

The Language of Failure: Bankruptcy in Eighteenth-Century France

Pierre Claude Reynard

The University of Western Ontario, Canada¹

The study of early modern business strategies is burdened by a lack of direct evidence of entrepreneurs' perceptions of the risks and opportunities they faced. Most artisans and traders were unlikely to reflect on paper on the nature of their calling, and few business records are substantial enough to sketch the outlines of even prominent enterprises.² This paucity leads researchers along indirect paths, such as the study of bankruptcy records. Bankruptcy records are what remain of the legal proceedings intended to adjudicate the claims of the victims of a business failure. They have been used to discover what ailed business, to chart economic cycles or economic structures, and, more recently, to examine the social context of credit and commerce.³ This paper turns to a more direct level of analysis and explores the ways in which eighteenth-century

¹ The author is Assistant Professor, Department of History, The University of Western Ontario, London, Ontario, N6A 5C2, Canada (PREynard@Julian.UWO.Ca). He wishes to thank Professors J.F. Boshier, T.J.A. Le Goff, and P.A. McDonough for their helpful comments.

² R. Savelli noted the silence of merchants in the sixteenth century, but the following two centuries are hardly more generous in this regard ("*Modèles juridiques et culture marchande entre 16e et 17e siècles*," in F. Angiolini and D. Roche (eds.), *Cultures et formations négociantes dans l'Europe moderne* (Paris, 1995), pp. 404-405.

³ In the French context, see: P. Jobert and J.C. Chevailler, 1986, "*La démographie des entreprises en France au XIXe siècle. Quelques pistes*," *Histoire, économie et société*, 5, 2 (1986), pp. 233-264; L. Marco, *La montée des faillites en France - XIXe-XXe siècles* (Paris, 1989); J.C. Martin, "*Le commerçant, la faillite et l'historien*," *Annales E.S.C.*, 35, 6 (1980), pp. 1251-1268; S. Chassagne, "*Faillits en Anjou au XVIIIe siècle*," *Annales E.S.C.*, 25, 2 (1970), pp. 477-497; P. Butel, *La croissance commerciale bordelaise dans la seconde moitié du XVIIIe siècle* (Lille, 1973), v. 1, pp. 159-168. In the English context: I. Duffy, *Bankruptcy and Insolvency in London during the Industrial Revolution* (London, 1985), and J. Hoppit, *Risk and Failure in English Business, 1700-1800* (Cambridge, 1987).

French entrepreneurs *explained* their failures in order to shed light on their expectations.

Then, as now, bankruptcy was a disruptive event, and an analysis of comments made on such an occasion must take into account its contentious nature. At the same time, it is the exceptional nature of bankruptcy, and the fact that it brought business practices into question, that led a range of merchants to record some of their thoughts on the nature of their work. Bankruptcy files offer a unique access to the voices - albeit coloured by the demands of self-defence - of economic decision-makers who have rarely been consulted by those interested in the growth of market principles during the early modern era.⁴ These voices are unlikely to add to our knowledge of contemporary learned debates on the nature and worth of commerce. They can, however, tell us how even modest entrepreneurs understood the risks facing them. Such a "map of dangers" can, in turn, explain some business strategies. Its ambiguities may also reflect the varying degrees of acceptance of mercantile exchanges that could co-exist within a region, a century, and, in fact, within the minds of entrepreneurs. However, bankruptcy records were the product of a law and an institution, a context that has to be sketched out before attempting to make sense of the information they contain.

The eighteenth-century legal context of bankruptcy

The principles of early modern French bankruptcy law had been established in Roman law: bankruptcy is theft, the confiscation of the bankrupt's assets partly repairs the crime, and all creditors are to be compensated in proportion to their claims. Because of the complexity

⁴ For recent contributions, see J.-Y. Grenier, *L'économie d'Ancien Régime. Un monde de l'échange et de l'incertitude* (Paris, 1996); M.L. Myers, *Soul of Modern Economic Man* (Chicago, 1983); F. Braudel, *Civilisation matérielle, économie et capitalisme* (Paris, 1979); A.O. Hirschman, *The Passions and the Interests. Political Arguments for Capitalism before Its Triumph* (Princeton, 1977). The words merchants and traders are used here in their widest sense, to refer to anyone engaged in commercial exchanges without distinction of scope, nature or field (see M. Morineau's reflections on the categories of commercial activity: "Entre usuriers et 'philtstin': le 'bon marchand' et le 'négociant éclairé,'" in F. Angiolini and D. Roche (eds.), *Cultures et formations négociantes dans l'Europe moderne* (Paris, 1995), pp. 421-426.

of this legal triangle, bankruptcy proceedings tended to be lengthy. The courts of medieval Italy shortened them, responding to the preferences of merchants for a partial but swift recovery of funds over an eventual complete return. This was achieved by focussing on a resolution of the crisis at hand rather than its causes, and by turning the matter over to a panel of experts - other merchants.⁵ These characteristics reshaped the common laws of the northern provinces of early modern France. The procedure put in place during the sixteenth century was given greater coherence by Colbert in 1673. Several royal edicts clarified the points most often challenged over the following two generations, and eighteenth-century French merchants worked under a stable law that endured until Napoleon's 1807 *Code du commerce*.

Eighteenth-century courts distinguished between bankruptcies in which an element of fraud could be detected ("*banqueroute*") and those caused by "ill fate" (*faillite*).⁶ Deemed a criminal, a *banqueroutier* was threatened with the most severe punishment. A *faillite* brought a loss of civil rights and various humiliations, in part to gather creditors and warn others. While a *banqueroutier's* assets were divided among claimants, a *failli* could attempt to reach an understanding with an

⁵ This rule applied when the failure involved merchants, the most common case in an age of limited exchanges. In turn, these choices ensured frequent challenges by more legalistically minded courts, because a lack of interest in the causes of the failure meant that the presumption of fraud lingered. A sketch of this evolution is drawn by J. Hilaire, *Introduction historique au droit commercial* (Paris, 1986), ch. 4.

⁶ J. Savary, *Le parfait négociant ou Instruction générale pour ce qui regarde le commerce ...* (Paris, 1675), Part II, Book IV, ch. III. Hilaire suggests that this distinction was fully formulated only in the sixteenth century (*Introduction*, p. 312). Colbert's *Ordonnance du commerce* (1673) was published (with the celebrated comments of Jousse) by V. Bécane (*Commentaire sur l'Ordonnance du commerce*, Poitiers, 1828), who also reflected on the 1807 *Code du commerce*. An earlier, unpublished comment is found in A. Vanderbossche, *Contribution à l'histoire des sources du droit commercial. Un commentaire manuscrit de l'Ordonnance de mars 1673* (Paris, 1976). Thorough interpretations are naturally found in Savary, *Parfait négociant*; in the *Dictionnaire universel de commerce* of J. Savary des Bruslons (1723 and following editions); or in a less known but thoughtful *Exercice des commerçants* by P.J. Nicomède, 1776. For a succinct introduction, see R. Ithurbidie, *Histoire critique de la faillite* (Paris, 1973), or, with regard to the evolution of the legislation in the contemporary period, G. Hamonic, *La juridiction consulaire* (Paris, 1940). Finally, documents concerning French bankruptcy law are found in: *Archives nationales* F¹² 847-854^a, and *Bibliothèque Nationale, Manuscrits Français* (henceforth B.N., M.F.) 16739, fos. 184-241.

organised assembly of all creditors. This *concordat* could take two forms. The *failli* could be granted time to rebuild his or her affairs and repay the debts. Or he or she could convince the creditors to accept a partial scheduled repayment, allowing for a resumption of business. Alternatively, creditors who lacked faith in the ability or honesty of the debtor could close the business and share the proceeds from the sale of all assets.⁷ In most cases, the debtor was freed from debts at least partially and allowed to resume his or her activities. However, all observers hastened to add that only full repayment could take away the shame of failure and renew one's credit. The recovery of one's legal rights also demanded a royal "letter of rehabilitation." Only then could a debtor die in peace, as does the most famous *failli* of French literature, Balzac's *César Birotteau*.⁸

The distinction between the two types of failure came early. Merchants were required to deposit a specially drawn balance of their accounts, called a *bilan*, in front of a court as soon as they were unable to meet the claim of a creditor.⁹ The court examined relevant account books, heard from interested parties, and chose between *faillite* and *banqueroute*. Early in the eighteenth century, it became the practice and soon the law to have a failed *commerçant* surrender this final account to a court that dealt exclusively with matters of commerce, a *juridiction consulaire*. The *consuls* who ruled in these courts were local merchants,

⁷ The first scenario drew an *attermoiement*, the second a *contrat de remise*, and the third a *cession judiciaire*. If the debtor could convince the creditors to accept the closing of the business and the proceeds of a sale of all assets *before* the opening of bankruptcy procedure, a *cession volontaire* was signed.

⁸ H. de Balzac, *Histoire de la grandeur et de la décadence de César Birotteau, La comédie humaine*, V, *Etudes de moeurs: scènes de la vie parisienne*, 1 (Paris, 1952, first edition 1837), pp. 324-591. Only the *cession judiciaire* carried the legal obligation to repay one's debt in full, because it entailed no consent on the part of creditors. Commentators insisted that a letter of rehabilitation was a privilege, not a right (Savary, *Parfait négociant*, II, IV, ch. I, p. 639). Full rehabilitation was a rare and lengthy process: M.B. Martin failed in 1765, signed a *concordat* that promised his creditors 75% of their claims but was able to repay them in full, including interests and expenses. He obtained his letters of rehabilitation just before the fall of the monarchy (file 231: see note 12 for coordinates).

⁹ A period of negotiations between a merchant and his/her creditors may often have preceded this initial step, sometimes leading to a settlement without *dépot de bilan* (communication by T. Lockett, Second European Social Science History Conference, Amsterdam, 1998).

elected annually and serving without remuneration. Their powers were substantial, but most remarkable were instructions encouraging them to settle commercial disputes in an expeditious manner. They were expressly told *not* to feel bound by the “subtleties of the law and royal edicts!”¹⁰ Such advice, as well as the lack of legal training of the *juges-consuls*, raised the ire of the legal profession and the *consuls* were never able to secure exclusive jurisdiction over bankruptcy proceedings. However, a 1739 edict confirmed their right to distinguish between *faillite* and *banqueroute*.¹¹

Bankruptcy in the Bas-Languedoc

Before being integrated into the network of *juridictions consulaires* in 1691, the Montpellier commercial court had a long history dating back to the thirteenth century, under the poetic name of “Consulate of the Sea.” The accounts of insolvent merchants that have remained in its extensive archives go back to 1702, although they become more numerous by the late 1720s.¹² Until 1790, this court registered 615 instances

¹⁰ The precedents for such courts are found in the context of the great medieval fairs. By the end of the Old Regime, merchants of some seventy cities and surrounding areas enjoyed the privilege of having their affairs judged by their peers. See J.L. Lafon, *Les députés du commerce et l'ordonnance de mars 1673. Les juridictions consulaires : principe et compétence* (Paris, 1979), quote p. 15, n. 1), and *Juges et consuls à la recherche d'un statut dans la France d'Ancien Régime* (Paris, 1981). A brief survey is found in H. Mariage, *Evolution historique de la législation commerciale de l'Ordonnance de Colbert à nos jours, 1673-1949* (Paris, 1951).

¹¹ See the *Déclaration royale* (13 September 1739) and the partisan comments by an anonymous M*** (Nicomède, *Exercice*, pp. 652-653, 605-607, 589). The decisions of 1678, 1702 and 1716 that anticipated it are found in B.N., M.F. 21774, fos. 291-292, 303-304. These commercial tribunals received the right to settle bankruptcies for a limited number of years when economic circumstances multiplied failures (B.N., M.F. 21774, fos. 295 and following). The *Juridictions consulaires* survived the Revolution without any substantial alterations as *Tribunaux de commerce* (J. Hilaire, “*La Révolution et les juridictions consulaires*,” in R. Badinter, ed., *Une autre justice 1789-1799*, Paris, 1989).

¹² *Archives départementales de l'Hérault*, 8 B 394 to 8 B 433 (box 404 missing). To limit the length of footnotes, reference to a record is given by a number leading to the coordinates of the file listed in Appendix 1. For a brief history of the institution see C. d'Aigrefeuille, *Histoire de la ville de Montpellier* (Marseille, 1877), v. 2, pp. 211-212 and 394-402. All records were surveyed for this study, although the size of samples analyzed varies according to the questions asked and the information available.

of failure, at an annual rate varying from one to twenty five.¹³ These *bilans* came from a vast region, the lower or eastern half of the immense province of Languedoc. Although 31% of the failures took place in Montpellier, the largest economic centre of the region, another 31% originated in six important cities. Nine smaller centres contributed between five to nine cases each to this list, while 66 other localities appeared on this unlucky record from one to four times. The same diversity is observed in the trades encountered, although the profession of the failed merchants is not always recorded. Among 232 explicit cases, we encounter no less than 60 distinct occupations, even when regrouping related trades under one banner. Most activities are represented by one or a few failures, but at least one fifth of all *bilans* belong to the ubiquitous calling of "textile merchants." Druggists, bakers, carters, pedlars, dyers, and wine and liquor dealers also stand out among the failed entrepreneurs. While one easily recognizes most of the important economic activities of the region, it is impossible to relate these figures to the fate of various economic sectors, if only for the lack of data on their respective sizes.¹⁴

Those who failed in the Bas-Languedoc were far from being inexperienced. In the 147 cases where it is known, the "life-span" of the failed enterprise ranges from 1 to 35 years. The average is over 10 years. This impression of relative competency is confirmed by a survey

¹³ These annual averages cannot be directly linked to economic circumstances for at least four reasons: the yearly number of bankruptcies remained often too small to be significant; long delays in the opening of the procedure occurred on occasions; it is impossible to know what proportion of existing enterprises failed in a given year; and the opening of bankruptcy proceedings depended on the legal context of the moment. Jobert and Chevailler cautiously argues that statistically significant links exist between economic "movements" and the "flow" of bankruptcies (*Démographie*). L. Marco acknowledges the lack of consensus on this question, before proceeding to analyze the rise in the number of failures at the national level (*Faillites et crises économiques en France au XIXe siècle*, *Annales E.S.C.*, 44, 2, 1989, pp. 355-378). Hoppit distinguishes between short-term fluctuations and a long-term increase of the number of bankruptcies in eighteenth-century England (*Risk*, p. 42).

¹⁴ See Martin, *Le commerçant*, p. 1254. The frequent practice of combining apparently unrelated trades, characteristic of the period, adds to the difficulty of any sectoral analysis. The six largest contributors after Montpellier were Nîmes, Pézenas, Agde, Sète, Béziers and Narbonne. The proportion of Montpellier-based bankruptcies naturally rises among very small enterprise (407 cases reveal the location of the failure).

of the literacy level of this group. Among 354 known cases, only a quarter of the signatures reveal a poor control of the pen, and only a handful of merchants confess to an inability to write.¹⁵ Assets appear characteristic of those of active merchants, for whom the value of stocks and outstanding accounts often surpassed real assets.¹⁶ Although in many (but far from all) cases liabilities tend to outweigh assets, some of these files clearly concern sizeable enterprise. Among the 200 cases for which we have the necessary figures, over half show assets of more than 10,000 *livres tournois* (lt). Only 9% of cases state assets and/or liabilities below the 1,000 lt threshold, a sum which could secure the yearly labour of three skilled workers and is indicative of the level of activity of a pedlar. At the other end of the spectrum, just as many merchants revealed assets of several hundred thousand *livres tournois*, impressive operations by any standards. Although the lack of comparable statistics among non-bankrupt enterprises precludes any firm conclusion on the economic level of *faillis*, it is clear that this group is neither crowded with very small enterprise nor restricted to a

¹⁵ Martin suggests, on the contrary, that new enterprises crowd the bankruptcy files he surveyed (nineteenth and twentieth centuries; "*Le commerçant*," p. 1257). Several comments of interest to those concerned with the meaning of a signature in relation to literacy are found in these files because merchants had to justify their book-keeping practices. For instance, L. Gillis, nailmaker, signed with some difficulty but added that he was unable to write such a document as an inventory on his own (file 44; see also files 87, 117, 231, 280, 289, 307). On the other hand, only two cases note, among the assets of the bankrupt, the presence of a "library." One belonged to a *marchand-fabricant de drap* from Lodève, the other to a Montpellier *marchand de fer* (files 164 and 317). On the education of early modern merchants, see various essays in F. Angiolini and D. Roche (eds.), *Cultures et formations négociantes dans l'Europe moderne* (Paris, 1995).

¹⁶ Real assets include real estate, *rentes* and *offices*. While the diversity of individual records renders meaningless the construction of an "average" distribution of assets, one can appreciate the lightness of real assets in two ways. First, it appears that in 39% of cases, outstanding credits dominate the assets of failed enterprise, while in another 35% of cases merchandise weighs most heavily among assets, meaning that only 1/4 of assets are secured firstly by real properties. In aggregate terms, real assets account for 16% of the value of all declared assets, merchandise for 32%, while outstanding credit represent over half of these assets (calculations based on 191 *bilans* declaring close to five millions *livres tournois*). By contrast, for an emphasis placed on real (and mobile) assets, see Chassagne, "*Faillis*," and R. Plessix, "*Les bilans de faillite déposés à la Juridiction Consulaire du Mans (1753-1789)*," *Annales de Bretagne et des Pays de l'Ouest*, 95, 3 (1988), pp. 247-275.

commercial elite.¹⁷ Furthermore, the *bilans* drawn by owners of large concerns are not substantially distinguishable from the rest of the files in the way they explain their failure. Without pretending that it is representative of the merchants who animated the roads, canals, and shores of the Bas-Languedoc, this sample appears diverse enough to justify an examination of the documents drawn on the day of failure.

The records

The Montpellier *Consuls* were experienced and influential merchants familiar with the commercial milieu of the region. Their initial task was to receive confirmation of the figures in the inventory from as many creditors as possible and compare them with those found in the account books submitted at the same time. Appended to most files were the creditors' sworn statements confirming or correcting the figures quoted by the bankrupt, a description of the account books, and a report of the interrogation of the failed merchant on eventual discrepancies between books and *bilan*.¹⁸

The *bilans* submitted to the *consuls* follow the suggestions of Jacques Savary, the acknowledged "patron saint" of French commerce.¹⁹ At their

¹⁷ Martin ("Le commerçant," p. 1257) concluded that a majority of failed enterprises belonged to the lower strata of commercial society. Nicomède suggested in 1776 that the great majority of bankruptcies involved less than 100,000 lt (without specifying what the figure referred to, most likely the liabilities of the failed merchant; *Exercice*, p. 591). The distribution of assets is the following: 9% claiming less than 1,000 lt, 39% between 1,000 and 10,000 lt, 41% between 10,000 and 50,000 lt, 11% over 50,000 lt. Large concerns in files 50, 102, 193, 194, 195, 200, 205, 223, 315, 110, 157, 242, 275, 278, 280, 294, 355.

¹⁸ The 1739 edict demanded the presence among the *consuls* of at least one merchant familiar with the trade considered (Nicomède, *Exercice*, p. 653). Since 1673, the absence of account books was considered a fraud, yet small merchants were allowed to register their "ignorance" of the law. These books were withdrawn upon conclusion of the procedure, depriving historians of a valuable source of information. A comparison of the documents appended to the *bilans* suggests that frauds, or mistakes, raise questions about the figures rather than the nature of the losses advanced to explain the failure (see for instance files 66, 205, 223 and 224, 231, 233, 307, 322, 365, or the two accounts submitted three months apart by the same partners, files 39 and 47).

¹⁹ Savary published his model of an inventory only two years after the royal edict that required it (*Parfait négociant*, II, IV, ch. III, pp. 661 and following). He had been so closely associated with the drafting of these regulations that they remained known as the *Code Savary*.

heart is the valuation of assets and liabilities of the failed party. In the category of assets (*Actif*), real properties, moveable goods (merchandise and *meubles et effets* from household and business) and debts owed to the bankrupt are recorded. Under the heading of *Passif* (liabilities) appears the often long list of creditors entitled to a share of the insolvent estate, as well as the amounts owed to each. It is a third chapter, however, that will be of interest to us. Under the title "Losses," or *Pertes*, many bankrupts attempted to account for the gap between *Actif* and *Passif*. Surprisingly, in an age prone to hyperbolic comments, these *bilans* make little room for a rhetorical defence of the bankrupt's actions. Aside from an almost standard brief profession of good faith, only a few merchants took the time to elaborate on the modesty of their behaviour and ambitions and their assiduity at work through "heat and cold!"²⁰ Most simply offered a list of the nature and the value of their losses over the duration of their business.

Noting the wide range of the claims put forward and the fact that they do not fit well within modern accounting logic, most studies have dismissed them as exaggerated and self-serving pleas intended to absolve the failed party from responsibility in the bankruptcy.²¹ Indeed, anyone familiar with judicial and financial records will admit to their biased nature. For our purpose, it will be enough to suggest that, in spite of the self-expiatory nature of these claims, the types of losses recorded and the way in which they are presented speak to the bankrupt's interpretation of his or her plight in a way that the *consuls* could understand. In any

²⁰ Savary suggested that "... the Bankrupt must face his Creditors contrite, eyes lowered, stand humble, voice softened ... patient ... and [must tolerate] all insults ..." (*Parfait négociant*, II, IV, ch. III, pp. 662-663; my translation). See for instance files 159, 162, 206, 313, 348, 352, 358.

²¹ The comments made by S.L. Kaplan are characteristic in this regard (*The Bakers of Paris and the Bread Question*, Durham, N.C., 1996, pp. 408-409): "Obviously many claimed 'losses' were in fact ordinary business costs, depreciation, and familial and household expenses that had nothing to do with the business (in a modern accounting logic). Bakers with significant disparities between total assets and liabilities liked to amalgamate losses (generally undocumented and frequently puffed) and assets to create a sanguine impression of a sort of long-run or nostalgic positive net worth." Similar comments are found in Chassigne, "*Faillites*," p. 493; Plessix, "*Bilans*," p. 268; and M. Garden, "*Aires du commerce lyonnais au XVIIIe siècle*," in P. Léon (ed.), *Aires et structures du commerce français au XVIIIe siècle* (Lyon, 1975), pp. 265-299.

context, a wide range of "excuses" and justifications is available to people confronting their judges. They will choose those most relevant to their understanding of their situation and, in this case, their trade. A *bilan de faillite* may well have offered a distorted image of a business, but this image still had to fit within the conceptions of commerce familiar to all parties.²²

To facilitate our interpretation of the arguments put forward in the eighteenth century, we will contrast them with comments drawn from late nineteenth-century files. Changes to the legal framework governing the resolution of business failure in 1807, 1838, 1867, and 1889 preclude a systematic comparison with the previous period.²³ Nonetheless, these more recent records will provide examples of ways to explain failures that differed substantially from those advanced in the previous century and facilitate our deciphering of the language familiar to eighteenth-century *faillits*. In the following pages, we will group the claims of losses in four categories and present them in the ascending order of prominence in which they appeared on these balance sheets. The categories will distinguish the world of commerce from the greater realm of human affairs and, in each case, the personal from more universal concerns.

Personal professional mistakes

Just over a dozen merchants frankly blame their failure on their lack of competence in their chosen trade. Some recall a lack of apprenticeship or education, or the choice of a trade too far removed from their milieu

²² See Y. Castan's comments on the value of judicial records to assess "economic attitudes" (*Honnêteté et relations sociales en Languedoc, 1715-1780*, Paris, 1974, pp. 256-257, 347). Butel finds that the *pertes* sections of Bordeaux *bilans* speak rather cogently to the causes of business hardships (*Croissance*, pp. 179-168).

²³ The nineteenth-century sample concerns some 160 failures brought to the Lyon, Villefranche, and Tarare *tribunaux de commerce*, which yielded just under 100 *bilans*. In turn, 56 of these *bilans* included a "*pertes*" section where an attempt was made to account for the failure. These records are found in the *Archives départementales du Rhône*, 6 UP/1 (*Tribunal de commerce de Lyon*), 6 UP/2 (*Tribunal de commerce de Villefranche*) and 6 UP/3 (*Tribunal de commerce de Tarare*). Listed in Appendix 2 are the coordinates of the records to which three series of numbers refer. For the evolution of the legislation, see Hilaire, *Introduction*, or Hamonic, *Juridiction*.

of origin. Others acknowledge having bought supplies of poor quality, regret the trips that kept them away from their shops, or admit that their plans were too ambitious.²⁴ Not surprisingly, the number of clear claims of commercial shortcomings does not appear to be much greater a century later. By then, most blame an inappropriate ratio of early expenses to weak returns and, in one case at least, a passion for innovation and its attendant research costs.²⁵ This admittedly small sample suggests that late nineteenth-century pleas of professional insufficiencies tended to be linked to the operation of the failed commerce, whereas eighteenth-century claims more readily questioned the vocation of the *faillis*.

One can also find some admission of responsibility in the two-thirds of the *bilans* recording "commercial losses," an expression that referred to transactions concluded at a "less than satisfactory" price. Because the accounting procedures likely to have been followed by these merchants did not provide them with a reliable measure of the cost of their products or services (cost accounting remained a rarity until well into the nineteenth century), doubts remain as to the figures entered under this heading.²⁶ However, the presentation of these losses remains significant. Naturally, many *faillis* explained several (and in particular the most notable) losses through circumstances beyond their control (see the next paragraph). Most files, however, left at least some claims unjustified, thereby shouldering a degree of responsibility. The information accompanying these losses (including amount, date, and nature of the transaction as well as the name of the other party) would have given the judges a chance to assess the business acumen of the merchant before them. It is through an unadorned but detailed list of unprofitable and un-excused transactions

²⁴ See files 77, 89, 97, 147, 179, 186, 196, 285, 295, 305, 332, 333, 358. The loss of a small fortune at a fair site by an absent-minded trader can also be seen as a form of poor management, although such an admission also suggests that judges would have looked upon it leniently, perhaps seeing it as an accident (see our fourth category; file 338).

²⁵ One may add to this list four lucid but inexplicit statements of a "failure to prosper." See files L2, L4, L7, L8, L25, L40, L53, L61, L62, L66, V6 and L6, L30, L64, V7.

²⁶ In the case of traders (rather than manufacturers), these figures most likely represent simply the difference between sale and purchase prices, ignoring business costs. See R.K. Fleischman and T.N. Tyson, "Cost accounting during the industrial revolution: the present state of historical knowledge," *Economic History Review*, XLVI, 3 (1993), pp. 503-517.

that merchants revealed the extent of their mistakes. More frequently, references to “circumstances beyond their control” take us to a second category of losses.

Blaming the market

Many merchants suggested that poor business decisions were forced on them by imperatives ranging from a pressing need for cash created by various accidents to a dramatic reversal of prices consequent on the end of a war. Early in the century, for instance, substantial losses were attributed to manipulations of the currency by a financially pressed crown. Such references are not surprising, since they tended to absolve the bankrupt from responsibility for his or her fate. Once again, however, the words used to present them are of interest. They are indicative of various degrees of desperation. The ubiquitous expression “*vente(s) forcée(s)*,” or its equivalent “*vente(s) précipitée(s)*,” suggests the idea that a well-positioned merchant should be able to await an acceptable opportunity rather than being “forced to sell.”²⁷ Late in the period and under different circumstances, a statement by a prominent Annonay paper maker recalled what must have been a familiar saying to the same effect: “[...] one degrades one’s merchandise by offering it too insistently.”²⁸ The often noted importance of stocks in early modern business inventories confirms the reluctance of merchants to meet the demand through price discounts.²⁹

²⁷ See files 22, 34, 58, 109, 123, 147, 159, 162, 164, 167, 168, 171, 187, 206, 255, 295, 319, 324, 338, 352, 357, 358, etc. Mentions of losses occasioned by the collapse of the paper money introduced by John Law under the Regency, are found in files 10, 11, 20, 22, 31, 33, 39, 45, 48, 49, 53, 58, 59, 60, 64, 79, 97, 105, 122, 137. Frequent *augmentations* and *diminutions des espèces* brutally reassessed the assets and liabilities of merchants. Particularly noted were the 1723-1726 manipulations (files 25, 11, 19, 32, 33, 35, 42, 45, 49, 53, 54, 58, 69; see also 59 and 96). References to subsistence crises (*chertés*) in files 77, 162, 186. Other events in files 58, 162, 164, 167, 206, 295, 319, 324, 338, 352, etc.

²⁸ “... *on déprécie souvent sa marchandise en l’offrant trop ardemment.*” (my translation), Johannot to Ecrevisse, 29-11-1784 (E. Creveaux, “*Evolution de l’industrie papetière au XVIIIe siècle.*” *Le papier*, 1938, p. 292; this sentence referred to a contract proposal). Having to sell “*au fur et à mesure*” is noted as a sign of commercial weakness in fiscal records (see for instance *Archives départementales du Puy-de-Dôme*, L 5883, *Patentes, “Ambert extérieur*”, Year 7).

²⁹ Grenier, *L’économie*, p. 376.

A second group of losses, related to the use of credit, illustrates the wishes of Languedoc merchants to control their engagement in the market-place. We know that the use of credit was frequent and growing during the period, and find the costs of credit cited among losses in at least one quarter of cases.³⁰ Yet, interest expenses are far from being presented as a routine part of business. They are always denounced in strong terms, in spite of the fact that no one decried usurious rates. Rather, merchants insisted on having been "forced" to borrow by imperious circumstances.³¹ The contrast between the known prevalence of credit and the wish for restraint displayed in these files can be explained by the fact that much credit was implicit, and that the borrowing denounced here is the formalised part of credit. It was contracted when the long delays in payment regularly extended by suppliers proved insufficient, or when worried suppliers demanded a formal recognition of accumulated operational debts. Languedoc merchants were forcefully distinguishing between a regular, expected use of credit, and the more risky recourse to credit beyond what suppliers were expected to grant. In effect, they referred to a two-tiered credit market reflective of a gradated involvement in commerce.³²

³⁰ On French credit circuits, see for instance J.-L. Rosenthal, "Rural Credit Markets and Aggregate Shocks: The Experience of Nuits St. Georges, 1756-1776," *The Journal of Economic History*, 54, 2 (1994), pp. 288-306, or P.T. Hoffman, G. Postel-Vinay and J.-L. Rosenthal, "Private Credit Markets in Paris, 1690-1840," *The Journal of Economic History*, 52, 2 (1992), pp. 293-306. In an English context, see C. Muldrew, "Credit and the courts: debt litigation in a seventeenth-century urban community," *Economic History Review*, 46, 1 (1993), pp. 23-98. In cases where figures allow for a calculation, the percentage of losses attributed to interest costs vary from 3 to 50%. See for instance files 2, 25, 33, 52, 90, 97, 100, 105, 111, 116, 137, 142, 150, 152, 153, 172, 196, 207, 236, 246, 261, 268, 274, 300, 312, 314, 337, 349, 354.

³¹ T. Molaret did not blame credit for his losses but thought it helpful to state that he had always kept his borrowing within "narrow limits" (file 301). Strong denunciations of the need to borrow are found in files 133, 156, 162, 234, 246, 284, 285, 292, 300, 319, 328, 332, 358, 361, etc. Rates quoted are in the known range of rates during the period, such as 5% and 6%, or 10% in the case of a *prêt en viager* (files 22, 52, 268, 305).

³² One rejoins here the distinction made by J.-Y. Grenier who notes that entrepreneurs were reluctant to substitute "*crédit réel*" to a more acceptable but obviously narrower "*crédit personnel*" (*L'économie*, p. 100). By contrast, only two nineteenth-century files mention the cost of credit, denouncing "exorbitant interest rates" and "unduly nervous lenders" (L29; V3).

A similar understanding is revealed by a third type of loss of a commercial nature. The merchants of this sample paid only limited attention to the credit they extended to their customers. This burden is always seen by historians as a great weakness of old regime economics, and contemporary "experts" suggested that outstanding accounts that were unlikely to be settled be entered among losses rather than assets. Yet, few merchants did so and few spelled out their loss of hope to recover any portion of these sums.³³ Many more simply incorporated all sums owed to them in assets under the standard ratings of "good," "dubious," and "poor" debts.³⁴ Neither judges nor creditors would have been fooled as to the value of these doubtful assets. Yet, the reluctance to draw attention to them suggests a belief among *faillis* that they were unlikely to impress their peers. Furthermore, while about a quarter of accounts explicitly mention the bankruptcy of debtors, only in a very few cases is emphasis placed on such events. In most cases, losses to bankruptcies are simply listed among other losses and amount to a less than remarkable portion of all *pertes*. This is interesting because both contemporary and subsequent commentators have judged the "domino effect" of one bankrupt merchant pulling many others down a central cause of failure.³⁵ In the few cases where emphasis is placed on the *faillite* of another merchant (through the inclusion of a full sentence rather than

³³ Savary, *Parfait négociant*, II, IV, ch. III, pp. 672, 674, or Savary des Bruslons (*Dictionnaire*, entry "Dette"). For statements or transfer of these accounts to the *Pertes*, see files 2, 45, 55, 68, 164, 166, 193, 200, 201, 206, 223, 225, 230, 279, 305, 325, 326, 328, 351, 353 (in files 15 and 337, part of the outstanding total is discounted at 60% and 25%).

³⁴ Lists of *dettes actives* of all qualities are always very long, and often filled with "old" debts. Widow Gimbal was owed 7,297 lt by close to 350 accounts; widow Dejean claimed 50,348 lt from 320 debtors owing; 400 people owed a mediocre 3,900 lt to P. Coulomb, while over 500 owed close to 11,000 lt to C. Lugagne (files 182, 183, 208, 219). Outstanding accounts often reached impressive, and no doubt crippling sums, as in the case of Puech and Sabatier, expecting 229,000 lt from over 300 customers (file 102). In a 1731 *bilan* one notes small debts going back to 1705, 1706, 1709, etc. (file 39). See also files 163, 201, 206, 208, 219, etc. ... Even a pedlar, in a trade not known for its ability to extend credit (another reminded the court that pedlars only sold "*au comptant*", or cash), remained owed some small sums three years after the sales (files 34 and 87).

³⁵ Hoppit, *Risk*, p. 167. See files 31, 42, 54, 55, 58, 112, 116, 135, 150, 159, 183, 193, 207, 210, 212, 216, 231, 245, 255, 284, 296, 301, 303, 304, 309, 312, 324, 325, 338, 349, 350, 351, 357, 361, 365.

just a figure among others), mention is sometimes made of guarantees given to the debts of others because of a special relationship between the merchants (such as family ties). The fact that a special bond had drawn them into extending credit beyond what they would perhaps have done normally appears to have made it easier for these merchants to blame this accident.³⁶ Overall, the less than prominent treatment of outstanding accounts suggests that such burdens could not be expected to draw the sympathy of judges or creditors, no doubt because in the minds of all, merchants were expected to readily curtail sales when needed. Once again, the underlying model appears to have been one of controlled participation to a multi-layered world of commerce. This wish for commercial self-control is evident in the cry of a *marchand-toilier* from Pézenas named (inappropriately or all too accurately?) Modeste Ronzière. He denounced his commercial ambitions as a “*passion destructive*” that governed his life.³⁷

Languedoc merchants facing bankruptcy were well aware of the limitations of the market-place and naturally tried to discharge some of the responsibilities for the failure of their businesses on these obstacles.³⁸ However, they only mildly accused the market-place and did so in terms that suggest that, under ideal circumstances, wise merchants would embrace only in a measured way the mechanisms of the market they served. This sense of restraint is absent from nineteenth-century records. Nineteenth-century *faillits* also frequently tried to attribute their losses to the market-place, but their denunciations of its vagaries did not express the kind of wishes for limited participation that transpired before the Revolution. Rather, they decried the brutality of various commercial crises, at times explaining that their sector was particularly hard-hit, at other times hinting at a general recession. They were also able to blame “the competition” directly, in general terms or in the guise of the rise of the *grands magasins*, or the arrival in their neighbourhood of a new type of

³⁶ Files 2, 26 (guarantee given), 50, 214 (family guarantee), 250 (family guarantee), 330 (family guarantee), 363.

³⁷ File 358.

³⁸ File 340 blamed government regulations for preventing the creation of a starch-making shop, after several hundred *livres tournois* had been committed to the venture.

drinking outlet offering cheaper drinks to standing customers. Expressions such as *ventes forcées* or denunciations of the need to borrow are now absent. On the contrary, in one case, the denunciation of a long delay in the expansion of the city of Lyon around new military installations reveals a belief in the legitimacy of expectations of growth.³⁹

Late in the nineteenth century as in the eighteenth century, the temptation to blame commercial circumstances beyond one's will for a failure was great. However, the numerous files that do so in both periods speak of the world of commerce in different ways. Earlier files record the risks inherent in business and regret having been drawn too close to these reefs. Later *faillis* more simply blamed the overwhelming force of commercial gales. Gone is the belief in the possibility of distancing oneself from such trials. An even larger number of *bilans* take us to the world beyond commerce.

Personal behaviour beyond the world of commerce

Two-thirds of accounts of losses include a large sum representing the expenses of the merchant's household over the years of activity of the failed business. Under this heading, we find references to the expenses of a long-celebrated wedding, the annual rent of the family home, an estimate of the cost of food consumed, etc. Particular emphasis is given to the "burden" of a large family, represented by the costs associated with the birth, nursing, and education (or burial) of large numbers of children, or the support given to relatives.⁴⁰ The inclusion of such expenses in the *bilans* reflects the lack of distinction between the private and the public spheres of life during the early modern period (and, more precisely, the extension of a merchant's liability beyond business

³⁹ Files L1, L3, L11, L13, L29, L33, L34, L42, L44, L57, L59, L61, L64, L68, V9.

⁴⁰ In recalling these *dépenses d'entretien de la maison*, merchants were again following the advice of Savary (*Parfait négociant*, II, IV, ch. III, pp. 663, 672, 674) (146 instances; see for instance files 124, 128, 161, 176, 178, 180, 296, 323, 333, etc.). The amounts claimed for household outlays vary from a few hundred to a few thousand *livre tournois* per year, most fitting in the 1-2,000 lt range (files 22, 53, 42, 49, 56, 111, 116, 164, 182, 334, 337 ...). They almost always account for a large share of the claimed *pertes*, often more than 50%. "Large family burdens" in files 137, 156, 234, 245, 258, 261, 305, etc.

holdings). This impression is reinforced by records that purposely blend together expenses associated with family life and those of the shop.⁴¹ Also significant is the fact that many of these figures represent regular rather than exceptional business or household disbursements. They should, by strict (modern) accounting standards, be compared with accumulated income rather than assets already net of expenses.⁴²

These practices reveal two intentions. One is to account for the merchant's relative lack of assets by drawing attention to the share of income that supported the family. The *bilan* submitted to the *consuls* is thus not strictly an inventory. It also strives to explain where the money earned over the years has gone to reassure creditors that it is not hidden from them, a fraud which would push the failed merchant into the condemnable state of *banqueroutier*.⁴³ A second intention is to portray oneself as having led a simple, far from extravagant life. A dissipated lifestyle was frequently denounced as a root of bankruptcy. In 1776, J.P. Nicomède worked a well-rehearsed theme when he stigmatized the merchant victim of expenses "above his station in life." While not guilty of a criminal offence, the extravagant spender would find it difficult to settle with his or her creditors. A more modest *failli* could expect their indulgence. The eighteenth century was very much concerned with these issues, both in general and in the particular context of bankruptcy law.

⁴¹ Files 32, 42, 49, 57, 69, 160, 178, 214, 294, 321, 323, 330, 360. The same confusion is evident around the issue of the cost of domestic or trade help (files 57, 91, 180, 202, 216, 323, etc.). A distinction between the two areas is explicit in only a handful of cases (files 14, 46, 195, 217, 314, 324), and only 24 files refer to expenses associated with a shop (mostly rent).

⁴² Only a few files explicitly distinguish between regular and exceptional expenses (files 41, 119, 148, 155, 196, 261, 268, 329, 334; file 294 distinguishes between ordinary and extraordinary expenses, but thoroughly blends business and family expenses). Many detailed accounts of (sizeable) travel expenses testify to the mobility of this group of Languedoc merchants. A few comments testify to the understanding of the inadequacy of this reporting, one merchant trying to calculate expenses "exceeding benefits," another expenses "including benefits," another expenses during the four years when his business remained idle, and yet another deciding not to report household and business expenses since his profits "always sufficed to provide for such needs" (files 258, 311, 312, 364).

⁴³ See to this effect Article 10 of Title 11 of the *Ordonnance royale* of 1673 (Bécanne, *Commentaire*, p. 50, comments pp. 279-283), and Savary's statement, *Parfait négociant*, II, IV, ch. III, p. 669. This is made clear in at least one *bilan* which heads the chapter devoted to losses with the title "Use of these sums" (139).

In 1807, Napoléon's *Code du commerce* formalised the distinction: inappropriate expenses led to a *banqueroute simple*, an intermediary but still indictable state between a *faillite* and a criminal *banqueroute frauduleuse*.⁴⁴ By quantifying and reporting their yearly business and family expenses, merchants tried to absolve themselves of the stain of dissipation.⁴⁵ This must be seen as a commentary on the understanding merchants had of their position in early modern French society. A century later, household expenses (beyond the claims of ill health - see next section) are less frequently included in the losses, and in at least one case the distinction between commercial and personal burdens is spelled out.⁴⁶ Similarly, regular expenses are by then left out of the *bilans*, although mentions of excessive rent payments still hint at a possible blending of household and business, as well as regular with exceptional expenses. Nonetheless, late nineteenth-century *bilans* do not display the need to link business activities with other facets of life found in their old regime predecessors. In particular, they do not insist on the appropriateness of a merchant's lifestyle.

Blaming a cruel world: fate and bankruptcy

Fate intervened frequently in the lives of merchants, beyond its dictates of a commercial nature such as royal manipulation of the

⁴⁴ Nicomède, *Exercice*, p. 611. A still-born pre-revolutionary reform of bankruptcy ("*Projet Miromesnil*") had included excessive expenses among the definitions of a fraud (Mariage, *Evolution*, p. 119). An anonymous commentary on the 1673 edict, dating from the end of the seventeenth century, already saw the need for such a move (Vandenbossche, *Contribution*, p. 103). As early as 1582, Henri III distinguished, among those guilty of bankruptcy, those that had dissipated their wealth in "games, feasts and poor housekeeping" (C. Dupouy, *Le droit des faillites en France avant le Code de commerce*, Paris, 1960, p. 69). In the 1807 Napoleonic Code, a *banqueroute simple* was punishable by 1 to 24 months of imprisonment. This text marked a return to a more severe treatment of business failures in several other ways (Bécane, *Commentaire*, p. 284; Hilaire, *Introduction*, pp. 324-330).

⁴⁵ Among the 77 cases where a yearly figure is available, only a dozen accounts of expenses are superior to 2,500 lt/year. They belong to obviously large concerns (files 131, 178, 195, 200, 207, 242, 255, 275, 294, 330, 355, 357). Some merchants insisted on the reasonable level of their expenses (156, 364).

⁴⁶ Files L1, L26, L40, L61.

currency. Bankruptcy records widely acknowledge their toll. Floods and fires are naturally prominent among accidents, but, not surprisingly in a Mediterranean province, losses at sea are also recorded, especially after a war. The list of destructive events beyond these classic scourges is long and varied, from the burning of merchandise under a quarantine order to the loss of a shipment and the less than sure-footed mule carrying it. Perhaps even more frequent are thefts, ranging from the intenselyresented actions of employees or even family members, to the alwaysfeared robbers encountered on the way to or from a fair. If shop break-ins remained the most common assault on the properties of these merchants, several instances of commercial fraud remind us that more subtle thieves were also active in the region.⁴⁷

Just as prominent are reports of sickness and its attendant burdens. Close to 30% of those who chose to explain their losses recorded a serious and costly affliction. The legal health of these merchants was also precarious. Frequent mentions of disbursements to settle court cases recall the litigious nature of this society and the vulnerable position of those engaged in frequent transactions. Also of note are the seizures of merchandises by various authorities, one of the costs of the many customs barriers existing in old regime France.⁴⁸ The recourse to fate took on an interesting twist in two accounts which recorded large losses to the purchase of lottery tickets. One of the failed merchants added that he had indulged over a period of eight years in the hope of ... paying his creditors!⁴⁹

Naturally, it is clear that by granting an important place to such shattering but uncontrollable events in the causes of their demises,

⁴⁷ Floods and fires: 57, 96, 97, 117, 150, 206, 219, 245, 287, 295, 296, 311, 339, 345, 360. Losses at sea: 25, 31, 33, 80, 150, 195, 260, 301, 325. Others: 45, 61, 89, 97, 188, 210, 275, 294, 313, etc. Over fifty files record instances of theft; see for instance files 6, 8, 10, 32, 43, 75, 80, 89, 97, 111, 139, 168, 170, 171, 231, 244, 283, 306, 357, 362.

⁴⁸ For (human and animal) health claims see files 22, 69, 73, 85, 88, 90, 96, 97, 108, 133, 148, 228, 238, 246, 258, 275, 306, 356 etc. For legal costs, see files 19, 42, 43, 45, 46, 49, 84, 88, 117, 135, 160, 161, 172, 188, 206, 250, 272, 303, 311. Mentions of illegal trades (notably calicoes, banned until 1752) in files 43, 179, 231, 341, 362, as well as files 130, 142, 233, 268, 282, 301, 311.

⁴⁹ Such speculations became cause for a fraudulent *banqueroute simple* in 1807. The first claimed to have spent a far from modest 600 lt over 6 years, the second an impressive 2,400 lt over 8 years (files 341, 343; Hilaire, *Introduction*, p. 328).

merchants were, to a great extent, trying to absolve themselves of guilt. Already we have seen how, within the realm of commercial transactions, they discharged their responsibilities by referring to events beyond their control such as currency fluctuations. Yet, one must also remember the context in which these claims were made. They were meant to convince a panel of *consuls* who were themselves experienced merchants, and an assembly of sceptical creditors. These references to accidents must have had some credibility to this audience and we should not dismiss them. They point to an environment that remained very insecure, a material world over which people had little control. A century later, Lyonese *faillis* still referred to major accidents as the cause of business failure. However, the range of accidents they invoked had narrowed considerably. Claims were by then almost entirely focussed on health matters.⁵⁰ This suggests that other types of claims had lost some of their power to convince peers because the environment in which they worked had become safer, more orderly, and more “insurable” - except in matters of health. The numerous references to fate in early-modern bankruptcy records remind us that the two meanings of the word “fortune” were still forcefully linked in the minds of merchants.⁵¹

Conclusions

In July 1781, François Grenier felt the need to add a lengthy and literate defence of his commercial ambitions to his final submission.⁵² He reminded his creditors of his humble origin and the lack of support he could expect from his family, notwithstanding the education he had received. His vocation, commerce, was justified by his “small talents for trade,” but also by his repeated assertion that it was “natural” to wish to rise in society, that a commercial ambition was, again, “*naturelle*.” He was writing, after all, in 1781. Yet when time came to account for his

⁵⁰ Files L8, L10, L23, L24, L25, L28 (betrayal by a trusted employee), L39, L43 (legal), L44, L47, L55, L63, V3, V5 (legal), T1.

⁵¹ L. Roper, *Oedipus and the Devil. Witchcraft, sexuality, and religion in early modern Europe* (London, 1994), pp. 132-133.

⁵² This Ganges *négociant* reported assets of 29,000 lt and liabilities of 95,020 lt (file 313).

failure, the demands and the blows of life, not economic trends, took precedence. He bemoaned the loss of his horses, not the shape of the market he served, the expenses of his wedding, not the competition he faced, a string of thefts, not the cost of his services.

More than a century earlier, Jacques Savary had placed the words, "ignorance, imprudence, and ambition" at the top of his list of the causes of commercial failure. He was referring to mistakes in negotiating one's way in the world of economic exchanges, but also to potential character flaws. Savary expanded his index to include excessive spending, thefts, accidents, and the bankruptcies of other merchants.³³ The balance sheets submitted to the commercial court of Montpellier reflect a recognizable image of Savary's analysis. Facing a social sanction, merchants accounted for their actions in terms defined by the institution judging them. However, they modulated their claims in ways that speak to their vision of commerce. The simplest observation concerns a reversal of the emphasis chosen by Savary: Languedoc merchants put more blame on outside circumstances (be they of a commercial or non-commercial nature, our second and fourth categories) than on the individual. Once again, one should recognize here the only too human tendency on the part of merchants to blame circumstances beyond their control for their misfortune, rather than themselves. Yet it is possible to read more in these records.

A first significant point is the fact that, in their explanations of failures, these *bilans* give more importance to reasons outside the world of commerce (our categories three and four) than they do to factors of a commercial nature (categories one and two). They do not ignore the difficulties encountered in commercial ventures, since a less than satisfying business infrastructure clearly transpires from the reported losses. However, the setbacks experienced in this sphere are only presented as a partial, secondary explanation of failure. Wishes for a partial engagement in the market-place are more prominent in their reports of commercial losses and credit failures. A successful merchant, in their minds, would

³³ Among personal mistakes, Savary listed the lack of an appropriate apprenticeship, too heavy an inventory, the poor choice of one's customers, etc. (*Parfait négociant*, pp. 23 and following).

only be a merchant on his or her own terms. One must assume that this limited embrace of commerce made sense to the *consuls* and the creditors asked to accept the account as a basis for negotiations. By contrast, their nineteenth-century successors listened to denunciations of commercial crises unaccompanied by wishes for only partial involvement in the market-place.

The second characteristic of these files is that they made no room for competition nor economic evolution. These are two of the mainstays of today's understanding of bankruptcy, and they are clearly visible in our sample of nineteenth-century claims.⁵⁴ In eighteenth-century Languedoc, bankruptcy remained an individual failure, not the consequence of economic transformations nor an agent of economic selection. A recent study of the vision of bankruptcy in French literature confirms this evolution: it was only late in the nineteenth century that Emile Zola was able to reflect this shift from bankruptcy as punishment of an individual to a process of economic selection. It is clear that if Richard Cantillon was among the first to conceive of business failure as a "regulator of social mobility," most merchants retained a more traditional understanding. These files record the gap always present between economic theories and the thoughts of those engaged in commerce.⁵⁵

A third point of interest of these records is their emphasis on the honesty of the merchant. The trust of one's peers was a central element of credit and bankruptcy proceedings can be seen as weeding out unreliable individuals. Yet in eighteenth-century Languedoc, the emphasis on personal integrity went beyond honesty. The figures recorded by many merchants to account for their losses also strongly affirmed the appropriateness of their lifestyles. In other words, eighteenth-century Languedoc definitions of honesty included assurances of a measured lifestyle. This is all the more significant because these pleas were addressed

⁵⁴ Recent interpretations of the roots of business failure in Marco, *La montée*, pp. 34-36.

⁵⁵ L. Marco and G.A. Du Plessis, "*La faillite dans la littérature française du XIXe siècle*" in J.-M. Thomasseau (ed.), *Commerce et commerçants dans la littérature* (Paris, 1988), pp. 135-153; Martin, "*Le commerçant*," p. 1254; Marco, *La montée*, p. 24. A similar gap is found by J. Hoppit, "Attitudes to Credit in Britain, 1680-1790," *The Historical Journal*, 33, 2 (1990), pp. 305-322.

to an audience of merchants, rather than potentially hostile outsiders to the world of commerce. They remind us that those engaged in trade understood well that their social status remained ambiguous in French society, and that they perhaps even shared some of the reservations attached to mercantile wealth.⁵⁶ Once again, contemporary literature offers confirmations of this interpretation: it is only very slowly that eighteenth-century authors and playwrights found respectable roles for business characters, and denunciations of greed remained easier to pen. Ironically, works acknowledging the contribution of merchants to society often included references to bankruptcy proceedings or threats thereof. This leads us to believe that the very precariousness of their condition made their fortunes more acceptable.⁵⁷ Taken together, the lack of distinction between the person and family of entrepreneurs and their enterprises, the moral reprobation attached to bankruptcy, and the uncertain status of merchants could only deter the formulation of risk-taking strategies.

Finally, one may return to Languedoc *faillis'* tendency to dwell extensively on life outside business. The desire to integrate all aspects of life in the balance sheet surrendered to the court is pushed to an extreme in several instances where recorded losses are calculated to match exactly the difference between assets and liabilities. The fact that losses are of a cumulative nature while assets and liabilities represent the situation on the day of failure invalidates the comparison, and the great majority of accounts do not make this mistake.⁵⁸ The attempts to do so, however, are significant. Together with the widespread practice of including regular expenses among

⁵⁶ M. Morineau noted much that reveal the awareness merchants had of their position ("*Entre usuriers*"); see also Castan, *Honnêteté*, passim and in particular pp. 272 and following.

⁵⁷ See M. Regaldo, "*Le drame et la réhabilitation du commerce au XVIII^e siècle*," in J.-M. Thomaseau (ed.), *Commerce et commerçants dans la littérature* (Paris, 1988), pp. 69-80. Similarly, G. Benkerassa exposed the ambiguities found in the *Encyclopédie's* treatment of commercial themes ("*Négoce et culture dans la France des Lumières : le cas de l'Encyclopédie*," in F. Angiolini and D. Roche, eds., *Cultures et formations négociantes dans l'Europe moderne*, Paris, 1995, pp. 577-593). J. Raven has recently suggested that late eighteenth-century England witnessed a resurgence of hostility toward commercial wealth (*Judging New Wealth. Popular Publishing and Responses to Commerce in England, 1750-1800*, Oxford, 1992).

⁵⁸ See files 34, 41, 93, 114, 149, 241, 316, 352, and 360. A valid, but difficult to make, comparison would concern all income accumulated over the years (rather than assets on the day of failure), all expenses and losses and all liabilities.

losses, they reveal merchants' desire to equate the gains of commerce with one's (reasonable) needs (expenses). It has been suggested that similar reflexes underpinned the rise of double-entry accounting, which provided "a 'just' explanation of business activity by balancing credits with debits, advantages with sacrifices, receipts with payments..."⁵⁹ It appears that this understanding lingered in the Languedoc, whereby commercial profits were justified when they sustained life in an accountable manner. Admittedly, this belief left little room for success in the guise of accumulation, and few merchants may have articulated such bounds to their aspirations on a regular basis. But the traumatic circumstances of bankruptcy rendered this limited and conditional acceptance of commerce. J.-Y. Grenier's recent analysis of France's old regime economy exposes a similarly dual vision of profit. "Profit 1" is understood to be regular, moderate, just, conventional, and expected on all transactions. "Profit 2", by contrast, refers to the speculative nature of commercial exchange. While obviously accepted, it remained regarded very much as a fortunate outcome of an involvement in a risky and uncertain (economic) "game."⁶⁰ Bankruptcy commanded a retreat on the safer ground of "profit 1."

Two conclusions offer themselves at this point, reflecting two long-argued visions of the economy of early modern France. One could insist, as Y. Castan has done, on the ponderousness of an economy which "tamed" the entrepreneurial spirit, rejoining the school of thought that has highlighted the poor performance of French entrepreneurs. On the other hand, one could suggest that the records examined here do not reflect the substantial evidence of entrepreneurial dynamism unearthed by more recent works.⁶¹ However, an alternative to this established

⁵⁹ G. Thompson (quoting J.A. Aho), "Early double-entry bookkeeping and the rhetoric of accounting calculation," in A.G. Hopwood and P. Miller, *Accounting as social and institutional practice* (Cambridge, 1994), p. 47.

⁶⁰ Grenier, *L'économie*, pp. 101-104. Earlier, Y. Castan had noted that rural speculations proved a more accepted path of rapid enrichment than commercial ventures (*Honnêteté*, p. 355).

⁶¹ Castan, *Honnêteté*, p. 338. Brief and recent introductions to the debates that have grown around the performance of the French economy will be found in C. Heywood, *The development of the French economy, 1750-1914* (Cambridge, 1992); P. Delsalle, *La France industrielle aux XVIIe-XVIIIe-XVIIIe siècles* (Paris, 1993); F. Bayard and P. Guignet, *L'économie française aux XVIIe-XVIIIe-XVIIIe siècles* (Paris, 1991).

hesitation exists, focused on the dual nature of this pre-industrial economy and the ambiguous understanding its participants had of its mechanisms.

What is missing from these files is an image of commerce as an arena distinct from other spheres of life where one could attempt to shape one's destiny through rational decisions. The lack of definition of an autonomous sphere of commerce implies a lack of distinction between the risks inherent in commercial activity (presumably amenable to rational planning) and the multitude of blows that life can deal to mortals (that one cannot hope to control or even probe effectively). This, in turn, makes it difficult to speak of "risk-taking" or "risk-avoidance" as characteristics of narrowly defined business strategies. The pleas made by merchants on the occasions of their bankruptcies betray such tensions with regard to the location and the nature of their failings: their commercial skills cannot be firmly separated from other aspects of their personal life, nor can the shortcomings of the market explain as much as fate. In their minds, commerce remained a dependent, only partially controllable, sphere of life. This did not mean that they shied away from trade, a common calling by the eighteenth century. But it led them to wish for a modulated, self-controlled embrace of commerce. The trauma of bankruptcy underscores a dual understanding of the French economy on the eve of industrialisation. A quasi-modern perception of a developed, accessible, and busy market-place coexisted with a pre-modern limited confidence in one's ability to manage participation in this market-place. The first drew people into commercial activity, the second resurfaced in times of doubt.

Such an ambiguous understanding of the nature of commerce is visible in many other early modern sources. It underwrote interminable discussions on the legitimacy of interest long after its usage had become common. It shaped the many business handbooks of the period, as demonstrated by a recent study. These popular dispensers of advice went to great lengths to expose the rational aspects of commerce and the kind of self-control that those engaging in it ought to display. However, they also evoked the "wonders of Eastern trades" through the recitation of long lists of exotic goods, playing on the emotional as well as the rational

attractions of commerce upon early modern minds. Finally, in a similar fashion, L. Roper locates the use of crystal-ball gazing for business purposes by prominent merchants, and most notably sixteenth-century Augsburg's Anton Fugger, within a world where the range of "rational" speculations about capitalist decisions was wider than in a late twentieth-century context.⁶²

J.-Y. Grenier recently offered a layered, "synthetic" image of early modern economies that is compatible with the evidence encountered in these studies and bankruptcy records. Early modern commercial exchanges took place in two different worlds at the same time. On one side had developed a world of limited uncertainty, fixity to a certain extent, shaped by cultural and social imperatives. On the other side had grown a world of extreme uncertainty, where bargaining and speculation opened the way to hefty rewards or hard falls. Early modern economies were characterised by the development of institutions and practices designed to increase the scope of the first of these two arenas and thus give economic decisions a degree of coherence in spite of the unavoidable chaos of the second.⁶³ Failed Languedoc merchants explained their misadventures by distinguishing these two worlds and suggesting that their behaviour remained appropriately within the cultural and social norms of the first and within the accepted but still uncontrollable hazards of the second.

The balance sheets submitted to the Montpellier court do not reveal, among entrepreneurs, a belief in the autonomous and controllable nature of the variables of business life. They do not locate failure within the alternative of rational risk-avoidance and risk-taking in business. Rather, these merchants locate their business decisions in the widest context possible. In so doing, they invite those who wish to understand their actions, *consuls*, creditors or perhaps historians, to take into account

⁶² R. Savelli, "Between Law and Morals: Interest in the Dispute on Exchanges during the 16th Century" in V. Piergiovanni (ed.), *The Courts and the Development of Commercial Law* (Berlin, 1987), pp. 39-102 (notably p. 47). D.A. Rabuzzi, "Eighteenth-Century Commercial Mentalities as Reflected and Projected in Business Handbooks," *Eighteenth Century Studies*, 29, 2 (1995-96), pp. 127-152. Roper, *Oedipus*, ch. 6.

⁶³ Grenier, *L'économie*, passim and notably conclusion.

factors far removed from economic parameters of the transactions considered. Several recent works have successfully done so, emphasizing the social, political, or religious contexts within which early modern entrepreneurs operated.⁶⁴

⁶⁴ Among works placing economic success and failure in a wide social and political context, see P.T. Hoffmann, *Growth in a Traditional Society: The French Countryside, 1450-1820* (Princeton, 1996); J.-L. Rosenthal, *The Fruits of Revolution: Property Rights, Litigation, and French Agriculture, 1700-1860* (Cambridge, 1992); J.F. Boshier, "Success and Failure in Trade to New France, 1660-1760," *French Historical Studies*, 12 (1988), pp. 444-461; G. Lewis, *The Advent of Modern Capitalism in France, 1770-1840. The Contribution of Pierre-François Tubeuf* (Oxford, 1993). See also the various essays gathered by O.U. Janzen, ed. *Merchant Organization and Maritime Trade in the North Atlantic, 1660-1815* (St. John's, Newfoundland, 1998).

APPENDIX 1

JURIDICTION CONSULAIRE DE MONTPELLIER

**Coordinates of the bilans including a Pertes section
drawn from the Archives départementales de l'Hérault**

8 B 394

1	Lardat	19-12-1702	2	Ginic	13-3-1715
3	Saint-Gelly	4-6-1716	4	Madié	20-8-1716
5	Mamet	3-10-1711	6	Rocque	17-7-1716
7	Saint-Ramand	29-8-1716	8	Leidon	20-6-1718
9	Grivel	3-4-1723	10	Rousset	1724?
11	Audran	15-12-1725	12	Clavet	25-7-1717
13	Lardarg	25-9-1727	14	Viguiet	25-7-1727
15	Rouril	12-6-1728	16	Espitallier	10-8-1728
17	Rollande / Cabanne	12-11-1728	18	Largnier	2-9-1728
19	Dieudonné / Lambecederes	27-2-1729	20	Fraissines	7-9-1729
21	Rouverol	23-11-1729	22	Nauton	15-3-1729
23	Martin	11-2-1716	24	Devon	31-12-1716
25	Baget	6-5-1716	26	Fesquet	4-2-1717
27	Toulouzan	11-11-1716	28	Estine	12-9-1729
29	Gourgan	11-3-1718	30	Lauvet	19-2-1729
31	LaMoline	21-9-1729	32	Jeaud	25-11-1729
33	Allier and Perimont	29-4-1729			

8 B 395

34	Gignoux and Isnard	10-6-1730	35	Ginestoux	3-3-1730
36	Lacombe	9-6-1730	37	Journe	18-4-1730
38	Enjalin	11-9-1730	39	Rouière and Guy	16-2-1731
40	Brunel	29-1-1731	41	Laffond	6-12-1730
42	Larigaudie	24-12-1730	43	Gignoux and Roux	13-4-1730
44	Gillis	20-9-1731	45	Canac	7-6-1731
46	Journe	31-12-1731	47	Rouière and Guy	29-5-1731
48	Ollieu	19-9-1732	49	Delèze	27-9-1732
50	Laporte	7-7-1732	51	Thomas	7-7-1732
52	Jeune	11-12-1732	53	Gouzin	22-2-1732
54	Berger	16-4-1732	55	Mazel	2-7-1732
56	Aurillon	22-12-1732	57	Joubert	9-12-1732
58	Pouget	226361732	59	Lacan	26-1-1733
60	Benezet	1-9-1733	61	Labauume	2-10-1733
62	Blanc	24-2-1733	63	?	26-3-1733

64	Restoube	18-4-1733	65	Magre	24-11-1733
66	Jean Jeaud	23-3-1733	67	Randon	28-1-1733
68	Millon	18-2-1733	69	Millon	14-12-1733
70	Paparel	23-1-1734	71	Ribau	15-7-1733
72	Piller	20-7-1734	73	Robud	10-8-1734
74	Robert	31-5-1734	75	Castellon	6-10-1734
76	Paine	31-7-1734	77	Rouvier	4-7-1735
78	Benezet and Bazine	12-8-1735	79	Bruges	21-4-1735
80	Bonnoille-Mallon	12-8-1735	81	Rocques	30-3-1735

8 B 396

82	Basaucelle	29-6-1736	83	Bovisset	31-1-1736
84	Hours	3-9-1736	85	Rodrigue	14-1-1736
86	(missing)		87	Louis	11-6-1736
88	Lamouroux-Cougiac	4-6-1736	89	Portal	10-11-1736
90	Garnier	26-12-1736	91	Mella	30-9-1737
92	Malaval	7-5-1737	93	Gignoux	29-7-1737
94	Roux	20-2-1737	95	Bouvier	20-1-1737
96	Rucher	2-8-1737	97	Poujol	19-4-1737
98	Razimbaud	11-7-1737	99	Rouch	1-8-1738
100	Roustan-Villet	24-11-1738	101	Elzière	12-11-1738
102	Puech and Sabatier	10-9-1738	103	Jaiuy	1-12-1738
104	Ollivier	1-2-1739	105	Rey	24-11-1738
106	Roques	16-6-1738	107	Janoz	28-9-1738
108	Michel	10-5-1738			

8 B 397

109	Jourdan	6-11-1741	110	Frossard	1741
111	Languier	28-7-1740	112	Larguese	26-5-1742
113	Reynes	8-7-1743	114	Serben	13-4-1744
115	Pouget	23-5-1744	116	Restouble	26-2-1744
117	Froissard	9-3-1745	118	Hugonin	3-3-1745
119	Jourdan	11-2-1744	120	Jaumer	9-1-1745
121	Poinsard	12-1745	122	Meynadier	20-3-1740
123	Joubert	30-6-1746	124	Bouzanque	11-9-1743
125	Folcher	6-12-1747	126	Faure	30-10-1747
127	Poncet	22-3-1747	128	Ricard	9-11-1748
129	Espion	21-8-1748	130	Reboul	29-1-1748
131	Deidier	4-11-1748			

8 B 398

132	Remanduze	16-10-1749	133	Thouvat	10-11-1749
134	Barrial	22-4-1749	135	Seulet	24-11-1749

136	Prade	2-5-1749	137	Billon	19-8-1749
138	Parlonque	13-12-1750	139	Ducros	9-2-1750
140	Carraudet	4-7-1750	141	Grail	10-8-1751
142	Moline	30-11-1750	143	Lagarde	22-3-1751

8 B 399

144	Lagarde	12-8-1752	145	Vincent	3-4-1752
146	Cabot / Cazalis	27-7-1752	147	Jouquet	25-4-1752
148	Bonngric	1-2-1752	149	Goubier	13-1-1752
150	Lauvian	21-12-1752	151	Itier	30-3-1752
152	Reallon	18-4-1752	153	Fabre	7-1-1752
154	Duval	14-10-1752	155	Joulevien	24-11-1753
156	Serane	16-5-1753	157	Gatabert	21-3-1753

8 B 400

158	Fulcrand	14-2-1754	159	Fajon	20-11-1754
160	Toulouse	4-12-1754	161	Biffard	31-5-1754
162	Lagresse	16-9-1754	163	Sarrazin	17-10-1754
164	Arrazat	7-11-1754	165	Banat	66-10-1755
166	Roussy	14-6-1755	167	Rainal	18-10-1755
168	Joubert	2-6-1755	169	Falatyer	15-9-1755
170	Lambermont	5-7-1755	171	Coulourd	6-8-1755
172	Blachère	2-8-1755	173	Teissier	27-11-1755
174	Baisse	21-6-1755	175	Borie	21-12-1755
176	Brisson	21-4-1756	177	Rouvière	2-7-1757
178	Cauvel	30-8-1756	179	Bouissy	29-12-1757
180	Foreville	11-10-1757	181	Merlac	6-5-1757
182	Gimbal	14-12-1757			

8 B 401

183	Constain	3-5-1758	184	Marsal	9-11-1758
185	Fourtier	6-8-1758	186	Ferlu	12-2-1758
187	Gely	11-8-1758	188	Purat	15-11-1758
189	Roussel	27-9-1758	190	Sarrazin and Ferone	10-8-1758
191	Rolland	2-3-1758	192	Bonnet	?
193	Blanc	27-5-1758	194	Reallon	14-6-1758
195	Rey	16-12-1758	196	Petit	13-10-1766
197	Alar	18-3-1758			

8 B 402

198	Martin	13-3-1759	199	Lauzière	16-11-1759
200	Molines	13-4-1759	201	Noel	5-2-1759
202	Raoux	29-3-1759			

8 B 403

203	Brutel-Soubi	14-1-1760	204	Raynard	21-5-1760
205	Trinquier	31-5-1760	206	Bugarat	23-2-1760
207	Joussaud	4-2-1760	208	Coulomb	24-1-1760
209	Canonge / Lafarge	12-3-1760	210	Teisserand	19-2-1760
211	Boyer / Bezombres	3-5-1760	212	Bousquatier	14-8-1760
213	Bouzanquet	9-7-1760	214	Sarrazin	10-3-1760
215	Quatrefages	19-6-1760	216	Tichy	24-5-1760
217	Arlat	21-4-1760	218	Nauton	9-6-1760
219	Lugagne	12-7-1760	220	Laget	26-2-1760
221	Roussel	25-9-1760	222	Taillarde	6-9-1760
223	Laurent	3-10-1760	224	Laurent	5-1-1761
225	Latour	29-8-1760	226	Sancellines	14-5-1760
227	Tebories	7-1-1760			

8 B 405

228	Lesage	9-1-1784	229	Charpentier	25-4-1761
230	Besisey	6-2-1762	231	Reboul	22-5-1762
232	Ratabon	5-3-1761	233	Reboul	?
234	Castilian	30-8-1762	235	Rey / Rech	16-9-1762
236	Cuzières	20-6-1760	237	Lagarde	7-8-1762
238	Blanc	29-8-1762	239	Cuzière	28-11-1762
240	Charboton	8-2-1762	241	Vabre	2-8-1762
242	Perier and Lapierre	8-7-1762	243	Deidieu	9-8-1762
244	Martinet	20-1-1762	245	Malinas	16-11-1762
246	Maillot	13-12-1762	247	Marcenac	18-12-1762
248	Jeurj	14-6-1762	249	Bacon	28-10-1762
250	Tarteyron / Brunet	27-9-1762			

8 B 408

251	Martin	16-11-1765			
-----	--------	------------	--	--	--

8 B 409

252	Baudoin	17-4-1766	253	Sicard	20-4-1766
254	Jean	13-11-1766	255	Tarteyron	19-6-1766
256	Chabanel	12-11-1766	257	Bonifay	29-11-1766
258	Rolland	24-3-1766	259	Juery	23-1-1766
260	Martin	?			

8 B 410

261	Recouly	6-6-1767	262	Trasmier	21-5-1767
262	Laurent	21-5-1767	263	Brun	11-1767
264	Ayme	31-8-1767	265	Trousselin	11-9-1767

266	Jaussaud	5-3-1768	267	Michel	24-9-1767
268	Lenormand	9-3-1767	269	Ferret	10-2-1767
270	Michel	29-7-1767	271	Mathieu	10-2-1768
272	Goudat	24-5-1767	273	Serrel	6-4-1767
274	Barthelemy	21-10-1767	275	Paulet	18-5-1767

8 B 411

276	Laprade	29-8-1768	277	Serres	3-12-1768
278	Saguiet	25-11-1768	279	Fabre	1-10-1768
280	Tourguilhat	28-12-1768	281	Pourtant	17-11-1767

8 B 413

282	Rouaud Tartary	1770
-----	----------------	------

8 B 414

283	Rouet	1771	284	Viala	1771
-----	-------	------	-----	-------	------

8 B 415

285	Cauconat	1772	286	Bastide	27-3-1772
-----	----------	------	-----	---------	-----------

8 B 416

287	Vianes	1773	288	Jouve	1773
-----	--------	------	-----	-------	------

8 B 417

289	Charvin	17-3-1774	290	Bastide	1774
291	Coulard	1774	292	Coste	9-4-1774

8 B 420

293	Dumas	7-6-1777	294	Ode	1783
-----	-------	----------	-----	-----	------

8 B 422

295	Coulomb	31-3-1779
-----	---------	-----------

8 B 421

296	Roumiguier	19-2-1776	297	Latrelhe	?
-----	------------	-----------	-----	----------	---

8 B 423

298	Paget	6-4-1780	299	Reboul	12-10-1780
300	Servet	3-5-1780	301	Molaret	10-6-1780
302	Martin	23-9-1780	303	Maurras	9-3-1780
304	Roucher	14-4-1780	305	Lairis	17-4-1780
306	Laval	2-5-1780	307	Rouvière	17-7-1780
308	Chiroi	8-5-1780	309	Lagente	29-4-1780

The Language of Failure: Bankruptcy in Eighteenth-Century France

310	Persin	25-1-1781	311	Mazel	2-1-1780
312	Nourrigat	23-2-1781			

8 B 424

313	Granier	28-7-1781			
-----	---------	-----------	--	--	--

8 B 425

314	Teissonnière-Cabanis	24-8-1782	315	Fajou	26-4-1782
316	Bonhomme	22-10-1782	317	Freissinet	22-8-1782
318	Maugnard	29-3-1782	319	Baume	10-1-1782
320	Millanges	19-4-1782	321	Bessière	3-9-1782
322	Huguet	18-7-1782 and 28-11-1782	323	Roubin	29-8-1783

8 B 426

324	Carrière	31-7-1783	325	Boissarde	?
326	Flaman	26-8-1783	327	Jaumet	28-8-1783
328	Latreille	2-7-1783	329	Julian	5-11-1783
330	Lablache	19-4-1783	331	Lablache	19-4-1783
332	Maurin	2-4-1783	333	Pourtal	?
334	Bastide	18-8-1783	335	Crespy	20-9-1783
336	Jeanjean	19-2-1783	337	Bezombes	20-3-1783
338	Gervais	16-4-1783	339	Gairaud	8-3-1783

8 B 427

340	Masse	2-6-1784	341	Raynal	15-9-1784
-----	-------	----------	-----	--------	-----------

8 B 428

342	Parend	30-3-1785	343	Pommie-Floret	?
344	Siry	2-12-1785	345	Vache	1-6-1785
346	Fajou	25-6-1785	347	Laprat	28-2-1785
348	La Chapelle	18-11-1785	349	Jouvent	24-9-1785

8 B 429

350	Filhiot	24-5-1786	351	Pradel	30-8-1786
352	Pager	10-11-1786	353	Selle	1-10-1786
354	Chaffre / Pechier	2-12-1786			

8 B 430

355	Massieul	11-9-1787	356	Maziol	29-3-1787
-----	----------	-----------	-----	--------	-----------

8 B 431

357	Duffour	18-4-1788	358	Ronzière	14-7-1788
359	Guidrard	23-5-1788	360	Keitinger	31-5-1788

Pierre Claude Reynard

361 Aldebert 26-11-1788

8 B 432

362 Lajeune 1-12-1789 363 Theveneau 20-12-1789

364 Thore 18-4-1789

8 B 433

365 Corte 29-5-1790 366 Maux 18-1-1790

APPENDIX 2

TRIBUNAUX DE COMMERCE DE LYON, VILLEFRANCHE and TARARE

Coordinates of the bilans including a *Pertes* section drawn from the *Archives départementales du Rhône*

6 UP/1 - Tribunal de commerce de Lyon (by date)

L1	Bourdillon	17-6-1875	L2	Bonnard	24-2-1890
L3	Cartroux	25-26-1890	L4	Laverlochère	27-2-1890
L5	Gaston	3-2-1890	L6	Puthod	2-1890
L7	Vignier / Moret	5-2-1890	L8	Jaillet	10-2-1890
L9	Linage	10-2-1890	L10	Prat	10-2-1890
L11	Blanchard	13-26-1890	L12	Hyvrat	13-2-1890
L13	Lesvisgnes	14-2-1890	L14	Tronel	15-2-1890
L15	?		L16	Chanat	17-2-1890
L17	Mondon	18-2-1890	L18	Bouvier	3-3-1890
L19	Corron / Maignon	7-3-1890	L20	Personnaz	10-3-1890
L21	Quirot	12-3-1890	L22	Maurice	13-3-1890
L23	Louches	14-3-1890	L24	Damole	14-3-1890
L25	Dumas	21-3-1890	L26	Minard	24-3-1890
L27	Périer	25-3-1890	L28	Châtelard	25-3-1890
L29	Paret	28-3-1890	L30	Millo	28-3-1890
L31	Colas	8-1-1890	L32	Guttin	9-1-1890
L33	Fouret	10-1-1890	L34	Péllisson	14-1-1890
L35	Garbel	16-1-1890	L36	Cuoq	18-1-1890
L37	Grand	20-1-1890	L38	Goux	20-1-1890
L39	Cornat	21-1-1890	L40	Gatelloux	21-1-1890
L41	Durel	23-1-1890	L42	Roberjot	27-1-1890
L43	Galley	28-1-1890	L44	Crétin	29-1-1890
L45	Mortel	29-1-1890	L46	Géhret	30-1-1890
L47	Jeannin	31-1-1890	L48	Milleret	31-1-1890
L49	Fernier	1-5-1895	L50	Roland	11-5-1895
L51	Richard	11-5-1895	L52	Chaulard	14-5-1895
L53	Trévoux	14-5-1895	L54	Guelpa	15-5-1895
L55	Pillon	18-5-1895	L56	Bognon	22-5-1895
L57	Morel	25-5-1895	L58	Fargier	28-5-1895
L59	Mortier	5-4-1895	L60	Hayer	12-4-1895
L61	Vial	12-4-1895	L62	Blanc	13-4-1895
L63	Boulay	13-4-1895	L64	Briatta	16-4-1895
L65	Vergnolet	18-4-1895	L66	Ast	22-4-1895
L67	Della-Tana	27-4-1895	L68	Lerot	29-4-1895
L69	Descrulhes	30-4-1895			

6 UP/2/141 - Tribunal de commerce de Villefranche

V1	Bessy	5-6-1824	V2	Lièvre	28-9-1824
V3	Moine	21-2-1822	V4	Berougeon	24-4-1823
V5	Bichonnier / Ponderaux	7-11-1827	V6	Fleury	31-1-1823

6 UP/2/151 - Tribunal de commerce de Villefranche

V7	Timbal	2-8-1892	V8	Gauthier	7-12-1891
V9	Berton	14-3-1892	V10	Duray	12-7-1892

6 UP/2/150 - Tribunal de commerce de Villefranche

V11	Dugelay	25-8-1891	V12	Vouillon	3-10-1887
V13	Coullonge	17-9-1887	V14	Deuperret / Barsot	1-12-1889
V15	Ladague	27-1-1890	V16	Blanc	30-9-1890
V17	Husson	11-7-1890	V18	Mablet	30-1-1891
V19	Saunier	1890	V20	Brondel	8-12-1890
V21	Deville	15-12-1890	V22	Valette	1-12-1889
V23	Colas	19-2-1891	V24	Désage	1891

6 UP/3/31 - Tribunal de commerce de Tarare

T1	Coppier	15-6-1884
----	---------	-----------

notes

Castle Economics

David N. Laband

Auburn University

Even though economics as a formal scientific discipline is little more than 200 years old, there is no shortage of evidence that people all over the globe have had a keen understanding of, and appreciation for, economic principles for hundreds, indeed thousands, of years. For example, the Rosetta Stone is a "Proclamation of Peace" issued around 200 B.C. by King Ptolemy V to resolve civil unrest in Egypt. Of enormous import at that time, the proclamation restored ancient, significant tax immunities to religious temples that had been lost when Egypt was conquered by the Assyrians, the Persians, and finally the Greeks (Adams, 1993). More recently, steadily increasing economic tensions between English barons and the Crown were resolved in principle by the signing of the Magna Carta by King John and members of the nobility in 1215. In this note, I identify a hitherto unappreciated application of economic principles in a historical context: the construction of medieval castles.

Medieval castles are marvels of defensive warfare. Stone towers built with arrow slits typically guarded both sides of one or more entry gates fitted with a drawbridge and double portcullises. Narrow to the outside, the arrow slits afforded 90 degree or more shooting range from the inside, for maximum killing efficiency. Appropriately-termed "murder holes" above the gateway entrance permitted defenders to pour scalding liquids or rain arrows down on attackers massed against the second portcullis after breach of the first one. Multi-story towers were built at intervals along outer walls. In times of peace, they served a number of functions, including living quarters, but when the castle was attacked, they permitted

the defenders to guard the wall from both sides, as well as from above, against being scaled.

One can still observe application of a specific economic principle in the design and construction of these towers. The towers were at least two stories tall, with three or more stories being typical of the major castles (e.g., Warwick, Chepstow, Caerphilly, Caernarfon, Conway, Kenilworth). Access to the upper levels was by means of an interior spiral stairway, made of stone. The builders, interested in defence, had the option of building spiral staircases that ascended in a clockwise manner or in a counter-clockwise manner. Did the direction of ascension matter to castle defenders? Indeed it did.

Both attackers and defenders wielded swords, pikes, maces, crossbows, etc. The typical individual was right-handed. Spiral staircases that ascend in a clockwise manner around a stone central support place right-handed attackers at a distinct disadvantage relative to right-handed defenders. As can be seen in Figure 1, the right-handed defender fighting in a clockwise-ascension spiral staircase has maximum freedom to manoeuvre his sword-arm.¹ This permits him to defend either from a wide variety of different lateral angles against a single attacker or against multiple attackers. Further, the ability to swing his arm around the arc of the stairway's outer wall also maximizes the angle of the defender's vertical defence. Not only can he manoeuvre his weapon to parry specific thrusts made by the attacker, he also can attack just about any point of the aggressor's body.²

At the same time, the defender is protected, to some extent, by the stone that forms the central support for the spiral stairway. This central support significantly limits both the angles of attack and defence available to the aggressor, because it restricts the lateral movement of his right hand (Figure 2). Per degree of lateral arc, a right-handed attacker must expose more of his body than a right-handed defender on a clockwise-ascension spiral stair. This implies relatively more bodily protection for

¹ The defender looking down a clockwise ascension spiral stairway sees it curving in a *counter-clockwise* direction.

² The defender also has the advantage of fighting *down* the stairwell, which is less tiring than fighting up the stairwell because it requires less lifting of one's weapon.

the defender than the attacker and also relatively more opportunity for the defender to stab his opponent(s) than vice-versa.

Builders of castles designed and constructed the spiral stairways in castle towers to their maximum advantage. The direction of ascension is not distributed randomly (i.e., 50/50). Rather, 7 of every 8 spiral stairways were built to ascend in a clockwise direction. This matches

FIGURE 1 - The Tower Defender

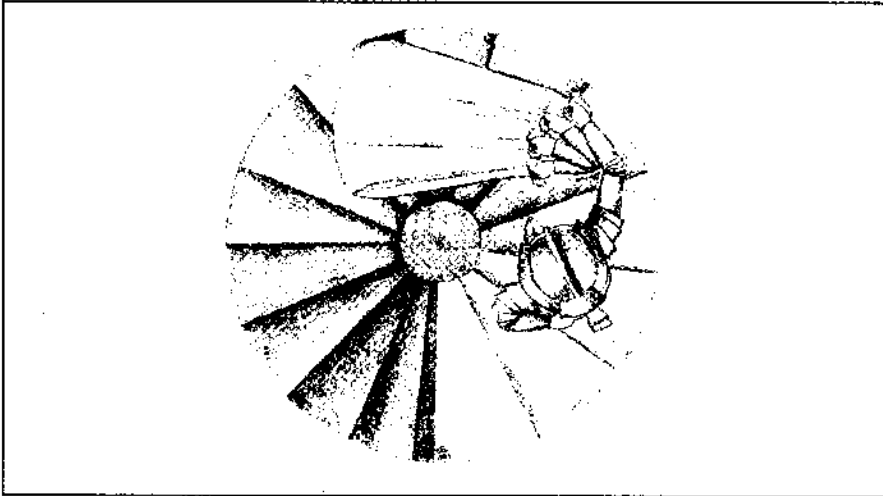
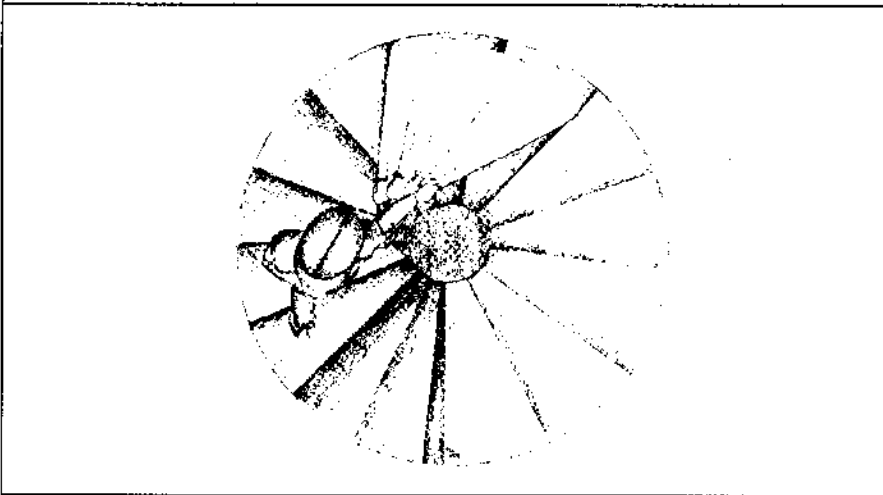


FIGURE 1 - The Tower Attacker



the ratio of righthanders to lefthanders that occurred naturally in the population. The curvature favours left-handed attackers and right-handed defenders. Since there were so few left-handed attackers, relatively speaking, the marginal advantage was captured by the defenders, by virtue of intelligent structural design.

This implies that left-handed attackers would be regarded as more valuable, *ceteris paribus*, than right-handed attackers. Consequently, we can in retrospect predict that intelligent commanders assigned left-handed fighting men the task of attacking towers. At least then, the marginal advantage held by the defenders was lessened somewhat.

Left-handed defenders were, of course, subject to the same disadvantages as right-handed attackers in a clockwise-ascending spiral stairway. Against right-handed attackers, left-handed defenders enjoyed no marginal advantage; left-handed defenders actually were at a marginal disadvantage when facing left-handed attackers in a clockwise ascension spiral stairway. On balance, then, left-handed defenders in a clockwise-ascension tower spiral stair were disadvantaged. The solution: every eighth spiral stairway was built to ascend counter-clockwise and be defended by left-handed men. These defenders had no marginal advantage over right-handed attackers but did enjoy a marginal advantage over left-handed attackers. Thus, the defenders of these towers had a net advantage over attackers, *ceteris paribus*.

Caernarfon Castle in north Wales was designed by Master James of St George at the request of King Edward I of England. Construction was begun in the year 1283. Every eighth tower is ascended by means of a counter-clockwise spiral stairway; the remainder contain clockwise-ascension spiral stairways. It is altogether clear, in retrospect, that both men understood and appreciated the principle of marginal advantage. It should, therefore, come as no surprise to find out that the monarch reigned for 35 years (1272 - 1307).

REFERENCES

- ADAMS C., *For Good and Evil: The Impact of Taxes on the Course of Civilization*, Madison Books, New York, 1993.