Liberalism and Anticolonialism

French Economic Thinking and the Collapse of the First French Colonial Empire (1789–1830)

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ABSTRACT

The collapse of the French colonial empire was affirmed by the French Revolution, despite Napoleon’s efforts to win back the lost colonies around the turn of the nineteenth century. This decline was accompanied by strong criticism of colonial institutions and the colonization process from economists. The period from 1750 to 1789 saw the first discussions of the basic principles surrounding these issues, with the economic arguments becoming increasingly important as far as commentators such as Say, Canard, and Sismondi were concerned. Criticism was not universal, however. On the basis of a different economic calculation, some commentators, including Ferrier, Ganilh, and Page, came to adopt a far more favorable position on colonial institutions.

INTRODUCTION

Anticolonialism fuelled European economic thought during the last decade of the eighteenth and the first decades of the nineteenth centuries (Merle 1969, Semmel 1970). More specifically, it fed the thinking of the French (Liauzu 2007, Benot 1992 and 2004, Duchet 1995) and British (Winch 1965, Démier & Diatkine 1996, Pitts 2006) theorists. The most widespread form of anticolonialist discourse was still the criticism of slavery and the economic system it engendered. This question naturally concerned economists, but it also reached well beyond just this group (Schmidt 2005, Drescher 2002). Economists adopted a relatively radical position on the topic, making use mainly of economic arguments but also of the more philosophical and moral arguments associated most notably with the abolitionist movements. Positions on maintaining a colonial empire were less entrenched, however. Some commentators saw a fundamental contradiction between the development and implementation of liberal ideas, on the one hand, and colonial practices...
marked by interventionism, protectionism, and anticompetitive practices, on the other. Despite these nuances in economists’ recommendations, the major difference between France and England was that the French position on this issue appeared far less unified than that of the British economists, who almost unanimously rejected the colonial system in the name of liberalism (Clément 2010). France continued to maintain a position firmly-rooted in favor of colonization during the early decades of the nineteenth century, even as the empire was losing importance and no longer producing the high economic results expected.

The purpose of this article is to review the elements of this debate at the end of the first French colonial empire, and to understand how colonialist arguments were still able to exist in the face of a very pervasive liberalism. We will then assess the scope and impact of these arguments, some of which would continue to be refined and utilized throughout the second half of the nineteenth century, when colonization entered the second phase of its modern history. This important period (1789–1830) is delimited at one end by the early years of collapse of the first French colonial empire, and at the other by the start of the second colonial empire in the 1830s, symbolized by the conquest of Algiers. In terms of economic thinking, this period corresponds to the “second generation” of the classical era, represented in France in particular by Nicolas François Canard, Jean-Baptiste Say, and Jean Charles Léonard Simonde de Sismondi.¹

Following a review of the primary phases of the colonial empire during this period, we will analyze the theoretical foundations of French anticolonialism (Canard, Say, Sismondi), which in principle led to recommendations to abandon the colonies. We will then examine how this anticolonialism was based mainly on the economic argument, and how its very foundation was contested by the “neo-mercantilists,” who viewed abandoning the colonies as a serious economic error. These neo-mercantilists, who were either very involved in the management of the colonies (like P.F. Page, himself a colonist and defender of the colonial cause with the revolutionary authorities) or held political power, adopted the “liberal-prohibitionist” position (Billoret 1990). Three prominent figures holding political power at the time were François Louis Auguste Ferrier, with his career in customs administration, Jean-François de Tolozan, who was a commerce intendant and was, from 1787, in charge of the Bureau du Commerce, and Charles Ganilh, who rose from an initially obscure political career to greater prestige under the French Consulate and the Empire. These neo-mercantilists turned their attention to the nation-economy in particular (Démier 1990) and justified their defense of the colonial empire through their opposition to universalist economic liberalism.

¹ The major contributors to this debate, both liberal and non-liberal, all passed away at the end of this period. Canard died in 1833, Ganilh, in 1836, Say, in 1832, Sismondi, in 1842, Page, in 1805, Tolozan, in 1802, and Ferrier, in 1861.
FROM THE DEPLETION OF THE COLONIAL EMPIRE TO A NEW DIRECTION IN COLONIAL EXPANSION

The collapse of the colonial empire was affirmed by the French Revolution. Political events within France and increasingly hostile rhetoric on the practice of slavery—including, in particular, the work of Guillaume-Thomas Raynal, the actions of the Société des Amis des Noirs (“Society of Friends of the Blacks”), and the positions taken by philosophers and public figures such as Diderot, Mirabeau, and Abbé Grégoire (Benot 2004, 195)—led to significant unrest overseas, the (temporary) abandonment of slavery, and the loss of colonies. Nevertheless, the Constitution of Year III applied an assimilation policy dividing the remaining colonies into departments administered by government officers designated by the French Directory. Some colonies, such as Guadeloupe, temporarily seceded however, while others, such as Martinique, were temporarily occupied by the English. Saint-Domingue experienced a phase of intense confusion and unrest from 1791, but this did nothing to open the debate on the dual refusal of slavery and foreign occupation (Benot 1992, 30–1). Saint-Domingue gained its independence in 1804 under the name Haiti¹ and became a black state run by Dessalines, a former slave who had served under the command of Toussaint-Louverture since 1791. Whites no longer had the right to own land. This loss took place in a context where all French claims to a presence in the Americas, in reality or under the law, had been abandoned (Biard et al. 2009, 458). The trading posts in India were taken in 1792 and 1793 and France lost its remaining colonies to England.

The only conquest undertaken by the French Directory was Napoleon Bonaparte’s expedition to Egypt, which ultimately changed the course of French policy in the Mediterranean and was the precursor to the Algiers campaign (Tarrade in Meyer et al. 1991, 413). Colonial policy under Napoleon was very different, however, and close in spirit to that of the Ancien Régime.² He tried to win back the lost colonies, in spite of selling the recovered Louisiana territories to the United States in 1803, and he tried to reintroduce slavery. Owing to heavy defeats in Europe, however, France was temporarily deprived of colonies from 1810 to 1814. Its separation from Haiti became final. The West Indies and Mascarene Islands were won back by the English, and Saint-Louis in Senegal was lost. In 1811, the colonial war came to an end with an absolute victory by the English (Benot 1992, 168). Under the Paris 1814 Treaty, England returned all the colonies it had held since 1792 (with a few exceptions). The French reoccupied the Windward Islands and Saint Pierre and Miquelon in 1816, along with Guyenne, the Indian trading posts, and Senegal in 1817.

¹. It is worth noting that Haiti had accounted for three-quarters of French colonial trade.
². For more details about this period, see Benot (1992) and (2004).
There was change not just in terms of the physical reduction of the colonial empire, which in the end was only made up of islands (fewer than 40,000km²) but, more importantly, in terms of the French economy. Although England had returned nearly all the colonies held in 1792, the era of colonial prosperity was past (Meyer et al. 1991, 428). The sugar islands had been destroyed by years of war and revolutionary turmoil. The Convention decreed the abolition of slavery in the colonies in 1794. However, the colonial population in 1788 was 27,700 whites against 405,000 slaves, which weakened the colony given the dominant mode of production. The revolt, led by Toussaint-Louverture in Saint-Domingue, ultimately led to the decline of the sugar plantations. The island’s raw and decolorized sugar volume fell from 163 million French livres in 1791 to 18.5 million in 1801. Sugar and coffee production fell by ninety percent (Biard et al. 2009, 455), which benefitted Brazil, the British West Indies, and Cuba, who managed at least partly to offset Saint-Domingue’s drop in production. The other colonies went into economic decline, although Guadeloupe and Martinique continued to experience a period of exceptional growth from 1816 to 1836 (Célimène and Legris 2002, 136).

The decline of economic activities connected with colonization was also due to the fact that France, unlike England, had built its commercial wealth primarily on sugar and coffee (Meyer 1989, 181; Mauro 2002, 137). British supremacy on the seas suspended relations between France and the West Indies and brought an end to transatlantic commerce (Verley 1997, 474–5). France was largely excluded from the North America-Northwest Europe axis after 1815 (Bergeron in Léon 1978, vol. 3, 348). The English and the Americans became the masters of the game at the start of this new century (Butel 1989, 1092), and it was only on a strictly European basis that French trade picked up again in 1816 (Broder in Braudel and Labrousse [1993, [1970-1977] 310). The decline of French trade with the islands is illustrated by the fact that 200,000 barrels and 700 ships connected France with its colonies in 1789 compared with 108,000 barrels and 500 long-range vessels in 1835 (Butel 1989, 1094). In addition, sugar imports at Le Havre, Marseille, Nantes, and Bordeaux measured 89,000 in 1788 compared with some 86,000 tons in 1831. The decline was even more apparent for coffee. London and Hamburg dominated colonial trade in Europe. The significant warehouse storage trade in Nantes and Bordeaux was badly weakened (Butel 1989, 1095–6).

With the Restoration, colonization took a new direction, most notably toward the regions around Southeast Asia and Australia. This marked a new colonial expansion movement including attempts in Indochina, along the Madagascar coast, and in the Senegal River valley. In the end, the Restoration rallied to the principle of abolishing the black slave trade, and remained true to the principle of the colonial pact while applying a tariff policy that kept the sugar beet farmers happy (Mauro 1964, 245). In the face of this collapse, economic rhetoric on the question of slavery and on the principle
of colonization itself became increasingly radical. While liberals\(^1\) and physiocrats in particular were skeptical of the virtues of colonization—although they remained discreet on the subject of separatist solutions (Clément 2009)—at the end of the eighteenth and during the first decades of the nineteenth centuries, economic discourse, albeit divided, became more radical.

THE ECONOMIC FOUNDATIONS OF ANTICOLONIALISM

The moral discourse on slavery and the debate on the very existence of the colonies held sway in France during this period, and economic arguments were applied with increasing fervor. This was what was behind Condorcet’s statement in the *Chronique de Paris* of November 26, 1792 concerning the vote for a credit of twelve million French livres for the colonies:

This is a new amount to add to what the colonies have already cost us since the Revolution. Such experiences, plus the revolution that is brewing from afar for America, should serve to turn people away from their ambitions to have colonies. (Quoted in Benot 2004, 194)

Condorcet thus foreshadows the economic discourse that would be adopted by such writers as Say, Canard, and Sismondi. The failure of France’s colonial efforts during this period (loss of the colonies, decline in colonial trade) gave this policy’s detractors the opportunity to clarify their economic analyses as well as their positions on slavery in particular and on the colonial question in general. Say and Sismondi were, without a doubt, the most illustrious representatives of this thinking, although the latter’s standpoints remained less pronounced than those of the author of *A Treatise on Political Economy*. The major recurring argument was that of the economic cost of the colonies. The cost argument had multiple dimensions: the costs for the nation, the costs for consumers, and the costs for the colonized peoples. The profits of colonization were not widely shared and this was one of Say’s strongest arguments: that colonization only benefited a few adventurists or greedy individuals seeking to gain wealth quickly. Behind the general economic cost argument, the analyses and criticisms from colonization’s moderate partisans or opponents relied on a few core ideas. For them, the colonial model of the Ancients, as opposed to that of modern colonization, served as a reference for successful colonization. The basic concept of colonization was not seen as reprehensible in itself, even among the opponents of such

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\(^1\) Freedom of economic activity is the principle that characterizes liberal thinking or liberal commentators. Liberalism can thus cover a spectrum ranging from defending the need for competition to freely operating markets, and from respect for private property to the defense of an open economy without customs tariffs or protectionism. The word “liberalism” itself dates from the nineteenth century. In the political sphere, “liberal” denotes more a rejection of authoritarianism and arbitrary rule.
practices; it all depended on how the enterprise was conducted. The system of exclusive trading rights between France and its colonies was damaging to both the colony and metropolitan France since a workforce based on slavery was reprehensible in every way.

The Ancient Colonial System as a Model of Successful Colonization

Say, Sismondi, and Canard devoted much effort to highlighting the very positive aspects of the classical model of colonization, in contrast to contemporary colonization. Among the Ancients, colonization was supposed to have benefited the colonies themselves because the principle of the ancient Greeks was “to offer assistance to their newly-established colonies, defend them from the aggression of their neighbors and, once their colonies had reached the point of being able to stand on their own, leave them masters of their own destiny, like a good father who supports his son in childhood and helps him in adolescence” (Say 1828/1829, 1852 627). This example also earned Sismondi’s admiration: “The Greek colonies are a model: Everywhere they civilized them, everywhere they taught them the arts of life, everywhere they admitted the ancient inhabitants to an intimate union with themselves, and everywhere, thanks to this union, they soon outran their mother city in population, in wealth” (Sismondi 1847: 248). For these commentators, the colonies were not destined to remain countries under the control of the parent country. Canard expressed a similar view with the metaphor he used to describe the situation of contemporary colonies and their future evolution:

A colony is a child. It is the overabundance of capital from the motherland that gives birth to it, just as the child owes its development to an overabundance of milk from the maternal breast. The colony and the motherland have the same reciprocal need to defend themselves…. The motherland must therefore use all its strength to protect their free commerce instead of shackling it. The power and wealth of a colony is part of the power and wealth of the motherland. They are one, a family, in which all members provide mutual assistance. However, children are not destined to always remain under the protection of their mother. The mother ages and dies, while the children grow strong and robust. This is how it is with the colonies and their motherland. (Canard 1801, 143)

With this example, the idea that emerged was that the economic development of the colonies must first and foremost benefit the colonies. This was

1. The ancient mode of colonization is a model to which many economists have referred in history, particularly the physiocrats and the French and English mercantilists. Gustave de Molinari also subsequently referred to it in the “colonies” article in the Dictionnaire de l’économie politique, as did Jules Duval in the 1860s concerning Algeria. We could in fact consider it a standard reference in writings on the colonial economy.

2. On the different types of colony analyzed by Say, see Platteau (1978).


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the reality that Sismondi observed in studying the ancient colonies: “the colonies of the ancients, in every point of civilization, constantly rose above those who had given birth to them; that ours as constantly descend below their founders” (Sismondi 1847, 250). While this view was in no way shared by economists prior to the first half of the eighteenth century—with the exception of Sébastien Le Prestre de Vauban—it gradually established itself among the classical economists.

It tended to go against the dominant practice of the era, however, which still treated a colony as a unilateral opportunity for enrichment, to the detriment of the colony and for the benefit of a select few. One of the differences between the ancient and modern colonies thus lay in the primary motivation for their existence. All the commentators highlighted the primarily demographic arguments that led to the colonial expansion of the Ancients: “It is common for nations to colonize, when their population becomes crowded in its ancient territorial limits; and when particular classes of society are exposed to the persecution of the rest” (Say 1821, 310). This was the case even if this process had no real impact on the parent country, as highlighted by Say in his “Cours à l’Athénée”:

Greece was never as populous as when it populated Asia Minor (…) and England’s population grew constantly even as it sent people out to North America and the West and East Indies. We must therefore not exaggerate the usefulness of colonies for getting rid of an overabundant population. (Say 1996b, 207)

The idea was thus to found a true settlement colony elsewhere, something similar to that proposed by Richelieu and Colbert for Canada, with this colony ultimately destined to become an independent, allied state. The same approach could be found across the Channel. In Adam Smith’s view, the desirable separation from the colonies was not to abandon them, but to build relations between the parent country and its colony similar to those that might form between a country and a far-off province. Smith believed the colony should be brought to a level of development that would ultimately enable symmetrical and balanced trade between two nations of equal power. In a sense, the parent country had to “incubate” the colony to maturity to then form a freer relationship: “the same sort of parental affection on the one side, and filial respect on the other, might revive between Great Britain and her colonies, which used to subsist between those of ancient Greece and the mother city from which they descended” (Smith [1776] 1976, p. 617). The reality was however far removed from this classical ideal, which was one reason for the anticolonialism of the economists. If modern colonization had failed, it was due to bad management of the colonies and to overexploitation for the benefit of a few private interests.
Private Interests as an Obstacle to the Development of the Colonies

The reasons behind European colonial expansion were not those that made Greek colonization successful. Certain ideas closely related to mercantilism were still popular in France at the start of the nineteenth century. One proponent was Ganilh, for whom contemporary colonies had a different purpose to those of the ancient model. The belief was that colonies should represent an extension of the parent country, an opportunity for the production of wealth and thus of power in the grand mercantilist tradition: “They are an extension of the territory of the mother-country, the means of increasing its population, wealth, and power; and they accomplish this important end by the fertility of their soil, and the variety and novelty of their productions, which render them universally desirable, and, above all, by their abundance and cheapness, which place them within the reach of everyone” (Ganilh 1809, II, 259). However, while these partisans of modern colonization were still, at the start of the nineteenth century, attached to the notion of the collective accumulation of wealth, most economists and liberals in particular questioned this national enrichment, seeing colonization more as a source of personal and artificial gain. The reasons for colonization, according to Say, had more to do with a few explorers’ desire to make their fortunes:

The founders of them were for the most part adventurers, whose object was, not to settle in an adopted country, but rapidly to amass a fortune, and return to enjoy it in their former homes.

The early adventurers of this stamp found ample gratification of their extravagant capacity, first in the cluster of the Antilles, in Mexico and Peru, and subsequently in Brazil and in the Eastern Indies. (Say 1821, 314–5).

Because their goal was the rapid and immediate accumulation of wealth, their desire to colonize could only be temporary in order to “obtain valuable articles of commerce, and return to their native countries, enriched with the fruits of a forced, but yet very extensive production” (Say 1821, 311).

These commentators described a lust for gain that was contrary to the general interest—that is, private interests that were opposed to the general interest—and these conflicts of interest, highlighted by Say in particular, risked endangering what had been a principle of liberalism since Smith. The lust for gain that they described was viewed less as resembling the notion of interest in the sense of “interest will not lie,” to use the expression coined by Marchamont Needham in the seventeenth century, than the notion of passion (which is opposed to interest), in the form of lust for money and greed. As such it could serve to counter, according to Hirschman’s (1977) now classic analysis, other passions including the lust for power. In reality, the colonial adventure was less an economic activity in the strict sense, guided by true individual interest, than an individual undertaking motivated by passion, belonging more to the fields of power and politics than that of economics. Rather than entrepreneurs or investors motivated by classic economic or...

This analysis could also be applied to the colonial administrators, whose lust for profit was also significant. These were people who had often not had successful careers in the parent country, which made it easier to embrace a colonial career. In the colonies, “favor was enough, whereas in industrial careers, success could only be achieved with intelligence and sustained activity” (Say 1828–1829, 1852, 628). These administrators thus pursued a colonial career with the sole purpose of personal enrichment, and not with the aim of gaining respect for their actions, because “they know their consideration in the mother-country will depend upon the fortune they return with, not upon their behavior in office” (Say 1821, 331). Public management of the colonies was no more directed toward local development than private business there. Indeed, Say speaks of a principle of decline because “people only go there with a view to returning” (Say 1828–1829, 1852, 625). Sismondi\footnote{Sismondi, unlike Say, did not set interests and passions in opposition to each other; instead, these were interwoven with one another. See Bridel (2009).} (1847, 260) wrote of “adventurers greedy of gain, who not being willing to trust to the ordinary chances of agriculture or industry, consider fortune as a game”. They were “adventurers without honor, without probity, without restraint, (…) which celebrates [sic] their robberies as exploits” (Sismondi 1847, 267).

According to Sismondi, this desire to grow rich through minimal and short-term investment contributed to the poor development of the colonized regions. They practiced what we would today qualify as extensive agriculture, exploiting available land to the maximum with no concern for renewal. This was clearly an approach that wasted resources and destroyed wealth in the medium term, as he points out particularly well:

They do not husband any of the benefits of nature. They clear the forests by fire, (…) they abandon every system of manuring, of improvement, of the rotation of crops; (…) they exhaust the soil by a succession of the same crops, and they soon reduce the richest soil to sterility. (…) All [these] (…) countries (…) have been ruined in this way by the cupidty of the cultivators, who sacrificed the future to the present. (Sismondi 1847, 256)

The criticism from Say and Sismondi echoed that from across the Channel, in particular from Smith and Burke, who criticized the practices of the East India Company for these same reasons.\footnote{For authors such as Smith or Burke, British subjects only went to the Indies for a limited time, during which they hoped to quickly make their fortune. They had no regard for the future of the region. Private fortunes were indeed rapidly accumulated by entrepreneurs who requested immunity from local taxes imposed by local regulations (Barber 1975, Pitts 2006).} Indeed, every investment process appeared limited in duration. This behavior went against the interests of the
colony, and took the form of insufficient investment. Investment could only properly be driven by medium- or long-term decision-making.\textsuperscript{1} For Say in particular, insufficient investment was one of the issues encountered by the colonies. In fact, there was a lack of the capital necessary for the appropriate exploitation of the colonies. The land and labor factors were not sufficient in themselves despite their scope, because “when you have studied political economy, you know this is not enough and that nothing can take the place of the primary factors of production: capital and industry” (Say 1996b, 208).

Those who had capital had, according to Say, no reason to leave their home country:

Those, who have the command of a sufficient capital to procure a comfortable existence in their native country, the scene of their halcyon days of infancy, will rarely be tempted to renounce habits, friends, and relations, to embark in what must always be attended with hazard (…). This accounts for the scarcity of capital in newly-settled colonies; and is one reason why it bears so high a rate of interest there. (Say 1821, 312–13)

This inequitable treatment of the colonies did not involve purely negative factors, as Say implied. Sismondi, who was not a fierce partisan of colonization, demonstrates, without denying the reality denounced by Say, how the process of colonization could sometimes be advantageous for the colonies themselves. The colonies, Sismondi notes, despite colonists’ predatory behaviors, did benefit from technical progress. Europe had developed technological advances from which the colonies were initially excluded. This “technology transfer” via the colonists represented a kind of accelerator for the receiving countries: “They are peopled by men who possess all the refinements of art and industry, but whose habits are simple and hard-working” (Sismondi 1819 [1953], 336). They imported knowledge that had only been acquired gradually in Europe. This meant that, compared with the founders of the European countries, these new citizens on near-virgin lands “were at a far greater advantage than the founding fathers of our European peoples, who had to struggle against a bitter climate and farming difficulties, and even more so against their own ignorance and deprivation” (Sismondi 1819 [1953], 336). These countries, despite the obstacles along their path, would therefore benefit from the technical advances that should enable them to progress more rapidly through the stages of development than old Europe did. Lastly, while many colonists may have wanted to accumulate wealth quickly and leave the colonies, not all shared this goal. There were undoubtedly some who wanted to settle indefinitely, or long term at least, and these new colonists would bring “their desire to work to their new homeland” (Sismondi 1819 [1953], 337).

The failure of colonization was due not only to the behavior and strategies of adventurist and opportunist individuals, but also to the attitude of the public authorities themselves and their inability to introduce good governance.

\textsuperscript{1} The physiocrats had already pointed out this situation. See Clément (2009).
Bad Governance?

One key reason for the failed development of the colonies lay in how the colonies were viewed from the perspective of the nation as a whole. If the attitude of certain entrepreneurs, who behaved more like pillagers than investors, was accepted and supported, this was mainly due to the governance of the colony. According to Say, this attitude most often led to inferior development or even an absence of any development. This was the principle of decline. As noted by Say, if faraway countries had an interest in trading their products against those of their parent country, development could occur on both sides. The fact that one side was the colony of the other changed nothing in this process of enrichment:

A country located on the Gulf of Mexico and another in Europe, with neither dependent on the other in any way and both with their own chosen governments, would gain precisely the same advantages from their trade relations. (Say [1828–1829], 1852, 624)

The problem had to do with how the colony was governed. If we view a colony as a region subject to the same government and the same rules, we can see that it should be able to develop at the same pace as any other of the country’s provinces. First of all, however, there were difficulties inherent in the management of very distant regions: “A country is never well governed when its government is located far away, especially not when it is two, three, or even five thousand miles away” (Say [1828–1829], 1852, 625). Lack of knowledge of the land and slow decision-making were among the barriers to good management of the colonies. Aside from the difficulties linked to geography, colonies were not administered simply like any other region. In most cases, administration of the colonies was inequitable compared with other regions since they were not perceived as true regions belonging to a same nation. This differential treatment was illustrated in part by the maintenance of the system of exclusive trading rights, which was more detrimental to the colony than the parent country and slowed the colony’s development:

In truth, when we dominate a colony and impose laws on it, we can strip it for our own profit. In other words, we can introduce regulations and monopolies that are contrary to its interests and favorable to ours, (...) rather than founding growing prosperity, we introduce a principle of decline (Say [1828–1829], 1852, 624).

This criticism was not new. In addition to this familiar condemnation, however, Say pointed out that the colonists were the primary beneficiaries of the exclusive trading rights, and that costs fell entirely to the parent country and to its citizens in particular. Under the exclusive trading rights system, the sugar that France bought from its colonies was much more expensive than that which came from Cuba or India. In fact, the rest of Europe bought sugar at a much lower price than France did with its sugar islands (Say [1828–1829], 1852, 629). The sugar islands’ prosperity came at a cost for French consumers, because “they would consume it in much greater amounts if it
were at its natural price” (Say [1828–1829] 1852, 626). Penalizing consumption in turn impacted production. France bought colonial commodities in exchange for its own national production (in other words, they traded goods for other goods), but because high prices limited the amount of products consumed, development of production was also limited (Say [1828–1829] 1852, 626). Conversely, if France had been able to buy its sugar from Cuba, it would have found bigger markets for its own production. More generally, eliminating exclusive commercial practices would have had the effect of lowering the consumer price for colonial commodities and would have generated an increase in consumption. Markets for the products of European industry would have expanded.

A second series of criticisms involved the role of the Indian trading companies. A major debate took place in France in the eighteenth century (Clément 2009), with the heaviest criticism directed toward the chartered trading companies. While Say accepted the idea of a monopoly at the start of colonization because “we cannot deny that exclusive trade in a certain area of the world, attributed to a trading company, is a good way to open a new trading route” (Say [1828–1829] 1852, 642), it was crucial to establish competition in this colonial trade, as in any other commerce, in order to best foster economic activity and the division of labor born of the plurality and diversity of traders. This absence of competition, which could be detrimental to consumers, did not even benefit the companies themselves due to “the greed of the agents, the lengthiness and complexity of the enterprises, the remoteness of the bookkeepers, and the incompetence and carelessness of the shareholders” (Say [1828–1829] 1852, 645). The same criticism was levelled at foreign (particularly English) companies. Even though a commentator such as Ganilh was a firm partisan of the colonies and the exclusive trading rights system (see below), he too formulated even stronger criticism of the chartered companies. To the argument of the damage to consumers, he added the idea that the low prices imposed on producers by these monopoly companies discouraged production, and concluded “it is hardly possible to conceive a method of commerce more prejudicial to wealth” (Ganilh 1812, 399–400). The principle of competition was viewed as far superior, even in these situations where risks could appear dissuasive and benefits at times uncertain, because “there is no longer anyone who does not know that, of all the types of commerce a company might carry out, individuals can do the same to far better advantage” (Ganilh 1809, 255). Beyond the principle of the theoretical superiority of competition over monopoly, there was evidence to attest to the failure of these practices: “Experience and reason have long ago pointed out the defects, inconveniences, and calamities of a restricted commerce” (Ganilh 1812, 399). Sismondi also tended toward this

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1. Ganilh (1812, 402) applies the same arguments: “this kind of privileges [sic] is almost always founded upon the advantage of opening a new trade with distant nations, upon the risks of a hazardous undertaking, or upon the necessity of an indemnity.” However, in his view, such privilege could not be maintained.
same conclusion, noting that France, which still held Martinique (the only colony to have escaped revolutionary upheavals), should “renounce with it the système de l’Exclusif [exclusive trading rights system]” (Sismondi 1953, 366) and more generally “should make trade free in all its ports” (Sismondi 1953, 366).

Finally, in addition to the costs of the exclusive trading rights regime and of the monopoly of the trading companies, there were the expenses arising from operating a colony. These were administrative and military expenditures—in particular, “at a vast expense, civil and judicial, as well as marine and military, establishments” (Say 1821, 324)—as well as the aid demanded by the colonists. According to figures derived by Say from a Marine Ministry report, the annual cost to France of administering its colonies was 11,860,000 French francs. This included, for example, a double cost to the government for every soldier sent to the colonies (Say [1828–1829] 1852, 631).

**Does the Slavery Economy Offer Economic Advantages?**

Most of the colonies maintained by France in the first decades of the nineteenth century relied heavily on an enslaved workforce. This was the case until the first abolition of slavery in 1794 and subsequently from its re-establishment until the date of the second abolition in 1848. Aside from the now classic moral and political discourse on the topic, economists addressed slavery and the opportuneness of this type of exploitation of the colonies from an economic angle. Say was one of the major commentators to have developed an economic position (Drescher 2002) on the question, a position that evolved, as noted by Steiner (1996). As for Sismondi, he primarily formulated moral opposition to the practice:

> Slavery is without a doubt in my eyes, and in the eyes of anyone demanding the abolition of the slave trade, a shameful outrage to human nature. It is a violation of all our laws and of the charity that should found them … But this evil is ingrained in the social order of our colonies, where it has grown deep roots. (Sismondi 1814, 17)

Although Sismondi demonstrates the economic advantage of slavery, he vehemently rejects it for these moral reasons. Sismondi also evoked a second original economic argument, however, that was hardly taken up by opponents of the slave trade. He observed the negative consequences of the slave trade in the countries most affected by it, namely the African countries, which were emptied of their labor force. He noted that, as a result, these countries were only able to offer “desolation and barbarism,” and European manufacturers were deprived of a large market: “We owe it all to the slave traders. It is they who deprive our factories of entire nations of consumers. It is they who bring desolation to a country that would be enough to maintain European industry.” (Sismondi 1814, 34)
However, Sismondi’s discourse hardly took the analysis any further, which was not true for Say.

The economic utility of slavery was defended from the first edition of the *Treatise* (1803), in which Say shows that colonists were attached to this system out of pure self-interest (Steiner 1996 and 2003). According to his calculations, the annual net profit of a plantation reached 16 percent compared with 3 percent in the parent country. However, these results were primarily due to the distortions in the mercantilist economic system, rather than rational economic organization of production by the plantation owners (Drescher 2002, 66). This discourse changed however, because in the 1826 edition of *Treatise* (1803) as well as in his *Cours complet d’économie politique pratique* Say’s tone was quite different. First, Say compares slave labor with free labor from a purely economic perspective. He shows that the human losses in purchased slaves were numerous enough that “all these costs represent the salary that would be paid to a free worker, and must represent a high salary” (Say [1828–1829, 1852], 248). In addition to these expenditures were the costs of overseeing the slave labor, which were relatively high because overseers were paid more than mere workers. In terms of productivity, finally, slave labor was analyzed as less efficient because workers do only the bare minimum under duress. Their aim was not only to work as little as possible but, above all, to hide their true abilities “because if it were known that they could do more, the work required of them would be increased” (Say *Cours complet d’économie politique pratique* [1828–1829] 1852, 248). The lack of any incentive other than “the whip [which] is a less than perfect incentive” (Say [1828–1829] 1852, 248) led Say to reject this system, which he also condemned in more moral terms. This practice also created negative effects in that the work performed by slaves was denigrated and judged unsuitable for any free citizen: “Work cannot be honorable in the same places where it is stigmatized” (Say [1828–1829], 1852 249). Thus the colonies, where capital was lacking and work was devalued and insufficiently productive, could only develop with difficulty. The principle of decline held full sway once again.

**STRENGTH AND RESISTANCE OF PRO-COLONIAL THINKING**

All the economic arguments from the liberals concerning colonization tended to show that the exploitation of the colonies, as it was organized, involved a cost that was far higher than the advantages obtained. To support his belief, Say declared, without providing precise figures, that those countries that had abandoned their colonies would have gained in wealth. This was true of England and even of France: “France now enjoys a greater degree of prosperity, than while she retained her colonies” (Say 1821, 329). Say took his reasoning even further, stating that abandoning the colonies not only brought an end to these financial losses, but it did not terminate commerce with the former colonies. This commerce would be even more lucrative.
because it would mean trade exchanges with foreign countries (whose needs were great), without the inherent costs of colonial administration. Say notes that

England profited much more from the United States now than when she governed them. (…) If England had asked her colonies to accept their independence, she would have enjoyed the huge advantages of her new relations with the United States seven years earlier. (Say [1828–1829], 1852, 633)

The fear of losing trade with the former colonies was unfounded according to Say, because

Who will they turn to first with their demand? It will be to their motherland, when this mother is no longer a cruel mother; their motherland, who sends them her excess population and with whom, consequently, they maintain personal relations of kinship, friendship, and financial interest. (Say 1966 [1828–1829, 1852], 633)

Canard agreed, but in a more measured way. If the loss of the colonies was not synonymous with enrichment and, conversely, did not represent a loss, as declared by partisans of colonization, abandoning them in no way created an obstacle to the enrichment of the parent country in his opinion:

The independence of the United States is clear proof of what I am stating. Not only did this event in no way diminish England’s national wealth, it did not create any obstacle to its growth either. Rather, the capital that the English had used for trade with this now independent colony found an outlet in the West Indies to finance other sectors. (Canard 1801, 143)

If abandoning the colonies eliminated the costs to the parent countries and did not mean the end of trade with the former colonies, then should the colonies in fact be relinquished? The colonists themselves did not wish it because they were the only ones to profit from the exclusive trading rights and the trade monopoly. Say provides different responses depending on the type of colony. He viewed Europe in general as having a civilizing mission. This continent had achieved a level of advancement that should be attained by all nations, and Europe had “the right and the duty to lift less civilized nations out of their centuries-long stagnation” (Say 1972 [1803, 1841]: 220). Say believed, for example, that India was one such region where colonization could be very profitable. In this country, where the Europeans had not assimilated with the natives and their presence could only be as a minority among a large Indian population, he believed a colonial presence was necessary. It should only last for a certain time, however, to ensure the spread of Western values and institutions that would support the country’s development. On the other hand, in the sugar islands, where the native population was marginal, it seemed unimportant to promote European values among such a small group of individuals. Lastly, in the colonies where the European population was large and native populations had been pushed inland, as was the case in America, the civilizing mission appeared unnecessary because
the Europeans intended to colonize and bring their European knowledge with them.

While short-term colonization could be justified, the objective was not long-term colonization because it was not economically viable. Such economic arguments were contested, however, by certain commentators who, in contrast, defended the notion of ongoing accumulation of wealth from colonization. Who would benefit, however?

Challenging Liberal Anti-Colonial Thinking

A certain number of commentators, who could be described as neo-mercantilists, addressed this question by contesting the liberal economic criticism of colonization. Their arguments are relatively simple and fairly classic. As with the liberal analyses, they rely on the principle of economic calculation, but they appear to reach opposing conclusions. According to them, abandoning the colonies meant a real potential loss of income, for several key reasons: 1) direct supply of tropical products was a source of savings over purchases made from European countries; 2) the colony was a valuable resource for the economic development of the parent country; and 3) the colony made it possible to maintain a surplus trade balance.

Wealth through Difference

Colonization favored the development of a certain form of consumption of so-called tropical products, which citizens increasingly utilized and which “habit had rendered necessary” (Tolozan 1789, 58). This was one of the advantages of an agricultural colony, which Page (1801, 262) defined as “an establishment directed and administered by Europeans for their parent country in order to cultivate commodities for export that could not be grown in the European soil and climate.” Their interest was thus in the diversity and difference of the goods produced: “The more the colonies differ from the home country, in terms of their products, the more perfect they are because this difference gives them that much more capacity to fulfill their destiny” (Tolozan 1789, 109). In this sense, the West Indies were the only “agricultural colonies of Europe” (Page 1801, 263) because, if we take into account relations with the Eastern trading posts, this commerce did not seem as advantageous for the colonial powers. This was notably the case for India, where the products that England purchased competed with products from the domestic market: “India supplies manufactured fabrics that destroy this industry [in Europe]” (Page 1801, 147). Ferrier presented a more nuanced form of this argument, stating that Indian industry tended to favor European industry: “Commerce with India contributed to the growth of European industry by

1. Page was a colonist in Saint-Domingue, who was to plead the cause of the slave-owning colonists to the French revolutionary government from 1792 to 1795. See Benot (2004).
offering, as a model, new types of production, which it attempted to imitate. We owe them painted fabrics, porcelains, and so on” (Ferrier 1805, 190). He did note (1805, 190), however, a hemorrhaging of money in favor of India: “Indian trade annually removes huge sums from Europe. It fosters a taste for foreign merchandise and thus paralyzes a proportion of domestic manufacturing. Indian trade is destroying Europe.” However, Ferrier offers a different explanation for the damage caused. In his view, money spent on Indian products could be used for national investments rather than being spent on exotic goods. He estimated the loss of profit due to consumption of Indian products in place of European products at twelve million French francs (Ferrier 1805, 204).

This implicit opposition to trade with India did not however imply a condemnation of the colonial regime. These commentators were criticizing what Page called “the colonies of position,” which England appeared, wrongly in their opinion, to favor.

Wealth through Complementarity

What still appeared essential, in addition to the tropical goods not produced in the parent country, was the supply of basic commodities to industry in the parent country, including cotton, as a raw material for the textile industries, and indigo, for the dyeing trades. Unlike the Indian products, these imports were viewed as positive because they complemented activity in the parent country. In fact this was the partial justification for the existence of the colonies, as confirmed by Tolozan:

They were established for the use of the parent country. They can only completely fulfill their destiny by increasing the production of the land and industry of the nation under whose immediate control they are, and by contributing to the profit of its commerce with other nations. (Tolozan 1789, 118)

This is one of the reasons for Page’s defense of American colonization:

America provides raw materials that supply and develop Europe’s industry. India supplies manufactured fabrics that destroy this industry. (Page 1801, 147)

These colonies, particularly in their role as supplier of raw materials, directly contributed to national development because there was a complementarity as opposed to an incompatibility of activities. “We will demonstrate […] that the re-establishment of our former colonies would detract nothing from either the industry or the capital of the parent country” (Page 1801, 261). It was, in fact, often the opposite that occurred:

The abundance of the produce of America has fertilized the greatest part of the soil of Europe (…). The sugar, coffee, cotton, and tobacco of America have encouraged in Europe the growing of corn and rearing of cattle, the working of mines and improving of fisheries, the growth of the manufactures of linen, silks (…). (Ganilh 1812, 410–1)
This complementarity was also expressed most frequently by the colonies’ dependency with regard to, and to the advantage of, the parent country. “The colonists have neither industry nor manufacturing, and we owe the primary advantages of our relations with them to the dependency in which they find themselves with regard to our European arts and productions” (Ferrier 1805, 218).

Wealth through Surplus

Most of the commentators who were favorable toward colonization were influenced by the mercantilist ideas that still permeated economic treatises at the end of the eighteenth and beginning of the nineteenth centuries. It seemed that great importance continued to be accorded to the trade balance. Ganilh, in particular, provided an illustration of this. In general, “all nations are in my opinion powerfully interested in giving to foreign the preference [sic] over the home trade” (Ganilh 1812, 395). For the author, what was true of foreign trade was even truer of trade with the colonies.

The first argument, which did not seem very specific, involved an “incentive” aspect. In its trading with the colonies, the parent country, which bought products that it no longer manufactured, was encouraged to produce more to receive this same valued and sought-after merchandise. Growing demand for exotic products thus fostered economic activity. Several factors defined the specificity of colonial commerce compared with foreign commerce in general. The first difference between the colonial experience and foreign trade lay as much in the possibility of directly exploiting these riches as in their commercialization. In this respect, America was seen as a kind of Eldorado, where local production could be obtained with far better results than for those of the parent country. Thus,

the same three hundred millions employed in the clearing and cultivating of the lands of the New World, and in the working of its mines, have created a capital of more than five-and-twenty thousand millions [French livres]. (Ganilh 1812, 406)

Had Europe (...) employed in the cultivation of her soil, in her particular industry and home-trade, the three hundred millions which she sent to America, they would have increased her capital only by three thousand millions of French livres, whilst employing them in cultivating the soil of and trading with America has raised that capital to above five-and-twenty thousand millions of livres (...). (Ganilh 1812, 409)

1. 2AQ< In his essay on commerce, Hume (1955, 14-15) summarized this position, which was later echoed by most other economists: “When the affairs of the society are once brought to this situation, a nation may lose most of its foreign trade, and yet continue a great and powerful people. If strangers will not take any particular commodity of ours, we must cease to labour on it. The same hands will turn themselves towards some refinement in other commodities, which may be wanted at home. And there must always be materials for them to work upon; till every personn in the state, who possesses riches, enjoys as great plenty of home commodities, and those in as great perfec-

[back-translated from the French].

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In addition, the fact that the parent countries could use colonial wealth for either consumption or re-export was, in itself, a significant benefit, which could only serve to justify maintaining the colonies under the tutelage of the parent countries. This commerce, which must be “under the yoke of the most austere prohibitions” (Tolozan 1789, 110), should therefore exclusively benefit the parent country because “he who sows shall reap” (Tolozan 1789, 110). The trade balance, which included trading with the colonies, did not count purchases of colonial products as exiting currency. Instead, trade between the colonies and their parent countries reflected, in the studies and works of the era, an internal deficit between the colony and the motherland. Because there was a trade deficit between France and its primary partners, the deficit could easily be overcome by re-exporting colonial products to the European markets:

Export trade became even more necessary for France in that, without the product of its colonies, it owed considerable foreign debt. It needed to offset the amounts owed as much as possible with commodities or merchandise. (Tolozan 1789, 106)

The benefit was thus to be able to offset the European trade balance deficit with the sale of colonial products, without which the nation “would be indebted to the other European states” (Tolozan 1789, 108). Tolozan evaluated the potential deficit at thirty million from a total of two hundred million “if the colonies did not provide it with a mass of products that tipped the balance in its favor” (Tolozan 1789, 108). Tolozan concluded pragmatically that, “without our colonies’ products, the trade balance would be entirely against us, and France thus has the greatest possible interest in preventing such an event” (Tolozan 1789, 116). This result was merely the assimilation of a colony to a region, with colonial commerce equated with domestic commerce. This was also Ferrier’s argument:

Commerce with America today assumes that the colonists give us their commodities in exchange for the products of our industry. This commerce has all the positive effects of domestic commerce and, in truth, is nothing different. Saint-Domingue is a portion of territory attached to France. (Ferrier 1805, 219)

Wealth to the Detriment of the Colony?

None of the writing that favored maintaining the colonies addressed whether colonial exploitation could benefit the colony itself. This point of view was completely neglected or even dismissed. The most widespread notion was merely that the colony was a source of wealth at various levels. The colonies were perceived primarily as lands supplying essential materials to the parent country, with investment in these regions viewed as rather undesirable. The primary reason for this lay in the idea that investment in the parent country must be prioritized. Moreover, investment in the colonies appeared uncertain: “The colonies are possessions that are too
Abandoning the Colonies: An (Economic) Response that is Always Possible but Must Remain the Exception

Given the benefits of colonial exploitation, what conception of the colony was developed by these commentators? Was there not, in the end, a contradiction between their respect for the colonies and the exploitation they recommended? Most partisans of the colonies had previously considered the colony to be an extension of the parent country. Ganilh, for example, perceived America “as merely an extension of the territory, population, capital, industry, wealth, and power of Europe” (Ganilh 1809, vol. 2, 284). However, was it possible to reconcile the intense desire to unilaterally exploit the colony with the colony’s status as an appendage or extension of the parent country, as a region like any other? In other words, did the colony have the status of region of a country, and, if so, should it keep it? Such a view became increasingly marginalized, particularly as awareness rose of the transitory nature of a colony’s status of “associated province.” Ganilh (1809, vol. 2, 285) recognized that “the European colonies may shake off the yoke of the motherland and join the ranks of free and independent peoples.” Page (1801, 261) talked of “possessions that are too uncertain to deserve the benefit of our capital.” This view of colonization was also due to the fact that the colonies were only extensions of the nation as long as they presented an economic interest, as summarized by Tolozan in particular:

Many people assert that we must consider them as provinces of the kingdom, separated from the national soil only by the sea. We find it hard to agree with this opinion (…) as their soil and possessions are only precious to us in relation to the productions that we gain from them, and to those that we send there. They are thus merely trade establishments that should be abandoned if, on the one hand, they do not provide a market for our surpluses and, on the other, their plantations do not exclusively supply the fruits, commodities, and raw materials that we need. (Tolozan 1789, 109)
Modern colonies appeared to be an economic opportunity that the mother country should profit from, but not maintain if the economic calculation proved unfavorable for the nation. Tolozan stated this clearly: “[i]f the possession of such a colony is more damaging than useful to the mother country, it must be abandoned, except where political reasons require that it be kept” (Tolozan 1789, 114). The same conclusions were ultimately reached by the British liberals after Smith\(^1\) (Clément 2010). The actual response remained negative however, because the calculation remained favorable to the parent countries. Expenditures were estimated as lower than the profits gained from colonial commodities. However, the political argument (concerning power) was far less important than it had been for the mercantilists of the sixteenth and seventeenth centuries (Clément 2006). In the end, the liberal and colonialist arguments were fairly comparable, with the single difference that, for the anti-colonialists, the economic cost had become too high compared with the expected benefits. For the partisans of maintaining the colonies, the advantages still outweighed the disadvantages. They did not favor maintaining the colonies on principle, but assessed the situation pragmatically.

CONCLUSION

At the close of this transition period, the first French colonial empire had been practically removed from the map, although France would still retain such colonies as Martinique, Guadeloupe, Réunion, and French Guiana. Despite their reduced number, these colonies contributed both economically and culturally to the national wealth. Faced with this new reality, economic discourse accompanied, rather than prompted, this shrinkage. The liberals, who were the most critical of this heritage, demonstrated the limitations of the exclusive trading rights regime, the economic costs and bad governance of the colonies, and the opposition between private interests and national interest. They did not, however, demand or call for definitively abandoning the colonies, thus remaining aligned with the partisans of the continued Empire. If the points of view of the liberals and neo-mercantilists converged in the end at all, it was at the point where economic considerations came second to arguments of politics and civilization.

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\(^1\) Although separation seemed to be the solution most commonly recommended by economists based on purely economic arguments, it appeared difficult to apply in practice due to the interference of political arguments with the economic approach. Smith (1976 [1776], 617) believed that public opinion was not ready for separation for reasons of pride and of private interest: “Such sacrifices, though they might frequently be agreeable to the interest, are always mortifying to the pride of every nation, and what is perhaps of still greater consequence, they are always contrary to the private interest of the governing part of it, who would thereby be deprived of the disposal of many places of trust and profit, of many opportunities of acquiring wealth and distinction.”
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