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Arnaud Orain, *La politique du merveilleux. Une autre histoire du Système de Law (1695-1795)*. Paris: Fayard, 2018. 397 pp. Figures, notes, and bibliography. €24.00 (cl). ISBN 978-2213705880.

Review by Darryl Dee, Wilfrid Laurier University.

In May 1716, John Law, a Scottish gambler, economic theorist, and financial projector, established his *Banque générale* in Paris: thus began the most daring and infamous financial and economic experiment in the history of early modern France. With the backing of Philippe d'Orléans, Regent to the child-king Louis XV, Law constructed what he dubbed his System with dazzling speed. In August 1717, he founded the *Compagnie d'Occident* with the goal of colonizing and economically exploiting Louisiana, the immense French-claimed territory stretching from the Great Lakes to the mouth of the Mississippi. Over the next three years, the company, renamed the *Compagnie des Indes* but popularly called the Mississippi Company, grew into a conglomerate with a monopoly on France's overseas trade. It also acquired vast regalian powers, notably the administration of the royal mints and the collection of indirect taxes. In an even more momentous development, in August 1719, it took over the entire royal debt. The crown's creditors saw their interest-bearing annuities or *rentes* forcibly converted into company shares. Meanwhile, the *Banque générale* had become the *Banque royale*. Its notes became a form of currency alongside France's traditional gold and silver coins. In January 1720, Law reached the height of his power when the Regent appointed him Controller General of Finances. The following month, the Bank and the Mississippi Company merged into a Leviathan that controlled France's public finances and the most dynamic sectors of its economy. But even more quickly than it rose, Law's System fell. Feverish speculation in Mississippi shares inflated a stock market bubble. Overissue of banknotes helped fuel runaway inflation. Law's attempts to calm the escalating crisis by arbitrarily reducing the value of stocks and paper money instead provoked panic. In December 1720, Law suddenly fled the kingdom. His System was then so thoroughly dismantled that scarcely a trace of it survived.

So goes the accepted account of Law and his System. In his provocative and compelling book, Arnaud Orain forcefully argues that this account obscures the true nature and significance of the System. In particular, he rejects any notion that the System was the invention of a maverick individual. It was instead the product of powerful intellectual and cultural forces that originated well before and continued long after John Law's meteoric career. Indeed, Orain maintains that a System would have come into being even if the Scotsman had remained just an obscure cardplayer. Moreover, its financial and monetary aspects represented merely the tip of the

iceberg: “Le Système a été une entreprise de transformation totale de société, une utopie sociale fondée sur le rêve d’un pouvoir omniscient, bienveillant et tout-puissant” (p. 14).

Orain traces the roots of the System to widespread disillusionment with the absolute monarchy of Louis XIV. After 1688, the absolute monarchy seemed to be failing to fulfill its fundamental functions of assuring civil peace and promoting prosperity. The main culprit was royal fiscality, which had become increasingly onerous as Louis XIV searched for more and more money to fight his last two great wars. Pamphleteers, theologians, and economists attacked unrestrained recourse to *rentes* as both economically destructive and morally unjust. According to *savants* such as Pierre de Boisguilbert, Jean-Jacques Duguet, and Sebastien le Prestre de Vauban, the massive increase in royal taxation and the methods used to impose as well as collect it constituted nothing less than an internal war waged by the king against his own subjects. From the wave of works critical of Louis XIV’s late reign, three ideas emerged that would come together in the System: a skepticism of individualism and liberty of commerce as tantamount to a conflict of all against all; an idealization of the primitive; and a conviction that the Louisquatorzian monarchy had, in fact, been insufficiently absolute and should be replaced by a truly omnipotent state.

Another intellectual current that would flow into the System originated in the incipient colonial contest between England and France. The Regency regarded Louisiana as the key to French domination of North America. Between 1715 and 1717, a series of reports described it as a land of fabulous wealth, the site of the last great unexploited mines in the Americas and the location of sophisticated indigenous civilizations. At about the same time, the English government was establishing the South Seas Company. This company had two purposes: the advancement of English trade in the Americas and the taming of the English state’s debt by swapping high-interest credit notes for company shares. It was therefore a clear inspiration of the Mississippi Company. Yet Orain argues that the really significant contribution of the South Seas Company to the System was its propaganda. Authors such as Daniel Defoe and Jonathan Swift harnessed a “discourse of the wondrous” to build support for both its colonial ventures and its debt operations; the same discourse subsequently appeared in *Robinson Crusoe* and *Gulliver’s Travels*. An identical phenomenon developed in France from 1717 to 1730. Orain identifies a network of *savants* and men of letters linked to the aristocratic circle of the Comtesse de Verrue who produced a stream of publications promoting the System. Most prominent among them was the philosopher, theologian, and mathematician Jean Terrasson. All of these writers were Moderns, proponents of new modes of art and literature opposed to the Ancients, the champions of the imitation of classical forms.

These intellectual precursors ensured that when the System did take shape, its ambition would be breathtakingly far-reaching: nothing less than the total reconstruction of French state and society. The System’s theorists such as Terrasson conceived it as the Hobbesian ideal of an entity that concentrated all power in its hands. The goal of this Leviathan was to take command of the economy in order to produce wealth for all. Commerce was to become a public activity; the French were to be remade into a nation of merchants. What this meant in practice was that the Mississippi Company would steadily take control of more and more areas of productive life. Its shares would pay dividends with greater certainty and reliability than interest from *rentes*. This was because the Company’s command of the economy would be so total and effective that one sector’s losses would be compensated by another’s gains: in effect, the Company’s profits would be a fixed revenue. The Bank-Company entity also represented a

fundamental refashioning of the French absolute monarchy. It would replace the “fiscal-military state” that had been forming since the Renaissance. The monarchy would henceforth gain its *gloire* no longer by victory in war but through the pursuit of profit.

The System was then propagated and promoted by an intense propaganda campaign conducted by Terrasson and his fellow Moderns. Their chief organ was the semi-official periodical *Nouveau Mercure*, which from 1717 to 1720 produced a stream of rococo tales of wonder in a variety of forms: poetry, literary criticism, travellers’ accounts, legal briefs, religious tracts, even maps. These tales cast Louisiana as a utopian realm offering not just great wealth but also personal liberation, depicted the System as a sort of philosopher’s stone, an occult force that could produce limitless riches, and championed conspicuous consumption as a means to spread the prosperity generated by the Bank-Company throughout society. This literature of wonder was also carnivalesque, proposing an inversion of the established social hierarchy. Orain argues that the purpose of this propaganda was not merely to build support for Law’s project. It was also didactic, teaching the new behaviors and values appropriate for the new society being created by the System: “on levait le voile sur le secret par la métaphore, l’allégorie, le rêve, le carnaval. On préparait les esprits à de nouvelles vérités, de nouveaux horizons, de nouvelles conduits, une nouvelle taxonomie sociale” (p. 221).

Given the enormous scope of its ambitions, it is not surprising that the System provoked ferocious opposition from numerous sections of French society. They counterattacked with a wave of propaganda of their own. Merchants skeptical of the feasibility of Law’s enterprise, notable among them the traders of Saint-Malo who had dominated France’s Atlantic trade since the beginning of the eighteenth century, argued that it in fact destroyed the very qualities—emulation, competition, innovation—that produced prosperity, turning France into a country of “idiots et fainéants.” The Jansenists condemned Mississippi shares as a form of usury. The traditional elites that had benefitted from the absolute monarchy’s fiscal system appropriated the carnivalesque and turned it against the System: Law became the devil, Louisiana hell, personal liberation sexual libertinage, the alchemy of shares and notes an evil sorcery that made only misery. Furthermore, the literary and visual works sponsored by these elites cast the System as an unprecedented disaster that revealed the effects of unrestrained cupidity. It, not the late reign of Louis XIV, represented the eighteenth century’s “péché originel”.

One of Orain’s most original and significant contributions is to show how the debates unleashed by the System continued to reverberate down through the eighteenth century. In the immediate aftermath of Law’s downfall, the state-sponsored theater companies, the *Comédie-Française* and the *Comédie-Italienne*, produced plays that countered the supposed greed of the System by extolling the virtues of simplicity and self-control. From the 1720s to 1730s, the opponents and supporters of the System renewed their duel. Their weapon of choice was the wonder tale, the literary genre invented by the System’s propaganda. The System’s enemies used these tales to emphasize the charlatanism of Law’s experiment. Its supporters employed them to suggest that a society better than the current one was possible; thus “l’imaginaire comme force historique revient sur le devant de la scène” (p. 271). The advent of political economy at mid-century led to revived argument about the System’s goal of an all-powerful state. The physiocrats, for example, condemned the command economy as antithetical to competition, individual interest, and the power of the market. For Montesquieu, the carnivalesque social effects of the System represented a form of despotism. Finally, during the

Revolution, partisans and enemies of the *assignat* both evoked the System. The former maintained that the *assignat* was superior to Law's notes and shares because they were based on land and on the general will. The latter either drew an analogy between the System and the Revolution or claimed that Law's paper money was more strongly backed than the Republic's. The failure of the *assignats* saw echoes of many of the myths of 1720.

Deeply researched and persuasively argued, *La politique du merveilleux* is a model cultural history that will transform our understanding of the System. It was neither an accident nor an aberration. It was the founding event of the eighteenth century.

Darryl Dee
Wilfrid Laurier University
ddee@wlu.ca

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