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Making Investor States: Haitian Foreign Debt and Neo-colonial Economic Governance in
Nineteenth-century France

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(Chapter forthcoming in Gurminder K. Bhambra and Julia McClure (eds.), *Imperial Inequalities: The Politics of Economic Governance across European Empires* (Manchester: Manchester University Press, 2022))

In 1825, France officially recognized the independence of its former colony Saint-Domingue (now Haiti), more than two decades after the struggles of enslaved Haitians had made that independence a *fait accompli*.¹ Official recognition came with conditions, including payment of an indemnity of 150 million francs by Haiti to dispossessed French colonists and the establishment of a privileged tax regime for French trade with the island. These were significant concessions, agreed by Haitian president Jean-Pierre Boyer within sight of a French naval squadron threatening blockade. The indemnity represented roughly three years' worth of Haiti's total annual production at the time, while the reduction of customs duties on French trade would have reduced public revenues by up to fifty percent.² But the payment aimed to perform work beyond the narrowly economic. Interpreted variously by contemporaries as an act of purchase (of national sovereignty, of enslaved property, of territory...) or as a compensation (to expropriated proprietors), it was a transaction that held out the promise of resolving relations between contracting parties, with the exchange of money ending mutual obligations.³ As historian Mary Lewis has written of Haiti's "long decolonization," the indemnity might be seen as an effort to "decolonize the colonists" themselves, by providing closure and new directions for their formerly imperial lives.⁴ Yet this closure remained elusive. Haiti was forced to borrow 30 million francs on the French market to honour the first annual installment of the indemnity, and as early as 1826, the island's resources proved insufficient for the millions of francs in annual payments required to service both the indemnity and the loan.⁵ Rather than a terminus, the

indemnity was the starting point of a debt relationship that extended and shaped Franco-Haitian economic (and political) relations for decades.

The modes of economic governance through which European empires were organized in the nineteenth century were diverse. As contributions to this volume show, the accumulation and redistribution of resources from colonized territories required the mobilization of bureaucracies, legitimizing discourses, and state violence. Economist Thomas Piketty estimates that in the years before its independence, 70% of the output of Saint-Domingue was realized as profit to French planters and slaveholders, who represented just over 5% of the island's population. In 1790, these amounts added about 3% to France's national income.⁶ The work of extracting profit from Haiti continued after independence, though it could not do so on the same terms. Franco-Haitian economic relations offer a distinct perspective on how these imperial structures were reconfigured into post- or neo-colonial arrangements.

Financial control mechanisms, formal and informal, were central to the model of imperium that France pursued as a supplement to its territorial occupations in the nineteenth century. This chapter approaches the 1825 Haitian loan as one such mechanism, helping to make up the financial institutions that composed a new age of global capital and empire in the nineteenth century. As historian David Todd observes, issuing this loan on the French market helped inaugurate one of the most important (and distinctive) trends of French financial practice: an enthusiasm for investment in foreign public debt.⁷ This enthusiasm was shared by government officials, who viewed French capital as a vector of national influence abroad, and by the investing public that this official sanction helped foster. The bonds of foreign states arguably acted as imperializing agents.⁸ They not only enhanced the control of capital-rich over capital-poor states. As they moved into the mattresses, drawers, and safe deposit boxes of a growing

investing class, they also helped make hierarchized global relations meaningful, in an immediate way, to the life chances of ordinary individuals, and trained their owners in ways of contemplating debtor states and their citizens that supported imperial extraction.

The indemnity and welfare payments that the French state orchestrated for former colonists developed institutional and imaginative space for the expression of nostalgic post-colonial identities. These were identities with significant economic consequences. This chapter places the 1825 loan – the other side of the indemnity – in a similar frame, asking what bondholders thought they were doing when they opted to buy a portion of Haiti's debt and how their decisions illuminate practices and understanding of post-colonial financial extraction.⁹ In ways less calculable than percentages of GDP, the loan had important impact on the dispositions and institutions of France's capital-exporting classes. Mobilization around the outstanding debts of foreign states – debts which were the direct translation of colonial property relations – was a school in which investors, the public, and politicians debated and discovered the means of informal empire and neocolonial relations, practicing modes of reasoning and persuasion that thickened the web of legal and cultural arguments for extraterritorial financial exploitation. Investors in Haiti's foreign debt worked across the nineteenth century to align French national interests with those of the investing class – to create an investor state that would defend the rights of its foreign investors and impose obligations on borrowing countries. The developmental discourse that often cloaked these demands applied as much to investment's putative contribution to Haitian development as to its significance for French economic growth. This chapter, then, contributes to this volume's efforts to put the emergence of nation-states in Europe and the colonized world in the same frame, and adds a consideration of private actors as

important parties to the institutional arrangements composing the economic life of the imperial nation-state.

French extraction in the Nineteenth Century

The combination of indemnity and loan that formed Haiti's notorious "double debt" started at 156 million francs (excluding interest) and was purely extractive, generating no capital for public investment.¹⁰ When rolled into the loans that Haiti contracted at the end of the century – partially in order to complete paying the original 1825 obligation – payments to French citizens and companies averaged about 5% of the country's annual GDP in the six decades leading up to the Great War, at which point its financial difficulties provided pretense for the country's occupation by American forces.¹¹ In France, these transfers involved shifting notations between accounts in the ledgers of the state bank, the Caisse des Dépôts et Consignations, while in Haiti, exports of specie and goods under the eyes of an aggrieved populace became sufficiently difficult that ships were loaded secretly in order to avoid riots.

Haitian payments to France were relatively small in French terms, representing between 2% and 1% of its annual GDP over the century. But for Haiti the costs of servicing the debt were significant, swallowing at times as much as half of public expenditure. When debt costs are combined with military expenses – a military maintained, in significant part, on the basis of justified fear of French invasion – payments relating to Haiti's post-colonial status consumed between 40 and 80% of annual state spending across the nineteenth century.¹² The debt put tremendous pressure on public revenues. To meet its obligations, the Haitian government adopted measures such as exceptional land taxes and the sale of public properties, as well as a coercive labour regime – a *code rural* (1826) that aimed to increase agricultural exports by tying

workers to the land, and which included aggressive campaigns against independent communities of small-scale producers. The depletion of specie also provoked the introduction of a paper currency, commencing a long period of monetary instability. The debt aggravated longstanding conflicts between the rent-seeking Haitian elite and a peasantry inclined toward autonomous production and the destruction of the plantation economy. Moreover, as debt repayment exported public revenues to Europe, Haiti's elites acted similarly, storing their extracted wealth abroad rather than reinvesting, a key factor in what historian John Henry Gonzalez describes as a "self-reinforcing cycle of counterinstitutionality."¹³

In France, the benefits of thus financializing Haiti's independence did not accrue to the state straightforwardly. What was paid of the indemnity went to former colonists themselves, and the structure and payment schedule was such that most of the 25 838 recognized claimants received very small sums, distributed over a long period.¹⁴ While the amount may in principle have been comparable to that expended in the British abolition of slavery – a liquidity infusion that contributed directly to that country's industrialization in the nineteenth century – the ultimate disbursements were considerably lower.¹⁵ Contemporary critics suspected that the financial arrangements, which lacked any government guarantee, were intended to benefit France's banking interests, as well as to shore up the standing of the country's elite (whose members were well represented among the Saint-Domingue planter class) and the fortunes of its creditors (the large merchant houses that supported indebted plantations in the former colony).¹⁶ Certainly, bankers were well informed on the prospect of the Haitian settlement, and government insistence that the loan be contracted by French banks, on the French market, demonstrated an intention to subsidize the country's financial sector.¹⁷ The Haitian indemnity was part of other restorative economic measures – most importantly, an indemnity decreed in the same month in

favour of émigré metropolitan landholders whose properties had been lost in the Revolution – which observers subsequently considered together as “key elements of reestablishing general affluence, the Treasury’s wealth, state credit, and public security,” enriching France “in the billions through the rapid rise in the capital value of its securities and all its real estate assets.”¹⁸

The 1825 loan was auctioned in Paris on behalf of the Haitian state by the house of C. Ternaux, J. Gandolphe, et Cie. in November 1825. The official announcement advised that the *président du conseil*, the Comte de Villèle, selected a loan repayment schedule that would avoid Haiti needing to introduce any new taxes, and that would take advantage of the country’s growing prosperity.¹⁹ The 30 million francs was divided into 30 000 bonds of 1 000fr, each entitled to 6% interest (60 francs/year). 1200 bonds would be retired annually over twenty-five years, paying down the principal. By these arrangements, Haiti would need to dedicate 3 million francs to loan payments in the first year, set for 1827. Ternaux’s uncle, the industrialist Louis-Guillaume Ternaux, penned a promotional brochure for the loan, affirming that such amounts were not only well within Haiti’s existing capacities, but that the country’s future development – aided by the removal of “the French government’s frequently threatening attitude, which has long kept Haitians in a state of fear detrimental to the spirit of enterprise” – would make this and future loans easy to service.²⁰ Haiti intended to sell the bonds to a banking house for no less than 900fr (intermediaries make their profits on the gap between the price they pay for a bond and the price for which they sell it) but a banking consortium of Laffitte et Cie., Rothschild frères, and other intermediaries won the contract for 800fr/bond.²¹ (One of the key members of this consortium was the Syndicate of Receivers General, a grouping of state tax officials directed by Villèle, testament to the state’s interest in the issuance.) Haiti received twenty-four million of the thirty it would owe, raising the effective interest to 7.5%.

Haiti sought to reduce the indemnity within months of conceding to the 1825 Ordinance, and payments faltered nearly immediately. After contracting and distributing the proceeds of the loan in 1825-1827, Haiti needed to renegotiate terms of payment, reaching a new agreement in 1828, but was still unable to resume regular service of either the indemnity or the loan. In 1838, the amount of the remaining indemnity was cut in half (and the loan revised in 1839, reducing interest and amounts repayable) and payments resumed, but a hiatus was necessary again from 1843-1848, during civil war in Haiti. The terms of the renegotiations that followed in 1847/1848 were such that loan interest payments continued to be in abeyance through the early 1850s, requiring a new agreement in 1854.²² Payments of interest and principal were steadier from this point, though interrupted in 1867-9, before the loan was paid off in 1883.

These unequal economic relations were both violent and imperial in character. The country's national "assets" provided security for its debts: the products of its public domains (for the loan) and seemingly its very independence (for the indemnity). As an 1831 legal consultation observed, the 1825 agreement meant that, *in extremis*, "the only reparation to which France can lay claim is that of retaking Saint-Domingue."²³ Haitians rejected the idea that their country's sovereignty was a dependent variable, and decoupling the question of its political standing from its financial and commercial relations occupied Haiti's politicians for the next fifteen years. This was seemingly accomplished by the separate political and economic treaties achieved in 1838.²⁴ Yet the framework for France-Haiti negotiations was infused with a presumed fungibility of Haiti's political independence and by the violence such vulnerability necessarily implied. Government ministers repeated seemingly irrepressible statements on their "lack of interest" in revisiting Haiti's independence, but in the same breath mused on what forms of coercion the government might pursue in order to exact compliance.²⁵

Explicitly imperial analogies permeated official exchanges, as when in 1831 the French consul to Haiti, Gaspard Mollien, chastised Boyer in the midst of difficult negotiations, responding to the President's gesticulations by asking "Mr. President, are you trying to make out like the dey of Algiers?"²⁶ Mollien was referring to the "fan affair" or "fly whisk incident," in which the dey of Algiers striking a French diplomat with a fly swatter in 1827 became a pretense for blockading, and later invading, the Ottoman province. Territorial claims were advanced in different forms, from anonymous pamphlets suggesting the establishment of free ports under French control in Haiti, to banker and deputy Jacques Laffitte reminding legislators that one of the most effective measures Haiti could take to improve its financial situation would be to open property ownership and business permissions to foreigners.²⁷ Moreover, the violence implied in repeated calls for replacing "ministerial cowardice" with "energetic measures" was frequently tangible.²⁸ While the Minister of Finance teased legislators in 1832 that they surely wouldn't demand that he "turn up in front of Haiti with a warship" in order to exact payments, in fact naval deployments – in 1825, 1828, 1838, 1852, and 1854 – punctuated renegotiations of economic affairs.²⁹

Practicing Extraction

An estimated two to three thousand French capitalists purchased bonds entitling them to bi-annual interest payments from Haiti's national revenues.³⁰ We can glean something of how these individuals may have assessed their investment by first exploring the conditions of its issuance. In some ways, the Haitian loan was received as another in a slew of foreign loan ventures, arriving in the midst of a frothy and eroding market for Latin American securities – a context that former planter and negotiator of the indemnity agreement, Charles Esmangart, described as

“a loan mania.”³¹ French journalists compared the loan favourably to Mexico’s or Columbia’s and weighed up its chances of success against a Spanish loan issued at the same time. But its distinct political significance was never far from view. Oppositional newspaper *Le Courier* wrote in October 1825 that “In a few days, Paris, who didn’t want anything to do with lending to the King of Spain, will give millions to Boyer. Who would have said it forty years ago? Things that were unthinkable in 1785 are completely straightforward today, much to the horror of a few people who don’t want to advance with their century.”³² Ternaux’s promotional brochure was emblazoned with “profits to benefit the Greeks,” aligning the Haitian venture with other independence struggles, and was addressed to the Duc de La Rochefoucault-Liancourt, with whom Ternaux worked in the Société de la Morale Chrétienne, a major source of anti-slavery activism in the early nineteenth century.³³ In the first volume of the Saint-Simonian journal *Le Producteur*, a long article praised the loan as “without question the most characteristic fact of our current moment,” illuminating “the reconciliation of the white and Black races.”³⁴

Ternaux and Laffitte were both shareholders in *Le Producteur*, which links such purportedly humanitarian impulses closely to the marketing of the loan. Certainly, some bondholders would later defend their entitlements as virtuous when contrasted to the immoral and illegitimate claims of former slaveholders.³⁵ Liberal discourse in favour of the venture reasoned that the loan would “admit” Haiti to the “general association” of industrial peoples, where it could “share with its former masters the advantages of public credit.”³⁶ Yet the extent and durability of any such ethical rationales are questionable; certainly, they coexisted easily with financial priorities. One of the loan’s core selling points was always its link to the indemnity and to former colonists, a financial salve with a mission to “heal still painful wounds, and reinstate fortunes engulfed in the shipwrecks of time.”³⁷ Bypassing the country itself, the

loan's contribution to the new state was to be institutional and symbolic, bringing clarity and security to Haiti's political standing, from which productivity and growth would follow.

In contrast to most countries involved in this early debt bubble, Haiti occupied a prominent and familiar (which is not to say better understood) place in the French economic imaginary.³⁸ Potent invented traditions of the island's fecundity may have acted powerfully on the minds of those who invested; certainly, they informed bitter accusations against the Haitian government when it proved an uncompliant debtor. Yet ideas about Haiti's wealth grew considerably more complex in the decades that followed its independence. Historian Yun Kyoung Kwon has shown that during the Restoration (1815-1830), Haiti was a touchstone in debates between royalists and liberals about the legacy of the French Revolution and the future of France's colonial empire. The press frequently surveyed "the situation of Haiti," with conservatives and pro-slavery groups offering accounts that emphasized confusion and economic deterioration as the offspring of both republicanism and abolition, while liberals countered with favourable assessments of Haiti's growing population.³⁹ In discussions of the loan, one does not have to go far to find skepticism, even mockery, of the idea of Haitian affluence. "They told us," the daily *La Quotidienne* wrote in early November 1825, "that the Haitian republic was rich, powerful, and strong, and look, it can't manage to borrow money, not even at *ten percent*."⁴⁰ This is especially the case for racist arguments regarding the ostensibly meagre productive capacities of its free Black citizens.⁴¹ Already in 1826, on the occasion of the first annual drawing of bonds from the loan, the daily *Le Constitutionnel* thought it scandalous that government ministers were not declaiming the obvious truth of Haiti's poverty to the public.⁴² Accurate information on the country's public finances was scant, but seemingly less important to investors than other ways of "knowing" the country and trusting to the loan's enforcement.

Initial investors were certainly both well-off and well-connected – despite presenting themselves as “small capitalists” or “family men, with no experience of speculation, who took part in this loan on public trust.”⁴³ The first bondholder association, formed in 1830, contained members of the banking syndicate that had participated in the loan and was headed by Lieutenant General Louis Lemoine, who served in the Revolutionary and Napoleonic wars. The security’s rapid decline in value – from an initial 840 francs in November 1825 to 700 francs by 1827, to 195 in 1848 – meant that bondholders became a more varied group as time went on.⁴⁴ For instance, lower prices likely granted access and influence to Jean-Pierre Vaur, sometimes referred to as Baron Vaur, a French trader in Port-au-Prince who attached himself to the loan negotiation process in the 1830s and emerged as one of its largest bondholders and most active organizers in the second half of the 1840s.⁴⁵ Records of the investors participating in the association in the early 1850s show that nearly half of its 550 members owned fewer than five bonds, and some bondholders, such as a widow named Lalleux in 1877 (fig. 1), penned letters exhibiting credible economic distress. Yet the most active members of these committees remained former bankers and brokers, and few of their members were likely as modest as petitioning discourse portrayed. Even a former military serviceman (and assiduous petitioner) named Laurent, who explained that without the income of his Haitian bonds he would be unable to leave the Hôtel des Invalides “where one freezes with the cold,” reported that the savings he had tied up in the affair amounted to the hefty sum of 20 000 francs.⁴⁶

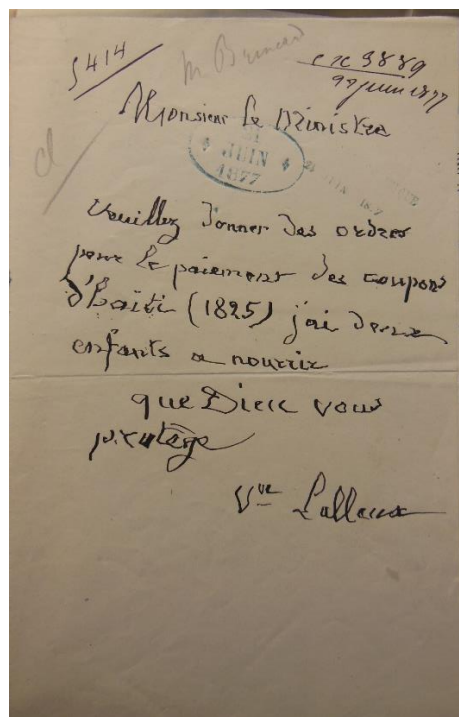


Figure 1: Letter signed Veuve Lalleux, c.27 June 1877. It reads: “Monsieur le Ministre, Would you order the payment of the coupons of the Haiti (1825) loan I have two children to feed. God protect you.” Source: Ministère des Affaires Etrangères [MAE] 752SUP 342.

The nature of their agreement – a contract with a foreign sovereign, immune from any foreign legal jurisdiction – meant that bondholders dissatisfied with Haiti’s behavior had to seek political routes of redress. They formed associations in order to negotiate collectively with the Haitian government, taking an active role in the settlements of 1838 and 1848.⁴⁷ In both instances, bondholders obtained the assistance of French diplomatic agents, successfully adding specific conditions for loan repayments onto new agreements for the indemnity. The process was not easy. The standard government view in both France and Britain (the two most important capital-exporting nations) was that the private affairs of international capitalists were just that: private, and without necessary implication for matters of government. As an internal historical note on the loan and indemnity negotiations for the Ministry of Foreign Affairs summarized in 1845, “Can one seriously contend that the French government should turn the lucky or unlucky

outcomes of banking affairs into a question of international politics?”⁴⁸ In the Chamber of Deputies just a year earlier, François Guizot, the Minister of Foreign Affairs, made a formal statement that the government viewed the loan and indemnity as distinct agreements, and acknowledged no particular responsibility for the former.⁴⁹ To press their claims upon the government, then, bondholders cleaved to the notion of the “double debt,” which, in their usage, was not merely a description of the compounding obligations confronting Haiti, but a way of affecting the unification and politicization, in the eyes of the French state, of Haiti’s creditors.

Singly and in organized groups, for decades bondholders kept up a steady stream of letters and petitions to members of the government in which they rearticulated their rights as creditors, their perceptions of Haiti’s behavior, and their views on the responsibilities of the French state in their regard. Arguments centred on a few key points. First, that the Haitian state *could* pay, but would not; the government was a bad faith debtor rather than an impoverished one. Second, that the loan was sufficiently “national” – insofar as it was linked to the 1825 Ordinance, promoted by the government, and supported by its institutions, like the Caisse des Dépôts et Consignations – that the French state owed creditors political intervention, if not a financial guarantee. Third, that bondholders deserved as much protection as indemnity holders, given that the loan “simply substituted one group of French citizens for another, in their relations to the Haitian government,” as one 1846 petition to the Chamber of Deputies put it. “If you consider the circumstances that prompted them to make the loan, namely: the urging of the government and the political interests that prompted this invitation,” the petition continued, bondholders “enjoy even more rights to their government’s protection.”⁵⁰

Bondholder mobilization on this matter was helping to formulate to a growing “common sense” around the conditions and purpose of international finance and public debt that emerged

in capital-rich countries in the first half of the nineteenth century.⁵¹ Bondholders attached a kind of political, civilizing purpose to public debt itself. As an 1845 petition suggested, fulfilling the terms of the loan would help “reestablish and consolidate order in this Republic, agitated so cruelly and for so long by revolutionary anarchy.”⁵² Not only would Haiti be seen as a reliable counterparty by the credit-giving nations that increasingly composed the globe as a financialized space. Working to pay its debt would also foster what they called “improving” investment in Haiti’s local production and trade – from taxing *tafia*, “the drink of the people,” to setting up state monopolies in mahogany, to establishing concessions for tobacco cultivation and sale, there was no shortage of revenue-generating possibilities, so long as the Haitian government “values its honour” and “takes pride in paying.”⁵³ For a former colony excluded on racial and political grounds from the international community of civilized nations, the stakes of this uplift were especially high. One group of bondholders took it upon themselves to explain the situation directly to the Haitian envoys in Paris in the 1840s, reminding them of the burden that fell on their shoulders, as free Black people and people of colour, to summon the self-regard necessary to equal and surpass Europe’s distinguishing institutions – chiefly, commitments to contracts. Failure threatened both (Black) humanity and sovereignty: “Without respect, what is a man? What is a People? What is a Government? [...] have you reflected on how far your existence as a free and independent Government might fundamentally depend on the exactness with which you keep your commitments [...]” The consequences were unavoidable, for the natural laws of debt demanded that creditors “gnawed at by despair” can never “let their debtor sleep peacefully.”⁵⁴ Debt unfulfilled plunged both lender and borrower into a state of nature. Insofar as Haiti’s sovereignty and freedom could be claimed as an extension of French civilization (a common liberal position at the time) disregard for the sanctity of a financial contract also risked admitting

the failure of France's cultural and political *rayonnement*. Even if not all bondholders subscribed to the view of one petitioner in 1851, who stressed the imperial ambitions motivating investors who "came to the aid of the agenda of the minister at that time, an agenda whose goal was to return the former colony to the King's authority," the politics of international debt maintained a coercive hierarchy and dependence between the former metropole and colony.⁵⁵

Indeed, the intensity of the criticism and bitterness to which creditors subjected the Haitian state certainly owed something to what they viewed as a perverse post-colonial power reversal. A spate of petitions in the early 1850s referred with shock and dismay to the lavish coronation ceremony of the new Emperor Soulouque, "all paid for by money that he's stealing from bondholders" and about which "we can do nothing but complain."⁵⁶ Another sent on the same day observed bitterly that "Haiti's bad faith is blatant, it's laughing at its creditors and goes so far as to claim that France would receive a poor welcome from its army, if it had the front to ask for what it owes to French creditors."⁵⁷ (Soulouque was a touchstone for racist criticism of Haitian society and politics in the mid-nineteenth century, and publications like Cham's famous graphic album *Soulouque et sa cour* in 1850 no doubt mobilized bondholders as it did many others in their antipathy and fascination with Haiti.⁵⁸) Read alongside letters expressing more explicitly racialized worldviews, the resonance and insinuations of this discourse take on particular weight. In 1834, for example, an investor named Boullange complained of having to endure "a handful of blacks who've pompously called themselves a Republic" showing up "the weakness and impotence of the French ministry;" another petition expressed disgust that "a black man, swimming in luxury and opulence, dared to make a show of spending a million francs on fancy furniture, while in France his creditors were dying of hunger and calling for divine justice!"⁵⁹

The strength of feeling this relationship could evoke was reinforced by the processes of actualizing bondholder advocacy. For some of these bondholders, like Laurent referenced above, mobilization over this issue took up decades of their lives and consumed volumes of intellectual and emotional space.⁶⁰ Advocacy meant organizing, meeting with other bondholders, publishing tracts, and pursuing restitution against French bankers and agents in court. For many, it was a process of self-actualization, of adding oneself, collectively, to larger processes – even asserting the rights of ordinary individuals to political participation. Commenting in 1852 on the poor response they received from France’s Consul General to Haiti, Maxime Raybaud, a group of bondholders complained that he “is piqued that shopkeepers, smallholders, mere civil servants with small appointments dare to involve themselves in international affairs, dare to get engaged in interpreting diplomatic conventions, dare, as part of these arrangements, to demand their execution.”⁶¹ Investors came together in meetings at the Stock Exchange, and payments and petitions issued from the domestic confines of Jean-Pierre Vaur’s home. Interests were diverse and differently understood. Bondholder groups split in 1851 – a splinter group declared the existing association “more Haitian than French” – resulting in a tumultuous meeting at the Exchange, with investors “accusing one another of their incompetence, their failings, their poor plans of action; from the perspective of public morality, it was a scandalous meeting.”⁶² An ordinary bondholder then found themselves with at least two possibilities for collective representation, each presenting different narratives of interests with which a prospective adherent could align.

One episode captures the extent to which advocacy was a situated, emotional, and personal endeavor. In September 1853, a delegation of three bondholders – Caron, Chappey, and Jances, representing the minority association of bondholders – visited Séguy-Villevaleix, *chargé*

d'affaires for the Haitian legation in Paris, to discuss ongoing payments of back interest. Writing afterwards to the Minister of Foreign Affairs, the bondholders recounted a terse exchange in which their questions and concerns were repeatedly rebuffed, until tensions bubbled over and Villevalaix reportedly declared, “I have no desire to discuss this with you, sirs, as almost all bondholders are in Bad Faith.” This alleged invective – recorded with underlines and capitalization – moved the visitors to cry out with indignation:

What’s that? Bondholders are in bad faith! Those who are still waiting for 18 out of 25 years of interest payments? Those who have been repeatedly deluded and misled by deceitful promises! Those from whom, now that you’ve already taken fifty million, you want to make off with the last guarantees on their securities!!! We’ll tell you something, Monsieur de Villevalaix, it isn’t the bondholders who are acting in bad faith; it’s the Haitian government and all its agents that are acting with the most exceptional bad faith against us!

With this outburst, Villevalaix reportedly threatened to throw them out, and “his family, his servants ran out to calm things down.” The bondholders refused to leave, saying that they would bring the matter to their government, prompting Villevalaix’s “scornful” reply: “your government will never do anything for you, and lets my government do what it likes!!!” This finally compelled the bondholders to decamp, “nearly ashamed at seeing our government so arrogantly disdained by agents of the feeble Haitian Empire!!!”⁶³

The bondholders’ tale is not a strictly reliable account, but its mode of narration and the general context of the encounter capture the extent to which the matters of the Haitian loan could be deeply personal affairs. A diplomatic agent is confronted in his residence, family near at hand, while the bondholders’ anger is visible on the page, scratched with exclamation points and multiple underlines. (Figure 2) Contempt overflows their descriptions of Villevalaix, reduced to a personification of Haitian arrogance. These embellished accounts aimed to both accentuate the alleged depths of Haitian duplicity and provoke mortification among the government recipients.

The charge of ‘bad faith’ was not simply the conventional accusation of a creditor against a recalcitrant debtor. It was imbued with a sense of intrinsic incapacity and unreliability, linked to a series of characterizations of Haitian behavior that faulted the country for failing to adhere to the standards of a civilized society.⁶⁴

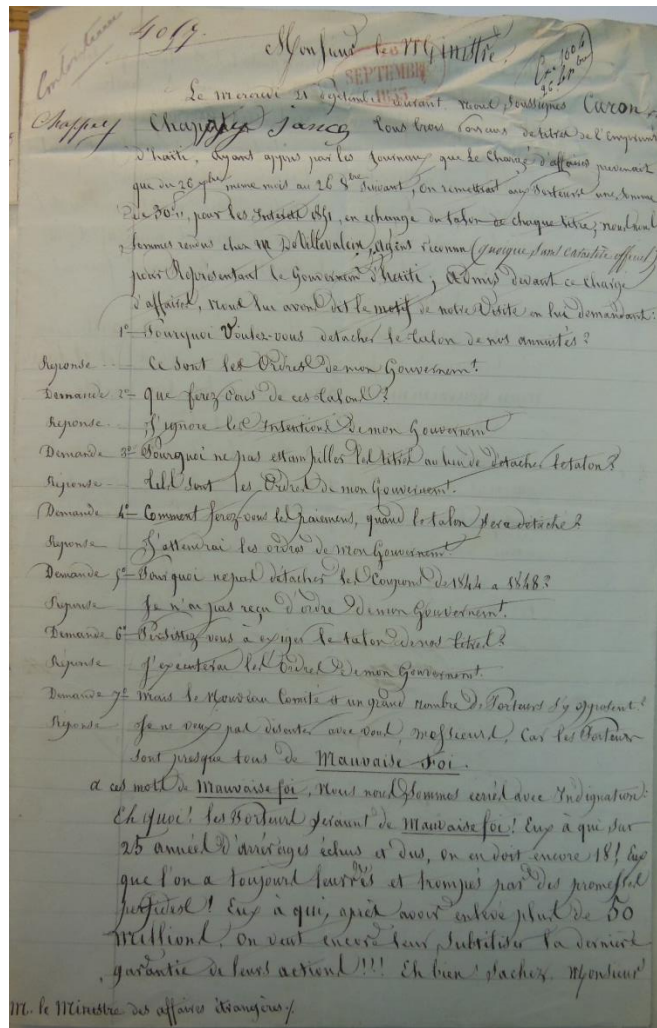


Figure 2: Petition from bondholders Chappey, Caron, and Jances, September 1853. Source: MAE 752SUP 312

The familiarity and intimacy of the lingering imperial relationship, as well as the racist aspects of its inequities, help explain why, in comparison with bondholder campaigning around other contemporary foreign loans such as the Spanish or Portuguese debts, Haitian bondholders are notable in their support for the use of violence in enforcing creditor demands. Certainly the

country's sovereignty appeared malleable, as suggestions for installing French customs agents to survey receipts or retaking cities such as Môle-Saint-Nicolas implied.⁶⁵ Calls for 'energetic' measures ("a severe and forceful ultimatum," the new bondholder committee demanded in 1853) were scarcely veiled urgings for more direct interventions.⁶⁶ When a petition in 1852 offered "a last cry of desperation, and invoked *ultima ratio regum* [a resort to arms], the final argument of governments," it showed that recourse to military violence was often a desired eventuality.⁶⁷ And when the 1848 agreement between Haiti and its creditors came to an end in the early 1850s, the French state finally responded in line with bondholder demands. Diplomatic officials and a naval detachment were deployed to Haiti in 1854 to reach a new deal on the country's loan obligations. In March, Rear-admiral Duquesne presented himself in Port-au-Prince with the frigate *Iphigénie*, the brig *Méléagre*, and the aviso steamer *Ardent*, under orders from the Minister of the Navy and Colonies to get definitive terms for repayment. The convoy left with 60 000 pounds sterling to put towards back payments to French creditors, "saluting" the Haitian colours with 21 cannon shots as it went.⁶⁸

When one of the leading members of the Haitian bondholders committee, Antoine Guitton, described the loan in a popular investment manual that he published under the pseudonym A.G. de Mériclet in 1858, he praised the decisiveness of this armed intervention. In contrast to "the weakness of earlier governments," France's Napoleon III had ensured that "the Haitian government knows now very well that it cannot suspend this last agreement without consequence."⁶⁹ The result was "the most favourable transformation in the situation of bondholders," with the security placed "on a regular and most reassuring footing."⁷⁰ Here at last was the enforcement and assurance on which investors had likely counted from the start of the venture. From 1854, payments were managed and the loan supervised by the French state.⁷¹

Public subsidy secured private profit; prices were healthy throughout the loans remaining years, and annual drawings continued to reimburse bonds at their full face value (with only slight interruption in the 1860s), achieving complete repayment the 1880s.

Conclusion

The Haitian debt was one of the very first foreign loans on the French market. The amounts at stake in this transfer of capital were relatively small, from a French perspective. Much of it, in practice, went unrealized. But as Guitton's career as a popular investment authority shows, the loan ran through the heart of how French savers learned to engage in global investment. If we turn to a social history of this loan in the French context, we begin to discern ways in which international debt might school its participants in modes of argument and understanding, as well as modes of political engagement, that both constituted and reflected France's informal, financial empire in the nineteenth century. Certainly, not every investor dedicated great thought to these particular securities. (Though it is worth reflecting that in 1852, at least 520 people – of which 63 owned only one bond, and so were engaged for only modest sums – came in person or via a representative to validate their membership in the association.) But in working to get at the meaning of the Haitian loan in the eyes of its creditors, we open a much wider frame onto practices and positionalities that helped transform and maintain imperial relations.

The particularity of the Haitian loan also places racism and imperial violence at the core of the dispositions of dominance and demands for state intervention that characterized mobilization around international investment. As the independence debt lingered across the century, unevenly distributed and enforced, it provided renewable grist for dreams of national and imperial grandeur. Plans for retrieving expropriated plantations grew dim as time passed, but

the claims of Haiti's creditors were evergreen, multiplying as bonds changed hands and especially once Haiti undertook new borrowing from the 1870s. These claims survived through numerous revolutions and regime changes, in both Haiti and France. Part of this durability is explained by how property as a legal institution is encoded in capitalism. But this chapter suggests that another part lies with the ways that international investment and debt enforcement can become part of ordinary people's everyday lives, composing a habitus of imperial extraction, fostered by state support.

¹ *Loi et ordonnances relatives à la république d'Haïti et aux indemnités stipulées en faveur des anciens colons de Saint-Domingue* (Paris: Imprimerie de Mme Veuve Agasse, 1826). On the legal and political complexity of this agreement, see Jean-François Brière, "La France et la reconnaissance de l'indépendance haïtienne: Le débat sur l'ordonnance de 1825," *French Colonial History* 5 (2004): 125-138, and for contemporary perspective, B. Vendryes, *De l'indemnité de Saint-Domingue, considérée sous le rapport du droit des gens, du droit public des français et de la dignité nationale* (Paris: n.p., 1839).

² Simon Henochsberg, *Public Debt and Slavery: The Case of Haiti (1760-1915)*, MA Thesis, Paris School of Economics, 2016, <http://piketty.pse.ens.fr/files/Henochsberg2016.pdf> [Last accessed: 16 September 2020]; Victor Bulmer-Thomas, *The Economic History of the Caribbean since the Napoleonic Wars* (Cambridge: Cambridge University Press, 2012), chapter 7; Frédérique Beauvois, "Monnayer l'incalculable ? L'indemnité de Saint-Domingue, entre approximations et bricolage," *Revue historique* 3, no.655 (2010): 609-636.

³ Frédérique Beauvois, "L'indemnité de Saint-Domingue: 'Dette d'indépendance,' ou 'rançon de l'esclavage'?" *French Colonial History* 30 (2009): 109-124. On the role of Haitian negotiators in the shift from political to financial closure, see Friedemann Pestel, "The Impossible *Ancien Régime colonial*: Postcolonial Haiti and the Perils of the French Restoration," *The Journal of Modern European History* 15, no.2 (2017): 261-279.

⁴ Mary Dewhurst Lewis, "Legacies of French Slave-Ownership or the Long Decolonization of Saint-Domingue," *History Workshop Journal* 83 (2017): 151-175, 167

⁵ Bondholders received interest payments in 1827 and 1828, but these funds (nearly five million francs) came from the French government, via the banking consortium that floated the loan. They were added to Haiti's debt, and repaid by further borrowing in 1835. See Thomas Madiou, *Histoire d'Haïti: T.7, 1827-1843* (Port-au-Prince: Editions Henri Deschamps, 1988 [1847]), 159-160.

⁶ Thomas Piketty, *Capital and Ideology*, trans. Arthur Goldhammer (Cambridge, MA: Harvard University Press, 2020), 218, 276.

⁷ David Todd, *A Velvet Empire: French Informal Imperialism in the Nineteenth Century* (Princeton: Princeton University Press, 2020); David Todd and Alexia Yates, "Public Debt and Democratic Statecraft in Nineteenth-century France," in *A World of Public Debts: A Political History*, eds. Nicola Delalande and Nicolas Barreyre (Basingstoke: Palgrave, 2020), 79-106.

⁸ In this respect, they can be seen as another manifestation of empire that spares taxpayer expense explored by Madeline Woker in this volume.

⁹ Deborah Cohen asks similar questions of British foreign investment in "Love and Money in the Informal Empire: The British in Argentina, 1830 to 1930," *Past & Present* 245 no.1 (2019): 79-115.

¹⁰ François Blancpain, *Un siècle de relations financières entre Haïti et la France (1825-1922)* (Paris: L'Harmattan, 2001), Jean-François Brière, *Haïti et la France, 1804-1848. Le rêve brisé* (Paris: Karthala, 2008), Gusti-Klara Gaillard-Pourchet, "Haïti-France. Permanences, évolutions et incidences d'une pratique de relations inégales au XIXe siècle," *La Révolution française* 16 (2019), <https://doi.org/10.4000/lrf.2844>. See also Romuald Le Pelletier de Saint-Rémy, *Saint-Domingue. Etude et solution nouvelle de la question haïtienne* (Paris: A. Bertrand, 1846), vol.2, 110-155. See Paul Gilbert's contribution on post-colonial Britain in this volume for a discussion of the boundaries between colonial investment and development aid.

¹¹ Henochsberg, *Public Debt and Slavery*, 57.

¹² Bulmer-Thomas, *Economic History*, 185.

¹³ Johnhenry Gonzalez, *Maroon Nation: A History of Revolutionary Haiti* (New Haven, CT: Yale University Press, 2019), 33.

¹⁴ The 1838 revision to the indemnity effectively cut the debt from 120 million (150 million minus the 30 million paid installment) to 60 million francs, and the payment period extended from five to thirty years. When combined with increasing numbers of beneficiaries as descendants proliferated, roughly a third of indemnity-holders received between 1 and 7fr a year, two thirds between 15 and 250fr, with a few larger payments. See Beauvois, "Monnayer l'incalculable?"

¹⁵ Catherine Hall, Nicholas Draper, Keith McClelland, Katie Donington, and Rachel Lang, *Legacies of British Slave-ownership: Colonial Slavery and the Formation of Victorian Britain* (Cambridge: Cambridge University Press, 2014).

¹⁶ Benoît Joachim, "L'indemnité coloniale de Saint-Domingue et la question des rapatriés," *Revue Historique* 246 no.2 (1971): 359-376.

¹⁷ Todd, *Velvet Empire*, 250-252.

¹⁸ Gaston d'Audiffret, "Rapport sur le projet de loi relatif à la répartition des sommes versées par le gouvernement d'Haïti, 7 février 1840," in *Système financier de la France* (Paris: Dupont, 1863 [3^e ed.]), vol.4, 409-427, 414.

¹⁹ "Emprunt d'Haïti," *Gazette nationale ou Moniteur universel*, 13 octobre 1825, 1406.

²⁰ Louis-Guillaume Ternaux, *Considérations sur l'emprunt d'Haïti* (Paris: n.p., 1825), 23.

²¹ *Gazette nationale ou Moniteur universel*, 12 novembre 1825, 1521.

²² *Précis historique des faits relatifs à l'emprunt d'Haïti [...] publié par le Comité* (Paris: Guiraudet et Jouaust, 1849); *Un mot sur la situation de l'Emprunt d'Haïti [...] publié par le Comité* (Paris: Guiraudet et Jouaust, 1852).

²³ Joseph Remy, *Consultation de M. Remy, jurisconsulte, pour les porteurs d'annuités de l'emprunt d'Haïti et pour les colons* (Paris: Dupont et Lagnionie, 1831), 15.

²⁴ Conditions for the loan payment were added in 1839. See Blancpain, *Un Siècle de relations financières*, 69-75.

²⁵ Minister of Foreign Affairs, Duc de Broglie, Chambre des Députés, séance du 29 décembre, *Journal des débats*, 30 décembre 1832.

²⁶ Madiou, *Histoire d'Haïti*, t.7, 95. Mollien had become well known as an explorer of Senegal before joining the French foreign service. See Jean-François Brière, "Du Sénégal aux Antilles: Gaspard-Théodore Mollien en Haïti, 1825-1831," *French Colonial History* 8 (2007): 71-79.

²⁷ For territorial demands – specifically, the Samana peninsula – see *La Vérité sur Haïti, ses deux emprunts...Par un Subrécargue* (Paris: Moreau, 1828) and Ministère des Affaires Etrangères [hereafter MAE] 752SUP 312, Anon. *Note relative aux créances françaises sur Haïti* (s.d. [1846]). Laffitte's comments in Chambre des députés, 3 juin 1837, *Gazette Nationale ou Moniteur Universel*, 4 June 1837, 1411.

²⁸ Chambre des députés, 3 juin 1837, *Gazette Nationale ou Moniteur Universel*, 4 June 1837, 1411.

²⁹ Chambre des députés, séance du 29 décembre, *Journal des débats*, 30 décembre 1832.

³⁰ This estimate from Jean-François Brière, "L'Emprunt de 1825 dans la dette de l'indépendance haïtienne envers la France," *Journal of Haitian Studies* 12, no.2 (2006): 126-134, 129. By the 1850s, bondholder groups claimed to represent approximately 800 bondholders.

³¹ Charles Esmangart, *Nouvel avis aux colons de Saint-Domingue sur le paiement de l'indemnité* (Paris: Dezauche, 1836), 42.

³² *Le Courrier*, 29 October 1825.

³³ Lawrence Jennings, *French Anti-slavery: The Movement for the Abolition of Slavery in France, 1802-1848* (Cambridge: Cambridge University Press, 2000).

³⁴ "Emprunt d'Haïti," *Le Producteur*, vol.1, 1825 : 44-50

³⁵ Laurent, *La Vérité sur l'emprunt perçu par le gouvernement français pour le compte de la république d'Haïti* (Paris: A.T. Breton, 1842).

³⁶ "Emprunt d'Haïti," *Le Producteur*, 45, 46.

³⁷ Ternaux, *Considérations*, 7.

- ³⁸ Marc Flandreau and Juan Flores, “Bonds and Brands: Foundations of Sovereign Debt Markets, 1820-1830,” *The Journal of Economic History* 69, no.3 (2009): 646-684. This bubble was, in any event, an affair of well capitalized (and well informed) investors: Giorgio Fodor, “The Boom that Never Was? Latin American Loans in London, 1822-1825,” *Universit’ Degli Studi di Trento, Economics Department, Discussion Paper no.5*, 2002.
- ³⁹ Yun Kyoung Kwon, “When Parisian Liberals Spoke for Haiti: French Anti-slavery Discourses on Haiti under the Restoration, 1814-1830,” *Atlantic Studies* 8, no.3 (2011): 317-341, 322.
- ⁴⁰ Reported in *Le Courrier*, 6 November 1825.
- ⁴¹ Pamphlets like the anonymous *La Vérité sur Haïti, ses deux emprunts, etc.* (Paris: Imprimerie Moreau, 1828) attributed fantasies of Haitian wealth to efforts by financiers to push the loan and despaired of the potential for agriculture organized by free Blacks. The productivity of free versus enslaved labour, and the capacity of Blacks to engage effectively as wage workers, was a key point of contention in economic and abolitionist debates; see Caroline Oudin-Bastide and Philippe Steiner, *Calculation and Morality: The Costs of Slavery and the Value of Emancipation in French Antilles* (New York: Oxford University Press, 2019), and Naomi J. Andrews, “How Should Slaves Disappear?”: Defending Slavery in France, 1834-1848,” *Slavery and Abolition* 41, no.3 (2020): 643-668.
- ⁴² *Le Constitutionnel*, 4 October 1826.
- ⁴³ *Emprunt d’Haïti, Réclamation des porteurs d’annuités, 31 octobre 1831* (Paris: Setier, s.d.), 7; MAE 752SUP 312, Lettre de Boullange, Palais Royal, au Ministère des Affaires Etrangères, 16 octobre 1834.
- ⁴⁴ Brière, “L’Emprunt de 1825,” 129. The bonds later made notable gains: 315 fr in 1852, 640fr in 1859, 500 fr in 1872. See *Cours authentique Bourse de Paris*, 21 May 1852, 17 August 1859, 23 August 1872.
- ⁴⁵ Madiou describes Vaur in 1833 as “having as much self-importance as if he’d been an official diplomatic agent;” Madiou, *Histoire d’Haïti, t.7*, 207. An 1851 list of members of Vaur’s committee records him as owning between 420 and 483 bonds (he signed three times) out of the 11 670 in circulation. (This total was disputed by rival bondholder groups.) See MAE 752SUP 312. On Vaur, see his 1835 dossier for the Légion d’Honneur: Archives Nationales LH/2680/11.
- ⁴⁶ MAE 752SUP 312, Lettre de Laurent au Ministère des Affaires Etrangères, 24 novembre 1844.
- ⁴⁷ On bondholder associations, see Marc Flandreau, “Collective Action Clauses before they had Airplanes: Bondholder Committees and the London Stock Exchange in the 19th Century (1827-1868),” Graduate Institute of International and Development Studies Working Paper, no. 01/2013.
- ⁴⁸ MAE 752SUP 312, Bureau d’Amérique et des Indes, Politique, Note, Février 1845.
- ⁴⁹ *Gazette Nationale ou Moniteur Universel*, 2 juin 1844, 1593.
- ⁵⁰ MAE 752SUP 312, Pétition à la Chambre des Députés, 15 février 1846. Emphasis original.
- ⁵¹ Juan Luis Simal, “National Credit and the International Financial Market: The Spanish Debt and its Foreign Bondholders, 1820-1834,” *Journal of Iberian and Latin American Studies*, 25, no.3 (2019): 381-402; Juan Pan-Montojo, “State Credit and Foreign Debt in the Early Nineteenth-century: Contradictory Representations of a Renovated Scenario,” *Journal of Iberian and Latin American Studies*, 25, no. 3 (2019): 361-380; Nicolas Barreyre and Nicolas Delalande, eds., *A World of Public Debts: A Political History* (London: Palgrave, 2020), part 1.
- ⁵² MAE 752SUP 312, Pétition, Comité de l’emprunt au MAE, 14 juin 1845.
- ⁵³ MAE 752SUP 312, J. Devillers à Messieurs les envoyés du Gouvernement d’Haïti, s.d. [1840s]
- ⁵⁴ MAE 752SUP 312, J. Devillers à Messieurs les envoyés du Gouvernement d’Haïti, s.d. [1840s]
- ⁵⁵ MAE 752SUP 312, Pétition de Breton à Monsieur le Président Louis-Napoléon, 1 février 1851.
- ⁵⁶ MAE 752SUP 312, Lettre signé Exter au Président de la République Française, 15 décembre 1851
- ⁵⁷ MAE 752SUP 312, Lettre signé Busson au Prince Louis-Napoléon Bonaparte, 15 décembre 1851.
- ⁵⁸ Cham, *Soulouque et sa cour par Cham* (Paris: Charivari, 1850). On Soulouque’s significance in Britain at the same time, see Jack Webb, *Haiti in the British Imagination: Imperial Worlds, 1847-1915* (Liverpool: Liverpool University Press, 2021), chapter 1.
- ⁵⁹ MAE 752SUP 312, Boullange au MAE, 16 octobre 1834 ; Breton à Monsieur le Président, 1 février 1851.
- ⁶⁰ For some bondholders, mobilization was professional; at least two of the largest holders of Haiti’s bonds, bankers named Dubourg and Sarrans the elder, were also members of the bondholder committee for Spanish public debt.
- ⁶¹ MAE 752SUP 312, copie d’une lettre de Picard au Ministre des Affaires Etrangères, Drouyn de Lhuys, 22 décembre 1852 (emphasis original)
- ⁶² MAE 752SUP 312, Pétition du Nouveau Comité à l’Empereur, 21 janvier 1853; Lettre de Guérin et. al. au MAE, 9 février 1852.
- ⁶³ MAE 752SUP 312, Lettre de Caron, Chappey, et Jances au Ministre des Affaires Etrangères, septembre 1853.
- ⁶⁴ On standards of “civilization” and Haitian recognition, see Julia Gaffield, “The Racialization of International Law after the Haitian Revolution: The Holy See and National Sovereignty,” *The American Historical Review* 125, no. 3 (2020): 841-868.

⁶⁵ MAE 752SUP 312, *Note relative aux créances françaises*.

⁶⁶ MAE 752SUP 312, Nouveau comité au MAE, 12 avril 1853.

⁶⁷ MAE 752SUP 312, Nouveau comité (55 signataires) au Président de la République Française, septembre 1852

⁶⁸ MAE 752SUP 312, Newspaper clipping, 8 April 1854.

⁶⁹ G. de Mériclet, *Nouveau tableau de la Bourse de Paris* (Paris: E. Dentu, 1858, 4^e ed.), 169 -170.

⁷⁰ A. G. de Mériclet, *La Bourse de Paris* (Paris: E. Dentu, 1857, 2^e ed.), 153.

⁷¹ “Décret impérial portant promulgation de la convention relative au remboursement de l’emprunt de 1825, conclue entre la France et Haïti le 1^{er} octobre 1854,” *Moniteur Universel*, 25 December 1854.