French Colonial Policy, Warfare, and Eighteenth-Century Atlantic Trade.

Readjustment mechanisms beyond protected markets

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Control over trade and consumption was one of the means by which early modern European sovereigns tried to impose their rule over competing powers within the territory they wanted to govern. Whereas the faculty of supervising trade flows had an obvious fiscal dimension – as control went along with the perception of taxes –, interdictions and duties were increasingly conceived, in the course of early modern times, as means to orient economy in a desired direction, to assert dominant social order (though restrictions over consumption of luxury goods) and to increase political fidelity (through the granting of privileges). In the French case, commercial policy did not concern foreign and colonial trade only, but also internal trade, where a set of interdictions existed for crucial commodities (notably grain, to prevent speculation to artificially provoke famine, especially in cities). Together with multiple internal tolls, high transport costs kept market integration low, and benefitted to different interest groups and companies. In the 17th century, state control over trade was not the only intervention to regulate economic activities. Production and export of manufactured goods led to an impressive set of regulations and monopolies to grant quality and sustain producers. This process of state control over trade flows and production was strengthened and accelerated by the rise of a colonial empire, which was conceived as a component of the King's glory, and an element to promote trade, economic prosperity and fiscal revenues. Whereas French historians are quite critical in assessing the costs and benefits of French industrial policies, they generally consider commercial protection, notably in colonial trade, as a crucial factor leading to 18th-century impressive trade growth.

This paper focuses on French colonial trade policy from the 1660s to the late 18th century and confronts the traditional narrative, stressing the virtue of protective colonial policy in fostering trade growth and ports' prosperity, with an agent-based perspective. The inclusion in our narrative of smuggling and warfare trade modalities as fundamental components of the long 18th century (1680s – 1815) enables to study trade mechanisms at work, without confining the analysis to the legal frame and its underlying or asserted ideology. An agent-based perspective might show the peculiar meaning of notions such as "protectionism" or "free trade" in this specific colonial context, and question the consequence of the restrictive policy imposed to the colonies on international markets. The first part of the paper retraces the legal frame and shows how it affected commercial flows. The second part focuses on smuggling and the multi-national character of merchant networks, which lures national categories, whereas the last part deals with trade in times of war and more generally with the role played by warfare and neutrality as an adjusting mechanism of the unbalances of trade created by imperial protective policies. In the oral presentation, I will more extensively develop the last part of the paper to show the bias of economic history interpretations based on official, state-produced data.

The rise of a protected colonial trade

From the point of views of monarchs and ministers, the conquest of oversea territories represented a major challenge offering an experimentation field for increasingly ambitious economic and administrative policies. This was not specific to France. All European countries adopted restrictive commercial policies to regulate trade to their colonies, try to impose control over trade flows, and define the nature of licit traffics, to the benefit of those groups and lobbies who managed to influence legislations. This could include convoys and favor a specific port, such as in the Spanish empire.[1] England designated a series of products which could only be traded through English (and from 1707, also Scottish) ports, allowing the inhabitants of her colonies a relative freedom to sell non-enumerated products directly to certain foreign markets.[2] France did not favor a port for sailings to the Americas (but it did so for Asia), but required that all trade going to, or arriving from colonial ports should be shipped exclusively from/to ports in the mother country. Beyond the different forms they took, all these policies were conceived

[1] For an overview of the legislation and its evolution over time, see Antonio García-Barquero González, *La Carrera de Indias: Suma de contratación y océano de negocios*, Sevilla, 1992.

[2] In the British case, a limited trade in non-enumerated goods with extra-imperial countries was authorized For the role played by Southern Europe in the balance of trade of the thirteen North American British colonies before 1776, see John McCusker, "Worth a War? The Importance of the Trade between British America and the Mediterranean", *Research in Martime History*, 44 (2010): 7-24. See also, James G. Lydon "Fish and Flour for Gold: Southern Europe and the Colonial American Balance of Payments," *Business History Review*, 39 (1965): 171-183.

to maximize the benefits which the mother country (i.e. the prevailing groups and individuals who could manage to assert their interests at state level) could derive from its transatlantic possessions.

The establishment of a colonial empire in the first half of the 17th century compelled governments to rethink the modalities of French sovereignty in such distant areas. As Minister of the Navy and of Public Finances of Louis XIV, Colbert (1661-1683) fought to restrict the presence of foreign merchants and ships -notably the Dutch- in the French colonies. After the failure of the West Indian Company which he initiated (1664-1674), French firms were authorised to ship to the colonies without further restrictions. The trade was thus "free" to all French subjects residing in a long list of ports, but protected from foreign competition. With the addition of a few naturalized foreigners, all French-born individuals were considered French subjects.[3] This policy restricting colonial trade and shipping to French subjects is traditionally considered as laying the foundation of French 18th century colonial trade growth (the value of colonial trade was multiplied by 10 between the early 1720s and the late 1780s).

By the mid of the 17th century, merchants from Holland still dominated a large part of the West Indian trade. As Wim Klooster put it, "The Dutch even managed to gain mercantile supremacy, albeit short-lived, in […] Guadeloupe and Martinique."[4] In 1662, a report presented to the minister of finance, Jean-Baptiste Colbert, estimated that out of 150 ships trading with the French Caribbean, no more than three or four were French-owned. The minister spent the rest of his life trying to reverse this situation.[5] This led to a two-pronged strategy: firmer control by the crown on the colonial administration; and the implementation of a policy for the exclusion of foreigners from the colonial trade – a policy specifically aimed at the Dutch. Colonies were put under direct state control, instead of under the control of chartered companies or private landlords who had previously been granted proprietary rights (*propriétaires-seigneurs*). In 1671, foreign ships were banned from colonial ports, while French exports to the colonies were exempted from all duties. Duties on French colonial imports were reduced from 5 per cent to 3 per cent. These decisions laid the basis for what was later labeled the "exclusive system," a policy excluding foreigners from colonial trade and obliging the inhabitants of the colonies to

[3] Peter Sahlins, *Unnaturally French: foreign citizens in the Old Regime and after*, Itacha & London, 2004.
[4] Wim Klooster, *Illicit Riches. Dutch Trade in the Caribbean, 1648-1795*, Leiden, 1998, 89.
[5] Jonathan Webster, "The Merchants of Bordeaux in Trade to the French West Indies, 1664-1717," unpublished Ph.D. thesis, University of Minnesota, 1972, 36.

trade exclusively with the ports and merchants of the mother country. French shipping and ship-building grew as a consequence of this shift.[6]

These rules were part of a larger plan to assert French economic interests in Europe, which was implemented via various decisions, notably the toll tariffs of 1667. It came at a cost, though. Among others, the war against the Dutch (1672-1678) resulted from it. Also, the legislation which initiated a permanent subordination of colonists' interests to the interests of merchants living in the mother country had far-reaching political consequences in terms of allegiances. Such an imperial policy was a source of permanent tensions between colonists and authorities in Versailles; between planters, free coloured and slaves; between France and other European colonial powers, leading eventually to the progressive loss of the French empire in the Americas in the eighteenth century (Newfoundland and Acadia in 1713; New France in 1763; Haïti in 1804). But as far as trade between the French colonies and Europe was concerned, it proved quite effective. Despite the almost continuous state of warfare which characterized the last 40 years of the long reign of Louis XIV (1643-1715) – wars which bought Saint-Domingue under French dominion (1697), and secured temporary access to Spanish America during the War of Spanish Succession (1702-1713) - French merchants were able to consolidate the commercial networks that would allow them to rise to prominence in Atlantic trade in the 18th century.[7] In this process, they benefitted from the assistance and capitals of previously existing Dutch commercial networks. Many Flemish and Dutch merchants had settled in the Atlantic ports in France in the 17th century to control the salt, wine and other export trades. They were, therefore, well-positioned to take advantage of the emergence of French colonial trade and to adapt to the changes in French commercial policy.

Whereas Dutch capital and insurance services were decisive for the West Indian trade in the late 17th century, within a generation, many French merchants were able to fit out expeditions to the West Indies using their own financial resources.[8] This might have been the combined

[6] Jean Tarrade, *Le commerce colonial de la France à la fin de l'Ancien Régime*, Paris, 1972, 2 vols.

[7] The War of Spanish Succession was an important moment of capital accumulation for French merchants, which ought to be researched in greater detail. André Lespagnol has shown how merchants in Saint-Malo took advantage of different opportunities, whereas Christian Huetz de Lemps pointed to the emergence of a new class of ship-owners, without being able to provide an exact account of how they made a fortune. André Lespagnol, *Messieurs de Saint-Malo. Une élite négociante au temps de Louis XIV*, Rennes 2nd ed. 1996 ; Christian Huetz de Lemps, *Géographie du commerce de Bordeaux à la fin du règne de Louis XIV*, Paris, 1975. For the other major trading centers which emerged as colonial ports, we lack precise information.

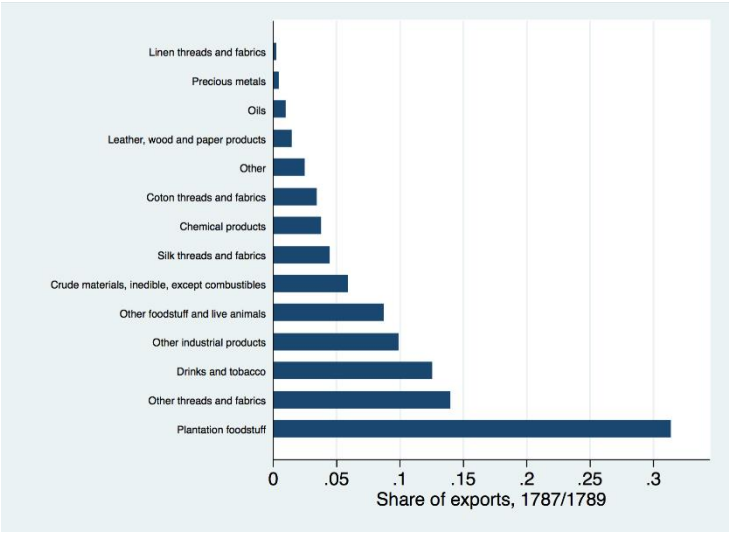
[8] Silvia Marzagalli, "The French Atlantic and the Dutch, Late Seventeenth – Late Eighteenth Century", in Gert Oostindie and Jessica Roitman (eds.), *Dutch Atlantic Connections 1680-1800. Linking Empires, Bridging Borders*, Leyde/Boston, 2014: 103-118.

result of the very high returns upon investment of these early expeditions, and of the implementation of French colonial policy aimed at excluding foreigners from its colonial trade.

Foreign participation, however, continued to be of great importance in French ports. The new legal frame ultimately sustained international specialization. Northern Europeans remained in charge of most of European import and export trade in French Atlantic ports throughout the 18th century. The growth of European demand in colonial goods created a major incentive to develop West Indian production, leading in turn to an increase in the slave trade, but also in the amount of European agricultural and manufactured goods shipped to the West Indies. On the eve of the French Revolution, industrial products represented 64% of direct French exports to the colonies: given the fact that overall industrial products represented only 37% of French total exports, the legislation which created a protected colonial was significant for the development of French manufactured goods[9]. Colonies were even more important for the import-reexport trade they sustained. In 1789, France imported half of the sugar and almost all the coffee consumed in Europe. Over half of such imports were subsequently reexported to foreign markets, mainly to northern Europe and to a lesser extent to the Levant. Colonial products represented a third of total exports and were the most important export sector for France (Fig. 1). The protection granted to merchants established in France over foreigners in colonial trade was a crucial element in sustaining overall French foreign trade.

[9] Data on the balances of trade come from the Toflit18 project coordinated by Guillaume Daudin and Loic Charles, http://toflit18.medialab.sciences-po.fr

Figure 1: Sectorial share of French exports, 1787-1789



Sources: AN F12 251, TOFLIT18, authors' computations, in G. Daudin, L. Charles and S. Marzagalli, "France, the eye of the storm? The effects of the French Wars on the French economy 1793-1815", forthcoming.

In obliging trade between the colonies and France to be carried on French bottoms, protectionist legislation promoted French shipping as well. By the end of the Old Regime, French colonial trade required 570 ships a year - a very consistent share of French middle size and big ships- and representing a major sector of maritime employment (Table 1).

Table 1: Shipping entering and exiting France and its colonies, 1790

(in thousand *tonneaux*[10])

	French shipping	Total shipping
French non-colonial and non-domestic trade	241	743
French West Indian trade	339	339
French slave, African and Asian trade	66	66
Foreign trade of French colonies	14	279 (mostly from the US)
Fishing	98	98
French domestic trade	1,297	1,301

Source: Archives Nationales de France, F/12/1668 and AN, F/12/252.

This success story – from the point of view of European elites – is traditionally ascribed to Colbert's implementation of protectionist policies. Growing consumption increased trade flows and market integration to the benefit of French ports, with West Indian products being shipped to France for reexport to European markets, and Asian and European goods reaching France before being in part reshipped to Africa and the Americas. By obliging these trades to pass through French metropolitan ports, the legal frame created favourable conditions to merchants in France.

French historians largely stressed the consequences of this protectionist policy for the growth of French ports, notably of Bordeaux, Nantes, Marseille and Le Havre/Rouen, which carried 90% of total French colonial shipping and trade. The population in Bordeaux and Nantes increased by 300% in the course of the 18th century, whereas Marseille largely recovered from the plague epidemy which killed half of its inhabitants in 1720. Colonial import-export trade and colonial reexport trade sustained an important and growing navigation in all these ports, and attracted foreign merchants, who in Bordeaux represented a third of the local merchant community.[11]

By restricting trade with the colonies to merchants settled in France and protecting them against foreign competition, the exclusive system was obviously strongly supported by French merchants. They consequently vehemently protested against the changes of the exclusive

[10] A *tonneau* corresponded to 1.44 cubic meters. The figures state the total tonnage of ships, and not of their cargoes.

[11] Paul Butel, *Les négociants bordelais, l'Europe et les Îles au XVIIIe siècle*, Paris, 1974 (reprint 1996); Jean Meyer, *L'armement nantais dans la deuxième moitié du* XVIIIe *siècle*, Paris 1969 (reprint 1999) ; Charles Carrière, *Négociants marseillais au XVIIIe siècle*, Marseille, 1973, 2 vols.

system which were introduced in the second half of the 18th century, when strict protectionist policy was being contested in many ways. As far as colonial policy was concerned, this led to the suppression of the East India Company in 1769, and to the "*Exclusif mitigé*", or mitigated exclusive system, in the West Indies and the Mascarene Islands in the Indian Ocean (todays Mauritius and Reunion islands). The protectionist exclusive system was indeed partially loosened after the Seven Years War (1767) and the War of Independence (1784) in order to adjust to the territorial loss of New France.[12] A limited number of colonial ports were then allowed to trade with non-French merchants and ships in certain products, but not in sugar, coffee, indigo, manufactured goods,– thus maintaining a privileged position for French merchants for those products which were considered as most profitable for French mercantile interests.[13] Rather than being a sign of a liberalisation of the colonial commercial frame, the new rules aimed at optimizing production, while keeping a firm control over the most lucrative trade flows. Significantly, whereas the French Revolution swept away a whole range of restrictions which weighed upon the circulation of goods and production in France, the colonies were put aside from the general liberalization process of the economy. Planters' and merchants' interests succeeded in avoiding a serious debate on slavery, and financial incentives to slave trade were maintained up to 1793.

Cross-imperial trade, and multi-national merchant networks

There was a fundamental contradiction between a trading system confined to one nation, and the existence of an international demand and offer which could offer more interesting trade conditions to planters and merchants in the colonies. This contradiction was a source of

[12] The Seven Years War was a major naval and military disaster for France, which lost all her colonies in North America. By the mid-1750s, French trade with the French West Indies was 25 times higher than trade with New France, and from a sheer commercial point of view, France managed to recover the economically most important colonies (the British had occupied both Guadeloupe and Martinique during the war). Strategically, however, the loss of New France reduced French capacity to protect its West Indian possessions – which were again occupied by the British during the French Revolutionary (1792-1802) and Napoleonic Wars (1803-1815). The absence of a permanent base on the American mainland also weakened France's capacity to counter the slave uprising in Saint-Domingue (1791), which ultimately led to the independence of Haiti (1804). The loss of New France, thus, undermined the whole French colonial empire. The attempts to develop French Guyana as a substitute miserably failed and resulted in a human catastrophe (the Kourou expedition of 1763). Bonaparte's effort to recover Louisiana from Spain (in 1800) was just as fruitless, as he ultimately sold it to the United States both because the outbreak of war against Great-Britain (1803) made it impossible to protect this colony from enemy attacks, and because he had failed to regain control over Saint-Domingue (Leclerc's expedition, 1802).
France's loss of influence in the Americas is the most visible part of its overall decline in the Atlantic in the second part of the 18th century. Senegal became British from 1763 to 1783, and was occupied again by the British during the Anglo-French Wars. The Seven Years' War, moreover, left France with five trading posts only in India, and in 1815, Mauritius became British.
[13] On the changes, see Tarrade, *Le commerce colonial*.

permanent conflict between colonists and the mother country, certainly not something specifically French but common to all European countries with American colonies. The desire to be free of the shackles of the *exclusif* fueled a vigorous smuggling trade which reduced the profit of merchants in France trading to the colonies. Profit margins were tending downwards over the last third of the eighteenth century also through wider participation and the general rise in the volume of trade.

France was quite successful, in peacetimes at least, to prevent a direct trade between her West Indian colonies and foreign European ports. French authorities, however, never managed to enforce such legislation as far as trade and navigation in the Americas was concerned, and to efficiently repress a consistent trans-imperial trade.[14] The French plantation system in the West Indies and in the Indian Ocean needed cash, crops, slaves and manufactured goods which could not be always obtained from the mother country in sufficient amount, or at competitive prices. The result was the existence of endemic smuggling between colonies in the Americas.

Colonial planters and merchants had intense trading connections, sometimes legal, sometimes not, with other colonies in the West Indies, continental North America and the Spanish main. Throughout the 1780s, United States shipping to the French West Indies was consistently more important than the one between the United States and France. American exports to the French West Indies in 1789–1790, for instance, were twice as great in value than those to France.[15] This trade, which was by far not limited to those goods which could be legally traded in virtue of the "*Exclusif mitigé*", supported intense shipping activities. It was in Saint-Domingue, rather than in France, that American merchants acquired French manufactured goods or French wines and brandies. In a letter sent to a Bordeaux merchant house in 1789, Dutilh and Wachsmuth of Philadelphia advised, for instance, not to ship anything to the United States, and added, "It is specially useless to send wine, consumption is very scarce, and Saint-Domingue provides us the little we need at a very moderate price, generally at a better price than it would cost in Bordeaux itself."[16] By 1790, Cap-Français was the primary foreign port from which ships

[14] The most comprehensive history of the exclusive system and its evolution in the second half of the eighteenth century is Tarrade, *Le commerce colonial*. On sugar smuggling, see Christian Schnakenbourg, "Les Sucreries de la Guadeloupe dans la seconde moitié du XVIIIe siècle (1760-1790): contribution à l'étude de la crise de l'économie coloniale à la fin de l'ancien régime " (Thèse d'Etat, Université de Paris II, 1972); Klooster, *Illicit Riches.*

[15] John F. Stover, "French-American Trade during the Confederation, 1781–1789," *North Carolina Historical Review* 35 (1958): 399–414, 413. See Manuel Covo, "Commerce, empire et révolutions dans le monde atlantique: la colonie française de Saint-Domingue entre métropole et États-Unis (ca. 1778- ca.1804)" (PhD diss..EHESS Paris, 2013), who provides new important data on the North American trade to the French West Indies.

[16] Library of Congress, Washington, Dutilh & Wachsmuth, Philadelphia, MMC—2976, letterbook 1788–9, 317. Letter of Dutilh & Wachsmuth, Philadelphia 3 May 1789, to Jauge & Dupuy of Bordeaux: «*Il ne convient surtout pas d'envoyer de vos vins, la consommation est très peu conséquente & St. Domingue nous fournit à un prix très*

entered New York.[17] The existence of these peace-time relations, which found their origin in cross-imperial trade between the former thirteen colonies and the French colonies, played a determinant role when trade flows and networks were reorganized after 1793, once France and Great-Britain were again at war. Statia, Curaçao, Saint Thomas (and after 1785, Swedish Saint-Barth) played a similar role throughout the eighteenth century.

If these cross-imperial trades were profitable both for non-French based merchants and for French colonists, some ship-owners and merchants in France also integrated triangular routes, fitting out their ships to the West Indies and to the United States.[18] In June and July 1783, seven French ships came into Philadelphia although they had declared when leaving France that they would sail to the West Indies.[19] Between May and July 1784, eight French ships entered Baltimore directly from France and fourteen other French ships arrived there from the French West Indies with a cargo of sugar, coffee and Bordeaux wine.[20] The French consul in Philadelphia – and future *intendant* in Saint-Domingue, Barbé-Marbois - stated to the French State Secretary of the Navy in November 1784 that trade between the French colonies and the United States under the French flag continued intensively – despite it being illegal for the French.[21]

This is particularly interesting as, at the same time, the Chambers of Commerce in the main French ports, which represented the interests of merchants involved in colonial trade, were complaining aloud about the competition in colonial markets that the 1784 extension of the "exclusive *mitigé*" created, and the (theoretically limited, but realistically uncontrollable) flow of North-American goods to the West Indies it generated. These complaints, however, did not prevent merchants from individually profiting from the opportunities offered by the relative proximity of the North America market.

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modéré le peu dont nous avons besoin et généralement à bien meilleur marché qu'il ne coûte à Bord[eau]x même ».

[17] Robert G. Albion, "New York port in the new Republic", *New York History* 21 (1940): 388-403, 393.

[18] Gaston Martin, "Commercial relations between Nantes and the American Colonies during the War of Independence," *Journal of Economic and Business History* 4 (1931-32): 812-829, 815-820; see also Silvia Marzagalli, *Bordeaux et les États-Unis, 1776–1815: politique et stratégies négociantes dans la genèse d'un réseau commercial*, Geneva, 2015, 63-76.

[19] Archives Nationales de France (henceforth AN), AE, B I 945, letter of Barbé-Marbois to the State Secretary of the Navy, 28 July 1783.

[20] AN, AE B III 444, *Etat des bâtiments français arrivés des colonies à Baltimor*e.

[21] AN, AE B I 946, p. 180, Barbé-Marbois to Castries, 15 November 1784: "*Le commerce entre nos Îles et ce continent continue à se faire avec beaucoup de liberté et nombre de navires françois ou américains sous pavillon françois relâchent fréquemment ici sous prétexte d'avaries ou d'accidents de Mer qu'ils prouvent par des procès verbaux que j'ay tout lieu de croire fabriqués.*"

It seems to me that such apparent paradoxes between discourse and practice should be understood by taking into account the fact that, from the perspective of merchants, state regulations were one of the many elements with which they had to contend. While addressing state representatives, as Chambers of Commerce did, merchants adopted a discourse which governmental circles could both welcome and understand, and which they believed appropriate for lobbying for state protection against external competition.[22] These same merchants, however, adapted regulations to their specific needs when they decided in which businesses they wanted to invest their money.

When observing how the "exclusive system" worked, we should moreover be careful in interpreting the meaning of the legislation, which is not necessarily equivalent to the principles it apparently reflects at first sight. For instance, we tend to consider the exclusive legislation as a set of rules protecting national trade from foreign competition. These national categories, however, seem quite inadequate to conceive of 18th century merchant networks. France reserved colonial trade to French merchants only, but the second generation of immigrants were French by birth, so that, by the end of the eighteenth century, Bordeaux merchants of German origin, for instance, ran for sugar plantations in the West Indies, a factor which facilitated international flows of colonial goods, which were largely consumed in North and Central Europe.[23] The Huguenot diaspora at the end of the 17th century had produced strong family and business connections among firms based in French ports and in Norther Europe. Settlement in the colonies was theoretically restricted to Catholics, but Jewish and Protestant merchants and colonists lived quite undisturbed in the French West Indies.[24] As we have seen, French merchants complained about North-American competition, but they took advantage of the possibilities for trading between the West Indies and the United States if this proved profitable. To put it succinctly: merchants based in France, a part of whom belonged to a multi-national

[22] On the role colonies should play for France, see Paul Cheney, *Revolutionary Commerce. Globalization and the French Monarchy*, Cambridge 2010; on the claims of both "liberty" and privileges, see Jean-Pierre Hirsch, *Les deux rêves du commerce. Entreprise et institution dans la région lilloise (1780-1860)*, Paris 1991, and Jean-Pierre Hirsch and Philippe Minard, "'Laissez-nous faire et protégez-nous beaucoup': pour une histoire des pratiques institutionnelles dans l'industrie française," in *La France n'est-elle pas douée pour l'industrie ?*, ed. Louis Bergeron and Patrice Bourdelais, Paris, 1998, 135-58.

[23] On the legislation for foreigners and naturalisation, see Peter Sahlins and Jean-François Dubois, *Et si on faisait payer les étrangers? Louis XIV, les immigrés et quelques autres*, Paris, 1999); Silvia Marzagalli, "L'évolution de la politique française vis-à-vis des étrangers à l'époque moderne: conditions, discours, pratiques," in *Les étrangers dans les villes-ports atlantiques (XVe-XIXe siècle). Expériences allemandes et françaises*, ed. Mickaël Augeron and Pascal Even, Paris, 2010, 45-62.

[24] Silvia Marzagalli, "Atlantic Trade and Sephardim Merchants in eighteenth century France: the Case of Bordeaux," in *The Jews and the Expansion of Europe to the West, 1493 to 1800*, ed. Paolo Bernardini and Norman Fiering, Providence, 2001, 268-86; Gérard Lafleur, *Les protestants aux Antilles françaises du Vent sous l'Ancien Régime*, Basse-Terre, 1988.

world and shared multiple identities and diverse, overlapping affiliations, took advantage of imperial state regulations but they did not act to promote goals determined by the state: rather, they pursued their own business, dynastic and group interests.

This flexibility in the interpretation and implementation of existing rules was promoted by connivance with colonial authorities. These colonial authorities were in charge of implementing the rules, but also for maintaining a viable balance between colonial needs and interests on the one side, and governmental instructions on the other -- instructions which they constantly reinterpreted in light of local contingencies. Paul Cheney's *Revolutionary Commerce* traced the mental framework with which eighteenth-century French elites conceived of the relation between law, politics, moral, *moeurs*, and economics -- a frame which offered a relatively large space for maneuvering based on local specificities.[25] This space allowed for a viable compromise between principles and their adaptation.

Finally, it should be stressed that the very nature of colonial exclusive systems created an international paradox, as home-countries tried to encourage smuggling into other empires while trying at the same time to prevent that other colonial powers succeeded in doing the same in their own empire – thus inciting *de facto* merchants to by-pass *any* established legal frame. France fostered, for instance, export trade to the Spanish empire, as this was likely to produce in return the importation of silver specie. It was difficult to expect that French subjects would confine theoretically forbidden interactions only to those products which their government considered profitable to the country's interests. It is, therefore, obvious that the ideal of keeping the colonies within a closed framework of relations to the mother country could not work, even in peace-time. Warfare, however, radically disrupted any attempts to orient the main trade flows to the exclusive profit of the home-country. I will argue here that warfare trade and smuggling enabled the colonial system to last by reducing the structural unbalances it generated.

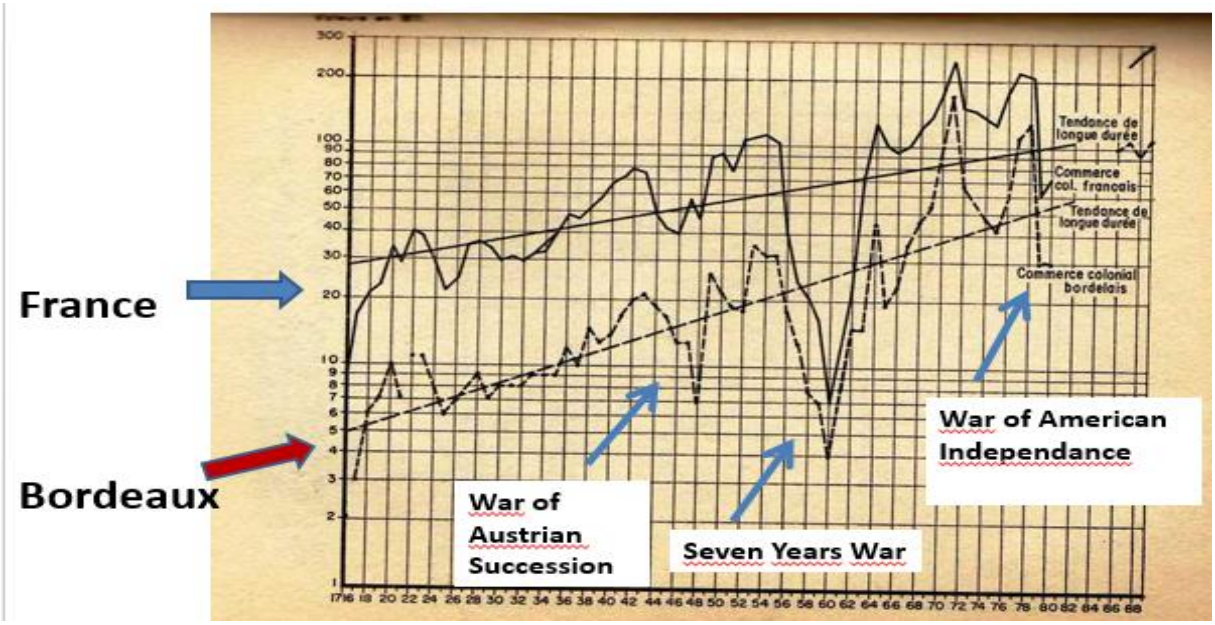
Reintroducing wartimes into the narrative[26]

Warfare is relevant in discussing the French case, as it disrupted the entire colonial legislation and opened the West Indies to foreign trade and shipping. Conflicts have often been considered as an exogenous element disrupting the regular growing trend of French trade (see Figure 2).

[25] Cheney, *Revolutionary Commerce*.

[26] This section largely relies on Silvia Marzagalli, "Was warfare necessary to the functioning 18th-century colonial systems? Some reflections on the necessity of cross-imperial and foreign trade in the French case", in Cátia

Fig. 2 – French eighteenth-century colonial trade growth



Paul Butel, *Les négociants bordelais, l'Europe et les Iles au XVIIIe siècle* (Paris: Mouton, 1974)

There are at least two reasons which lead me to believe that we should rethink this narrative. The first reason is that warfare was just as frequent as peace, and there is no particular reason why we should consider that the latter represents the norm, and that warfare was an exception: they both shaped 18th century trade realities. Neither was warfare exogenous to the Atlantic system: imperial struggles to take over parts of colonial markets regularly generated warfare. The second reason why I believe we should try to include war in the narrative of colonial trade is based upon economic considerations. Michel Morineau noticed that in 1788 the United Provinces imported from France twice the value of their exports to France.[27] The imbalance was even greater for other Northern European territories, notably for the Hanseatic towns. Morineau suggested that some mechanisms of compensation were necessarily at work, making it possible for the Northern Europeans to withstand a structural imbalance in the long run. Besides insurance and shares in French trade, Morineau pointed to war as the major factor in reestablishing the balance, as international conflicts provoked an increased recourse to neutral shipping on the one hand, and consistent French war expenditures abroad on the other.[28]

Antunes and Amelia Polónia, eds., *Beyond Empires. Global, Self-Organizing, Cross-Imperial Networks, 1500-1800*, Leiden, 2016, 253-77.

[27] Michel Morineau, "La vraie nature des choses et leur enchaînement entre la France, les Antilles et l'Europe (XVIIe - XIXe siècle)", *Revue française d'histoire d'Outre-Mer*, 84, no. 314 (1997), 3-24, here 15-19.

[28] Morineau, "La vraie nature," 18.

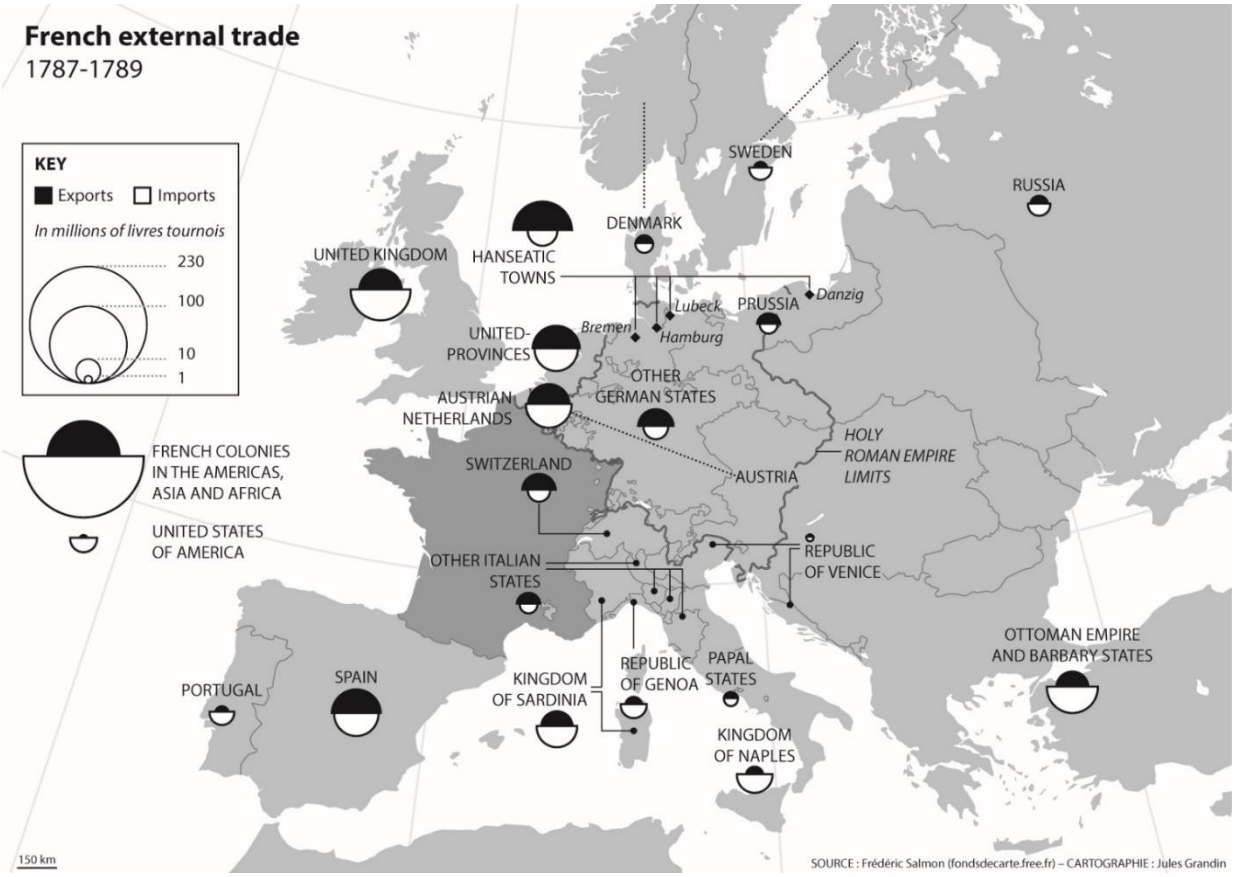
Morineau's interpretation is particularly interesting because it views warfare as a part of a system, in which it contributed to equalize trade imbalances generated by the existence of closed, protectionist imperial systems, and not as an exogenous element interfering with an otherwise progressive exponential growth of trade, as most of French historians have interpreted France eighteenth-century trade.[29] Smuggling and inter-imperial trade might have played an analogous role in peacetime in re-balancing international trade. By the way, compensation mechanisms could follow complex patterns of multi-lateral relations (without being confined to the bilateral mechanisms underlined by Morineau), including both colonial and international trade.[30] This is not to say that such processes were consciously put into being by precise identifiable agents. Rather, I am suggesting that the system based on theoretically closed, protected imperial systems could last for over a century because of its structural leaks (smuggling) and because of readjustments of imbalances caused by warfare.

Re-exports enabled France to reduce its trade imbalances with Great-Britain, Central Europe and the Levant in peacetime. By imposing limitations on colonial trade and forcing it to pass through French ports, however, the mercantilist system generated imbalances for other countries (notably in Northern Europe) (map 1).

[29] On the traditional interpretations of French 18th century colonial trade and the impact of the Revolution, including a possible alternative interpretative framework, see Silvia Marzagalli, "Le négoce maritime et la rupture révolutionnaire: un ancien débat revisité," *Annales historiques de la Révolution française*, 352 no. 2 (2008): 183-207.

[30] On this point, as far as the Dutch and British trade in the Baltic is concerned, see Karin Newman, "Anglo-Dutch Commercial Co-operation and the Russia Trade in the Eighteenth Century," in *The Interactions of Amsterdam and Antwerp with the Baltic region, 1400-1800*, Leiden, 1983, 95-103. See also, on the role of Amsterdam for the English payments for their Baltic trade, Artur Attman, "English trade balances in the Baltic during the eighteenth century," in Walter Minchinton, ed., *Britain and the Northern Seas: some essays* (Proceedings of the 4th Conference of the Association for the History of the Northern Seas), Pontefract, 1985, 43-52, especially 45.

Map 1: French external trade, 1787-1789



Sources: Archives Nationales de France, F/12/251 (authors' computations), in G. Daudin, L. Charles and S. Marzagalli, "France, the eye of the storm? The effects of the French Wars on the French economy 1793-1815", forthcoming.

Warfare served as an overall adjustment variable which re-calibrated the system, especially given the fact that these Northern European countries were generally neutral and took advantage of warfare to substantially increase their trade and shipping. The policy of neutrality adopted by the Netherlands and the Scandinavians during most of 18th century conflicts, which enabled them to take over most of French shipping, was a necessary requisite for these re-calibrating mechanisms. Moving away from the tendency to conceive of neutrality purely as a juridical notion[31], or to examine it mainly as an element of political governance and diplomatic action[32],

[31] On the intellectual history of neutrality and its emergence as an element of international relations, see Stapelbroek Koen, ed., *Trade and War: The Neutrality of Commerce in the Inter-State System, Collegium: Studies Across Disciplines in the Humanities and Social Sciences* 2011, vol. 10 http://www.helsinki.fi/collegium/journal/volumes/volume_10/index.htm.

[32] Marc Belissa, « Faire la guerre pour avoir le droit d'être neutre ? Les enjeux politiques de la neutralité américaine », in Eric Schnakenbourg (ed.), *Neutres et neutralité dans l'espace atlantique durant le long XVIIIe*

I suggest considering it also as a decisive aspect of international economic regulations. It is not accidentally that its definition and preservation was a major concern in 18th century debates[33]. To better understand the mechanisms at work in times of war, I will present the case of Bordeaux trade during the French Revolutionary and Napoleonic wars and highlight how a new player, namely the Unites States, were able to take advantage of their neutrality to invest the French and Spanish colonial trade *and* the mother countries' reexport markets. The French Wars (1793-1815) gave a decisive impulse to the growth of American shipping and trade[34]. Bordeaux offers a good case study to observe merchants' reactions to warfare, as the city had emerged in the 1740s as the main French port for colonial trade to the West Indies. At the eve of the French Revolution, approximately 40% of total French colonial trade was concentrated in Bordeaux. The focus on the French Wars also highlights why it was no longer possible for France, after 1815, to experience a continuous growth trend in its colonial trade once peace was restored, as this has been the case in the 18th century.

On the 19th February 1793, less than three weeks after the declaration of war between France and Great-Britain, the French Republic authorized neutral carriers to sail to the colonies to trade. As soon as the war started, French shipping became too risky, thus non-competitive[35], and merchants immediately recurred to neutral carriers. Colonial shipping – just as Newfoundland fishery and slave trade - was extremely vulnerable in wartime, as French ships were seized by the British navy and British privateering. Traditional protection mechanisms as convoys were

siècle (1700-1820). Une approche globale / Neutrals and Neutrality in the Atlantic World during the long eighteenth Century (1700-1820). A global approach, Bécherel, 2015, 405-29.

[33] I thank Leos Müller for sharing with me his thoughts and letting me access to his chapters of his forthcoming book on neutrality.

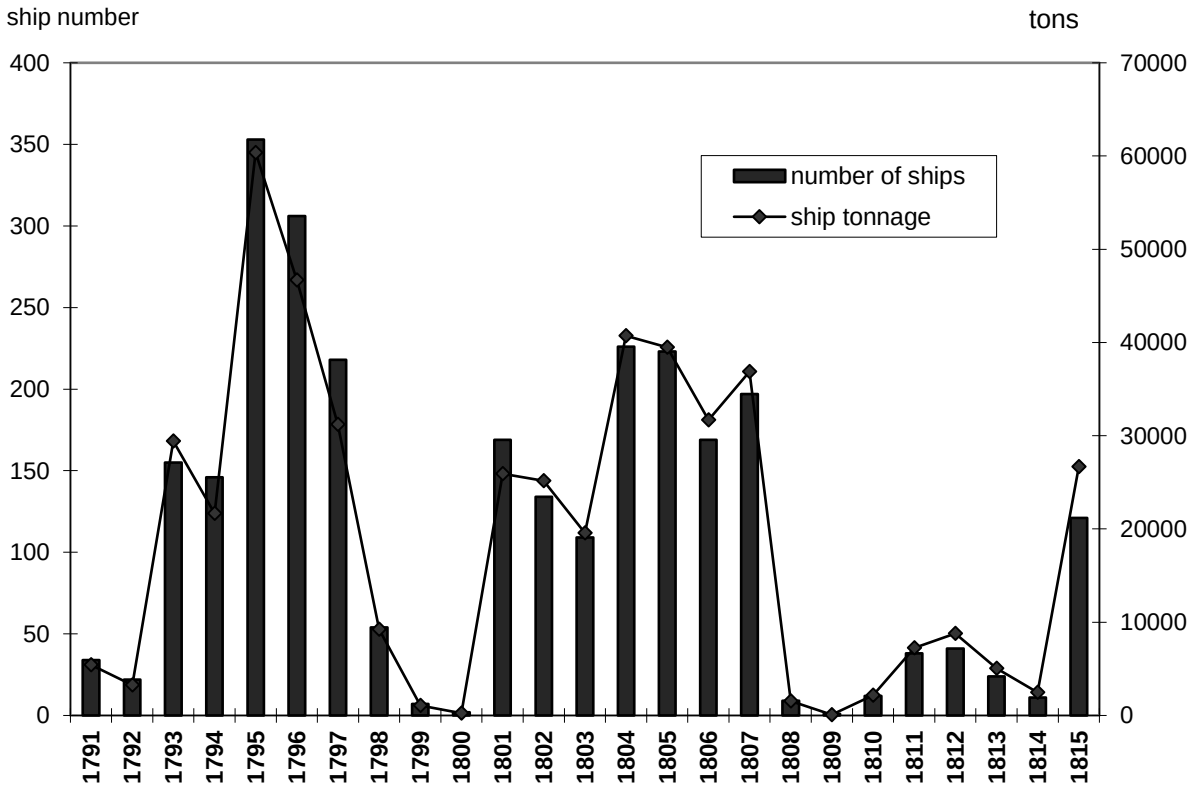
[34] Douglass C. North, « The United States Balance of Payments, 1790-1860. » *Trends in American Economy in the Nineteenth Century*, 1960. On American maritime trade in this era, see Clauder A., *American Commerce as Affected by the Wars of the French Revolution and Napoleon, 1793–1812*, Philadelphia, 1932; Crosby A. W. Jr., *America, Russia, Hemp, and Napoleon. American Trade with Russia and the Baltic, 1783–1812*, Ohio State University Press, 1965; J. W. Frederickson, 'American shipping in the trade with Northern Europe, 1783–1860', *Scandinavian Economic History Review*, 4 (1956), 109–25; J. H. Coatsworth, 'American trade with European colonies in the Caribbean and South America, 1790–1812', *William and Mary Quarterly*, 24 (1967), 243–66; Auguste Toussaint, 'Early American trade with Mauritius', *Essex Institute Historical Collections*, 87 (1951), 373–87; James R. Fichter, 2010. *So great a Proffit. How the East Indies trade transformed Anglo-American capitalism*, Cambridge & London, 2010.

[35] Freight rate increased enormously from peace to war periods (+ 300% from the West Indies to Bordeaux on neutral ships: see Silvia Marzagalli, « Establishing Transatlantic Trade Networks in Time of War : Bordeaux and the United States, 1793-1815", *Business History Review*, 79 (2005), p. 826-27, but shipping under French colours was heavily affected by consistently higher insurance premiums: the difference on a Bordeaux-Dunkirk voyage varied from 15%-premium for a neutral flag to 40% for a ship under French flag in 1795 (*ibidem*). In May 1793, insurance premiums on an American ship for a transatlantic journey was 5%, whereas French, British, Dutch and Spanish ships could not find an Insurance below 25%: Historical Society of Pennsylvania, Reed & Forde papers, letterbook, letter to Coxe & Clarke of New Orleans, 26 May 1793.

no longer possible given the disruption of the French royal Navy after the proclamation of the Republic in September 1792.

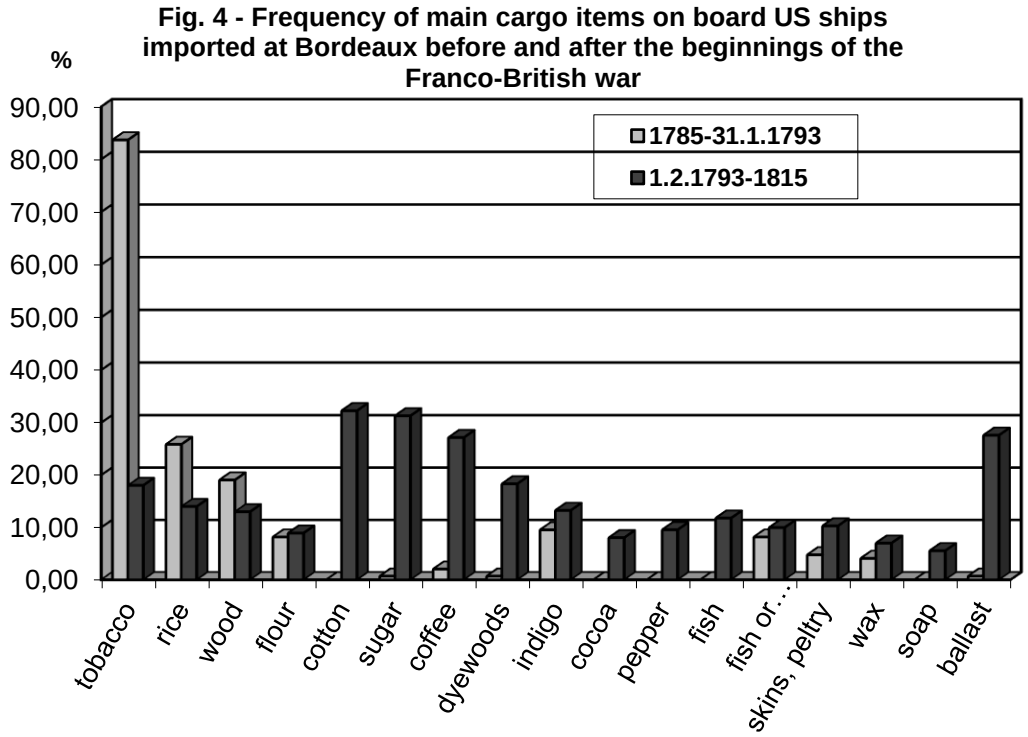
Entrances of American in Bordeaux increased from 34 in 1791 to 150 in average in 1793 and 1794, and this despite an embargo which shut the port of Bordeaux from September 1793 to March 1794. By 1795, they were more than 350 (Fig. 3).

Fig. 3 - United States flagged ships entering Bordeaux, 1791-1815



Source: Silvia Marzagalli, *Bordeaux et les États-Unis, 1776 – 1815. Politique et stratégies négociantes dans la genèse d'un réseau commercial,* Geneve, Droz, 2015. Data for the second semester 1792 are incomplete. Database : http://navigocorpus.org

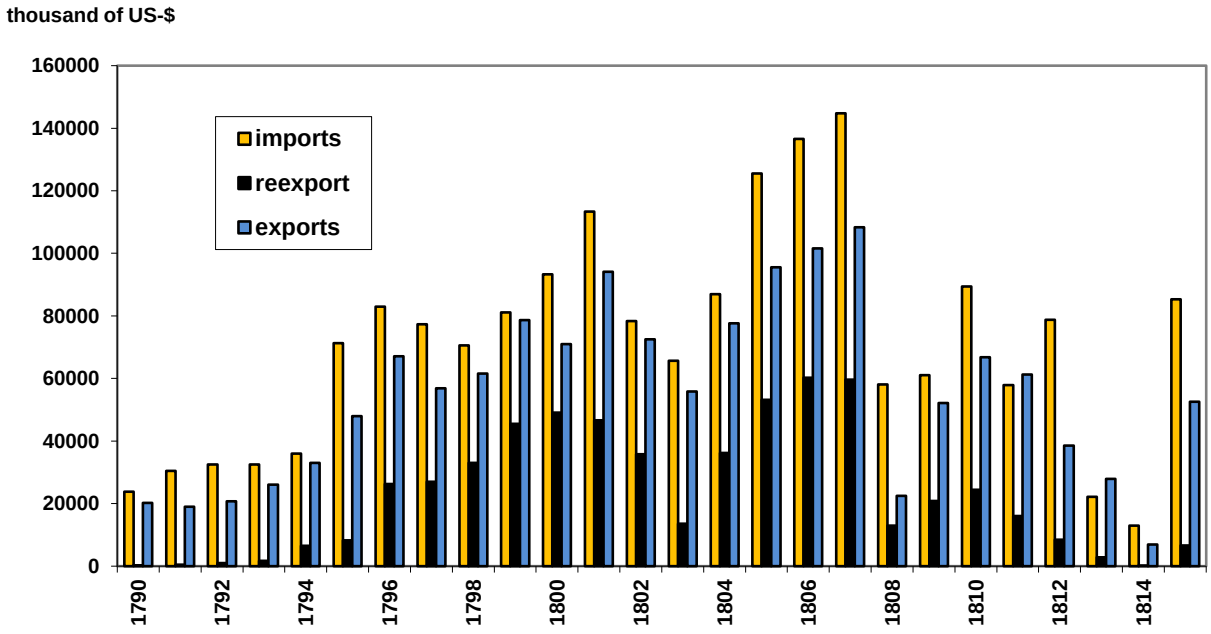
Although American ships entering Bordeaux carried all sorts of products, the shift in the nature of cargoes before and after the war began, clearly reveals the importance plaid by colonial goods once the war broke off (Fig. 4). Whereas American grown tobacco made up the bulk of imports before the war, sugar, coffee and dye products were, together with cotton (a part of which was grown outside the United States) the products which were most frequently on board after 1793.



Source: Silvia Marzagalli, *Bordeaux et les États-Unis, 1776 – 1815.* Percentages refer to the presence of the given commodities on board of the total number of incoming ships, and not to their volume or value.

Most of the goods imported to Bordeaux after 1793 consisted in reexports of West Indian or Asian goods. The huge increase in the US balance of trade during the European wars was largely due to the drastic increase of re-export trade, which enabled neutral carriers to trade unmolested with belligerents (Fig. 5).

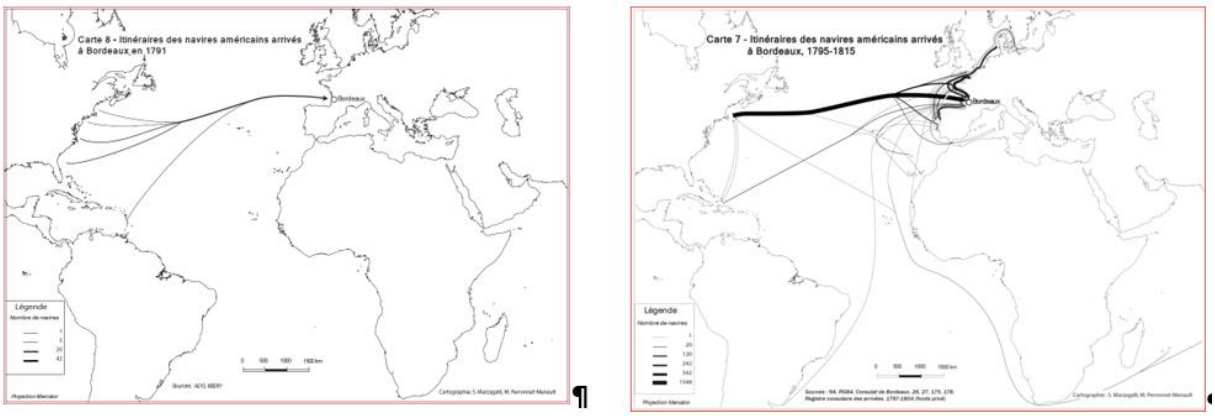
Fig. 5 - US foreign Trade, 1790-1815



Source: Douglass C. North. « The United States Balance of Payments, 1790-1860. » *Trends in American Economy in the Nineteenth Century*, 1960.

The changes in the routes covered by American ships calling at Bordeaux before the war (1791) and throughout the French Wars (1795-1815) clearly reveals that neutral ships, which in peace-time served a direct export-import trade, enabled the French port to keep its connections to worldwide markets during the war (map 2).

Map 2. Comparison of trade routes of American ships entering Bordeaux, 1791 and 1795-1815



Source: Silvia Marzagalli, *Bordeaux et les États-Unis, 1776 – 1815.*

American merchants and ship-owners took advantage of the situation created by warfare to introduce themselves into new markets, and an important part of the American trade and

shipping to Bordeaux was conducted with American capitals and on American risks. My research demonstrates, however, that part of the trade occurred on account of French merchants. I could discern three different and complementary patterns French merchant houses adopted to face warfare and to keep doing business on their account.

The first consisted in putting Bordeaux ships under neutral colors and to continue to operate them under neutral cover. In 1789, Bordeaux merchants owned a fleet of 235 different ships (average burthen: 286 *tonneaux*) which engaged in colonial and slave trade[36]. Once warfare made it impossible to have these ships sail under French colors, many Bordeaux ship-owners sold their ships to foreigners. A consistent part of these sales was fake. French legislation authorized French ships to sail with double papers during the war, provided that the ship-owners deposited to the authorities a sum equivalent to the value of the ship. Over a hundred Bordeaux ships obtained the faculty of sailing under different flags after 1803. At least 45 were put under American flag, but continued to sail on French account.

A second possibility French merchants recurred to in order to keep a hold on maritime trade consisted in freighting neutral ships and putting their cargo under the cover of a neutral merchant. As, since 1756, Great-Britain seized all French property at sea regardless of the flag carrying them, goods traded on account of French merchants in wartime had to be provided with papers stating that they actually belonged to a neutral merchant. This was relatively easy to do, but required a total trust in the neutralizing partner who possessed papers declaring him as the true owner of the goods.[37] It is virtually impossible to quantify the amount of cargoes belonging to French merchants on American ships sailing to and from Bordeaux, but all kinds of archival sources reveal that such practice was relatively common. The commission rate varied between 2% and 5%. This was indeed very reasonable, given the fact that insurance rates were considerably lower for neutral cargoes and ships than for belligerents' property.[38]

Finally, a number of Bordeaux merchants settled in the United States during the French Wars and naturalized in order to benefit from the neutral status. Many of them belonged to merchant

[36] Data provided by J.-C. Bats to Navigocorpus, an on-line database I created. These data, which come from the Admiralty office of Bordeaux (Archives départementales de la Gironde – hereafter ADG, 6 B) will be incorporated to Navigocorpus at a later stage. http://navigocorpus.org/, and http://navigocorpus.hypotheses.org/.
[37] In 1798, for instance, the *Live Oak* sailed from Bordeaux to Boston with a cargo of wine and brandy belonging jointly to Strobel & Martini of Bordeaux, to Joseph Russell of Boston and to Joseph Woodward, the latter declaring on a private agreement, « that notwithstanding I shall appear on the documents concerning that Shipment as sole Proprietor thereof, I am in reality only one third concerned NARA, RG84, Bordeaux consulate, 234, n°3, transcription of the agreement at the Consulate of Bordeaux, 12 March 1800. Private agreement of 7 August 1798.
[38] See note 35.

families which had been heavily involved in colonial trade before the war, and some of these emigrants had fled from Saint-Domingue, where approximately 40% of colonists originated from Bordeaux and the surrounding region. Isaac Roget, for instance, a Sephardim Bordeaux merchant, settled in New York in the summer 1793 together with his brother Abraham junior, who moved from Port-au-Prince in the early 1790s before he went to Bordeaux in 1796. Isaac obtained the American citizenship and regularly sent ships under American flag to Bordeaux, but he also acted as intermediary in colonial trade to the French West Indies of goods coming from Bordeaux. Other Bordeaux merchants with colonial relations settled in all major ports of the East coast, such as François/Francis Coppinger in Philadelphia, or Jean/John Carrère in Baltimore.

Also, the main "American" ship-owners involved in the Bordeaux trade during the war were naturalized Frenchmen. Between 1804 and 1813, Pierre-Auguste Guestier, a Bordeaux merchant living in Baltimore, fitted out 10 ships bound from Baltimore to Bordeaux, where his brother Daniel lived[39]. The two brothers owned plantations in Saint-Domingue[40]. The Bordeaux market was however largely open and the degree of concentration of the shipping business low: with 40 expeditions, Stephen Jumel, one of the many Bordeaux merchants who fled Saint-Domingue in 1793, was the most important American ship-owner trading to Bordeaux at this time, but his expeditions represented a mere 7.5 % of all American ships fitted out in New York to the French port during the French Wars.

All these strategies (faked flags, faked property, broken voyages, mobility and change of subjecthood) had traditionally been used by French merchants in times of war during the eighteenth century. They had enabled them to keep some speculative business during the conflicts, and to rapidly revert to peacetime colonial trade once the conflict was over. The French Wars, however, represented a turning point. Thought they recurred massively to neutral carriers until 1808, Bordeaux merchants could not counter the loss of Saint-Domingue and Mauritius Island, and the rise of foreign colonial production. The revolution in Saint-Domingue disrupted production in the main sugar producer in the world, which supplied half of the sugar consumed in Europe in 1789. This gave a major impulse to the plantation economy in the British West Indies and in Brazil (and later in Cuba), which were able to provide European consumers

[39] Daniel Guestier's son founded the firm Barton & Guestier.
[40] Centre des Archives Diplomatiques, Nantes, Actes notariés, Philadelphie, vol. 1, p. 6, power of attorney, 22 messidor IV, Auguste to Daniel Guestier.

with rapidly increasing quantity of sugar[41]. The 1794 abolition of slavery severely affected French colonial production in the remaining colonies for a decade, while Haiti independence made the collapse irreversible. Less diversified than other empires –with Saint-Domingue providing three quarters of total colonial imports in 1789-, the French empire was consequently more vulnerable.

The decline of French colonial production contributed to the marginalization of the positions hold by the French on international markets. During the war, the decision to suspend the exclusive system exposed merchants and ship-owners in France to international competition precisely when they were less competitive because of the increase in protection costs for French shipping, and the temporary loss of the re-export business. The systemic changes which took place during the French Wars made it impossible for them to recover these markets once the conflict was over. The downfall of colonial trade resulted in a general decline of French trade: the mean annual value of imports and exports fell donw from 1 billion francs in 1787/1789 to 0.83 billion francs in 1818/1820.

Conclusion

The last Franco-British conflict of the long 18th century (1689-1815), which some historians conceptualized as the "second hundred years war"[42], put an end to a system which had sustained French economic and commercial growth under a protective colonial legislation for a century and a half. This was not the result of a deliberate shift in policy, but rather the consequence of the tensions created by the "exclusive system" within the empire, and by imperial rivalry in international relations.

In 1815, the French empire war reduced to Guadeloupe and Martinique in the West Indies, and to the Réunion island in the Indian Ocean. Despite Napoleon having reintroduced slavery in 1802, and colonies being anew obliged to trade exclusively to the mother-country, this reduced

[41] In 1789, total sugar exports to Europe are estimated at 200,000 tons. In 1807, Great Britain imported 165,000 tons of sugar, a consistent part of which was re-exported to Europe. The same year, the US re-exported 65,000 metric tons of sugar. Although some sugar was imported from the United States to Great-Britain, Great-Britain absorbed 3.4% only of US re-exports. The bulk of US sugar re-exports went to the European continent. Without even taking into account the sugar which was imported by other flags and actors, the quantity of sugar consumed in Europe in 1807 was therefore greater than in 1789. Boody Schumpeter E., *English Overseas Trade Statistics, 1697-1808*, Oxford, 1960, Table XVIII; T. Pitkin, *A Statistical View of the Commerce of the United States*, Hartfort, 1816, [2ª ed. New Haven, 1835; reprint 1967], chapter 3, table 4. See Silvia Marzagalli, « Négoce maritime et guerres révolutionnaires (1793-1802) », *Revue d'histoire maritime*, 4 (2005), p. 181-207.

[42] Jean Meyer and John S. Bromley, "The Second Hundred Years War," in *Britain and France: ten centuries*, ed. Douglas Johnson, François Bédarida and François Crouzet, Flokeston, 1980, 139-72. See also François Crouzet, "The Second Hundred Years War: some reflections," *French History* 10, no. 4 (1996): 432-50.

French empire was able at most to sustain national consumption, but no longer to provide a major contribute to France import, export and reexport trade. With the conquest of Algeria in 1830, France moved toward new forms of colonialism, and in 1848, slavery was abolished in all French colonies.

In a long-term perspective, one could wonder about the sustainability of the French (and European) model of plantation colonies closed to foreign competitions. Commercial and imperial policies were a major source of instability, both internationally and within the empire. In the French case, military conflicts led to the progressive loss of France's first colonial empire (1713, 1763, 1804, 1815). They also represented a fatal blow for French finances, forcing the King to convene the General Estates in 1789, leading to the revolutionary process. The latter affected the fragile colonial social order, causing a civil war between while colonists and free people of color, and reducing their capacity to repress the slave revolt in Saint Domingue when it broke off. The entanglement of the revolutionary process and maritime war resulted in the first abolition of slavery, and in the proclamation of Haiti's independence when Napoleon tried to reintroduce it.[43]

More generally, the "exclusive system" produced endemic colonial unrest, and regular breaches in the commercial legislation.[44] Smuggling also contributed to increase colonial debts (which amounted, by 1788, to 148 million *livres*[45]) as colonists gave priority to payments to their foreign suppliers for goods bought outside the legal framework imposed from Europe, and let French merchants wait, knowing that in the end the latter were captive suppliers. All these consequences of protectionist colonial policies affected their long-term viability, and the profitability of colonial trade. Michel Morineau rightly stressed that the consistent increase in colonial trade values in the 1780s does not necessarily reflect a healthy situation.[46] Even before the end of the old regime, French major merchant houses were turning away from the West Indian trade.[47]

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[43] See the fundamental work of Yves Benot, *La Révolution française et la fin des colonies*, Paris, 1987.

[44] Dissatisfaction toward the rule imposed by the mother-country occasionally provoked major revolts, as in Martinique in 1717 or in Saint-Domingue in 176: Charles Frostin, *Les révoltes blanches à Saint-Domingue aux XVIIe et XVIIIe siècles*, Paris, 1975 (reed. Rennes, 2008).

[45] French merchants frequently acquired plantations in repayment of debts, but were rarely able to run them as profitably as they hoped. Françoise Thésée, *Négociants bordelais et colons de Saint-Domingue. « Liaisons d'habitations ». La maison Henry Romberg, Bapst et Cie, 1783-1793*, Paris, 1972.

[46] Morineau, "La vraie nature, 13.

[47] This is the case, for instance, of the Gradis family in Bordeaux: Silvia Marzagalli, "The Atlantic World between markets and state in eighteenth-century France: the Sephardim firm Gradis in Bordeaux", in Cátia Antunes and Susana Miranda, eds., forthcoming; see also Thesée, *Négociants bordelaise;* ; Paul Butel, « Réorientations du

French historians have largely studied how French ports benefitted from the "exclusive system", and underestimated the massive, cross-imperial trade between the French colonies and foreigners, which is hardly visible in French sources. They also tended to consider wartime trade as a temporary disruption. This paper suggested to consider both smuggling and free trade in times of war as an adjustment mechanism, or safety valve within international trade which made it possible to maintain for over a century the protectionist legislation which was supposed to rule frame colonial trade – and which engendered a series of tensions which ultimately led to the collapse of the system.

négoce français à la fin du XVIIIe siècle, les Monneron et l'Océan Indien », in Paul Butel and Louis M. Cullen, eds., *Négoce et industrie en France et en Irlande aux* XVIIIe *et* XIXe *siècles*, Paris, 1980, 65-73.