript{485} They not only produced tendentious evidence about the general’s supposed loyalties to British agents, but also worked to show how his mistreatment of a quasi-private, mercantile corporation constituted a crime against France more generally.

In Old Regime France, the shifting parameters of treason law both reflected, and helped to produce, new political realities. For medieval jurists, treason was most frequently described as an incidence of \textit{lèse-majesté}, a derivation of the Roman crime of \textit{laesa maiestas}—literally, “wounding the king.” The crime featured heavily in period works of jurisprudence, a sign of the growing importance of royal sovereignty as a marker of political authority. During the thirteenth and fourteenth centuries, definitions of \textit{lèse-majesté} gradually broadened, encompassing both

\textsuperscript{483} AN 158 AP 5, \textit{Journal de Père Laveur}.


\textsuperscript{485} For the parlementary records of Lally’s trial, see AN X 2b 1395.
physical assaults on the king and the symbolic rejection of his authority through acts such as counterfeiting. Around the same time, legal scholars also began to speak of a parallel crime known as *trahison*, or “treachery”—an ambiguously defined set of duplicitous activities that not only encompassed crimes against the crown, but also the forsaking of seigneurial obligations. These two concepts developed in tandem over the following centuries, merging various acts of physical violence, apostasy, and oath breaking into a single capital offense.

In short, *lèse-majesté* slowly evolved from a personal crime into a transgression against society more generally, providing jurists with considerable latitude when interpreting treasonous acts. The key development in treason law during the eighteenth century was the reconceptualization and transfer of sovereignty from the king to the people—a shift in legitimacy codified during the Revolution by the replacement of *lèse-majesté* with the crime of *lèse-nation*. Rooted in the constitutional conflicts of the late Old Regime, this transition juxtaposed the repudiation of royal power with an acknowledgement of the collective will of the nation as the basis of political authority in France. In the 1750s and 1760s, for instance, scandals such as the *Unigenitus* debates eroded the sacral authority of the crown, while legal treatises published by Montesquieu and Beccaria challenged the moral foundations of monarchical rule by criticizing the use of capital punishment in *lèse-majesté* cases. The legal definition of treason thus

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487 Ibid.

became an important point of political contention during the final decades of the Old Regime, outlining competing visions for French society by defining transgressions against it.

Colonial conflict played a critical role in this conceptual shift. As we have already seen, distance from supervisory authorities and the ambiguous distribution of power within the French settlements in India provided Company employees with easy opportunities for legal innovation. In a variety of imperial settings throughout the seventeenth and eighteenth centuries, disputes between colonial agents spurred the development of more capacious treason laws—transforming the crime from an accusation of direct betrayal of the crown to an open-ended debate about the authority of proxy bodies such as viceroyalties, trading corporations, and imperial courts. The ability to reinterpret the meaning of treasonous activity represented a valuable tool in these power struggles. From Bombay to Virginia, New France to the Río de la Plata, colonial rebellions frequently turned on the question of whether imperial agents had the right to administer royal laws on behalf of the king.  

Personal conflict thus produced a litany of competing loyalty claims, while also generating creative interpretations about the meanings of treachery, corruption, and tyranny. As Miranda Spieler has shown, such “legal experiments” often filtered back to the metropole to constitute new norms in the eighteenth and nineteenth century, implicating France in an “accretive cycle of invention and absorption.”

Consider the charges leveled by Lally’s most vocal accusers. In 1762, the comte de Bussy finally obtained his long-delayed parole from military prison in England. Upon his arrival, he wrote an accusatory mémoire, framing the collapse of the Company’s settlements in India as a crime against France. Like Company writers during the Dupleix scandal, Bussy emphasized the

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490 Spieler, *Empire and Underworld*, 15.
importance of military success in the development of local esteem in India. Lally’s defeat, he therefore argued, “had destroyed the French nation in India”—“dishonoring” and “sapping...[the] power” from the agents delegated to act on its behalf there.\footnote{AN 158 AP 5, Mémoire à consulter et consultation, pour le Sieur de Bussy, Maréchal des Camps et Armées du Roi au sujet du Mémoire que le Sieur de Lally, Lieutenant Général, vient de répandre dans le Public (Avec les Lettres que les Sieurs de Bussy et de Lally se font écrites dans l’Inde, pour servir de pièces justificatives), 2.} Bussy combined these criticisms of Lally’s military abilities with denunciations of his avid disposition, suggesting that the general’s crimes went beyond mere incompetence. Lally’s “conduct,” Bussy noted, “makes me think that he only came to India to get rich.”\footnote{Ibid.} The imputation of such avaricious motives to a member of the nobility was particularly damning in the social context of the Old Regime. Nobles were meant to prize glory and honor over material wealth—their status a reflection of their selfless service to the crown.\footnote{Smith, The Culture of Merit, 126-127.} In so clearly betraying the traditions of his social caste, Lally had rendered himself both untrustworthy and politically dangerous.

Throughout his mémoire, Bussy was careful to distinguish between the profit-seeking activities of Company agents, which facilitated French political and commercial interests on the subcontinent, and the harmful desire for self-enrichment ascribed to Lally.

Over the course of the trial, Lally’s opponents transformed these ad hominem arguments into a more systematic critique of his actions, quantifying his crimes in India to clarify his crimes against the nation. A judicial summary written by Denis-Louis Pasquier, the president of the Parlement’s chambre des enquêtes, provides a list of Lally’s supposed crimes. Among the most grievous recorded by Pasquier: “sowing discord among his collaborators, making cooperation with them impossible as a result of his abuse of authority, using violence to assert his power over them, pursuing a path to treason by following the course to despotism, [and] breathing jealousy...
over those he was meant to defend.” Pasquier argued that such bad faith toward colonial agents charged with the defense of French interests abroad made the charge of “lèse-majesté” self-evident, and insisted upon a penalty of capital punishment: “In preferring his ideas, his devious outlook, and his atrocious will to the actual well-being of the colony conferred to him, [Lally] does not deserve to remain among [France’s] citizens.” The general’s death, Pasquier insisted, would serve as “an example to an offended nation.”

The case against Lally thus relied upon an ecumenical conception of treason, one that encompassed everything from unsubstantiated claims of selling off French factories to the British to reports of the mistreatment of French subjects and even the non-subjects in their employ. Early on, Company employees recognized that incriminating Lally would clear them of any blame for the military failures on the Coromandel Coast. Many also realized the general was likely to denounce them to the king if they did not do something to preempt him. As Charles Walton notes, the culture of reputation in France was “quasi-mercantilist”: a zero-sum game where gaining esteem and social influence meant doing so at the expense of others. The trial against Lally thus combined a desire for vengeance on the part of Pondichéry’s inhabitants with a need to demonstrate their innocence in the loss of French territory and profess their loyalty to France. In blaming the general, the Company’s employees were ultimately advocating for the Company after the surrender of the colonial settlements that essentially justified its existence

494 BNF NAF 9229, Observations sur le procès de M. de Lally,
495 Ibid.
496 Ibid.
497 Hamont, La Fin d’un Empire Français aux Indes sous Louis XV, 273-274.
shifting the corporation’s relationship to the nation from that of a privileged institution meant to advance its commercial interests to a society of loyal citizens to whom the crown owed protection in return for their fidelity and productive service.

Many of these arguments built on claims first made during the siege of Pondichéry. De Leyrit, for one, wrote extensively on Lally’s efforts to deprive Company employees of both their ability to serve France in India, and of their basic rights as French subjects. The former governor laced his testimony with references to the general’s “despotism” in ruling over Pondichéry, manifested in the false “zeal” and “selflessness” that he adopted by “forcing others to make sacrifices on his behalf,” and in his “abuse of the authority granted to him by the king.” By this logic, Lally not only betrayed the crown by failing to defend its interests in India, but also by “taking away” the council’s traditional power to regulate colonial affairs and govern judiciously. Implicit in all of this was the intimate connection between French and corporate interests. In violating the rights to municipal self-governance that the Company granted its employees in India, Lally was ultimately contravening the collective will of the nation.

The treatises written on behalf of Lally failed to match these accusations in either quantity or conviction. The general built his defense primarily around three arguments: that the accusations of his being in league with the British were totally false; that the failures in India had mostly to do with his subordinates, especially d’Aché; and that the Parlement of Paris had neither the jurisdiction nor the expertise required to judge a military case. Such claims only served to worsen his position, causing potential allies like d’Aché to join his growing chorus of denunciators. Even Lally’s apologists expressed misgivings. The *Histoire des deux Indes*

described the general as an “odious and contemptible man; a man incapable of commanding others”—all the while mounting a defense on his behalf. Rather than attempting to salvage Lally’s character, supporters instead concentrated on the inconsistencies in the accusations against him, and in the injustice of punishing his reputed crimes as a capital offense.

In the end, the toxic combination of an unfocused defense and a concerted effort against Lally led to his conviction. On 6 May 1766, the court read out his crimes, charging him with having “betrayed the interests of the king, his state, and the Compagnie des Indes; of abusing his authority, humiliating and extorting subjects of the king and foreign inhabitants of Pondichéry.” His estate confiscated and partially redistributed to the “poor of Pondichéry,” the general was executed three days later in a botched affair that represented one of the late Old Regime’s more macabre public spectacles. (With a huge crowd assembled before him, the executioner reportedly took several strokes to decapitate the general.) Over the following years, critics of the case would refer to this gruesome scene when lamenting the injustice of Lally’s execution. If few rushed to salvage the general’s reputation, a number of prominent writers worried about the social and political implications of such clear scapegoating.

Indeed, Lally’s most famous defender did not publish his initial thoughts on the case until 1769—three years too late to save the general. One of the most perceptive commentators on the trial, Voltaire framed the Lally affair as a self-serving manipulation of the French legal tradition by the Company. Voltaire worried about the partisan intentions behind the Company’s patriotic

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501 ANOM M 183 bis, Arrêt de la Cour du Parlement, qui prive THOMAS ARTUR DE LALLY de ses Etats, Honneurs & Dignités ; & le condamne à avoir la Tête tranchée en Place de Greve, pour avoir trahi les intérêts du Roi, de son Etat ; & de la Compagnie des Indes, & pour abus d’autorité, exactions & vexations (du six Mai 1766)

502 Friedman, Seeing Justice Done, 186-187.
claims. In several treatises, the *philosophe* discussed the ambiguous circumstances of the charges laid before Lally, particularly the ill-defined crime of “betraying the interests of the king.”\(^\text{503}\) Wondering how such a transgression could ever equate to “lèse-majesté,” Voltaire argued that “betraying the interests *signifies* nothing more in our language than poor conduct, forgetting the interests of someone, [or] harming those interests, and doesn’t imply being perfidious or treacherous.”\(^\text{504}\) The writer grumbled, moreover, at the spectacle surrounding Lally’s case—the crush of “merchants,” “shareholders,” “employees,” “commissioners,” “wives,” and “patrons” interested in his demise—and the ways in which unrelated developments like the collapse of Company stock during the Seven Years’ War were imputed to his treachery.\(^\text{505}\) Writing with the benefit of hindsight (Voltaire published after the Company had already been dissolved), the *philosophe* summed the entire episode up with one damning verdict: “The death of Lally did not prolong the life of the Company: it was nothing more than useless cruelty.”\(^\text{506}\)

The basic question of Lally’s culpability always reflected a broader set of factors, from the shifting legal definitions of treason to the partisan interests surrounding his trial. These elements continued to impact the case long after the general’s execution. In 1778, Lally’s son Trophime-Gerard appealed Lally’s sentence to salvage his father’s name and estates.\(^\text{507}\) In a curious instance of inter-generational feuding, the younger Lally found his path opposed by the young parlementaire Jean-Jacques Duval d’Eprémesnil, the son Jacques d’Eprémesnil and nephew of de Leyrit. While Louis XVI formally pardoned the elder Lally and restored his


\(^{504}\) Ibid.

\(^{505}\) Voltaire, *Fragments sur l’Inde*, 141-143.

\(^{506}\) Ibid, 158.

family’s estates, the Parlement of Rouen—to which the case had been referred—refused to recognize the new verdict, a consequence of the continued hostility between the crown and parlementaire magistrates across France. The quarreling would continue until the eve of the Revolution, and was never fully resolved.

In the short term, however, Lally’s trial supplied employees with a new framework for appealing to both the crown and the larger public. Throughout the proceedings against Lally, employees from Pondichéry professed a language of patriotic devotion to France—the meaning of which they amplified by attempting to show how the general’s poor relations with the Company constituted a treacherous act against crown subjects. Indeed, by renegotiating the legal parameters of treason to facilitate Lally’s conviction, they helped turn a relationship traditionally based on service and privilege into one framed around ideas of subjection, rights, and royal obligation. In so doing, they underscored the Company’s capacity for civic virtue, suggesting that corporate employees could exercise a greater degree of patriotic devotion than even the most trusted of royal servants.

Conclusion

For many historians, the French empire became an important political site only after the Revolution. It was thus intimately connected to the ideologies and practices of French republicanism. From Saint-Domingue to Vietnam, Algeria to Polynesia, colonial officials grappled with the legacy of the republican political tradition—confronting its racial and religious limits while exporting its foundational values to a diverse group of subjects.\textsuperscript{508} While the Revolution crystallized the reformist impulses of the late Old Regime into a new concept of

\textsuperscript{508} On the shifting relationship between republicanism and empire, and on the divisions that helped to define the imperial project, see J.P. Daughton, \textit{An Empire Divided: Religion, Republicanism, and the Making of French Colonialism, 1880-1914} (Oxford: Oxford University Press, 2006).
republican nationhood, the development of France’s colonial empire over the following century and a half carried this idea into maturity.

As this chapter suggests, however, the problems of empire played a critical role in French political life long before the tumultuous summer of 1789. The confrontation between Lally and the Superior Council of Pondichéry highlights the diverse implications that colonial settlement and trade had for Old Regime society, from the evolution of patriotic culture to the reinvigoration of state-sponsored privilege. Operating beyond the limits of easy surveillance, Company administrators developed a unique perspective on their place within the absolutist state, and a firm resolution to defend this status against what they perceived as excessive encroachment by crown agents. Such efforts remind us of the wide sense of political possibility facing France in the eighteenth century. In the course of the Seven Years’ War, Company reformers forged a settlement that simultaneously reinforced crown authority while dissolving the geographical and cultural boundaries that relegated the corporation to the margins of French politics. They adopted a language of nationhood that emphasized inclusiveness and the contractual nature of state sovereignty—both hallmarks of republican political culture—all while serving to reinforce an absolutist tradition based on personal rule. In short, as France’s colonial ambitions floundered after 1763, employees sought to embed Company service more fully within the public life of the Old Regime, gaining legal recourse and social capital by turning corporate obligation into a platform for citizenship.
CHAPTER 6: “CROWNED BY THORNS”: SHAREHOLDING, COMMERCIAL LIBERTY, AND THE POLITICS OF PUBLICITY

What else does the Company represent, if not a part of the nation?
—Isaac de Panchaud

In May 1769, a satirical article entitled the Prospectus de la pompe funèbre de feue très haute, très puissante, très excellente princesse, Madame la Compagnie des Indes circulated through the Paris salons. The piece made light of the moribund Company, which was on the verge of losing its monopoly, by depicting it as a sickly princess on her deathbed. Few were spared from its scathing commentary. Company administrators appeared uninformed and poorly suited for their position, standing before the dying corporation while “neglected books on trade” lay about their feet.509 Corporate shareholders, meanwhile, were represented as amoral profiteers. Consider the portrayal of Jacques Necker, a prominent shareholder and future Controller-General of France. “Equivocal” in his sentiment, he offered half-hearted gestures of support while remaining ready to “cast [the Company] aside” at a moment’s notice.510 The Paris banker Jacques Dupan forewent mourning altogether as he greedily counted the “diamonds and jewels” adorning the Company’s bedroom, while one of his fellow stockholders spent the time scribbling away calculations for a caisse d’escompte—a national banking scheme proposed as a replacement for the corporation.511 All around the Company stood the sources of its demise, from

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510 Ibid.

511 Ibid.
the clueless officials who had mismanaged its trade to the avaricious shareholders who viewed it as little more than an instrument of private profit. For the author of the piece, the poor health of the Company and the self-serving inclinations of its members were intimately related problems.

The *Prospectus de la pompe funèbre*’s deprecatory treatment of Company shareholders was by no means new. Since the collapse of Mississippi, corporate investors had operated under a shadow of popular opprobrium, labeled as stock-jobbers and amoral profiteers by a public that still blamed them for Law’s “original sin.” What distinguished this pamphlet from other critical works of the same period was the status of its reputed author, the comte de Lauraguais. A prominent pamphleteer and salonnier, Lauraguais was also the Company’s largest investor. Company shareholders had never been above infighting, but they rarely published against each other; such efforts only served to undermine the image of the corporation in the eyes of both the public and its royal benefactors. In this case, however, it was the comte’s insider status that inspired his indignation. Lauraguais criticized his peers for their failure to attend to their collective interests, and worried that consistent mismanagement had imperiled his investment.

He saw the purchase of corporate stock not just as a financial decision, but also as a political commitment that bound subjects to the economic agenda of the crown in exchange for the “property” represented by their dividends. For Lauraguais, shareholders were more than individual investors; they were a community united by a discernible set of values, rights, and civic obligations. In highlighting the Company’s impending “death,” the comte also laid bare the failures of this body politic that had been constituted within it.

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512 ANOM C^2^36, *Mémoire de M. Castanier, sur la nécessité et les moyens de relever le commerce de la compagnie.*


This chapter is about the political ties created through Company investment. It shows how shareholding moved from an economic practice to a form of political franchise that found expression within the public culture of the Old Regime. An account of shareholder politics helps to shed new light on the symbolic resonance of the state—and in particular the monarchy—over the course of the eighteenth century. Whether articulated in opposition to or in concert with the policies of the crown, investors’ emerging sense of corporate identity always developed through reference to the interests of the state. Unlike in Great Britain, which had an established history of limited liability and corporate personhood, the French legal system treated institutions like the Company (a société commandite par action) as an extension of the royal treasury. Both in the terms laid out through the various édits and lettres patentes that constituted the corporation, and in the idioms of popular culture, the Company’s status was always a reflection of this close connection with the crown. For shareholders, state service thus provided a consistent reference point, a sense of duty that was constantly invoked even as they reworked its meaning over decades of debate, lobbying, and special pleading. By aligning themselves with the values and goals of the monarchy, Company shareholders carved out a political community that both validated the projects of the crown and, ultimately, provided investors with the space and ideological legitimacy needed to advance their own claims.

The following account explores the political evolution of Company investors over the course of the eighteenth century, from the establishment of the corporation to its dissolution by royal ministers in 1769. As a society formed around common economic concerns, shareholders developed a political voice in response to the broader pressures faced by the Company over the

course of the eighteenth century. Political principle emerged side-by-side with an easily discernible set of economic interests, as investors learned to articulate specific, group-based motives in a language of common interest. Over time, such efforts were institutionalized through a shared value system, organizational practices, and, ultimately, a growing call for self-rule. This burgeoning sense of corporate sovereignty impacted shareholders as well as the broader political culture of the Old Regime. As they defined their own political space, investors both reshaped the contours of the French nation and reconceived the sovereign powers of the monarchy.

**Going Public**

Company investment was always a public affair. While theorists like Bodin and Hobbes spoke of a singular and indivisible monarchy, in practice royal power developed out of extensive collaboration. Even at the height of French absolutism under Louis XIV, the crown relied on various political and economic incentives to ensure the cooperation of its most powerful subjects—from provincial elites to Gallican clergymen. The monarchy’s faltering efforts to entice investors into financing the Company likewise speaks to the limits of absolutist power in the seventeenth and eighteenth centuries. From Colbert’s subscription campaigns to Law’s exaggerated claims about the financial benefits of unrestrained credit, royal ministers had to “sell” both shares and the merits of public finance to hesitant investors. Company shareholders thus emerged as consummate middlemen within the political culture of the Old Regime. On the one hand, they were a public who needed to be convinced by royal officials to invest in crown-sponsored enterprise. On the other, they were state insiders responsible for advertising the power

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516 On the collaboration between the crown and French elites, see Beik, *Absolutism and Society in Seventeenth-century France: State Power and Provincial Authority in Languedoc*, 32 and Kettering, *Patrons, Brokers, and Clients in Seventeenth-Century France*. This collaborative dynamic has mostly been studied in pays d’État: provinces with an established tradition of local election and governance, and where cooperation could bring fiscal advantages like the ability to administer tax revenues. Yet such collaboration was easily extended when other opportunities for mutual gain presented themselves.
of the king in order to safeguard their investments. By purchasing or refusing to buy shares, stockholders passed judgment on the viability of crown-sponsored monopoly and, by extension, the absolutist monarchy.

In many ways, shareholding conformed to the mold of corporate solidarity that framed social life in the Old Regime. Drawn from different estates, professions, and areas of France, shareholders were nonetheless united by their common role as state creditors.搅拌 investors relied upon traditional social relationships to advance a common project of shareholder advocacy. Like other members of France’s corporate chain of being, well-connected shareholders milked patronage connections to lobby for reforms within the corporation after the Mississippi Bubble, using personal influence to ensure the viability of their shares。搅拌 Yet Company investors also differed in important ways from the other privileged groups that composed the corporatist landscape of the Old Regime. Lacking an established tradition of corporate privilege, local custom, or feudal contract, shareholders instead derived their legitimacy from the monarchy and popular faith in its monopolistic policies。搅拌 Theirs was a community defined by the existing hierarchies of both the crown and the Company, and, in particular, from the early-modern belief that trade needed to be governed in order to be effective.

These characteristics of corporate investment—an implicit connection to the political


518 ANOM, C2 17, A son Altesse Sérénissime Madame la Duchesse, 1726, où l’on prétend que la Compagnie des Indes est mal gouvernée; ANOM, C2 20, Mémoire concernant le commerce de la Compagnie des Indes aux Indes orientales, 1728.

519 Bossenga, The Politics of Privilege, 86. Bossenga in particular emphasizes the importance of localism and feudal contract in the development of a sense of corporate identity and, eventually, political rights in the Old Regime. Although the Company partially fit this associational mold, it also lacked the regional identity and line of historical precedence used to defend corporatist privilege.
projects of the crown and a shared economic agenda that provided a powerful source for unity—help explain the claims that shareholders commonly made over the course of the eighteenth century. Investors published frequently in the wake of Law’s “system,” bolstering the legitimacy of the monarchy (their chief benefactor) as a way of safeguarding their shares. Discussions about dividends, fiduciary responsibilities, and capitalization were laced with patriotic pronouncements, and couched in a language of national interest. Shareholder publishing efforts were by no means coordinated in the early years of the Company; the corporation provided them with little in the way of formal communication channels. Yet the various petitions and mémoires produced by corporate investors in the decades following the Mississippi Bubble regularly reproduced themes that helped to explain and legitimize their pursuit of economic interests. As with other lobbying interests under the Old Regime, shareholders worked to make their own goals consistent with established conceptions of the public good.520

The purchase of corporate stock thus came increasingly to stand as a testament of investors’ patriotism: a “mark of their confidence and their willingness to submit” to the authority of the crown.521 Investors were part of an ongoing debate over the ideology and purpose of the Company; this process, in turn, helped remake the corporation’s image to align it more closely with state goals. Such efforts imbued the Company with new political and legal form: it became a proxy institution extending the royal reach to distant shores; a bulwark against the corruptive influence of non-European peoples; and a moral instrument that channeled the self-serving

520 Paul Cheney reveals a similar trend in the petitioning efforts of Ponant merchants and manufacturers in the French Caribbean, each of whom sought to facilitate their particular economic goals by framing them through a language of public interest. See Cheney, Revolutionary Commerce, 172-175.

521 BNA, MS 4500, Si c’est l’intérêt de l’État que la Compagnie des Indes soit composée d’actionnaires ou qu’elle soit rendue royale, ou bien qu’elle soit donnée à une société de marchands.
interests of French merchants toward more constructive pursuits. In each case, the Company’s civic contributions extended beyond the mere pursuit of profit. Consider, for instance, the arguments advanced by one investor in support of the corporation’s unprofitable commercial operations along the Barbary Coast. By taking on this “onerous trade,” he argued in a 1726 polemic, the Company “supplied Provence with wheat during periods of famine,” proving valuable to France even as it lost money. Such claims speak to the complex nature of commercial discourse in the eighteenth century, which is often assumed to have fixated on simple dichotomies between protectionism and free trade and private vice and public interest. For shareholders, as for many of the core economic thinkers of the late Old Regime, the question of how to manage foreign trade was intimately related to the political circumstances, civic structures, and moral disposition of the French kingdom more generally.

An important consequence of these efforts was that they served not only to outline Company contributions to an often skeptical public, but also to bring investors together through the development of a collective identity that transcended their various polemics, petitions, and lobbying activities. A sense of both communal bond and shared purpose was apparent early on in shareholder writing. In the 1726 Mémoire sur les Causes du Discrédit, an anonymous investor polemic written in response to collapse of the Mississippi Bubble, the author described shareholding as an ecology of symbiotic relationships. “Each investor who does not contribute to

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522 See, for instance, ibid and BNA MS 4500, Pour examiner quels sont les contradicteurs de la Compagnie des Indes; pourquoi ils demandent la suppression, et de quelle utilité cette Compagnie est à l’État.

523 ANOM, C² 16, Mémoire sur la Compagnie des Indes et la Manière dont elle sera établie pour l’avenir (1725).

524 Cheney, Revolutionary Commerce, 21-22. Philip Stern argues that the political economy of the seventeenth and eighteenth century was far more concerned with questions of proper management, virtue, and population than projections about cost. Reinert likewise cautions against the tendency to focus on concepts such as “free trade” to understand economic thought in the eighteenth century, though he sees international competition as the lens through which problems of commercial development were understood. See Stern, The Company State, 12-13 and Reinert, Translating Empire: Emulation and the Origins of Political Economy, 2-3.
[state] commerce through his knowledge,” the author noted, “does so by his investment,” while individual “ignorance is overcome by the competence of those appointed to administer the Company.” The bonds created through investment ultimately provided a source of shared edification: “the members who compose” the corporation “grow mutually through the sharing of knowledge.” Over the course of the following decades, shareholders carved out an identity as members of community integral to the function of Company trade and governance.

The work of Joseph Delaître, a syndic and one of the most vocal opponents of Joseph Dupleix, is particularly useful for understanding how status as an investor evolved into a form of political currency. In his 1750 report, Observations sur le gouvernement passé et présent de la Compagnie des Indes, the syndic argued that the purchase of stock should serve as a prerequisite for the holding of political office within the Company. Worried that Company’s officials had little to no vested interest in its prosperity, he suggested that the directors increase their investment in the Company from the obligatory 50 shares they were required to hold, and argued that new syndics be chosen from only among the “great stockholders.” Investment, he argued, would serve as the foundation for a “good administration,” creating layers of overlapping interests that would transform the Company into a better functioning economic and political community.

Shareholders did not develop these claims on their own; both crown and Company officials helped shaped their collective interests and identity. The 1740s marked an important shift in the political life of Company investors. As the War of the Austrian Succession disrupted

525 BNA MS 4500, Mémoire sur les Causes du Discrédit fait en Mai 1726.
526 Ibid.
527 BNF NAF 9355, Observations sur le gouvernement passé et présent de la Compagnie des Indes, 1750.
528 Ibid.
trade in India, the Paris directors grew increasingly reliant on the shareholders to provide short-
term financing for the corporation. Company officials employed a combination of forced loans 
and caps introduced on future dividend payments to stabilize corporate finances. These measures 
kept the Company solvent, but they also incurred a heavy political cost: shareholders protested in 
force against alterations to the dividend, which many of them had come to see as a sacrosanct 
property right.529 In response to these complaints, the Company directorate offered several 
political concessions. In 1746, they once again began convening regular assembles of the 
corporation’s shareholders, who had not met together since 1728. A 1748 decree further 
expanded investor representation by increasing the responsibilities of the corporation’s six 
syndics, officials charged with advocating on behalf of the shareholders to the Company’s 
directors.530 With both reforms, shareholders acquired significant new institutional powers: a 
regular forum from which to voice their demands, and representatives who could agitate on their 
behalf among the leaders of the corporation.

The reforms of the 1740s effectively established a new sort of contractual relationship 
between shareholders and state and company agents. In exchange for the public advocacy and 
financial assistance provided by investors, the Paris directors promised both a new commitment 
to transparency and a greater degree of fiduciary responsibility. Building on the shareholders’ 
language of good citizenship, loyalty, and shared responsibility, the directors portrayed the 
Company as a link in the political chain connecting investors, administrators, and crown officials 
together through a common set of interests. “Far from representing separate bodies,” wrote one 
polemicist in 1739, the Company and its shareholders were united “in extreme union,” with

529 Haudrère, La Compagnie française des Indes au XVIIIe siècle, Tome I, 118-119, 125
530 Dalgliesh, The Perpetual Company of the Indies in the days of Dupleix, 1-5.
“mutual aid” providing the “solidity” needed to sustain this relationship.\textsuperscript{531} The terms of this dynamic were outlined in each annual shareholder assembly, which were presided over by the Controller-General.\textsuperscript{532} Company investors would serve at once as a conduit between the Company and popular opinion, a symbol of the corporation’s responsible management. Calling public opinion “the Queen of the World,” the director François Castanier tasked the shareholders with redressing the Company’s poor public image, much of which he attributed to “lack of sufficient knowledge” about the intricacies of trade among the French people.\textsuperscript{533} The syndic Charles Colabau likewise argued that greater accountability to the shareholder would infuse the Company with the “vigor” of popular “confidence.”\textsuperscript{534} Both men spoke of congruent goals, with the interests of the crown, the Company, and its shareholders in precise alignment.

Company investors, in short, were participants in an ongoing process of political negotiation, as the meaning of France’s empire, the French nation, and the agencies and corporations that constituted both were worked out in relation to one another. Their collective identity emerged through a continuous dialogue with both state and Company officials; the shifting imperatives of the crown and France’s colonial politics provided them with a new sense of common purpose. Yet Company shareholders never simply reflected the political goals of the monarchy; they refracted them as they sought to carve out a corporate culture that could accommodate the public interest and, at the same time, make sense of their status. Corporate and crown interests may have often overlapped, but, despite the claims of Castanier and Colobau,

\textsuperscript{531} ANOM C\textsuperscript{2} 28, Mémoire concernant la Compagnie des Indes, May 1739.

\textsuperscript{532} Dalgleish, The Perpetual Company of the Indies in the Days of Dupleix, 6.

\textsuperscript{533} ANOM C\textsuperscript{2} 36, Mémoire de M. Castanier, sur la nécessité et les moyens de relever le commerce de la compagnie (1746).

\textsuperscript{534} ANOM C\textsuperscript{2} 36, Je vous dois, Monsieur, un Compte Exact de c’est qui est passé hier 20 Décembre de la Compagnie des Indes, la voici (1746).
they were never entirely coterminous. And when developments occurred that might challenge the self-supporting terms of this relationship, shareholders could use the language of service and patriotism that had refined over the precious decades to challenge the policies of both state and Company officials.

Reform, Reaction, and the Political Culture of Shareholding

In France, the consequences of the Seven Years’ War generated deep-felt anxiety. The national debt had nearly doubled, nine-tenths of France’s overseas territories had been lost, and the army had suffered a profound humiliation.\(^{535}\) Both the forfeiture of the North American colonies and the reduction of French sovereign claims in India—a consequence of the 1763 Treaty of Paris settlement—represented more than just material losses. Voltaire might dismiss French colonies like Canada as “a few acres of snow,” but for many France’s overseas possessions represented a point of public pride, not to mention a central part of the political space of the Old Regime.\(^ {536}\) For decades, these far-flung settlements had played an integral role in highlighting and clarifying the sovereign powers of both the monarchy and many of the other political bodies comprising the corporatist landscape of prerevolutionary France. The “loss of empire” that followed the Treaty of Paris thus had brutal implications: it unsettled established conceptions of sovereignty, political right, and public interest, while also inspiring a new chorus of critics against France’s colonial administration.

The Seven Years’ War played a significant role in the erosion of crown authority before the French Revolution. Historians often place it within a genealogy of constitutional crises ranging from the *Unigenitus* controversies of the 1730s to the Maupeou coup and Turgot’s short-

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\(^{536}\) Shovlin, “Selling American Empire on the Eve of the Seven Years’ War,” 123
lived abolition of the guilds in 1774. Both France’s poor performance in the war, and the spiraling debt that resulted from it, produced a new culture of opposition against the state, from the mordant *remonstrances* of the Paris Parlement to the philosophical ruminations of Rousseau. A defining feature of this process was not only loss of faith in the royal authority, but a growing belief that sovereignty could—and should—reside outside the office of the king. “Politics,” to quote Keith Michael Baker, simply “broke out of the absolutist mold” in the 1750s and 1760s. In place of divine right, royal tradition, and absolute monarchy the French people gradually turned toward an opposing set of ideals to make sense of their political world; public opinion, the general will, and an implicit social contract became their new ordering principles. These decades thus initiated a long-term process that would reach its culmination during the Revolution: a “transfer” of sovereign power from the crown to the nation more generally.

An important yet unexplored factor behind this conceptual shift was the reconfiguring of state sovereignty that followed on the heels of the Treaty of Paris. Parlementaire polemics might have challenged the sovereign powers of the king, but even deep into the eighteenth century French political authority was rarely understood to reside in a single person or office. The Company was just one of a number of institutions—ranging from municipal councils to seigneurial courts—to which the king delegated authority. Even though monarchy provided a frame of reference through which these intermediary agencies defined themselves, France remained a patchwork of overlapping jurisdictions, local regimes, and proxy agents. The imperial reshuffling caused by the Seven Years’ War precipitated a bracing reassessment of the institutions and practices of the Old Regime. Indeed, the 1760s bore witness to a diverse array of

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arguments about the distribution of sovereign power in France. While economic writers like the Physiocrats argued that monarchical power was indivisible and ubiquitous, Atlantic merchants asserted that the French kingdom was made up of different sovereign zones: a center-periphery divide between France and its Caribbean colonies.\textsuperscript{539} Before sovereignty could be “transferred,” it first had to be theorized anew. The bitter disputes sparked by the dissolution of the French overseas empire played a critical role in this process.

French defeat, in short, created space for an array of competing interest groups, each seeking to forward new claims about the sovereign composition of the Old Regime. The future of the Company represented a central point of contention in this contest. For even ardent advocates of monopolistic trade, the consequences of the Seven Years’ War seemed to warrant a thoroughgoing reform of Company operations. Conflict with India had not only robbed the Company of large swathes of territory; it had also reduced the sovereign authority of the corporation by restricting many of its military and political powers. Corporate insiders published a string of proposals designed to restructure the corporation to accommodate these changes. These schemes ranged dramatically in both concept and technical sophistication, from proposals pushing the Company to abandon its colonies in India and consolidate trading operations on Ile de France to arguments that the corporation should simply resume its normal activities, reclaim its prior jurisdiction, and redevelop its former commercial networks on the subcontinent.\textsuperscript{540} While the specific details of these reform projects varied, but they all revolved around a central premise: the Indian trade still needed to be governed to be effective.\textsuperscript{541}

\textsuperscript{539} Cheney, \textit{Revolutionary Commerce}, 177-184.

\textsuperscript{540} ANOM C\textsuperscript{2} 105, D’Estaing, \textit{Idées sur le Commerce des Indes, les Isles de France, Entrepôt Général}, 1766; ANOM C\textsuperscript{2} 105, \textit{Observations sur l’établissement d’une Compagnie des Indes}, 1763

\textsuperscript{541} Ross and Stern, “Reconstructing Early Modern Notions of Legal Pluralism,” 128.
For a growing chorus of Company critics, by contrast, this principle was by no means self-evident. In the wake of the Seven Years’ War, two groups formed the core of a vocal opposition to the corporation: a coterie of financiers centered around the banker Jean-Joseph Laborde and the Malouin shipowner Jean-Baptiste Magon de la Balue—whose father had once served as a director of the corporation—and Jacobite merchants living in France’s Atlantic port cities. Both sought financial gain from the dissolution of the Company’s monopoly and the consequent deregulation of French commerce in India. Both also published at length about how free trade would provide much-needed relief for the French economy. Debates over the Company quickly evolved into “political” conflicts through which concerns about the ideological foundations and administrative structure of the Old Regime were refracted. The intendant de commerce Vincent de Gournay, for example, undertook an aggressive publishing campaign designed to show how the elimination of monopolistic commerce would ultimately rationalize the country’s administration. The actions of Gournay signal an important shift in royal attitudes toward the Company. Occupying an office that stood traditionally as a stepping stone toward higher positions within the royal minister, he used his position to advocate for the wholesale restructuring of French commercial practices. Well-known for the collection of academics he assembled to support his ideas (the eponymous Gournay Circle), Gournay helped


543 Jacques-Claude Vincent de Gournay, “Observations sur l’Examen,” in François Véron Duverger de Forbonnais, Examen des avantages et des avantages de la prohibition des toiles peintes (Marseille: 1755). See also, André Morellet, Réflexions sur les avantages de la libre fabrication et de l’usage des toiles peintes en France (Geneva, 1758). Morellet was one of Gournay’s “hired guns,” and wrote frequently against the Company in the 1750s and 1760s.

undermine royal support for the Company. As crown officials began to turn against the Company, the incentives for collaboration gradually disappeared.

For Company shareholders, this jostling over the principles and political consequences of corporate trade not only generated anxiety, but also created a sense of opportunity. Investors took a different approach to the question of whether or not the Indian trade should be managed: they insisted upon the wisdom of regulating overseas commerce, but suggested that it should be them, rather than Company administrators or the crown, who should do the regulating. By this point, the act of investment had come increasingly to stand as a form of political sanction—a qualification based not only on the apparent loyalty of Company stockholders to the state, but also on the functions that their collective bonds performed. As the Company’s colonial power evaporated, and as competing parties reevaluated the nature of sovereignty under the Old Regime, investors leaned heavily on this common bond as a source of political legitimacy. “We have first considered,” noted one shareholder petition in 1763, “that if that capacity of an individual to do good or bad is linked to his personal qualities, such is not the case for men united together in a society.”

The connections formed through investment, he asserted, helped to create a more moral and productive citizen: “once personal qualities do not matter, an individual will follow the spirit of their corps, it is from there that the laws to which they are subject emerge.” For decades, investors had insisted that the associational bonds created through shareholding provided a source for shared edification. In the aftermath of the Seven Years’ War, they began to see these connections as the foundation for their own sovereign authority.

In short, shareholders not only began to push for a voice in the reform projects

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545 ANOM C² 46, Shareholder Petition, 1763.

546 Ibid.
surrounding the Company; they also argued that the changes brought about by the Treaty of Paris made it necessary for investors to have a more active role in governing the corporation. Several prominent investors assumed a leading role in this effort, the most vocal of whom was Jacques Necker, a financier who would later gain fame as Controller-General. With close ties to the Paris banking interests who represented the Company’s main creditors, Necker had a clear agenda in both defending the corporation and expanding his role in the administration. So too did many other large investors. Isaac Panchaud, another Paris financier, hoped to transform the Company into a *caisse d’escompte*—a project for which he obtained a broad degree of support. Both men possessed important contacts outside the Company: Panchaud was a prominent financier with connections in the financial center of Geneva, whereas Necker courted powerful patrons at the royal court. While milking these patronage relationships to establish their credibility both inside and outside the Company, they each argued that the collective authority of the shareholders constituted a form of political mandate.

These lobbying efforts provided a new source of unity, even if shareholders remained divided over the exact direction that the Company should take. As Necker, Panchaud, and others waded into the thick of post-treaty debates over corporate trade, they invoked the shared bonds and communal interests created through Company investment. They outlined the practical functions of shareholding in light of the corporation’s mismanagement during the Seven Years’ War. And, in everything from public petitions to internal assembly meetings and direct negotiations with the king, they insisted that shareholders themselves constituted a body politic whose sovereign authority stemmed from its ability to manage Company trade properly.\(^{547}\) As

\(^{547}\) The course of these efforts can be followed almost step-by-step in the correspondence string entitled “Lettre d’un Actionnaire de la Compagnie des Indes à un autre Actionnaire.” This list covers the history of shareholder petitioning, agitation, and conflict beyond the corporation’s dissolution in 1769. Although anonymous, the letters were very likely written by Pidansat de Mairobert, the well-known polemicist and vocal opponent of the Maupeou
they debated the administrative needs of the corporation, and assigned blame for its most recent failures, vocal shareholders like Necker outlined a political authority for his fellow investors that was distinct from either the monarchy or the Company’s official leadership.

Investors relied upon new expedients such as internal audits to provide weight to these claims, creating a powerful empirical foundation from which to outline their collective interests. Projections about the expense and potential profit of future trading operations helped underline to the monarchy the financial wisdom of shifting commercial responsibilities to the shareholders. These audits likewise served as political capital within the investor assembly meetings. Necker quickly gained in popularity when he proposed a plan to give shareholders administrative autonomy and, as a consequence, earn an annual profit of nearly 8 million livres. The dividend emerged as a key point of contention in these debates—both as a financial reward that investors sought to protect and as a legitimizing force in claims to shareholder governance. Such arguments proved very much in line with the claims that Delâitre had first advanced a decade before: financial investment and the self-interest derived from it would provide powerful incentives for shareholders to manage the corporation soundly.

What these efforts reveal is not only the development of new lobbying methods for appealing to both crown and Company officials, but also the evolution of an internal value system, government structure, and sovereign expectations. Whereas previously shareholders had once represented themselves as a society embedded within—and subordinated—to the hierarchies of both Company and state, they now began to define themselves as a distinct society whose constitution reflected the collective interests of its members. Necker nurtured this

Coup in the 1770s. See especially Margerison, “The Shareholders’ Revolt,” 33. The letters were published several years after their initial writing in the 1775 Mémoires de M. l’abbé Terrai.

548 ANOM C² 46, Mémoire de Messieurs les députés des actionnaires lu à l'assemblée, 17 April 1764; ANOM C² 106, Compagnie des Indes, 14 February 1764.
evolving sense of authority with a reform scheme meant to convince the crown to cede its stock in the corporation, thereby giving the shareholders a controlling stake. The plan offered a comprehensive restructuring of the corporate administration, with shareholders selecting leaders from their own ranks and determining an appropriate sum for the annual dividend payments. To convince the king to forfeit his shares, Necker proposed several concessions: the Company would transfer ownership of Iles de France and Bourbon, the Port of Lorient, and its slave-trading factories on the West African Coast directly to the crown.\footnote{ANOM C\(^2\) 106, \textit{Compagnie des Indes}, 17 April 1764.} Eager to shed its obligations to the corporation, the crown proved receptive to this proposal, and after two months of bargaining, agreed to its terms. On 20 June 1764, Necker announced before the assembled shareholders that they had assumed control of the Company’s administration.\footnote{ANOM C\(^2\) 106, \textit{Compagnie des Indes}, 20 June 1764.}

The gift of autonomy came with stipulations: the crown limited the Company’s purview exclusively to trade, and forced it to rely on the Ministry of the Marine for the defense of its overseas settlements. Still, for both Necker and the shareholders more generally, even these limited gains represented an important victory. Over the next few months, reforms proceeded in earnest as Necker outlined a new vision for his political community. He restructured the Company along more participatory principles, proposing that the shareholders hold elections to choose representatives from among their number (directors had previously been appointed by the king).\footnote{ANOM C\(^2\) 105, Proclamation read before the shareholders, 15 January 1765.} Consistent with the notion that the financial interest would generate a commitment to sound management, property qualifications were set on this new franchise: only investors who owned at least 25 shares could attend and speak at assembly meetings.\footnote{Ibid.} Necker also outlined
the leadership responsibilities of the Company’s new officials, who consisted of five directors and ten syndics.\textsuperscript{553} By January 1765, his new administration set about the difficult task of restoring the Company’s finances.

These reforms instilled in shareholders a new sense of political authority. But they also created a potential source for conflict by grounding Company governance in principles of shared interest, property rights, and collective administration. As Philip Stern and Richard Ross have argued, commercial management in the early modern world was most often understood in humanist terms: inherently republican, rooted in the associational values of guilds and other self-regulating mercantile institutions, and based on a sense of shared expertise and civic commitment. Even under the absolutist regime of the French monarchy, small, incorporated institutions like merchant courts and municipal councils remained to many the model for mercantile administration.\textsuperscript{554} The Company’s previously two-tiered system of organization, which divided power between the shareholders and a corporate leadership consisting of directors, syndics, and royal councilors, was itself rooted in the traditional bicameral structure of town councils like that of Toulouse.\textsuperscript{555} Necker’s administration derived legitimacy from this associational mold: his reforms, many shareholders believed, had turned the Company into a self-constituted “republic,” and he insisted upon the advantages that a small community bound by clearly discernible interests could have over a larger bureaucracy composed of administrators.

\textsuperscript{553} ANOM C\textsuperscript{2} 105, \textit{Projets et Statuts}, 1765.


\textsuperscript{555} Dibadji, “Compagnie des Indes: Governance and Bailout,” 181.
who lacked a personal investment in the organization they governed.\textsuperscript{556} In so doing, however, he also created an expectation for a certain level of accountability and transparency within the corporate administration. When Necker’s government failed to meet these obligations, his fellow shareholders rose up against him.

Indeed, the ink on the deal ceding the Company to its investors had barely dried before the first signs of discord appeared. While Necker embraced a hopeful language of efficient administration and improved investor representation, displaced Company insiders worried about the impact of his reforms. According to Vilelaut, the corporation’s one-remaining royal commissioner, the restructuring had left the Company in a state of “complete anarchy.”\textsuperscript{557} What Necker’s proposals possessed in terms of abstract ideological appeal, they seemed to lack in institutional substance. Key administrative details remained unaddressed long after the 1764 retrocession: the Controller-General continued to meet with Company officials on a weekly basis, preserving the basic dynamics of control that existed before the shareholders acquired the corporation; the reforms contained no provisions for handling the reelection of incumbent syndics and directors; and Necker had done little to improve trade in India.\textsuperscript{558} Due to ongoing delays, the administrative reforms proposed in 1764 would not be ratified until the spring of 1767. By this point, the corporation was once again in crisis, reporting to its shareholders that it lacked sufficient funds to finance commercial shipments to India for the following year.\textsuperscript{559} Little research has been done connecting Necker’s time with the Company to his later work as France’s finance minister. But the failure of his reforms must have loomed large in his mind as he sought

\textsuperscript{556} Margerison, “The Shareholders’ Revolt at the Compagnie des Indes,” 28.

\textsuperscript{557} Vilevault quoted in Ibid, 29.

\textsuperscript{558} Ibid.

\textsuperscript{559} ANOM C\textsuperscript{2} 106, \textit{Compagnie des Indes}, 20 June 1764, 3 July 1767.
to restructure the royal treasury around more transparent policies in the 1770s and 1780s.

Disgruntled investors began to challenge both the specific direction of Necker’s government and the legitimacy of a shareholder administration more generally. Ponant merchants likewise continued to petition the crown in an attempt to deregulate the Indian trade. Fractious politicking exposed the limits to investor claims that the purchase of stock had provided them with the credentials needed to manage the corporation; opposing blocs of investors each laid claim to the moral authority, commercial expertise, and political rights that, only a decade before, activists like Delaître had argued belonged to the corps of stockholders as a whole. Shareholders “seemed to applaud” the ruin of the Company, noted one anonymous pamphleteer, as if they were not “themselves affected by the weakening of their common investments [gage commun].” A believer in Necker’s administrative skills, the author nonetheless worried that the participatory principles on which his shareholder regime had been established might ultimately undermine its integrity: “The loudest voices,” he noted regretfully, “dictate terms to those who are the most timid.”

As a hostile climate of calumniation and political maneuvering soon pervaded the shareholder assembly, Isaac Panchaud emerged as a vocal critic of Necker’s policies. In 1767, he penned the Lettre d’un actionnaire sur le commerce de la Compagnie des Indes—a scathing commentary on the political practices and economic performance of the corporation. Published in protest of a new set of statues produced by the Company directors in the spring of that year, the mémoire railed against the culture of “despotism” that supposedly pervaded the corporate

560 ANOM C² 106, Lettre de M.M. à M.M et Cte. d'Et, 1767.
561 Ibid.
administration. Despite Necker’s promise of an efficient political transition, Panchaud maintained, many basic issues such as the length of election terms, the process of achieving majority voting, and the method for producing audits remained unaddressed nearly three years after the crown’s retrocession.\(^{562}\) Of particular concern was the lack of accurate accounting available to the corporation’s voters—a deficiency that had led shareholders into accepting without question the “chimerical calculations” that Necker and his coterie used to make “specious” claims about the effectiveness of their government.\(^{563}\) “In a society of merchants,” he insisted, “it is the display of truth, it is the liberty of opinion, that keeps minds focused, that prepares them for all events, that purifies, so to speak, the mixture of opinions.”\(^{564}\)

Necker’s reforms, Panchaud insisted, had perverted the system of overlapping interests that had linked the Company to the crown. Where once the king had been a majority holder of Company shares, ruling over stockholders as “subjects” while also standing beside them as a “co-investor,” now the corporation stood bereft of any legitimate source of political authority.\(^{565}\) Self-serving individuals had then filled this vacuum, blinding investors to their needs while manipulating the regulations of the Company to perpetuate their stranglehold on offices that were supposed to be chosen through “free elections.”\(^{566}\) For Panchaud, the shareholders lacked legitimacy as political community. On the one hand, Necker had severed the Company’s longstanding relationship with the crown, whose sovereign authority had regularly been used to explain and justify corporate policy. On the other, he had created a commercial society deficient

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\(^{562}\) ANOM C^2 105, *Lettre d’un Actionnaire*, 4 April 1767, 1.

\(^{563}\) Ibid, 2.

\(^{564}\) Ibid, 2-3.

\(^{565}\) Ibid, 4.

\(^{566}\) Ibid, 2.
in both the values and financial acumen needed to regulate its trade.

Panchaud was merely the most vocal of an increasingly enraged corps of shareholders. Tensions reached a head on 3 July 1767, when investors seized hold of the Company’s meeting hall and placed a list of demands before the administration. The aggrieved shareholders called upon the famed Parisian avocat Jean-Baptiste Gerbier, who had acquired a reputation for combating social injustice in his efforts against the Jesuits, to present their case for them. This airing of grievances gave way to a tense standoff, as Necker arrived to defend his policies. The Genevan voiced his surprise that the investors would turn on administrators whose “zeal” and “wisdom” supplied them with the requisite credentials to lead the Company—all the while urging the assembly to ratify his reforms. The dispute continued long into the night, and did not end until 11:30 PM. Finally, at Necker’s behest, the Controller-General Clement de Laverdy burst into the meeting and summarily dismissed the shareholders.

Laverdy’s intervention signaled an important shift in the Company’s political fortunes. While ongoing delays had prevented Necker from making his claims of corporate autonomy into an institutional reality, the Company had nonetheless benefitted from a prolonged period of salutary neglect following the king’s retrocession of his shares. The July protests, however, revealed that even this limited independence was illusory: the crown not only could, but would intervene in Company affairs when doing so suited its interests. Laverdy’s language is likewise significant. The Controller-General summarily dismissed the shareholders by declaring “we are not in England”—an admonishment that framed their political activities and efforts to assemble

567 Gerbier’s involvement with the Company extended beyond this collaboration. He also represented the comte de Bussy in a 1767 lawsuit against the corporation. Pierre Gerbier, Mémoire pour le marquis de Bussy, maréchal des camps et armées du roi, contre les syndics et directeurs de la Compagnie des Indes (Paris: De l'Imprimerie de Louis Cellot, 1767). On Gerbier’s career, see Maza, Private Lives and Public Affairs, 94, 99.

568 “Lettres d’un Actionnaire à un autre Actionnaire,” 281.
as a violation of proper practice under the absolutist state. Since 1764, investors had claimed the king’s retrocession of his shares as a form of administrative mandate. For many, this act not only legitimized investor claims to self-rule, but also for the construction of a distinct political community within the heart of the Old Regime. By 1767, however, the failure to construct a healthy political community capable of sustaining French trade had so eroded shareholders’ confidence in their political system that state officials had to be called in to restore order. Necker’s inability to reinvigorate Company trade had not only undermined the very rationale upon which investors relied to articulate their administrative rights—the idea that a shareholder regime could manage trade more effectively than the corporation’s previously mixed administration of directors and royal ministers. It also raised questions about the compatibility of an investor regime with the broader political culture of the absolutist state.

“The greatest of service to the state”

Laverdy’s intervention brought short-term relief to Necker’s administration, but also portended a deeper crisis. Beset by both political conflict and economic crisis, Company leaders were forced, in the aftermath of the July uprising, to turn to the monarchy for support. Investors consequently petitioned the king for both a direct loan and permission to oversee a crown-sponsored lottery to keep their finances afloat. Yet personnel changes within the royal ministry made this dependence more problematic than it had been in the past, and the Company could no longer count on unconditional royal patronage. In 1768, court intrigue led to the dismissal of Laverdy as Controller-General. His replacement, Maynon d’Invault, was an adherent of Gournay’s, and an ardent believer that eliminating crown-sponsored monopolies would facilitate

569 Ibid, 283.
570 ANOM C^2 106, Compagnie des Indes, 19 July 1767.
economic development in France. Firm in his convictions, Maynon d'Invault made the
dissolution of the Company one of the primary goals of his administration.

As Anoush Terjanian argues, the crises experienced by the Company at the end of the
1760s represented a “crystallizing moment” in the history of the Old Regime. Conflict with the
royal ministry consolidated the litany of competing perspectives concerning Company trade into
opposing camps of pro-monopoly and free-trade advocates.⁵⁷¹ For shareholders, Maynon
d’Invault’ s well-publicized animosity toward the Company created a new sense of consensus
within the assembly meetings. Divisions over specific policy issues certainly remained:
Panchaud continued to push for the Company’s transformation into a Caisse d’Escompte,
whereas Necker insisted on the wisdom of his administrative schemes. But as the prospects of a
concerted ministerial campaign being launched against them increased, many investors moved
beyond partisanship in an effort to defend their investments and rights to self-rule. Murmurings
over the threats faced by the Company likewise echoed beyond its assembly chambers to become
a divisive public issue. “The affair of the Compagnie des Indes is consuming both the court and
the city,” noted the Mémoires Secrets, all of it premised “on the interest that so many people
have in it.”⁵⁷² Indeed, by the late 1760s, the Company’s uncertain status caught the attention of a
range of commentators, from actual investors like Voltaire to interested outsiders like Diderot.

Shareholders quickly found themselves immersed in a debate not merely about the
viability of Company commerce, but also about the sovereign composition of the French state.
At issue were two questions: whether or not France actually benefitted from monopolistic
commerce, and whether the sovereign authority of proxy institutions like the Company actually

⁵⁷¹ Terjanian, Commerce and Its Discontents in Eighteenth-Century Political Thought, 138.

⁵⁷² Mémoires Secrets pour servir à l’histoire de la République des lettres en France, depuis 1762 jusqu’à nos jours,
constituted a legitimate form of political expression in the aftermath of the Seven Years’ War. In 1769, Maynon d’Invault commissioned an ally—the fellow Gournay adherent, royal pamphleteer, and abbé Andre Morellet—to write a polemic against the Company. Morellet’s résumé of anti-Company publishing extended all the way back to 1755, when he worked alongside Gournay to pen a series of scathing attacks on the corporation’s monopoly on the import of painted cloth (toiles peintes). At Maynon d’Invault’s behest, he now set to work writing a more comprehensive critique of Company practices. In June 1769, he finally released his Mémoire sur la Situation Actuelle de la Compagnie des Indes. Over two hundred pages long, Morellet’s polemic provided both a comprehensive audit of Company finances since 1725 and a series of political arguments about why the corporation should be forced to abandon its monopoly.

Morellet fulminated against the Company’s economic lassitude, characterized by the “inactivity” [autant d’activité] and “circumscription” [autant d’étendue] that he believed had befallen its trading operations in India.573 While rehashing common arguments about the institutional deficiencies of the corporation—its tendency to create foreign wars, the large cost of its trading operations—the abbé depicted himself as an advocate for the beleaguered shareholders.574 Through a long series of calculations, he claimed to prove the Company’s duplicity toward its investors, who had been blinded by the “arbitrarily determined” value of their dividend payments. Morellet likewise decried the so-called “false patriotism” that infused the rhetoric of leaders like Necker, whom he claimed dressed self-serving and inefficient practices in the garb of civic virtue.575 At the same time, he pushed for a program of commercial liberty, grounding arguments for the dissolution of corporate monopoly in both economic

574 Ibid, 17.
575 Ibid, 136-137.
projections about the profit potential of free trade and contractual claims about the obligations of
the crown to its subjects. “Truly all the nation,” he wrote, “deserves protection from the
government; this is a right more sacred than that possessed by a privileged Company.”

Like the shareholders before him, Morellet framed his analysis of the Company’s
monopoly through references to both financial productivity and the nature of citizenship within
the absolutist state. What made these connections particularly powerful was the highly
publicized nature of this attack, which disclosed the previously secret accounts of the corporation
while treating readers as informed auditors capable not only of navigating a complex list of
hidden costs, projected values, and actual returns, but also of making clear distinctions between
political virtue and personal vice. Morellet presented his polemic as both an investigation of the
Company’s affairs and a publication meant to raise the political consciousness of the French
nation. The Mémoire sur la Situation Actuelle de la Compagnie des Indes, he claimed, would
break through the otherwise “superficial” knowledge surrounding the Company by exposing
previously uninformed subjects to the discussions going on in the shareholders’ “general
assembly.”

Oriented specifically toward the question of monopolistic trade, Morellet’s polemic also
reflected a pervasive Old Regime anxiety over the place of overseas trade within the absolutist
state. His writing was as much about the management of people as it was about the management
of commerce—for he sought to mold French citizens through the creation of shared economic
interests. Even as he opposed the efforts of Necker and his supporters, he thus ironically found
himself making similar claims about the creation of sovereign bonds. Both men argued that

576 Ibid, 206.
577 Morellet, Mémoire sur la Situation Actuelle de la Compagnie des Indes, “Avertissement.”
collective interest constituted a foundational component of French political life. Both also saw the question of Company administration as intimately related to the consequences of the Seven Years’ War: a development that Paul Cheney terms as the breakdown in the “provisional coincidence of interests” between the monarchy and France’s burgeoning commercial society.\(^{578}\)

For each, government and its attendant regulations were a manifestation of shared interests—and should be judged on the ability to serve them. But whereas Necker claimed that the political powers of the monarchy could be preserved and expanded if it simply transferred responsibility for the Indian trade to Company shareholders, Morellet envisioned a more thoroughgoing reform of the institutions and practices of the Old Regime. For him, corporatism, monopoly, and other impediments to private enterprise would have to be eliminated if the state were to prosper. Self-interest would replace self-effacing loyalty as the true marker of citizenship.\(^{579}\)

Morellet’s writing also reveals an important shift in the political identity of Company shareholders. Prior to the Seven Years’ War, investors spoke of themselves mostly as loyal subjects serving underneath the king. In the aftermath of both this conflict and the king’s retrocession of his shares, meanwhile, they framed themselves as a sovereign political unit working alongside the crown. Now, in the face of growing opposition from the royal ministry, they found themselves pushed into direct opposition with a powerful bloc of crown administrations, branded as a refractory society that served neither the state’s interests nor its own. In response, the comte de Lauraguais, who up to this point had ridiculed most of shareholder reform efforts (he was the reputed author of the *Prospectus de la pompe funèbre*), wrote a scathing riposte to Morellet’s tract, painting him as a mercenary seeking only

\(^{578}\) Cheney, *Revolutionary Commerce*, 5.

\(^{579}\) The overarching themes infusing Morellet’s entire corpus, as well as the political and personal ambitions that likely inflected his arguments, has been treated most comprehensively in Jeffrey Merrick and Dorothy Medlin, ed., *Andre Morellet (1727-1819) in the Republic of Letters of the French Revolution* (New York: Peter Lang, 1995).
self-enrichment.\textsuperscript{580} His was just one of a series of outraged responses that helped transform the complex issue over corporate monopoly into a polarized conflict opposing liberty to political despotism.

In the wake of Morellet’s publication, shareholders found themselves pressed not only to defend the privileges that they hold over the Indian trade, but also their very credentials as informed and loyal citizens who could be trusted to speak about the economic interests of the French nation. Fearful that Maynon d’Invault would soon suspend its monopoly, the Company staged a protest-filled meeting on 8 August. Necker assumed a leading role in these proceedings, exhorting the assembled investors to defend the corporation and the property they held through their investments.

The Genevan leaned heavily on a language of investor sacrifice to argue for the protection of the Indian monopoly. In a speech before the Company assembly, he insisted that shareholders “demanded neither compensation nor reward, asking only that it be remembered that they are members of a society that is useful to the state.”\textsuperscript{581} For Necker, the Company’s value to the crown could not merely be judged by simple projections of cost and profit, but rather by a more comprehensive set of calculations that considered the virtuous disposition of its shareholders, and the patriotic undertakings that it undertook on behalf of the crown. The Genevan went to great lengths to show that investors had “shouldered all the costs of sovereignty” incurred by the French in India. He outlined the litany of burdensome commitments for which their shares had paid, including “constructing and maintaining ports, raising fortifications, clearing roads, building arsenals, churches, hospitals, and other public works, funding a civil

\textsuperscript{580} Louis-Léon-Félicité de Brancas de Lauraguais, \textit{Mémoire sur la Compagnie des Indes} (1770).
court, [and] maintaining troops.” The extent of these sacrifices both underscored the Company’s role in facilitating the needs of the state and provided a powerful defense of monopoly. By Necker’s logic, any effort to deprive investors of their hard-earned income would be tantamount to “refusing a soldier his duly earned prize by disputing with him the utility of his conquests.”

Necker’s speech represented a desperate attempt to unite his fellow shareholders for a final showdown with state authority. More generally, though, it stood as a defense of a pluralistic vision for monarchical political authority. Necker not only highlighted the civic contributions of the Company; he regarded as self-evident that the crown would depend on the sovereign powers of intermediary political bodies to exercise political power. “I say this as one of the highest truths,” he asserted, “and maintain it with the utmost confidence, that the Compagnie des Indes has rendered the greatest of service to the state.” Like parlementaire magistrates during the Maupeou coup and guild members resisting the Turgot reforms, Necker and his fellow shareholders painted a picture of a despotic monarchy that had overstepped its bounds by undermining the rights of its subjects. They likewise framed the sovereign power of proxy agencies such as the Company as a necessary check on the arbitrary authority of the crown. “The public’s interest,” insisted the investor and famed polemicist Pidansat de Mairobert, “is to reject any system that would allow the government to seize its property, and to make whatever law it desires.”

582 Ibid, 12.
583 Ibid, 8.
584 Ibid, 3.
The conflict over the Company reveals two contradictory trends at work in France after the 1760s. On the one hand, this decade bore witness to the evolution of corporate groups like the Parisian barristers’ association, the merchant courts, and, of course, Company shareholders into powerful political institutions. Over the course of the eighteenth century, many of the older privileged orders constituted through venality of office (bureaux de finances, the general farms) found their powers slowly stripped away by the monarchy—all in the name of political rationalization. Yet those corporate agencies that did not owe their existence to the purchase of sinecures (like the Company) often proved adept at expanding their powers, as they exploited arguments about the utility of their office to extend their political, judicial, and economic authority. The shareholders’ creation of a self-constituted republic of investors was just part of this broader process of corporatist reinvention in the face of growing upheaval under the Old Regime.

On the other hand, the aftermath of the Seven Years’ War saw a progressive narrowing of political options under the monarchy. The dissolution of France’s colonial system broke apart the reciprocal system of interests binding the crown together with its colonies, while the loss of Company authority in India removed one of the crown’s key legitimizing institutions. For decades, Company employees had relied on the power of the monarchy to explain and justify their activities abroad; this process, in turn, helped bolster crown authority by creating new legal

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586 This line of developments has received a number of treatments and reassessments. Tocqueville traced out a long history involving the erosion of traditional privilege going back to the 15th century in *The Old Regime and Revolution*. Both Kwass and Bossenga offer important correctives to this argument, which claims that privilege had become mostly functional and pecuniary by the eighteenth century in *Privilege and the Politics of Taxation in Eighteenth-Century France* and *The Politics of Privilege*, respectively. Sonenscher places important limits of the regulatory power of corporatist society, paying particular attention to the primacy of natural law over corporate regulation in governing labor. Michael Sonenscher, *Work and Wages: Natural Law, Politics, and Eighteenth-Century French Trades* (Cambridge: Cambridge University Press, 2012). Kessler offers a more recent corrective when she distinguishes between non-sinecure organizations like the Merchant Courts and the venal offices detailed by Bossenga—a distinction that could likewise be extended to the Company. *A Revolution in Commerce*, 170.
and economic applications for royal power. Even after 1763, shareholders succeeded in promoting their own corporate body as a sovereign solution to the vacuum created by the Treaty of Paris. But for both statesmen and economic writers, such limited reform—a mere reconfiguring of the institutions responsible for the managing French commerce in India—did not go nearly far enough. In the aftermath of the Treaty of Paris, the doc de Choiseul, the Minister of State for War and the Navy, oversaw a dramatic restructuring of French foreign policy; he made the restoration of empire a central crown objective, and replaced many of the proxy agencies responsible for managing France’s colonial settlements with royal agents, soldiers, and institutions. Economic writers like physiocrats and the Gournay Circle, meanwhile, exploited the failures of the Seven Years’ War to argue for the leveling of corporatist society. In place of the tangle of corps, privileged bodies, and sinecures that comprised the political landscape of the Old Regime, they argued that sovereign authority should reside exclusively in the state.

Morellet’s critique, by extension, focused on certain Company policies. But more than anything, he questioned the very premise that corporate and state interests could ever really overlap. The abbé grounded his argument in the notion that shareholder governance created an implicit conflict of interest: one could not function in equal parts as both citizens and members of a corporate society. He employed arguments common to critics of the Company over the preceding century: that the institution had been derelict in its duties; that free trade would represent a more efficient commercial option to monopoly; that Company employees could not

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587 The efforts by Choiseul have been exhaustively chronicled by Rohan Butler, Choiseul (Oxford: Clarendon Press, 1980). The applications of his policy within the colonial sphere, particularly the French territories in India, remains understudied. One of the best perspectives of the collision between reform energies and new commercial thinking in the aftermath of the Treaty of Paris comes from work on the failed French settlement attempt in French Guiana, which was modeled along physiocratic principles of economic management but was quickly wiped out by disease. See Marion Godfroy, Kourou and the Struggle for a French America (New York: Palgrave Macmillan, 2015).
be trusted to create an accurate report of their annual earnings. Yet his criticism also reflected a more novel consideration rooted in the specific circumstances of the post-war years: that although the Company certainly exhibited a number of practical failings, its main problem was that a proxy institution possessing delegated sovereign powers no longer had a place in the political space of the Old Regime. His argument, in short, concerned not only the liberalization of the French economy, but also a reimagining of the context through which trade could be pursued and political power exercised. How he planned to institute these changes is less clear. In the case of India, Morellet imagined that the Company’s former colonies would be maintained as entrepôts for private merchants—without addressing the problem of who would fund and defend them. As was frequently the case in Morellet’s writing, polemical vigor compensated for any glaring practical deficiencies.588

As it turned out, Necker’s address would represent the last concerted effort to defend the Company. Five days later on 13 August, Maynon d’Invault formally suspended the corporation’s monopoly. The dismantling of the Company would occur at an agonizingly slow pace over the following decade. While diehard supporters of the Company like Charles Godehau continued to advocate for the restoration of the Indian monopoly, the majority of shareholders recognized the futility of continued resistance.589 In 1770, they voted to ratify the ministry’s decision to dismantle their exclusive trading privileges. In India, meanwhile, the crown assumed direct control of the Company’s settlements, although British interference and the monarchy’s inability

588 This was a problem noted by Necker, Panchaud, and Lauraguais, each of whom accused Morellet of being more of a self-promoting polemicist than a clear-minded reformer offering realistic solutions to the Company’s recurring struggles. This tension is explored is explored by Darnton, who leans on the side of Morellet as a writer seeking to gain fame rather than establish a consistent ideological program. Robert Darnton, “An Exemplary Literary Career,” in Andre Morellet (1727-1819) in the Republic of Letters of the French Revolution, ed., Jeffrey Merrick and Dorothy Medlin (New York: Peter Lang, 1995).

589 ANOM C2 106, Mémoire sur la Compagnie des Indes, 10 March 1771.
to create a consistent foreign policy platform limited its authority there.\textsuperscript{590} The financial records for each of the comptoirs were in such a state of disarray that it would take royal officials years to discharge the Company’s remaining debt.\textsuperscript{591}

Within France, the specific circumstances of the Company’s dissolution were soon overshadowed by new developments. The Chancellor Maupeou’s 1771 suspension of the parlements sparked ferocious conflict between the crown and France’s \textit{corps} of legal professionals—a polarizing debate that helped solidify public opinion as a new source of political authority, and that sparked increasingly concerted resistance to the crown and its policies. Like the shareholders, French magistrates and barristers opposed Maupeou by portraying themselves as part of a broad-based patriotic opposition that was under attack by despotic royal policy. The conjuncture of timing and language for these two events was readily apparent to anti-Maupeou activists like the Pidansat de Mairobert, who incorporated the arguments raised by investors in a publication criticizing the suspension of the parlements.\textsuperscript{592} Yet the significance of the shareholder protests extends beyond their parallelism with protests against the Maupeou coup. The conflict between Necker and Morellet also represented an important shift in French thinking about corporatism and privilege.

Shareholders’ short-lived experiment with internal governance fit with a broader pattern of Company lobbying going all the way back to John Law. From Necker to Panchaud, investors

\textsuperscript{590} On the crown’s struggles to develop a consistent set of foreign policy objectives in India, see Kenneth Margerison, “French Visions of Empire: Contesting British Power in India after the Seven Years’ War,” \textit{English Historical Review} 130, No. 544 (June 2015): 583-585.

\textsuperscript{591} RCP ECD, \textit{M. les Commissaires de la Compagnie des Indes pour la liquidation à Pondichéry}, 22 December 1770; RCP ECD, Company to the Superior Council of Pondichéry, 8 March 1770; RCP ECD, Company to the Superior Council of Mahé, 17 August 1773.

\textsuperscript{592} Margerison, “The Shareholders’ Revolt at the Compagnie des Indes,” 25. Margerison places particular emphasis on these connections, as he focuses on Mairobert’s attempts to link protests by Company shareholders with the broader set of complaints raised during the Maupeou Coup.
presented themselves not as the holders of traditional privileges that the crown was obliged to honor, but rather as loyal subjects taking on political responsibilities that the monarchy itself was unable to manage as effectively as they could. For each, understandings of France as a centralized state composed of free and individual citizens and as a corporatist hierarchy constituted around distinct rights, obligations, and political powers were not mutually exclusive. The monarchy could be both absolute and dependent on proxy institutions, centralized and pluralistic. Indeed, like many Company administrators before them, investors saw themselves as governing on behalf of the crown; their limited sovereign powers served to make royal power more pervasive. Morellet’s claims, by contrast, as well as those of a new generation of economic thinkers like Dupont de Nemours and Turgot, drew a firm line between these two visions concerning the composition of the French state. By viewing shareholder authority as merely a form of social and economic privilege, rather than as a sovereign responsibility exercised under the auspices of the king, these critics helped reduce the complex political landscape of the Old Regime to a simple dichotomy: either a patrimonial state constituted around personal authority, custom, and traditional right, or a centralized and bureaucratic regime of equal citizens.\textsuperscript{593}

This transition is important for understanding the nature of political conflict in the final decades of the Old Regime. Ministers like Manyon d’Invault sought to expand crown authority by obliterating monopolies and corporatist impediments. Yet in suppressing intermediary institutions like the Company, they ultimately rendered the state more vulnerable by recasting it as France’s sole sovereign entity. In decades past, critics of the Company blamed its employees for their failures in India, all the while absolving the crown. After the 1760s, however, political

\textsuperscript{593} The conflicting nature of these viewpoints is particularly apparent in the guilds’ opposition to Turgot, where the competing sides understood corporatism and centralized state power as contradictory forms of governance. See Sewell, \textit{Work and Revolution in France}, 76-77.
conflict increasingly centered on opposition to the crown itself. In place of a pluralistic regime composed of overlapping jurisdictions and political responsibilities, France was increasingly framed as a singular state defined through clear divisions between public and private interest, politics and society, and ruler and ruled— even as the exact nature of these divisions remained open to debate. The various political and legal traditions that were once used to make sense of crown rule, from natural law to classical republicanism, now became part of a rhetorical arsenal deployed against royal encroachment into private life. By removing opportunities for collaboration or the delegation of sovereign power, polemicists like Morellet helped to reduce the options available to critics of the crown. Negotiation and accommodation gave way to simple resistance.

**Conclusion**

The dissolution of the Company has traditionally been understood as the consequence of broader shifts in French economic policy. As free-trade advocates like Maynon d’Invault and Turgot gained prominent roles within the royal ministry, and as Gournay’s famous maxim “Laissez faire, laissez passer” became the byword for a new generation of economic writers, the mercantilist policies that had guided crown policy were swept away in a wave of liberalization. According to one prominent scholar of the period, the 1760s saw the birth of “economics” as a distinct discipline in France—an argument supported, as least anecdotally, by the popular nickname given to the Physiocrats: “Les économistes.” By this logic, the Company represented one of many corporatist impediments to the rationalization of French finances. Its dissolution set

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in motion a long process of deregulation that continued well into the Revolution and Restoration.596

This chapter, by contrast, suggests that the collapse of the Company was part of a longer story involving the reconceptualization of sovereignty under the absolutist state. For both supporters and critics of the Company, the viability of corporate monopoly extended beyond simple considerations of cost and profit, capitalization and finance; it was also a reflection of changing beliefs concerning the structure and constitution of the French state, and the nature of citizenship in a monarchy. The dissolution of France’s overseas empire played a key role in this reimagining of French sovereignty. As the colonial commitments that had once required the crown to parcel out of political power disappeared, the lessons learned from the failures of the Company would be increasingly applied to the French state.

596 Indeed, as several historians have argued, corporatism and protectionism represented the operating principles of French industrialization well into the nineteenth century. See Sewell, Work and Revolution in France, Horn, The Path Not Taken (Horn challenges the idea that state and corporate regulation were specifically French practices, arguing that they were key to industrialization in Britain), and Todd, L’Identité économique de la France.
CONCLUSION

In 1770, the first edition of the Histoire des deux Indes was published in Amsterdam. The book represented a massive undertaking: it numbered over 2,500 pages—divided over 10 volumes—and was the product of a collaborative effort that included some of the greatest minds of the Enlightenment. Although authorship was formally credited to the abbé Guillaume Thomas Raynal, the Histoire des deux Indes included among its contributors such luminaries as the Baron d’Holbach and Diderot. The imprint of the latter is particularly evident in the structure of the book, which was intended to match the breadth and analytical depth of Diderot’s other great literary project: the Encyclopédie. Reprinted in multiple editions, and translated into over ten different languages within a decade of its first publication, the Histoire des deux Indes also became one of the best-selling works of the eighteenth century. A sweeping narrative of the European imperial experience, the book focused in particular on global developments over the preceding twenty years. As Anoush Terjanian writes, Raynal’s essay was perhaps the most “influential cultural and political product of the Seven Years’ War.”

The Histoire des deux Indes was one of the most celebrated achievements of the Enlightenment: a work that channeled the collective knowledge of the Republic of Letters into a

597 Terjanian, Commerce and its Discontents, 18

598 Sales records come from Robert Darnton’s calculations of the sales of texts prohibited by the French monarchy (as the Histoire des deux Indes was in the 1770s). He places the book fifth on the lists of unlicensed books solds during the eighteenth century. See The Forbidden Best-Sellers of Pre-Revolutionary France (New York: W.W. Norton & Company, 1996), 63.

599 Terjanian, Commerce and its Discontents, 17
powerful critique of the invidious practices of empire, especially the slave trade. Yet the book also dealt with more immediate French concerns, particularly the recent controversies surrounding the dissolution of the Company. To account for the notable failings of the corporation, the authors turned to one of the favorite whipping boys of le Monde: France’s absolutist monarchy. Sounding a refrain heard throughout this dissertation, the Histoire des deux Indes blamed the crown for the conditions of “servitude” in which it had kept the Company—the tangle of burdensome regulations and demands that had led the corporation “to the abyss where it [now] finds itself.”

The work also contrasted the despotic practices of the crown with the reform campaign led by Necker. This comparison was made at length:

The goal of these reforms was that the Company would no longer be governed by men unworthy of their office: that its government would do more than merely protect itself: that the Company would be shielded from the [condition of] servitude imposed on it—and about which it constantly complains—as well as from the opaque practices [l’esprit de mystère] that perpetuate corruption within it: that there would be continued relations between Company administrators and shareholders: that Paris, deprived of that advantage that other commercial nations enjoy—that of being a port—would be enlightened about commerce by free and peaceful assemblies: that French citizens would finally understand the vital link [between commercial progress and national health] that shapes all nations, and that they would learn, in being enlightened about the sources of public prosperity, to respect the merchant for the work he does to contribute it.

Such idealistic ambitions would not have been out of place in the reform proposals later outlined in the cahiers de doléances, the lists of grievances drawn up by each estate on the eve of the French Revolution. Although specific concerns varied by estate, the cahiers nonetheless focused on common themes. Each called for a greater degree of participation in the government—for a nation ruled by reason rather than royal fiat, an administration built on transparency instead of obscurantism, and a fiscal landscape streamlined to promote prosperity in

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601 Ibid, 311-312.
place of feudal privilege. The parallels between Company politics and revolutionary agitation did not stop there. Just as Necker’s reforms of the shareholder assembly (particularly his call for regular elections and greater financial accountability) preceded his later efforts as Controller-General, so too did the “national assembly” launched in the final months of the Pondichéry siege prefigure demands for collective representation voiced in 1789. And just as La Bourdonnais’s laments about monopoly foreshadowed later critiques of corporate privilege, so too did the arguments developed in the aftermath of the Madras affair forecast a turn toward natural law in revolutionary debates about the nation’s legal order. Decades before the fall of the French monarchy, Company agents thus anticipated key features of the revolutionary project—often in an effort to preserve the institutional structures and hierarchies around them.

To highlight these parallels is not to suggest any explicit causal links between Company politics and the Revolution that occurred twenty years after the corporation’s dissolution. Nor is it simply to add the legion of detractors, supporters, and commentators implicated in the Company’s history to the “checklist” of writers and thinkers who shaped revolutionary political culture. Instead, such overlap suggests the importance of the Company as a space through which many of the most pressing economic, social, and political concerns facing the French monarchy were worked out. The significance of the corporation is often lost amid a swirl of bad business ventures and abusive practices. Yet even as the Company succumbed to the twin pressures of insolvency and imperial rivalry, its institutional framework continued to connect a wide range of actors to both the seats of power and the organs of public opinion. Whether as a

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602 This is not to imply a direct connection between natural law arguments focused on colonial sovereignty and the questions about natural right and social contract that informed the earlier revolution, but does suggest the use of a common conceptual framework to understand the French political order. See Dan Edelstein, The Terror of Natural Right: Republicanism, the Cult of Nature, and the French Revolution (Chicago: University of Chicago Press, 2009).

603 This formulation is particularly indebted to Maza, Private Lives and Public Affairs, 9.
mercantile organization, a colonial government, or a semi-autonomous military, the corporation tested the limits of royal authority throughout the eighteenth century. It is of little surprise, then, that the policies of good governance and equitable management formulated during the early days of the Revolution were anticipated, at least in part, decades before in debates over the Company. At times, former employees and shareholders participated directly in these discussions. As they moved into positions of power within the royal bureaucracy and revolutionary government, they applied the lessons learned over the course of the Company’s history to reshaping France’s political order.

A prominent trend in eighteenth-century scholarship has been to show that those thought to have the most at stake in the Old Regime—nobles, rentiers, and officeholders—actually constituted its most vicious critics.604 The seeds of discontent, argues David Bell, were sown within the very “ambit of French government” and social privilege, as critics exploited their insider status to challenge the legitimacy of the monarchy free from concerns over either censorship or reprisal.605 Yet this focus on broad-based political conflict obscures a more complex dynamic of accommodation, collaboration, and agitation for moderate change than is traditionally acknowledged. As my analysis of Company scandal suggests, a powerful politics of preservation paralleled the violent contestations of the eighteenth century. Like the late Enlightenment writers who traded the vitriol of their predecessors for the comforts of court life, the diverse groups and actors engaged with the Company did less to challenge existing

604 This trend began most notably with the work of David Bien. The contours of this scholarly turn are summarized in Rafe Blaufarb, Michael Cristofferson, and Darrin McMahon, ed., Interpreting the Ancien régime (Oxford: Oxford University Press, 2014).

605 Bell, Lawyers and Citizens, 12. This loss of even insider support is likewise evident in Baker’s descriptions of the struggle between crown historiographers and polemists in the Parlement of Paris. Consider his description of Jacob-Nicolas Moreau, whom he calls “the last official defender of the absolute monarchy in France.” Baker, Inventing the French Revolution, 84.
hierarchies than to temper their most glaring faults in order to protect traditional markers of authority.  

For all its inefficient practices and well-documented failings, Old Regime society proved consistently able to adapt to new ideas and circumstances. Under the Company, the sovereign foundations of the French political order were repeatedly stretched to accommodate the shifting imperatives of colonial trade and governance.

The imprint of this process, and of colonial politics more generally, was felt across French public life. While new research has rightly emphasized the importance of Saint-Domingue and the Atlantic colonies in shaping the political culture of the late eighteenth century, the broader impact of France’s imperial activity during this period remains understudied.

According to one specialist, French colonies were simply incorporated into the messy and often ambiguity-laden institutional culture of the Old regime “without inciting too much reflection.”

As I have argued throughout this dissertation, however, the process of settling and trading in the Indian Ocean inspired a bracing reassessment of contemporary political assumptions and economic practices. Traditional conceptions of sovereignty proved inadequate when faced with the problems posed by colonization efforts in India. As they negotiated with local rulers, managed populations of mixed culture and race, and reoriented their economic strategies to accommodate local trade, Company employees gave new meaning to traditional idioms of corporatist order and crown authority. This process papered over growing tensions within French society, simultaneously building up state power while also carving out space for group interests and private initiative.

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606 This dynamic was famously documented by Robert Darnton and his “Grub Street” thesis. See The Literary Underground of the Old Regime (Cambridge, MA: Harvard University Press, 1982), 3-8.


608 Cheney, Revolutionary Commerce, 202.
Indeed, a history of the Company reveals the importance of colonial expansion on the formulation of new political assumptions and practices in France. The eighteenth century was truly an era of globalization, as new empires and the trading links between them facilitated a vigorous circulation of ideas. These exchanges took place within the same imperial systems, as well as between competing empires. As we have seen in the collisions between the French, British, and the successor states in the south of India, colonial interaction inspired ongoing conflicts over legal status and jurisdictional right. Rivalry also fired the emulative impulses of imperial agents, as they studied and imitated the practices of other powers to gain a competitive advantage.

C.A. Bayly uses the term “conjunctural revolutions” to describe the collective series of political transformations that took place in Asia during the late eighteenth and early nineteenth century. Such phrasing is useful, for it hints not only at common elements of timing, but also at the broader connections between these different revolutionary movements. From the 1744 Wahabi revolt that created an independent kingdom in Saudi Arabia to Sikh attempts to carve out an autonomous political space in the Punjab, this period witnessed a sundering of imperial ties on a scale comparable to the more famous revolutions occurring in Europe and the Atlantic World.609 While the ideological links between these different revolutions were limited, the impact of so much simultaneous political change was nonetheless felt across the global stage. The overthrow of one kingdom or imperial system necessarily required adjustments by another—whether it be a political ally, trading partner, or sworn enemy.

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This feedback loop was particularly evident in the collective struggles that Company writers termed the “revolution” in India. As regional crises exploded along the Coromandel Coast and in Bengal in the 1740s and 1750s, the French committed troops in the hope of advancing their interests there. These disastrous campaigns, which we have already explored in detail, culminated in Clive’s 1757 victory at Plassey and the consequent granting of the Bengal diwani (tax-collection rights) to the British in 1765. The British thus gained an empire as the French lost one. Plassey’s aftershocks were felt not merely in Pondichéry, but also in Paris. From the prolonged battle over Dupleix’s machinations in Hyderabad and Arcot to the scapegoating campaign against Lally, the struggle to make sense of broader transformations on the Indian subcontinent prompted both vocal debate and prolonged reflection. Separated by context, time, and ideological underpinnings, the “revolutions” in India and the Revolution in France nonetheless belong together within a common genealogy of French political crises.

Indeed, the controversies generated by Company activity in India overlapped with—and mediated—what are often seen as the hallmark developments of the eighteenth century: the evolution of a critical public sphere; the reconceptualization of market society; the development of commercial science; and the replacement of a language of subjecthood with one of citizenship. Colonial scandal made for exciting reading, as the howling mobs and clusters of engrossed courtiers suggest. But it also touched on the major ideological currents of the day. While Enlightenment writers worried over the defining features and patriotic virtues of the French nation, a host of employees, shareholders, and administrators fought to mold the myriad institutions and settlements that constituted France’s overseas empire into a coherent political system. And while crown propagandists and Paris magistrates debated each other over the
historical foundations of royal sovereignty, this same assortment of Company-related lobbyists established a vision of state power based on the regulation of labor and colonial territory.

The Company’s monopoly dissolved in a flash of royal fiat in 1769. Existing accounts and property were transferred to the state; outstanding debts were settled, or sometimes simply forgotten. Yet the Company remained a fixture in popular culture. Inheritance suits brought forward by the families of Lally and La Bourdonnais dredged up not only personal conflicts, but also the ideological justifications behind earlier rulings. The son of Jacques d’Eprémesnil used his position as a parlementaire barrister to lobby for the restoration of the corporation. He received his wish in 1785, when Controller-General Charles Alexandre de Calonne established a new Indies Company. This corporation lacked the far-reaching political and military mandates of its predecessor, and was intended merely to reestablish trading links with India. But it also reinvigorated the longstanding fears about speculation and stock manipulation first produced by Law. Calonne’s Company likewise inspired its own public scandal: in 1793, a Montangard scheme to profit from the impending liquidation of the corporation led to the arrest and execution of its main conspirators.

Neither the tensions nor the arguments raised over the course of the Company’s history disappeared after its dissolution. Lingering concerns over the equity of crown-sponsored monopoly received a new lease on life in the debates over the exclusif—the onerous system of economic regulations that the monarchy imposed on its Atlantic colonies. Such conflicts built on

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610 Both trials were adjudicated by the Parlement of Paris. See AN, X 2b 1394 for La Bourdonnais, and AN, X 2b 1395 for Lally’s case.


earlier Company debates about the legal precedents, economic principles, and political authority behind colonial policy. Similar anxieties were voiced in the constitutional crises of the 1770s. We have already seen how the patriotic rhetoric articulated during the shareholders’ revolt was positioned as a part of the protests against arbitrary government during the Maupeou Coup. Physiocratic reformers and defenders of corporatism squared off around the same time over the crown’s right to regulate—and ultimately dissolve—the privileged bodies beneath it. Questions about the proper management of trade saturated the royal court even as they filtered out into the public sphere. From Terray’s liberalization of the grain trade to Necker’s controversial *compte-rendu*, the struggle to define the nature of wealth and determine how to regulate it under a common sovereign system remained at the heart of French political conflict.

The dissolution of the Company, however, meant that such discord was to be concentrated on a new target: the monarchy. Throughout the eighteenth century, the vitriol generated by Company scandal was mostly directed against the corporation. Regardless of whether their commitments to the king were sincere or contrived, disputants realized the value of making their position consistent with crown interests. The monarchy thus remained insulated from the most damning accusations of corruption or bureaucratic inefficiency, even when these faults were directly attributable to royal mismanagement of the Company. Calls for fiscal restructuring, improved transparency, and established legal procedure—shibboleths of the Enlightenment and bywords of the future revolutionary order—were directed toward the Company on behalf of the crown, rather than extended to it as well. After the corporation was eliminated, however, and once the pluralistic political culture of the Old Regime was consolidated under a singular state, such criticisms turned increasingly toward the royal government. The failings of the Company thus became the failings of the crown.
Ultimately, this dissertation stands as a reminder that neither the anxieties nor the ideals of the eighteenth century were ever simply worked out in the abstract. The circumstances behind Company disputes—the shifting political climate on the Indian subcontinent, the evolution of French market society, an institutional culture riddled by infighting and personal conflict—closely affected the arguments they produced. France lost its East India Company and most of its empire over the course of the eighteenth century. But these spaces produced ideas and political perspectives that would long outlast both of them.
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71: To the Honorable Edward Boscawen Esq Rear Admiral of the White and General and Commander in Chief of his Brittanick Majesties Forces in the East Indies and Fort St. David

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