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May 7, 2009

{To my readers: This chapter represents an excerpt of a rough draft of the fifth chapter of six chapters of my dissertation for a doctorate in European history entitled “In the Red and in the Black: Bankruptcy, Debt Imprisonment and the Culture of Credit in Post-Revolutionary France.” Please do not cite without my permission}

**“He Who Rushes To Riches Will Not Be Innocent”:
The Fall of the Demiannay Bank in July Monarchy France**

One looks for an excuse in disasters one calls “unforeseen” yet had been provoked, and then one presents one’s self to one’s creditors less in begging than as a master dictating strict conditions... Because sometimes bankruptcies are inevitable, like lightning bolts, because commerce has its storms, like the ocean, would you then say that they are only merely misfortunes where only the chain of events can be blamed?¹

A ship captain is betrayed by his crew; the ship goes down, and the captain is brought before a war council because all the responsibility is assigned to him. He will be asked “You carried rich cargo, you had gold bullion.” Does it matter if he was betrayed? Does it matter that he was the victim of an event that he could not prevent, that all human foresight could not predict?²

The bankruptcy of Charles-Denis Demiannay on November 23rd 1830 “plunged Rouen into consternation.”³ Demiannay had been one of the region’s most important bankers. His bank held over 900 accounts, 556 within Rouen alone, totaling some nine million francs in deposits spanning the entire social spectrum. ⁴ Its commercial network crossed the nation. How could such a fortune crumble in a matter of months? Yet, as Demiannay’s creditors sorted through the wreckage, his riches appeared illusory. The bank’s books were absent or badly-kept. The *de facto* manager, Demiannay’s nephew, had fled the country. Considerable sums had been handed out shortly before the bankruptcy. Demiannay’s endorsement adorned

¹ *Le Droit* July 2 1836

² *La Gazette des Tribunaux* 11 July 1836

³ *Journal de Rouen*, Nov 24 1830

⁴ “Faits généraux: Acte d’accusation Cour d’Ile et Vilaine” BNF MICR 8-FM-853 (1836) 2. BNF MICR 8-FM-853, which will be quoted extensively in this chapter, appears to be a publication of the *Journal de Rouen*, advertised repeatedly in the newspaper itself during June 1836 so that readers could have a background of the ongoing trial. It was comprised of a reprint of the charges against the accused as well as extracts (apparently only May 23-May 28 1836) of the *Journal de Rouen*’s ongoing series reporting the trial in Rennes (where they, like the rival *Gazette de Normandie*, had a reporter stationed) Thus there is significant overlap between the *Journal de Rouen* articles and BNF MICR 8-FM-853. For the sake of convenience, I will cite the latter.

commercial paper from known insolvents. Millions of francs had apparently disappeared. What had caused the bank's demise? And what dividends remained for the bank's hundreds of creditors?

Attempts to solve these questions filled thousands of pages of increasingly acrimonious legal briefs, written by some of the country's most famous lawyers, and involved commercial tribunals, royal and appeals courts in cities as diverse as Rouen, Rennes, Dijon, Paris and Lyon. Demiannay the Elder, joined by his bankruptcy trustees, charged the banker's nephew, François Demiannay, and the young man's commercial network, including Alexandre Cotman, James Rollac and Robert-Alexandre Jardin, with abusing the old man's trust and pillaging the bank's coffers to fund their dreams of personal enrichment. François and his associates defended their practices as speculative and careless, but well within commercial norms. They claimed to be scapegoats sacrificed to divert attention from the sizeable benefits that well-connected parties had drawn from the bankruptcy process. The 1836 trial that sentenced these men, mostly insolvent, did not pay the creditors. Attention shifted to the banker Isaac Thuret, who remained not only free, but wealthy and powerful, and was imagined to be the ultimate beneficiary of the bank's ruin. Thuret countered that he was being attacked for his fortune, with both the trustees and Demiannay thirsting to make him pay for a ruin caused by nothing more criminal than accident and carelessness. The litigation for this bankruptcy would nearly outlast the protagonists themselves.

I will use the Demiannay bankruptcy and the 1836 trial at Rennes that it provoked in two different but interrelated manners. First, because this bankruptcy left behind an unusually rich and varied array of archival sources, it gives us a privileged glimpse into the functioning, or dysfunction, of credit networks in early nineteenth century France. In comparing the fluid, informal and often legally dubious practices in which business was done with the laws by

which such failure was to be assessed we are able to see the difficulties that the law had in grappling with the ambiguous nature of firm infrastructure and customary practices. Into this void, discourses about honor and interest, new and old commerce, speculation and legitimate market behavior aimed to guide ideas about proper behavior where the laws were silent. However, the importance of such notions in compensating for a state of legal confusion necessitated a reconfiguration of the relationship between agency and accident in business affairs, what we might call risk. Difficulty innate in objectively and disinterestedly judging risk was powerfully brought to light by the denouement of the Demiannay Affair.

The Rise and Fall of a Bank in the Provinces

The banker, considered as guardian of the symbol that facilitates the circulation of national riches... it is he who dispenses credit, it is he who withdraws it, it is on him, consequently, that many positions depend. This kind of power should necessarily give him extreme circumspection and prudence... Have care to never accord your trust too easily... above all make morality enter into all your decisions.”⁵

Demiannay’s Rouen of the 1820s and 30s is probably most familiar to us from Flaubert’s depiction in *Madame Bovary*, constructed from his memories of his own boyhood there.⁶ The webs of credit that provoked Emma Bovary’s untimely end were not peculiar to her alone, but deeply woven into the fabric of Norman life, tying workers in a rural output system of cotton spinning to city merchants, and city merchants to wealthy property owners through a fragile but well-developed banking system. In 1830, Rouen was a city of around 90,000 people.⁷ Its commercial activity centered on the cotton industry, and related fields such as metallurgy and the manufacturing of chemical products, used in the coloration of the calicos and cheap cloths called *rouennerie*.⁸

In Rouen, as elsewhere in France, sporadic modernization was combined with the endurance of an older system of labor coordination. While spinning had been mechanized by the 1830s, mainly by utilizing hydraulic power of the regional rivers, weaving was still

⁵ *Guide pour le choix d’un état, ou, Dictionnaire des professions* (Paris : Lenormant, 1842) 82.

⁶ Flaubert, born in Rouen in 1821 and only left it to go to Paris to study law in 1840

⁷ Michel Moullat ed., *Histoire de Rouen* (Toulouse: Edouard Privat, 1979), 320.

⁸ For Rouen and its commerce in the 18th and 19th century see Pierre Dardel *Commerce, industrie et navigation à Rouen et au Havre au XVIII^{eme} siècle* (Rouen: Société Libre d’émulation de la Seine Maritime, 1966) Also *Histoire de Rouen* pp. 328-333

largely outsourced to thousands of precariously employed workers in the outlying countryside. Indeed, not only did most French people continue to live in the countryside, but most workers worked in small workshops or their own homes, rather than in factories. In town, textile producers, who were more like merchants than factory owners, coordinated the isolated output system and marketed the finished product. While the Norman textile industry paled in comparison to places like Lancashire across the Channel, Rouen's development could be seen as indicative of the slow, steady but definite process of French industrial development.⁹

Such an economy necessitated the circulation of credit. Rouen was, as one scholar has put it, the “very image of a commercial market in the provinces, at once very active and a little limited, with a precocious banking system that was nevertheless colored by an enduring archaism”¹⁰ Rouen had been one of the three discounting counters during Napoleon's short-lived attempt to expand the provincial outreach of the Bank of France. After the counter's dissolution in 1816, local businessmen had formed the Bank of Rouen, one of the country's first departmental banks. Yet credit facilities remained relatively inefficient throughout the early nineteenth century, especially in the departments. Like many provincial banks, the Bank of Rouen was hampered by heightened sensitivity to financial crises as well as overdependence on the Parisian credit market. Consequently, it maintained an extremely cautious discounting policy, accepting only the most solid bills, three signatures or more at a rate of 4-5% from a clientele that was largely local (70% of its clientele were from the Rouen area) and old money.¹¹

⁹ For French industrialization during this period see Patrick O'Brien and Calmar Keyder's *Economic Growth in Britain and France, 1780-1914: Two Paths to the Twentieth Century* (London: Allen & Unwin, 1978) For the most recent summaries of French industrialization see Jeff Horn, *The Path Not Taken: French Industrialization in the Age of Revolution, 1750-1830*. (Cambridge, MA: The MIT Press, 2006), Michael Stephen Smith, *The Emergence of Modern Business Enterprise in France, 1800-1930* (Cambridge, Mass.: Harvard University Press, 2006)

¹⁰ Jean-Pierre Chaline “La banque à Rouen au XIXe siècle” 1974 vol. 52 pp. 384-420

¹¹ On departmental banks see Fernand Braudel et Ernest Labrousse (1976). *Histoire économique et sociale de la France 3, L'Avènement de l'ère industrielle (1789-années 1880)* (Paris: Presses Universitaires de France, 1976), 1: [FIND PAGES] ; Robert Bigo, *Les banques françaises au cours du XIXe siècle*. (Paris: Recueil Sirey;

Despite the importance of the textile industry for regional wealth, land remained for the Rouennais bourgeoisie a social investment above profit and over 50% of the shareholders in the Bank of Rouen listed their occupation as “land-owner” with only 30% having commercial or industrial occupations.¹² “As long as you have nothing but money, you are always on the verge of having nothing at all” went the familiar saying, and many well-off Rouennais heeded this advice.¹³ Commercial families, here as elsewhere, continued the *ancien régime* habit of staying in commerce only for a few generations before gravitating towards land-owning or regional political office.¹⁴ Political power, social status and wealth, in Rouen as throughout France, were largely monopolized by an eclectic group whom historians have called “notables.”¹⁵ These men, comprised of remnants of the old aristocracy, administrative officials, Napoleonic-era careerists and purchasers of *biens-nationaux* from the Revolution, were generally not connected to commerce or manual labor, placed a high value on national service, were often self-made men but scorned market values.

Charles-Denis Demiannay, born in 1771 of peasant stock from the outlying village of Le Caulte, arrived in such a town at age 16, having received, it appears, no prior formal training other than the tending of his family’s cows in pasture.¹⁶ Through sheer luck, the young man became a servant in the house of the sister of a prominent cloth wholesaler and

Gille, B. (1959). *La banque et le crédit en France de 1815 à 1848* (Paris, Presses universitaires de France, 1959) [FIND PAGES]

¹² Jean-Pierre Chaline “La banque à Rouen au XIXe siècle” 1974 vol. 52 pp. 384-420

¹³ Cited in Chaline, *Les Bourgeois de Rouen : une élite urbaine au XIXe siècle* (Paris : Presses de la Fondation nationale des sciences politiques, 1982) 147.

¹⁴ To a large extent, the commercial families of the early nineteenth century seemed to have continued the pattern established by commercial families under the ancien regime. See Richard, *La Noblesse d'affaires* pp. 18-19, 93-95, 109-115, David Landes in such pieces as “French Entrepreneurship and Industrial Growth in the Nineteenth Century,” *Journal of Economic History* 9 (1949): 45-61 uses this tendency to prove the distaste for commerce supposedly held by French society in general.

¹⁵ See David H. Pinkney, *The French Revolution of 1830*, 1972, Guy Antonetti Antonetti *Louis-Philippe*, Paris, Librairie Arthème Fayard, 2002, See Adeline Daumard *La bourgeoisie parisienne de 1815 à 1848*, A.J. Tudesq *Les grands notables en France* (1840-1849), Alfred Cobban “The ‘Middle Class in France,’ 1815-1848” *French Historical Studies*, 5 (1967) 41-56

¹⁶ ANMT 68 AQ 12 published letter from Payen de Verneuil to Demiannay, Sept 1829. Nevertheless, his family does not seem to have been poor; his father having died with 12,000 to 15,000 francs to his name (of which Demiannay claimed to have never touched ‘an obole’), a relatively comfortable figure at a time when an elite dowry averaged around 15,000 francs. For further figures of what was left behind by various social classes in Normandy see Desan, 153.

discounter named Détancourt. The merchant, noticing the youth, employed him as an errand boy [*garçon de recette*], but he soon rose in the ranks of clerks. After the death of Détancourt in 1810, Demiannay started his own business in hosiery wholesale, with clientele largely drawn from that of his former boss. In 1815, he married Geneviève Lallemand, the daughter of a well-off textile producer, who encouraged him to expand the simple discounting business into an actual bank.

What did it mean to be a banker in Demiannay's day? The popular manual *Guide pour le choix d'un état, ou, Dictionnaire des professions*, listed currency exchange and discounting bills as the primary occupations of a banker, followed by opening credit accounts, accepting commercial paper, loans and the buying and selling of *rentes*. A banker should have a vast and meticulous knowledge of exchange rates, and computation of trade-offs, foreign money, its subdivisions, and its relations with French money, at least a basic understanding of all natures of domestic and exotic merchandises and their values, accounting, book keeping, and foreign languages, particularly German and English. The guide emphasized personality traits even more than educational guidelines. A banker needed to maintain "a perpetual state of observation."¹⁷ The fluctuation of money being dependent on the slightest event, he had to continually calculate not only of facts that had already happened and the possible repercussions, but also eventualities. Good judgment of character was also crucial. When a banker accepted a bill, it was almost always uncovered (that is, without having received provision from the drawer); it was "a contract in which trust and good faith are the exclusive terms."¹⁸ When he discounted a bill, he charged not only the rent of the capital but also an insurance prime according to the risks he ran. The banker held a position of trust and needed to be able to accord trust intelligently. Demiannay was apparently able to win such trust in Rouen. For a decade and a half, his bank handled accounts ranging from

¹⁷ *Guide pour le choix d'un état*, 86.

¹⁸ *Ibid*, 83.

those of game warden and petty office clerks to powerful functionaries, local judges and even the Orleans family itself.¹⁹

Commerce in Rouen, as elsewhere in France, had been upset in the aftermath of the July Revolution of 1830.²⁰ Even the Bank of Rouen had been compelled to shut its windows for a few days after the Bourbon's fall to prevent a bank run. At a national level, the new government poured funds into commercial discounting counters and the Bank of France had extended 30 million francs to forestall waves of bankruptcies.²¹ Many of Demiannay's most prosperous investors had legitimist sympathies, and the banker had made a highly public decision to back the Orleanist house in the local newspaper. It is unclear whether Demiannay's political daring alienated his noble supporters as much as he would later claim, but an estimated three million francs were withdrawn from the bank between late July and early November 1830.²² By late November, Demiannay could hardly have avoided realizing his own distress. The Bank of Rouen had refused Demiannay's paper for six weeks and the four trips he had made to Paris between September and November had resulted in few advances from bankers there.²³ Nevertheless, times were tough for commerce in general (indeed, the economic downturn would last in Rouen well through 1832) and Demiannay had every hope of weathering the storm.

¹⁹ BNF 4-FM-18642 Desiré Dalloz, "Cour de Cassation Chambre criminelle: Demande de renvoi pour suspicion legitime" 2.

²⁰ For the immediate effect of the July Revolution on business see Christopher Johnson "1830 in French Economic History in 1830" in John Merriman ed *1830 in France* in which he argues that the ongoing amount of collective violence and political agitation, which continued long after the official reports, merits terming the Revolution of July as really one of 1830-1832.

²¹ In 1830, there were 1638 bankruptcies in France, including 117 bankers and 46 *banqueroute*. In Seine-inferieure there were 155 bankruptcies, including 5 bankers and 3 charges of *banqueroute*. AN F 20 720-723.

²² Demiannay's decision to support the Orleanist house see BNF 4-FM-9330 Charles-Denis Demiannay "Mémoire au Roi Pour Demiannay aîné, ancien banquier" (Paris: Imprimerie de Felix Malteste et Cie, 1836) 3. ANMT 68 AQ 8 Narcisse Lebas "Réport aux Msrs. Le president et judges composant le tribunal de Commerce de Rouen Juge-commissaire" (4 July 1831) 2.

²³ Demiannay had at one point gone to Jamet, the intendant of the King's sister's house—also some kind of cousin to Demiannay's late wife--- in Oct 1830 asking for money in exchange for long-term obligations but Jamet had told him that the "the king is not in the banking business" *Journal de Rouen* June 24 1836. According to Thuret, these had also included attempts to get the commission set up in the July Revolution's aftermath to help industry to give him money but since Demiannay could offer only "worthless scraps of paper" and refused to pledge his lands, he was turned away. See ANMT 68 AQ 10 "Quelques observations d'un malheureux créancier de Demiannay aîné pour Msrs. Le Jury à Rennes" (1836), 1.

On November 21st 1830, Demiannay returned from Paris to find his nephew François missing, his clothing gone, his office ransacked. Initially perturbed, particularly when friends told Demiannay that the young man had seemed suicidal, he was comforted by a letter in the mail from his nephew who promised to be back after checking on a correspondent. Some among his clientele were not similarly calmed. The morning of November 22nd, the doors of the bank had barely opened when clients began pressing Demiannay for payment. Accounts differ as to how complicit the banker was in such payments and how panicked they seemed, but all agree that significant values in his portfolio, some 1,200,000 francs, were given to 81 creditors, among them relatives and members of the local judiciary.²⁴ Demiannay ordered his employees to start drawing up an account of the state of his affairs. The next morning, his nephew did not return as promised. It was only then that Charles-Denis Demiannay realized his situation. While dashing out a desperate letter to his mother-in-law, he was struck with “apoplexy” and lost consciousness.²⁵ His bankruptcy was declared by “public notoriety” on November 23 1830.

The trustees of Demiannay’s bankruptcy faced several immediate problems. Since Demiannay had not filed a bankruptcy petition, his trustees had to create a balance sheet, a task which took years since the firm’s books were in the greatest disorder.²⁶ Despite Demiannay’s later claim that he “had all kinds of books... there is no man in France with better kept books than mine were... but they were kept in my own manner,”²⁷ the provisional trustees found ample room to disagree over whether a man who had once managed nearly

²⁴ See BNF 4-FM-9324 Duparc, Milliard et Baudry ‘Rapport de Mm. les syndics provisoires de la faillite Demiannay l’ainé lu a l’assemblée générale des créanciers le 14 février 1837’ (Rouen: F. Baudry, 1837)

²⁵ His screams were apparently audible down the street. See Testimony Rampal June 6 1836 *Journal de Rouen* June 9 1836

²⁶ In AN BB 30 279 “Projet sur les faillites et banqueroutes” one of the most persistent complaints vocalized by the Chambers of Commerce to the Minister of Justice was the need for all classes of society, and most particularly small merchants, to be held responsible for bad book keeping.

²⁷ Testimony of Charles-Denis Demiannay, May 26 1836 BNF MICR 8-FM-853 pp. 157-158 also *Journal de Rouen* May 28 1836.

100 million francs worth of funds annually had ever possessed a personal fortune.²⁸

Individuals listed as creditors in Demiannay's books declared themselves debtors. Others, supposedly debtors, claimed they were in fact creditors.²⁹ One of Demiannay's former clerks testified that the banker couldn't tell which side was "credit" and which side was "debit" in his Great Book.³⁰ Demiannay had purportedly rebuked employee efforts to correct the book keeping.³¹ The bank's bad records lay at the heart of the bank's demise in another way: nearly three million francs had entered the portfolio without any trace as to where they had gone.

Secondly, there were the creditors paid between November 20th and November 23rd. The trustees successfully lobbied to set back Demiannay's bankruptcy to November 20th, the date of the first protested bill. Yet this change proved only minimally effective in obtaining reimbursement. Twenty-nine creditors were successfully prosecuted, including Denis Lallemand, Demiannay's brother-in-law, who had been given 50,000 francs. Yet legal costs taken out of Demiannay's assets came to 80,000 francs.³² Most of the paid creditors were able to use the Commercial Code to claim that their payments were valuable given that they acted in good faith and in ignorance of the true state of Demiannay's discredit.³³

Demiannay's childrens' claim on his property was also problematic. Demiannay had married in 1815, in the wake of two decades' worth of momentous changes to family property and inheritance law brought about by the Revolution and the Civil Code.³⁴

Demiannay and Geneviève Lallemand shared a Norman customary form of marital

²⁸ See Testimony Leblond and Testimony Thézard 26 May 1836 BNF MICR 8-FM-853 pg. 176 Demiannay apparently kept no general accounts in the great book, no overview of the cash register, nor the bank's holdings, nor of profits and losses, and no mention of the house's daily expenses. Among the books that had been kept, there were some 1,500,000 francs worth of simple accounting errors.

²⁹ ANMT 68 AQ 12 "Rapport fait par les agents de la faillite de Msr. Demiannay aîné, banquier à Rouen aux créanciers de cette faillite à l'audience de 18 dec 1830"

³⁰ BNF MICR 8-FM-853 158

³¹ Testimony Kaul June 7 1836 *Journal de Rouen* June 10 1836

³² See ANMT 68 AQ 12 letters from Lemarchand dated 29 August 1832 and 28 December 1832 also BNF 4-FM-9324 Duparc, Milliard et Baudry "Rapport de Msrs. les syndics provisoires de la faillite Demiannay l'aîné lu à l'assemblée générale des créanciers le 14 février 1837" (Rouen: F. Baudry, 1837)

³³ Code de Commerce 1807 Book III, articles 442-447.

³⁴ See Margaret Darrow *Revolution in the House: Family, Class and Inheritance in Southern France, 1775-1825* (Princeton: Princeton University Press, 1990):56-85 and Suzanne Desan *The Family on Trial in Revolutionary France*, (Berkeley: University of California Press, 2004) Ch. 4

community in which all but the inherited immovable properties of the partners entered into the marriage arrangement. Upon the death of one spouse, the surviving spouse received half and the children got the other half. Demiannay had thus only had usufruct over the property that rightfully belonged to his three underage children. Yet, contrary to the stipulations of both the Commercial and Civil Codes, Demiannay had not created a complete property inventory after his wife's death. The court-appointed expert Adolphe-Arnould Le Prevost would have to painstakingly reconstruct Demiannay's fortunes in 1826. Using this estimate, the childrens' surrogate guardian, another Demiannay brother-in-law, Amedée Lallemand, claimed that the children had a right to 800,000 francs, their portion of the estate.³⁵

The Code of Commerce had sought to establish firm ground for distinguishing good and bad faith in bankruptcies, separating *faillite*, *banqueroute simple* and *banqueroute frauduleuse* based on a bankrupt's intention. Demiannay's behavior aroused suspicion. Thézard, one of the original trustees, spoke of "guilty calculation" explaining that "when a man is in business and he buys considerable property and spends considerable amounts of money on these properties, that man can only have one thought: 'If I succeed, I will be very rich, if I go under, I will still have my wife's possessions.'"³⁶ Trustee Leblond, who believed in avoiding criminal investigations as much as possible, urged Demiannay to agree to a settlement of 40% payment with his creditors. Demiannay refused to budge from 35% in the interests of his children. However, the former banker promised 50 to 60% dividends to the *masse* if they could apprehend the man on whom he blamed his ruin: his nephew, François Demiannay.³⁷

³⁵ Demiannay claimed he had not made such an inventory because it was a costly and time-consuming procedure and he had not intention of remarrying. See BNF 4-FM-9324 Duparc, Milliard et Baudry 'Rapport de Mm. les syndics provisoires de la faillite Demiannay l'ainé lu à l'assemblée générale des créanciers le 14 février 1837' (Rouen: F. Baudry, 1837)

³⁶ BNF MFICHE 8-FM-853 pp. 178-179

³⁷ Testimony Leblond 13 June 1836 *Journal de Rouen* 17 June 1836 Leblond, however, was suspected of having been overly partial to François having done 80,000 francs worth of business with him, and very little with Demiannay himself. *Gazette des Tribunaux* 17 June 1836

François (for he was universally called by his first name) was the son of Demiannay's brother, a village laborer. At age 15, the boy's head for figures had attracted his uncle's attention. He was taken into Demiannay's bank and, like his uncle before him, rose rapidly. After the death of Madame Demiannay, who had run the bank counter, Demiannay had retreated from the bank's daily operations, concentrating almost exclusively on real estate investment and litigation.³⁸ While François' official role in his uncle's bank was unclear, and would become an issue of vital importance at the trial, the nephew apparently acted as the veritable manager.³⁹ Barely twenty when put in this position, François, by his own admission, "abandoned himself with all the fire of his ebullient character to the passions of youth. He wasted money. He made mistakes."⁴⁰ His costly love affairs were the talk of Rouen, and he allegedly used bank accounts in third party names to pay for such extravagances.⁴¹

More dangerous were his professional ambitions, upon which Demiannay and his trustees blamed the fall of the Demiannay bank. François, who "burned to bring his house to the highest degree of prosperity," sought out equally enterprising correspondents, particularly in Paris.⁴² He dramatically expanded not only the scope of Demiannay's circulation of notes, but also the size of the house: between 1826 and 1830, the bank's staff grew from two clerks to 25.⁴³ These employees, nominally working for the uncle, owed their jobs to François, who

³⁸ It appears that Madame Demiannay had handled the bank's counters before her death.

³⁹ At the trial, François insisted that he has a part in the benefits of the house but not the losses (Testimony François Demiannay MFICHE 8-FM-853 pg. 161) Demiannay himself testified that at the death of his wife, Demiannay expressed his wish to give his nephew 25,000 to 30,000 fr and open a credit of 100,000 fr (but not make him associate or give him interest in company) in response to which his nephew supposedly tearfully said he did not want to benefit from the death of his aunt. Pagny, a former Demiannay clerk, testified that he had heard it rumored that Madame Demiannay had said in 1821 that François should be considered as a manager not a simple employee. Another former clerk testified that he had always dealt with François, not with the uncle, and that François had once asked him to change the amount in a book. (MFICHE 8-FM-853 pg. 182) Coutelier, a gold worker, said that François, to whom he sold jewelry, passed as his uncle's associate. Letourneneux, public prosecutor, emphasized the fact that it does not appear that nephew was ever given an actual share so this makes him "head of clerks" but still a clerk and thus his actions reprehensible. Also says that the title of "pledged man of service" is appropriate for François. See *Journal de Rouen* 26 June 1836

⁴⁰ BNF 4-FM-9337 François. Demiannay, "Mémoire pour François Demiannay neveu, première partie" (Rouen: Imprimerie de Mégard, 1832) 13.

⁴¹ BNF 4-FM-9322 Cour de Rennes (Rennes: Imprimerie de Marteville, s.d [1836?]) 21. His affair with the leading actress of the Rouen theater, Mademoiselle Dangremont, alone was estimated at costing over 300,000 francs. The judicial investigation thought that François' constant need for money arose from such penchants.

⁴² BNF 4-FM-9337 13-14 and "L'affaire Demiannay" *Journal de Rouen*, June 13, 1836, pg. 2

⁴³ MICR BN 8-FM-853 "Faits Generaux: Acte d'Accusation" 2.

proved easy to manipulate when his employees discovered operations of which the uncle might disapprove.⁴⁴ As one account put it, under François, “there were, within the Demiannay house, two houses”: the trustworthy old-fashioned business that the uncle had taken over from Détancourt and the more ambitious enterprises of the nephew.⁴⁵

This “new bank” consisted of associations largely hidden from Charles-Denis Demiannay. Alexandre Cotman, who had come to Rouen in 1827 as a traveling salesman [*commis-voyageur*], and had thereafter established two commercial outfits, one in Rouen and one in Le Havre, was one such relation. Cotman apparently used the young man’s passion for women and parties as an inroad to even more unsavory business connections.⁴⁶ Sources differed as to the exact nature of their relationship, but, supposedly, in exchange for unlimited credit at the Demiannay bank, Cotman gave François Demiannay, personally rather than in the name of his bank, a 25% share in his yearly profits.⁴⁷ In the hopes of nourishing Cotman’s affairs and thus his own, François sent commercial paper to Cotman, neither mentioning its departure in the official bank books, nor debiting Cotman’s own account at Demiannay’s bank. Paper that François received from Cotman, however, was scrupulously noted in the Demiannay books. Thus, on November 23 1830, Cotman appeared as a creditor for 500,000 francs, whereas he actually owed François around 1,300,000 francs.⁴⁸

Another one of François’ closest correspondents was James Rollac, who had established a bank in Paris in 1824 (at age 25) with relatively insignificant capital. The two men kept running accounts at each other’s banks, but also charged each other with recoveries

⁴⁴ Testimony Deslandes MFICHE 8-FM-853

⁴⁵ *Journal de Rouen* July 5 1836

⁴⁶ letter addressed from François Demiannay to judge of instruction July 18 1831 quoted in Examination François Demiannay BNF MFICHE 8-FM-853

⁴⁷ The exact nature of the association between Cotman and Demiannay was of considerable importance and considerable controversy. Cotman alleged that it had only been a “project” while François said that he had been interested for 25% in Cotman’s affairs, but only because of the services François had run for him in Paris. Others said there was considerable talk of an association between the two men. For example, the banker Thurin, who said that there was public talk of an association between François and Cotman, remembered one day walking in on the aftermath of some argument between the two of them where François appeared to be shaking and was threatening Cotman. Testimony Thurin 7 June 1836 *Journal de Rouen* 10 June 1836

⁴⁸ BNF MFICHE 8-FM-853 “Faits Generaux: Acte d’accusation”

of debts in their respective regions. This relationship, ostensibly favorable to the young Parisian banker, was in fact quite onerous. Bankers like Rollac who were not widely known had to rely on connections with those who were. Yet such dependence was risky. François sent drafts that Rollac was forced to pay on sight, often without prior warning. Rollac found himself habitually uncovered with the Demiannay bank. Rollac was forced to negotiate his own bills rapidly and at increasingly steep discount rates. “In this manner,” Rollac complained afterwards, “I ruined my credit. To not pay was to expose my credit, for one would not have believed in the market that Demiannay did not have the funds, one would have rather thought that James Rollac was not up to the task.”⁴⁹ Rollac would tell the court later that he had treated the accounts of Demiannay the Elder and François Demiannay nearly interchangeably, since Rollac regarded François as the *de facto* bank manager. Claiming that “between bankers, there are no deposits, just running accounts,”⁵⁰ Rollac also transferred the credit on bills sent from Demiannay in Rouen for recovery into Demiannay’s running accounts as means of satisfying his ever-present debts.

This situation became even more serious when an operation that François Demiannay had undertaken with James’ younger brother Charles soured in the aftermath of the July Revolution. The two men had been circulating what was called accommodation paper, meaning there was no actual money in deposit, merely an agreement to sign each other’s notes in order to facilitate their circulation and negotiation. François Demiannay had put out nearly 1,400,000 francs worth of such commercial effects from Charles Rollac. When Rollac told him that neither he nor his clientele would be able to pay, this would have meant that third-party holders would put the full onus of payment on Demiannay’s bank, a position it was unable to fulfill. A panicked François begged James Rollac for help, but the quality of the paper that the Parisian banker could provide as cover was also doubtful.

⁴⁹ BNF 4-FM-9313 “Affaire Demiannay: Premier mémoire présenté par James Rollac à la chambre d’accusation de la cour royale de Rennes” (p. 17)

⁵⁰ Testimony James Rollac June 1 1836 *Journal de Rouen* June 5 1836

Indeed, the trustees' reports and balance sheets of Parisian bankruptcies in 1830 and 1831 reveal a stark picture of the kind of paper Demiannay's bank would have received from its Paris correspondents. James Rollac stood as creditor to several banking houses, like those of Jean-Baptiste Bouvard and of Guichard and Company, which had apparently been propped up for years by little more than the circulation of accommodation paper.⁵¹ When the Revolution struck and business confidence was shattered, their fortunes crumbled. The firm Gros and Chamu, cloth wholesaler, significant debtor to Charles Rollac, figured in over 30 bankruptcies.⁵² On the balance sheet of the banking company Goldsmit and Company, Demiannay was listed as a creditor for 6400 francs, Charles Rollac for 11,000 francs and James Rollac for 20,000 francs. This English partnership had nearly folded only three years previously. Its provisional trustee explained in his report that "not knowing the Paris scene very well, they were soon surrounded by a crowd of men of sketchy or extinguished credit who had little or no resources, it was not long before they were victims of their inexperience."⁵³ The result of the unfortunate association between the Rollacs and Demiannay would be 1,500,000 francs in commercial paper negotiated by James Rollac protested and denounced by the bearers and more than 70,000 francs of the same sort from Charles Rollac.⁵⁴

Indeed, François often found that he had too hastily accorded credit to dubious houses. When such clients were threatened with insolvency, the Demiannay house reaped the consequences. Wishing to avoid the damage this could do to the credit of his own bank, François sometimes deliberately hid the traces of bad loans. For example, Bolbec laborer Pierre-Jacques Lemaignant owed the bank 40,000 francs which he professed completely unable to reimburse. François, apparently fearing his uncle's brutality, downgraded the debt

⁵¹ AP D11U3 85 D. 6862 'Dossier Jean-Baptiste Bouvard' and AP D11U3 85 D. 6662 "Dossier Guichard and Company"

⁵² AP D11U3 84 D. 6656 "Dossier Gros and Chamu"

⁵³ AP D11U3 85 D.6663 "Dossier Goldsmitt and Company"

⁵⁴ BNF MICR 8-FM-853 'Faits generaux: acte d'accusation' pg. 5

in the books without telling his uncle.⁵⁵ After Demiannay's bankruptcy, Lemaignant remained mum on this point. Villaret was granted 60,000 francs of uncovered credit with the Demiannay bank in 1829, despite having declared bankruptcy and been able to pay back only 5% to his creditors just a few years earlier. Louis Léveillé owed the Demiannay bank over 58,000 francs in 1827 when he was close to bankruptcy. François consented to advance Léveillé a substantial additional loan in long-term obligations so that Léveillé could pay off his one recalcitrant creditor and make a friendly arrangement with the others. This arrangement was kept off the books. When Demiannay went bankrupt, Léveillé claimed to be so terrified that his own creditors would find out that he owed such a substantial amount of money to a failed bank, that he hid the debt from them.⁵⁶

François tried to compensate for the bank's lagging bottom line through increasingly risky ventures. He wrote to a friend "you know the severity of my uncle in my regard, I was obliged to hide my losses from him, therefore, wanting to make up for them, I took up operations in merchandise, but I am now even worse off."⁵⁷ These speculations on merchandise were either paid for directly with effects taken from his uncle's portfolio and only partially debited or funded to accounts under assumed names at third-party banks. They were often partnerships with his business friends, and ranged from operations in eau-de-vie, to indigo, to wine, to an attempt to monopolize the market for bricks of a reddish dye [*garance*] in which the François invested over 1,300,000 francs. If Demiannay nephew mentioned the operations to his uncle, he did so as merely finance affairs rather than as

⁵⁵ Ibid, 12.

⁵⁶ *Journal de Rouen* June 24 1836 L'affaire Demiannay 21 June 1836 and Testimony Theodore Legrand 20 June 1836 *Journal de Rouen*. Léveillé's brother, who had known about the hiding of the debt that Léveillé owed to the Demiannay house, defended his actions in the following manner "if his [Louis'] creditors knew that he owed so much to the Demiannay house, they would have tormented him, put him into bankruptcy, and between a lie and dishonor, I lost my balance."(*Journal de Rouen* June 24 1836)

⁵⁷ Letter from François Demiannay to Lebaudy, 25 April 1831 quoted Cour des Rennes (BNF 4-FM-9322) 25.

involving the actual purchase of goods with the intention of resale at a profit.⁵⁸ Such speculations would end up losing the Demiannay house around 500,000 francs.⁵⁹

As his house became desperate, François called upon Cotman to help him discount paper. The chain seems to have started with James Rollac who, in need of money, asked François to balance the Demiannay account with the Rollac bank. François initially addressed Thuret, but the banker, who had had bills passed to him from Demiannay's bank protested in mid August,⁶⁰ needed more solid backing than François' word. Cotman proposed to avoid the unstable Parisian credit market by drawing on funds from correspondents abroad. They would have the firm Boué and Dumas in Paris draw on its London correspondents Chapeaurouge and Company 15,000 pounds sterling (376,000 francs) to Cotman for the Demiannay account. In return, François Demiannay would provide a provision to Boué and Dumas, since the Demiannay's bank's situation was apparently so bad at this point that no one would accept uncovered. François thus deposited nearly 500,000 francs worth of commercial effects (many of them of dubious worth) with Boué and Dumas and additional partial payment to Chapeaurouge and Company, all of which done without the apparent knowledge of the uncle. Cotman would then have the bill endorsed by Thuret who would furnish the value in francs to Cotman who would place them in Demiannay's account at his bank.

Thuret, born the same year as the elder Demiannay, presented a striking study in social contrasts. Thuret was the well-educated product of a distinguished line of wealthy Dutch merchants, themselves descendents of Huguenot nobility who had fled France after the revocation of the Edict of Nantes.⁶¹ Trained for commerce from an early age, Thuret started a

⁵⁸ See BNF 4-FM-9322 Cour Royale de Rennes (Rennes: Imprimerie de A. Marteville)

⁵⁹ Ibid, 18.

⁶⁰ ANMT 68 AQ 8 Conclusions motivées pour M. Thuret defendeur contre les syndics de la faillite Demiannay, demandeurs et contre le Sr. Demiannay, failli, intervenant (Lyon: Dumoulin, Ronet et Sibuet, Imprimeurs, 1840) 13 See also ANMT 68 AQ 8 "Affaire Demiannay: Resumé pour M. Thuret" (28 fev 1835) 14

⁶¹ See Pierre Thuret *Histoire et Genealogie des Thuret* (Paris: chez Pierre Thuret, s.d.)

partnership in 1790 involving the provisioning and insuring of East India Company coffee ships from Java. In 1809, he had moved his family to Paris where he served as General Consul of the Low Countries. Thuret started his own bank in the year 1815, which soon became one of the most important in the capital. He claimed to have been naturally distrustful of the Demiannay house and, prior to 1828, had only minor business relations with the Rouen bank. Cotman and Thuret, however, were jointly interested in a large-scale wheat operation for which Thuret held the merchandise in consignment. Apparently trusting Cotman, and feeling that the merchandise served as pledge, Thuret took in Demiannay's paper, in quantities nearing 1,000,000 francs in July 1830.⁶² But after the Revolution struck, the cautious Thuret began to doubt the solidity of the Demiannay firm. Cotman assured him of Demiannay's good credit, apparently going so far as to offer a verbal guarantee that rendered Cotman accountable for any debts defaulted by Demiannay. Thuret thus continued to accept the paper even after many banks had stopped discounting it.

By late November, the Demiannay house was in desperate straits. With the Rollac brothers refusing to intervene on the acceptation, the first protest "lack of payment" was filed November 20th. That night, a panicked François threw some papers, as well as 40,000 francs in commercial effects from his uncle's portfolio, into a sack and secretly left Rouen in a friend's carriage. Shortly before his departure, his friend and business correspondent Robert-Alexandre Jardin demanded coverage for the over 300,000 francs in accommodation paper that Jardin's house had signed for Demiannay. Jardin was perhaps additionally worried because Cotman had been one of the pillars of Jardin's credit, allowing him to expand beyond his modest start-up capital.⁶³ If Cotman too was to be brought down by Demiannay's demise, Jardin feared his own ruin. Claiming he would do more for Jardin later, and "wanting to save

⁶² BNF 4-FM-31239 "Mémoire pour M. Thuret contre les syndics définitifs de la faillite Demiannay" (Lyon: Imprimerie de Dumoulin, Ronet et Sibuet, 1840) 8.

⁶³ Testimony of Robert-Alexandre Jardin BNF MICR 8-FM-853 pg. 166

his honor but not knowing what I was doing, my head not being anymore my own,”⁶⁴ François gave Jardin a draft worth 13,000 francs endorsing the bill with a double blank signature as if it had been transferred first from Demiannay’s bank to François Demiannay personally.⁶⁵ Jardin back-dated the entry of the effects in his books and discounted them for his own use.

François had made it to Le Havre by the next morning and was awaiting a boat to England when Cotman, tipped off to his whereabouts, met up with him, reported that his uncle had accused him before the creditors of stealing the bank’s assets and causing its collapse, and that a warrant was out for his arrest. Cotman then persuaded the terrified François to give him the papers, many of which he subsequently destroyed insisting that they were “not of a commercial nature.”⁶⁶ Jardin came to Le Havre searching for François, who had already left. Jardin found Cotman who gave him some of the effects. Jardin then tracked down François at Vittlefleur where François was hiding with a friend of Cotman’s and begged him to sign and backdate them in order to save his own firm from embarrassment. From London, François signed and backdated several along with several other letters, which would be used to guarantee transactions he had made with Cotman.⁶⁷

It took years to dig through the subtleties and ruses of the bankruptcy. François was finally arrested in August 1831, after having moved successively from England to Belgium and Switzerland. By this time, almost all the parties involved—the Rollacs, Boué and Dumas, Léveillé, Lemaignant, Chapeaurouge and Company in London-- had themselves gone bankrupt. This posed an additional problem for Demiannay’s creditors. The trustees of these bankruptcies, wishing to conserve the remains of their debtors’ fortunes, were often

⁶⁴ Testimony François Demiannay BNF MICR 8-FM-853 May 27 1830

⁶⁵ For an explanation of signatures in blank see Ch. 2. A blank signature was considered “irregular” and would allow for the discounting of the bill but not its transfer.

⁶⁶ 8-FM-853 pg. 165

⁶⁷ Testimony Kaull These letters were transferred back to France by a former employee of the Demiannay house named Kaull, who Cotman later payed 50,000 francs, apparently a gratification. Cotman alleged these were merely a “advance” for Kaull to start up a business as a *courtier-marron* in Paris although Kaull said that he had discarded that ambition as early as 1829 and Cotman knew this.

reluctant to comply with the trustees of the Demiannay bankruptcy and vociferously defended their bankrupts against the imputations of immorality leveled against them.⁶⁸

After Demiannay's fall, Cotman said nothing of his actual state of affairs with the Demiannay house. Thuret continued to extend credit to Cotman even after the bankruptcy of both Demiannay and Boué and Dumas, on the pledge he had through the consignment of grain shipments.⁶⁹ However, the trustees began to suspect that Cotman was in fact a debtor to Demiannay. In January 1831 they seized Cotman's books, which employees had thoroughly cleaned of traces of the actual debts between the two men, purportedly on the orders of Cotman's frightened younger brother.⁷⁰ Cotman was imprisoned in March 1832 and declared bankrupt in December 1832. At the time of his bankruptcy, he had around 550,000 francs in commercial paper. His debt to Demiannay, however, was estimated as exceeding two million.⁷¹ If Cotman had taken these values from the Demiannay portfolio, where had they gone?

Demiannay's trustees claimed that the answer, and the values, rested with Thuret. Cotman had supposedly given Thuret a set of guarantees by which he promised to secure whatever debt Demiannay owed the house. There were two for specific sums of money in mid August 1830, and one "general guarantee" to ensure all the bills that Demiannay had sent Thuret *via* Cotman supposedly made in late October. The trustees argued that these guarantees had actually been made after Demiannay's bankruptcy, on December 6th 1830, and then backdated, with Thuret knowing full well Cotman's position *vis à vis* Demiannay. Then

⁶⁸ 8-FM-853 Acte d'Accusation pg. 47. See also dossier of James Rollac AP D11U3 When the syndics of the faillite Demiannay had begun to suspect relations between Demiannay nephew and James Rollac, they had asked Rollac's syndics to see his accounts but had been greeted with such evasiveness and resistance that a special commission had to be sent to Paris to obtain information concerning Demiannay nephew's account with Rollac. Considering that James Rollac, who wasn't arrested until March 1832, was directing syndic at that time with the help of his two former *commis* Kisoeus and Urbistundo. One of the syndics, Salmon, gives the accounts to the syndics of the Demiannay bankruptcy but finding lots of info missing, the syndics of the Demiannay bankruptcy charge that the books have been cooked with the help of Rollac's syndics.

⁶⁹ ANMT 2003 060 371 "Letter from I. Thuret to A. Cotman, 27 Nov 1830"

⁷⁰ Testimony Léprovost, Cotman and Ferry June 6 1836 *Journal de Rouen* June 9 1836

⁷¹ BNF 4-FM-9320 Duparc, Baudry aîné et Millard "Tableau justificatif du prejudice éprouvé par les créanciers Demiannay l'ainé, de Rouen" (Lyon: Imprimerie de Nigon, 1843) 1-3

François in London had signed letters, likewise antedated, in which he declared that Cotman would not be done with the debt he owed the Demiannay house until he had paid off Thuret as well. Thuret disclaimed any knowledge that François had written such letters to Cotman. He proclaimed that he had been unaware of Cotman's position, citing the sizeable advances he had continued to make to Cotman after Demiannay's bankruptcy, and had merely made good on pre-existing guarantees to pay debts. Liquidating his bank in 1830, Thuret had called debts in from many of his correspondents. The trustees had injured their own cause by pursuing Cotman criminally rather than commercially. This was their loss, and the loss of the *masse*, but not his fault: "in conscience as in law, a vigilant creditor should not be held responsible for the losses that another creditor causes himself."⁷²

But the trustees were hardly satisfied with such an answer. In August 1832, the expert Leprevost requested to see Thuret's books.⁷³ He found Demiannay bills amounting to 150,000 francs coming from Cotman after the bankruptcy and then scratched out and entered at an earlier date. Thuret insisted that this was the result of a clerical error, and that the bills had in fact been given to him months before, but he had refused to accept paper with such bad signatures and had demanded that Cotman find better paper, which Cotman had never done. Thuret's books at the General Consulate in Paris were seized while Thuret himself was out of the country. The guarantee and the 150,000 francs were to provide the trustees with fodder for accusations that Thuret has gotten back both what Cotman owed him and Demiannay's debt, and had additionally given Cotman a means of compensation against the Demiannay bankruptcy and of forestalling his own bankruptcy at the expense of Demiannay's creditors.

⁷² ANMT 68 AQ 8 27

⁷³ LePrevost's expertise came under dispute both in the court, where he was accused of taking a bribe from Villaret (see *Journal de Rouen* June 3 1836) and in various memoirs. Thuret alleged that the book keeper had fled to Belgium at one point to avoid his own creditors and has had a musician love-rival beat up "leaving a scar on the musician's face" (BNF 4-FM-9313 10)

Such connections were difficult to prove. Unconventional means were employed to implicate the accused. Among the key pieces of evidence that incriminated François Demiannay and Alexandre Cotman was a secret correspondence carried out in prison through the intermediary of a Swiss watchmaker named Rudolphe Malhy, condemned to a year for complicity in adultery. Posing as a friend of François, Malhy had kept the letters and had offered to sell them to the parties before leaving prison in payment of the debts the two had allegedly run up for his various services.⁷⁴ Unable to find a buyer there, Malhy was well compensated by the bankruptcy trustees, who offered him 1500 francs reward for the correspondence.⁷⁵ The letters that the trustees had in their hands proved without a seeming doubt the criminal nature of the events that had passed between François, Cotman and Jardin, revealed Cotman's efforts to get François to retract earlier statements he had made incriminating Cotman, and contained some weighty insinuations hinting at Thuret's protection. Malhy, it turns out, had been implanted by Carbonnier, a Rouen magistrate who had lost 30,000 francs in Demiannay's bankruptcy. The magistrate explained that while espionage might appear dubious and "as a judge, I would not employ intrigue ... as a man I can profit from it."⁷⁶ Carbonnier had supplied detailed instructions to the prison staff in order to facilitate contact between the prisoners and had undertaken his own investigation into the case.⁷⁷ It was a happy example of interest and duty coming together. "I have, as a judge, the desire to repress crimes," Carbonnier declared, "As a creditor, I had the desire to protect my interests."⁷⁸

Financial Morality on Trial: The Demiannay Affair at Rennes, 1836

"There is something more dangerous than the most dangerous of crimes; these are the theories that systemize crimes, and which, through sophisms, blur the boundary between good and evil.. there would be something more dangerous than crimes which shake the bases of the

⁷⁴ *Journal de Rouen* June 10 1836

⁷⁵ *Journal de Rouen* June 10 1836

⁷⁶ *Gazette des Tribunaux* 19 June 1836 pg. 725

⁷⁷ Testimony Carbonnier June 15 1836 *Journal de Rouen* June 18 1836

⁷⁸ *Ibid*

social order, that would be if the theories that these propagate receive sanction from your verdict.”⁷⁹

On May 23, 1836, the trial opened in the Royal Court of Ile-et-Vilaine in Rennes. The case had been sent to the Breton jurisdiction because over half of the judges in Rouen were either personal creditors of Demiannay or close relatives of creditors, and the local press had shown itself hostile to the accused.⁸⁰ The reading of the formal list of 158 charges against the nine accused— François Demiannay, James Rollac, Auguste Legouès, Robert-Alexandre Jardin, Alexandre Cotman, Louis Léveillé, Pierre Villaret, Pierre-Jacques Lemaignant, and Jean-Jacques Raillanne-- comprised 142 pages and lasted two full days.⁸¹ 113 witnesses took the stand in a process that endured 46 sessions. In fact, the Rennes trial was two trials in one. First, it was a criminal trial against François and the “despoilers” of the Demiannay house, charged with forgery and theft. Second, it was civil trial to determine if Demiannay would be charged with *banqueroute simple*, an accusation leveled against him by Thuret, who had narrowly avoided criminal prosecution himself.⁸² Yet it was above all a trial to determine the causes of the house’s collapse. As the trustees’ lawyer expounded, the jury was asked “to assign the blame for our misfortune: either to that old man, who ... has come here to repeat the same complaints with which he has troubled the courts for so long, or the accused, to whom the past had seemed to promise a future much less unhappy than the one which has brought them before you.”⁸³

By May 1836, Demiannay’s deficit, originally evaluated in December 1830 at 2,448,061 francs had been increased by LePrevost’s research to 4,503, 136 francs. This evaluation, however, was optimistic: it counted Cotman’s outstanding debt as an asset rather than a liability. Given that Cotman was insolvent, the real deficit exceeded 6,000,000 fr.

⁷⁹ Speech Odilon Barrot *Journal de Rouen* July 16 1836

⁸⁰ *Gazette des Tribunaux* 21 September 1834

⁸¹ “Acte d’Accusation: Faits Generaux” reprinted 8-FM-853 p. 146

⁸² Thuret was initially accused with the others but then the charge was dropped (27 October 1835) and then he introduced the charges of *banqueroute* against Demiannay. The initial *banqueroute* charge was either fraudulent or simple, but evidence was not found to be sufficient to put Demiannay on trial for the former.

⁸³ *Journal de Rouen* June 25 1836

while Demiannay's assets were around 3,700,000 francs.⁸⁴ The prosecution claimed that 3,380,000 francs unaccounted for were the work of the accused who had, knowingly, and for their own material benefit, defrauded the bank.⁸⁵ The 158 charges that pended against the nine accused fell into a few general categories. One concerned the disappearance of bills that had belonged to the Demiannay portfolio and had apparently been sent to James Rollac for recoveries in Paris. These bills, which had often come from the Rollac bank in Paris and had been sent first to the Demiannay bank in Rouen for negotiation, had either ended up in a personal account at Rollac's bank under variations of François Demiannay's name and had subsequently been transferred by Rollac into Rollac's personal holdings, or else had been taken out by Rollac in the name of assumed parties (for example, under the name of his mother). The court investigators supposed that the spoils were to be shared between Rollac and François Demiannay. A similar abuse revolved around the creation of bank accounts under the names of other, presumably complicit individuals, such as the banker Auguste Legouès, which were subsequently filled with effects that had never been recorded as having left the Demiannay bank. These were in addition to the even more incriminating relationship between François and Cotman, wherein neither the official books of the Demiannay nor the Cotman bank showed the true nature. Instead, a secret notebook revealed the extent of Cotman's debt.

There were also accounts set up at third party banks, under either François' name or the name of business partners, used to buy merchandise. While some of these partners were dead, others, like Raillane, were indicted as well. Then there was the reduction of debts, like those of Villaret and Lemaigent from bankruptcies, without the uncle's knowledge. These last two were indicted because they actively misled investigators about the nature of their relations with the Demiannay house after the bankruptcy. Lastly, there were charges relating

⁸⁴ Faits Generaux: Acte d'Accusation BNF MICR 8-FM-853

⁸⁵ BNF 4-FM-9324 Duparc, Milliard et Baudry 'Rapport de Mm. les syndics provisoires de la faillite Demiannay l'ainé lu a l'assemblée générale des creanciers le 14 février 1837' (Rouen: F. Baudry, 1837) 8

to François' flight, which ranged from taking money out of his uncle's portfolio to the backdating and personal use of effects by Cotman and Jardin.

Yet the actions of François and his business correspondent were hardly as blatant illegality as they may initially appear. Such practices as the absorption of recovery accounts into general accounts to help balance the books between business correspondents were hardly abnormal commercial practices. Key points of contention revolved around Demiannay the Elder's knowledge of François' actions and the actual position of François in the company. While it was certain that Demiannay the Elder had never given his nephew a written right of procuration, as should have been required, it was equally acknowledged that the uncle had trusted his nephew with his business and that others had believed François to be the manager of the bank. Many of the acts which amounted to fraud if done by François alone were in fact merely bad business management if the uncle had allowed him control. Another extenuating circumstance was the poor book-keeping of the Demiannay firm itself. Furthermore, the firm's badly kept books, in which the trustees and expert were able to find over 150,000 francs in simple errors where fraud was not suspected, gave François Demiannay a tenable alibi against charges that he had deliberately obscured the truth in the books. Indeed, the defense's case rested on the fact that François Demiannay and his business correspondents had done things according to commercial "practice," and within a firm structure that was itself labile and ambivalent.

For the prosecutors, the condemnation would serve as an example of how laws defending property were not confined to punishing the poor, but applied equally to bankers who "stole" by means less easy to ascertain. Public prosecutor Letourneneux expounded that "equality before the law is one of the most precious triumphs of our modern social order and this trial furnishes us with a solemn occasion to show that it not a useless phrase inscribed on the preface of our codes." He added, "theft does not change its name because it is done on a

grand scale, it is not ennobled because it marches escorted by forgery, it is not diminished because it brings distress to an entire region.”⁸⁶ For the defense, theft depended on the intention of the so-called thief to steal. What François and his friends had done was speculate, albeit in an irresponsible manner. They had then been unlucky. François’s lawyer paraphrased Kant about the nature of just laws: “Judge actions by their sources and not by their success.”⁸⁷ In the eyes of the accused, only culpable intention, in fact, was that of Demiannay and the trustees, who sought to manipulate the bankruptcy for personal enrichment as well as to build a “pyramidal accusation” which transferred public outrage away from the banker himself. At the top of this pyramid was the one man capable of reimbursing the creditors: Isaac Thuret.⁸⁸

The stakes, as they were represented before the court audience, transcended those of the parties involved. The two opposing sides crafted discourses which centered on the notion of commercial honor itself. Recent work by Robert Nye and William Reddy has highlighted the importance of honor in post-Revolutionary French society. Aristocratic notions of honor had been dependent on birth and social order; those born with honor had merely to refrain from acts of dishonor. After the Revolution, when the dissolution of corporate society and a putative egalitarianism had rendered easy distinction between social ranks more difficult, personal reputation became paramount. Honor had been opened up to potentially anyone, a possibility as tantalizing as it was dangerous. Young men may have been encouraged to be ambitious, but an excess of ambition was not merely frowned upon socially as bad manners, it was potentially a form of madness.⁸⁹

⁸⁶ *Journal de Rouen* June 28 1836

⁸⁷ *Journal de Rouen* July 2 1836

⁸⁸ *Journal de Rouen* June 26 1836

⁸⁹ See Kathleen Kete, “Stendhal and the Trials of Ambition in Postrevolutionary France,” *French Historical Studies*, 28.3 (Summer 2005): 467-495, Jan Goldstein *Console and Classify: The French Psychiatric Profession in the Nineteenth Century* (Cambridge: Cambridge University Press, 1987) 159-161.

The value of honor was opposed to the motif of self-interest. But even as contemporaries were obsessed by honor, observers from all parts of the political spectrum bemoaned how the public sphere had become no more than a contest for private interests and how money ruled everything. Private interest permeated even those aspects of society which should have served public good, from the press all the way up to the king himself.⁹⁰ Karl Marx's reflections on the pre-dominance of self-interest in the July Monarchy are typical:

the same prostitution, the same shameless cheating, the same mania to get rich was repeated in every sphere, from the court to the Café Borgne... to get rich not by production, but by pocketing the already available wealth of others. Clashing every moment with the bourgeois laws themselves, an unbridled assertion of unhealthy and dissolute appetites manifested itself, particularly at the top of bourgeois society – lusts wherein wealth derived from gambling naturally seeks its satisfaction, where pleasure becomes debauched [*crapuleux*], where money, filth, and blood commingle. The finance aristocracy, in its mode of acquisition as well as in its pleasures, is nothing but *the rebirth of the lumpen proletariat on the heights of bourgeois society*.⁹¹

The kind of self-interest that Marx sees as dominating July monarchy France is not a rational one, nor is the society strictly speaking capitalist. It is rather a strange blend in which the values of the aristocracy and those of private greed have melded together. Jo Burr Margadant has seen the inability of Louis Philippe to maintain at one time an adherence to dynastic family metaphors and bourgeois meritocracy as the underlying contradiction on which the July Monarchy was based and the reason for its eventual downfall.⁹² Reddy has explained this apparent contradiction by the fact that what seemed to contemporaries as self-interest was not a competition over profit, but over the social rank that such wealth would purportedly buy. Self-interest had not been successfully cut off from the more “violent passions” by the

⁹⁰ For corruption in the press see Lawrence C. Jennings “Slavery and the Venality of the July Monarchy Press” *French Historical Studies*, Vol. 17, No. 4 (Autumn, 1992);957-978, for the predominance on money themes in theater see des Granges, C. (1904).. *Le Comedie et les Moeurs sous la Restauration et la Monarchie de Juillet*. For economic corruption under the July Monarchy see *La vie economique sous la monarchie censitaire*

⁹¹ Marx Class Struggles in France 1848-1851

⁹² Jo Burr Margadant, “Gender, Vice, and the Political Imaginary in Postrevolutionary France: Reinterpreting the Failure of the July Monarchy” *The American Historical Review*, Vol. 104, No. 5 (Dec., 1999),1461-1496.

nineteenth century, and retained a strong social component: to be self-interested was to seek social aggrandizement as well as personal wealth.⁹³

Commercial honor was particularly sensitive to such attacks, although the place of honor in business has gone curiously unmentioned in the discussion on honor in France. While commerce may have seemed based around the idea of self-interest, few fields used the term “honor” so much as businessmen.⁹⁴ Indeed, honor was so fundamental to commerce that its meaning was literal: to “honor” one’s engagements was to pay them, if a bill was “dishonored” it meant that it had not been paid on a protest. A merchant’s honorable behavior underlay the trust, and thus the credit, that he had available to him. What was at stake in the Demiannay trial was on one hand an ideal of commerce as an “honorable” profession in which merchants acted as intermediaries between producers and consumers and were thus depositories of public trust, and, on another hand, a vision of honor linked to ambition in which businessmen sought to expand the fame and fortune of their house through risk-taking and speculation. Each of these visions directly related to a vision of social order. While the former was based on one of hierarchy, where employees and family owed allegiance to the heads of households, the latter was based on more horizontal partnerships where businessmen trusted each other, if only in order to get ahead.

Both sides of the Demiannay trial sought to portray their opponents as acting in the calls of self-interest, of acquiring wealth through plunder, while alternatively situating

⁹³ This is the influential argument of Albert Hirschman in *The Passions and the Interests: Political Arguments for Capitalism Before Its Triumph* (Princeton, NJ: Princeton University Press, 1977)

⁹⁴ Although much work has been done lately on the “noblesse commercante” and notions of honorable commerce under the ancien regime--- see in particular John Shovlin "Towards a Reinterpretation of Revolutionary Anti-Nobilism: The Political Economy of Honor in the Old Regime," *Journal of Modern History* 72:1 (2000): 35-66 and Amalia D. Kessler, *Enforcing Virtue: Social Norms and Self-Interest in an Eighteenth-Century Merchant Court*, *22 Law and History Review*, 71 (Spring 2004)—very little has followed up on this in the 19th century Sara Maza’s controversial *The myth of the French bourgeoisie: an essay on the social imaginary, 1750-1850* (Cambridge: Harvard University Press, 2003) claims that the *fonctionnaire*, as opposed to the self-interested business person, became the standard for honorable professionalism in the post-Revolutionary era. This has been done much more extensively for England, where commercial values were not seen as at odds with the concept of honor. See Smail, J. (2005). "Credit, Risk, and Honor in Eighteenth-Century Commerce." *The Journal of British Studies* 44(3): 439-456. Bankruptcy itself was seen as a threat to masculine honor see Toby Ditz, (1994). "Shipwrecked; or, Masculinity Imperiled: Mercantile Representations of Failure and the Gendered Self in Eighteenth-Century Philadelphia." *The Journal of American History* 81(1): 51-80.

themselves as a defender of a certain vision of commercial honor. The famous lawyer and deputy Odilon Barrot, who headed Demiannay uncle's defense team, had perhaps the best grasp of how to use this vision, casting the elder Demiannay as the very essence of the good old-fashioned merchant who did not seek rapid enrichment and thus did not take risks. Demiannay "wasn't a gambler, he was, on the contrary, cautious, he didn't manage his business grandly and as François himself said "*à coups de canon*" those are the habits of the new commerce: he was a merchant of the old school [*la veille roche*] who left nothing to chance and did not advance unless escorted by guaranties. He had won his fortune bit by bit. He was prudent."⁹⁵

The question remained however, how did this so-called "prudent" man—"the most suspicious man on earth"⁹⁶ as Demiannay dubbed himself at one point in the trial-- end up placing his trust so carelessly? Demiannay's trust in his nephew had begun in 1816 when François had supposedly shown every sign of copying his uncle's "simplicity, frugality, economy." Even if he hadn't shown such promise, Odilon Barrot argued, family ties meant that any good man should place trust in his kin. Demiannay and his defense emphasized his loyalty to his family. The old banker went into raptures on his nephew's intellectual gifts (which the jury may well have doubted). He expressed a willingness to forgive François as a victim lost to flattery. "I was good to my family: my family cost me more than 200,000 francs" he said, "My nephews were treated like my own children."⁹⁷ This loyalty, which had also extended to his staff, had been met with the most grotesque of ingratitude. Odilon Barrot pointed to one of Demiannay's clerks, whom the banker had "taken from the mud" and raised as his own child. The clerk repaid Demiannay by hiding his nephew's ruinous operations and terming the uncle a "Bazile," after the calumniating and bigoted music teacher in Beaumarchais' comedies. Demiannay had trusted in the social order itself, in the loyalty of

⁹⁵ *Journal de Rouen* July 16 1836

⁹⁶ Testimony Demiannay *Gazette des Tribunaux* May 30 1836

⁹⁷ BNF MFICHE 8-FM-853 pg. 159

employees to their master and of family to their kin that should have been beyond questioning. It was modern society that had betrayed the old man's confidence.

Another aspect of Demiannay's downfall was that, in the fashion of "old commerce," he stayed at his bank and did not mingle in society. Odilon Barrot highlighted the cruel contradiction: "if he had been dissipated, if he had spent his life in the cafes or the drawing rooms, maybe he would have met someone who, in the casual banter of a life of pleasure, would have alerted him to his danger."⁹⁸ However, Demiannay's own insularity and concentration on his work had rendered him incapable of understanding the perverse world in which he lived as much morally as socially. This had precluded such encounters and had supposedly made it difficult for Demiannay to even perceive such immorality in others.

François and his friends were also presented as part of the new commerce by the way in which they aimed to get rich quick. The public prosecutor declared this deplorable tendency of the age to be the essence of the criminal trial:

The ambition to quickly make a fortune, that is the curse of our age, and in an epoch not too long ago, one judged with a too great disdain. Then commerce was a hereditary profession... One needed a man's life time, sometimes more, to found a fortune. The head of the family bequeathed to his children a wealth that was laboriously acquired but which had not cost any sacrifice of honor. Nowadays, it is in a few years, and sometimes a few months, that one can become rich. These rapid elevations, too often followed by unexpected falls, should be signaled out as pitfalls to avoid. It is written elsewhere *he who rushes to riches will not be innocent*.⁹⁹

While Demiannay was made to represent "the old commerce," François and his friends, even for their defenders, embodied a new form of commerce. Cotman's lawyer admitted "that there was ambition in these young heads, one would need to be blind not to see, but, in my opinion, in business as in politics, I believe in crossing the Rubicon; is that an ambition to steal?"¹⁰⁰ Even if François and his friends represented the speculative nature of the age, their lawyers wondered whether they should be blamed for an entire cultural phenomenon. In the

⁹⁸ *Journal de Rouen* July 16 1836

⁹⁹ *Le Droit* July 2 1836

¹⁰⁰ *Journal de Rouen* July 14, 1836

words of the lawyer Delangle, “you have been presented, in vivid colors, with the image of ambition tormenting spirits, the unbridled desire for riches depraving hearts, and, in the interest of public morality, one asks for condemnation that will give birth to a salutatory fear! But alas! How to impute to these young men the movement that seduced them and carried them away?”¹⁰¹

The court’s relentless interest in François’ sexual escapades far exceeded whether or not the banker’s nephew had dipped into the till now and then to please his ladies’ whims. The indictment of François began with the declaration that “François Demiannay had intimate relationships with many women” and pointed to “bundles of letters where cupidity is paired with the most disgusting libertinism.”¹⁰² Rollac and Cotman’s lawyers vociferously denied any special pandering that their clients had done to abet François’ philandering.¹⁰³ Demiannay’s side used such behavior to cast doubt on the accuracy of witnesses’ testimony. For example, former trustee Leblond’s critical evaluation of Demiannay’s behavior during his bankruptcy was explained away by the revelation that Leblond had once sold François Demiannay a diamond necklace (apparently on the sly) for his lover, actress Mademoiselle Dangremont, “for 1200 to 1500 francs.”¹⁰⁴ Demiannay’s disapproval of his nephew’s romances also allowed him a socially acceptable explanation of the accusations of “severity” continually leveled against him. “I gave him [François] a swipe,” the uncle admitted, adding that if another clerk hadn’t stopped him, “I would have thrown him out the window, I no

¹⁰¹ *Journal de Rouen* July 7, 1836

¹⁰² Cour de Rennes, 21.

¹⁰³ 4-FM-9312 “Observations pour M. Charles Rollac, ancien banquier à Paris (Rennes 1 July 1836)Of the fact that he has sometimes run favors for François’ women in Paris “What merchant or businessman, living in Paris, has not been confided with a similar task by a correspondent in the provinces?” Cotman declared “I have never in my life been a broker of mistresses!” and says that he is a married man with wife. He did admit to saying it was better for a young man to have a mistress rather than “frequent places of debauch” (BNF MFICHE 8-FM-853 p. 175)

¹⁰⁴ *Gazette des Tribunaux* 10 June 1836 Rampall testifies that there was an interest for the Demiannay house in Cotman’s bank. Demiannay uncle says that when there were rumors going around about his nephew’s relationship with the actress Dangremont, Rampall had offered to sign him 200,000 fr “to prove how false that was” (audience laughs)

longer knew myself... Yes! For that, it's true! I had spent so much money on him and he was going... yes, I struck him!"¹⁰⁵

Thuret was cast by Demiannay and the trustees as a symbol of financial and aristocratic power. They presented Thuret's unwillingness to come to the court, which he attributed to ill health, as a form of contempt that the banker supposedly held for the equality of the laws. They taunted him for thinking that his pedigree put him above the rules of commoners: "you are too great a *seigneur* to obey" mocked Odilon Barrot.¹⁰⁶ Despite his absence, Thuret loomed as an insidious force at the trial's proceedings, a man whose immense wealth threatened the impartiality of justice. The trustees' lawyer quoted a letter from the substitute king's procurer in which he lamented that "it would be indeed very painful to the magistrates in their modest position, wanting however to keep the character of minister of justice the dignity that is proper to it, to have to hear repeated for longer that provincial justice is useless against the millionaires of the capital."¹⁰⁷ To attack this sinister and potent financial force was to deny money the right to dictate laws.

For François and his fellow accused, the story of Demiannay's fall was both much simpler and much less dramatic than Demiannay depicted it. As Dalloz argued:

Demiannay who... cannot give any account for the values entered in his till, who did 100 million worth of business per year and had neither books nor inventories... Demiannay who distributed to favored or supposed creditors, the very day of his bankruptcy [*sic*], the common pledge of all, this same Demiannay... is today no more than an unfortunate, victim of his nephew, oh, he has been robbed, he is the most honest and unhappy of men, he has been despoiled!¹⁰⁸

¹⁰⁵ *Gazette des Tribunaux* May 30-31 1836 8-FM-853 pg. 177 *Journal de Rouen* 31 May 1836

¹⁰⁶ Odilon Barrot defense of Charles-Denis Demiannay *Journal de Rouen* 17 July 1836

¹⁰⁷ Letter from M. Tranchard to Barthe Minister of Justice 27 Nov 1832 quoted in the *Journal of Rouen* July 8 1836 L'affaire Demiannay 5 July 1836. Even the accused shared some of this sentiment. Rollac seems to take offense to the fact that Thuret's lawyers—Dalloz for example—seem to more and more separate Thuret's innocence from those of the others, saying that he "as a rich banker" is both different from the "vulgar co-accused" because they can get money out of Thuret and that lumping him with them is a tactic to besmirch his name. BNF 4-FM-28171 "Reponse de James Rollac aux attaques contenues dans les mémoires de J. Thuret" (Paris: Imprimerie de Decourchant, s.d.)

¹⁰⁸ Dalloz *Gazette des Tribunaux* 20 Sept 1834

Demiannay's morality itself, they claimed, was not so above board. François presented his uncle as "a veritable Jew, whom age and character rendered an enemy to all loud and expensive joy."¹⁰⁹ Indeed, François Demiannay alleged that one of Demiannay's means of acquiring fortune had been through skimming off the usurious rates of interest he charged while working under Détancourt: "a man of an infinitely delicate conscience, M. Détancourt would have blushed to draw an interest from his capital higher than prescribed by law. To be guilty of usury was a very heavy crime in his eyes... M. Demiannay did not share such scruples. Imbued with the principles of the time, he considered all permitted that which was not forbidden."¹¹⁰ Citing an 1824 accusation leveled against Demiannay for usury, his opponents presented the banker as a glorified discounter, whose openness to all levels of society was partially based on drawing extreme interest rates to compensate for such democracy.¹¹¹

The demise of the bank itself was not the fault of François and his friends, but rather the consequence of Demiannay's poor business choices. The "true causes of the ruin of the Demiannay house" declared François were that "this house only rested on credit and not real capital, thus its downfall was certain if the slightest shock shook that credit."¹¹² Indeed, Demiannay had never had the vast sums that he was reputed to possess. Demiannay's wealth had only existed in the imagination: "he wasn't rich, he was only in error."¹¹³ His obsession with land had been ruinous: it was expensive to acquire property in Normandy and the yearly returns were half of the amount that Demiannay paid in interest on the deposits.¹¹⁴ Such

¹⁰⁹ BNF 4-FM-9337, 15.

¹¹⁰ BNF 4-FM-9337, 13.

¹¹¹ The charge was lodged against him by one M. Lasnon and was judged in Demiannay's favor. See Lasnon's memoir BNF 4-FM- 932. Nevertheless, the testimony of Tocqueville, a retired army officer, who alleged that Demiannay had made him pay exorbitant rates of interest were used by the defense to besmirch the banker's reputation. Demiannay's past reputation as a usurer was brought up quite regularly as a means of discrediting him. See ANMT 68 AQ 8 "Renseignements fournis par M. Thuret qui font partis des interrogatoires à Rennes" When discussing reasons for sending the trial to Rennes, Vigier also mentions this in *Gazette des Tribunaux* 21 Sept 1834.

¹¹² BNF 4-FM-9337, 23.

¹¹³ *Ibid*, 4.

¹¹⁴ See ANMT 68 AQ 8 "Renseignements fournis par M. Thuret qui font partis des interrogatoires à Rennes" and BN 4-FM-9337 Both François Demiannay and Thuret claimed that Demiannay's "mania for land" was in fact

investment also gave Demiannay the impression of being richer than he was since bankers generally purchased properties with the “excess of their capital no longer needed for their banking operations.”¹¹⁵ Demiannay had wanted to give this appearance when, in fact, his wealth resided solely in his client’s deposits, thus “the moment that his house was hit with discredit would be the moment of his bankruptcy.”¹¹⁶ The entire story concocted to persuade the public that Demiannay’s wealth had been stolen was no more than a “novel” masking the more banal but equally revolting truth of the banker’s situation.¹¹⁷

François and his correspondents were cast as the villains in this “novel” in order to pay for the consequences of this public misconception. “The town of Rouen lost six million in the bankruptcy of that banker, and victims were needed to appease public opinion.”¹¹⁸ The accused charged that Demiannay and his creditors sought scapegoats rather than face the fact that the bank had collapsed due to accident combined with negligence, because such an explanation offered no chance at increasing the lot of the creditors. To do this, they had to convince judges that Demiannay’s fall had not been a normal commercial event. Thus they made “a criminal trial out of a commercial one”¹¹⁹ in order to “have magistrates that [they] could fool.”¹²⁰ With emotional pleas about the morals of the age, lawyers, handsomely compensated by their clients, could mislead judges ignorant of the normal operations of commerce into thinking that such operations smacked of fraud.

If anyone had pillaged the Demiannay bank, they continued, it was more through Demiannay’s manoeuvres than theirs. A newspaper article saw the Demiannay bankruptcy as

one of the principal underlying causing of his house’ decline. François Demiannay pointed out that the return on such investments came to only 2 ½ to 3% per year, hardly making up for the outlay needed to buy such land.

¹¹⁵ ANMT 68 AQ 10 “Notes de Thuret sur le proces Demiannay” (s.d.) 5 In October 1830, Demiannay had announced in the *Journal de Rouen* that he has 1200000 fr to place. Demainnay testified at his trial that he was indeed making placement of mortgages as he had done in papers for nearly 30 years. 8-FM-853 p. 177

¹¹⁶ ANMT 68 AQ 10 Isaac Thuret “Quelques observations d’un malheureux créancier de Demiannay ainé pour Mrs. le Jury à Rennes” pg. 3

¹¹⁷ Grivart defense of Cotman *Journal de Rouen* July 14 1836 and *Gazette des Tribunaux* July 14 1836

¹¹⁸ BNF 4-FM-9313 “Affaire Demiannay: Première mémoire présenté par James Rollac à la chambre d’accusation de la Cour royale de Rennes” (PUB INFO), 1.

¹¹⁹ ANMT 2003 060 377 Observations pour la part du Sr. Thuret sur l’arret du Cour de Dijon, 15 Oct 1839” pg. 3

¹²⁰ ANMT 68 AQ 9 “Notes de M. Thuret”

featuring two forms of self-enrichment at the expense of the *masse*. One was the kind treated by the criminal trial. But the other, which the writer considered “more interesting” because of its technical legality, was the way in which certain creditors had been able to “take away indemnities from a shipwreck that had ruined so many others.”¹²¹ In this, the Demiannay case differed little from most bankruptcies, which were, according to the writer, scenes of wholesale pillage under guise of the law. “Every day, commercial practice and severe morality in accordance with the law are in opposition.” A bankruptcy was “every man for himself.”¹²² The substantial chunk of property that Demiannay’s relatives were able to claim for Demiannay’s children also aroused suspicion that Demiannay’s bankruptcy would ultimately favor the banker’s family. Rollac remarked bitterly: “*ruined* by brigands, he would be able to administer, in the name of his underage children, a million francs in properties.... a pretty position to be in after a bankruptcy!”¹²³

The trustees too were not disinterested and nor were there particular interests the same as those of the *masse*. Thuret was particularly vehement against Narcisse Duparc, who, appointed by the court, was apparently a bankrupt himself. Thuret accused Duparc of acting in collusion with Demiannay under the semblance of enmity. Duparc wished to prolong the proceedings as long as possible since he was getting 6,000 francs per year and did not need to have another job. Instead of trying to finish the process as quickly as possible with the highest possible return for the creditors, the trustees of the Demiannay bankruptcy embroiled the estate further in lawsuits thus further diminishing the remaining assets.¹²⁴ The expert Leprevost was accused of similarly profiting from the bankruptcy’s extension, which had won him a position at the Rouen Tribunal of Commerce and “earned him a living off the 13000 pieces of accusations.”¹²⁵

¹²¹ *Journal de Rouen* 13 January 1835

¹²² *Ibid*

¹²³ 4-FM-9313 Affaire Demiannay: Première Mémoire Présenté par James Rollac à la chambre d’accusation de la cour royale de Rennes, 28.

¹²⁴ ANMT 68 AQ 9 Letter from Thuret to M. Cheron March 1843

¹²⁵ ANMT 68 AQ 10 Notes I. Thuret

The accused also saw their arrest as being but a small step to getting at Thuret. Demiannay had mismanaged his bank, joked Thuret's lawyer, to the tune of a six million franc deficit. Demiannay "decides that Thuret has stolen it. The idea was good: where will you find so good a thief? With him one is sure to be paid not only for the amount but for compensation. Really, it's quite profitable to be robbed by M. Thuret."¹²⁶ Thuret however portrayed the issue far less light-heartedly. He saw himself as victim of a general rage against the entire social order: "to the heat of personal interest was soon added the sentiment of jealousy, too common in our days, that pitilessly hounds all forms of superiority, that of fortune like the rest,... each said "M. Thuret!.. a Paris banker!.. one of those financiers who gorges himself on the sustenance of the poor, without doubt he is guilty!"¹²⁷ Privately, he likened his situation to that of the Terror: "in 1793, they imprisoned and guillotined people so they could take their money and their goods" and now his trial served the same purpose.¹²⁸ Indeed, Thuret often presented himself as someone who had been born and bred not merely for bank operations, but for public service. He emphasized the indignity of his prosecution at the hands of men he found to be his social inferiors: "I have done much good for my country, can Demiannay or Duparc, *bankrupts*, say the same?"¹²⁹

The jury, after 13 hours of deliberation, declared four of the accused guilty of various charges (but not all) put against them. Alexandre Cotman was given six years of reclusion and François Demiannay five. Villaret and Rollac both received jail terms. The elder Demiannay was exculpated of the charge of *banqueroute simple*. With his exculpation came an implicit verdict against the man who had accused him. Indeed, while the technicalities of the Demiannay bankruptcy were left far from settled by this judgment, and the payment of

¹²⁶ *Journal de Rouen* June 27 1836

¹²⁷ BNF 4-FM-31239 "Mémoire pour M. Thuret contre les syndics definitifs de la faillite Demiannay"(Lyon: Imprimerie de Dumoulin, Ronet et Sibuet, 1840) 22

¹²⁸ ANMT 68 AQ 16 "Notes et Minutes" 16 May 1845

¹²⁹ BNF 4-FM-31236 Isaac Thuret, "Messieurs les Magistrats de la Cour de Cassation à Paris" (Paris: Imprimerie de E.B. Delanchy, 1843) 7. Emphasis original.

dividends and battles between the trustees and Demiannay's children would last for years, after the condemnation attention focused to the trial's *éminence gris*.¹³⁰

In Rennes, Thuret received a 40,000 franc fine for libel against Demiannay uncle and the harsh criticism of judges and lawyers alike. The trustees immediately sued to throw back Cotman's bankruptcy to January 1831 and make Thuret pay for Cotman's indemnity charges at Rennes, coming to around two million francs.¹³¹ This in turn began a legal battle between the trustees of Cotman's bankruptcy and Thuret.¹³² Demiannay's trustees also fought to make Thuret pay sizeable compensation for the "damage" done by the guarantees to the interests of the compulsory creditors. In 1837, Demiannay's creditors formed a union with dividends coming to 20% but Thuret sued because his debts were not counted and the dividends were instead portioned at 18%.¹³³ Demiannay joined with his trustees against Thuret, convinced that the Dutch banker remained at large because Thuret had disinterested the royal family for the debt they were owed by the Demiannay house in exchange for royal protection.¹³⁴ The

¹³⁰ An advertisement in the *Journal de Rouen* August 16 1842 showed a notarized auction of Demiannay's properties. Settling the matter of the underage children's claims was trickier. In August 1838 a transaction between the permanent trustees, Duparc, Millard and Baudry, and Charles Demiannay, as the oldest of Demiannay's three children was meant to resolve the inheritance without inventory issue. These trustees were later removed of their titles and the new trustees sued Charles Demiannay to get back 369,000 fr which they alleged had been the result of a fraudulent agreement between Charles Demiannay and old syndics at expense of the rest of the creditors. In a trial in Paris 29 mai 1844, Duparc and Baudry said that they had been misled by Charles Demiannay to give a false amount of money to Demiannay children whereas Charles Demiannay said that he had to give a bill of 100,000 fr to syndics alone. After several successive legal battles, a final ruling, in which old syndics, new syndics and Charles Demiannay are parts, has old syndics give back obligation of 100,000 fr to Charles Demiannay and declared the new syndics unfounded in their demand for nullity of the prior arrangement. *Journal de Rouen* June 15, 1852

¹³¹ ANMT 68 AQ 8 "Conclusions motives pour M. Thuret defendeur contre les syndics de la faillite Demiannay, demandeurs et contre le Sr. Demianay, failli, intervenant" (Lyon: Dumoulin, Ronet et Sibuet, Imprimeurs, 1840) 4

¹³² See ANMT 68 AQ 8 "Cour de Cassation: Chambre des requêtes, Mémoire en defense par M. Bordères (1843) There was also talk of back-dating Cotman's bankruptcy to January 1831 thus making Thuret and other creditors give up payments since then but too many creditors were apparently interested in this not being so and this was dropped. ANMT 68 AQ 12 Letter to M. Journal from I. Thuret 25 Feb 1841

¹³³ ANMT 68 AQ 9 "Conduite des syndics et de Demiannay ainé envers ses créanciers" 1843 ANMT 68 AQ 12 "Contrat d'union" The contract d'union was apparently offered in place of a concordat because Demiannay did not come up with a plan for a composition, saying instead that he would mysteriously find money from somewhere. The creditors then apparently acted in the absence of a proposal for a concordat.

¹³⁴ *Journal de Rouen* June 24 1836 21 June 1836. See also Demiannay's eight memoires published in 1836 to Madame Adelaide. Demiannay was even afraid that Thuret would use his clout to have Cotman freed and wrote Odilon Barrot to this effect. See AN 210 Bb 10 Thuret made such claims about the influence of Odilon Barrot, saying that there were rumors that that such was the power of Odilon Barrot over the royal family that the king was "afraid to touch him" and that he had promised to one of his lawyers the position of public prosecutor in Paris and that he had promised DuParc a position in the Ministry of Finance. ANMT 68 AQ 8 "Note de Isaac

trials moved around the country from Rennes to Dijon, from Paris to Lyon, with alternating victories and losses for the parties. Exasperated, Thuret reflected that he would “take all his money and give it to the poor” if this would prove that the guarantees had not harmed the Demiannay *masse* “by a single cent.”¹³⁵ He would not, however, give this money to the trustees. Numerous attempts to persuade Thuret to settle, often mediated by his increasingly frustrated wife and sons, were rebuked.¹³⁶ By 1845, Thuret claimed to have lost ten million francs in the Demiannay case.¹³⁷ Yet, just months before his sons took the administrative control of his business out of his hands, we find Thuret as insistent as ever, hoping to fight back against the trustees while avoiding court appearances.

In his chateau at Rentilly, a virtual recluse after his wife’s death (which he blamed on Demiannay’s bankruptcy trustees), Thuret had come to detest France. He wished to leave it as his ancestors had done hundreds of years before, but he was too old and too firmly established to flee. For Thuret, France was a country dominated by private interest which made it impossible to predict how a law would function. He bemoaned his ill-placed “trust in French probity” which had led him to invest heavily in French properties and industries.¹³⁸ In France, he declared, all was arbitrary, left in the hands of lawyers and magistrates who were misled by emotional grand-standing. Everything quickly turned to the political.¹³⁹ “We

Thuret”

¹³⁵ ANMT 2003 60 377 “Précis pour M. Thuret”

¹³⁶ ANMT 68 AQ 14 Letter 14 Jan 1845. Thuret seems unhappy with son Auguste for trying to make arrangements with Demiannay creditors. In another letter, he remarks that his wife says “these men want money of us, give it to them and let us be tranquil” but he does not agree. ANMT 68 AQ 14 Note de Thuret 7 Oct 1844 His wife and sons “want to let me be robbed of the money.” Earlier see ANMT 68 AQ 8 “Proposition Gremond” Demiannay apparently tried to get his message through to Thuret by means of Thuret’s family—including his son sending letters to Thuret’s future son-in-law and Demiannay’s letter campaign in the late 1830s directed at Thuret’s wife. See ANMT 68 AQ 8 *Cour royale de Dijon: Exposé pour M. Thuret contre M. Demiannay aîné et les syndics de sa faillite* (Dijon: Douillier, 1839) 20-27

¹³⁷ ANMT 68 AQ 16 Notes et Minutes 1 July 1845. There was also talk of mortgaging property to pay the Lyon indemnity. ANMT 68 AQ 14 “Thuret Lettre à Guizot le.... 1844, Paris”

¹³⁸ ANMT 2003 060 377 “Notes pour M. Isaac Thuret, ancien banquier à Paris”; 7 copy ANMT 68 AQ 12

¹³⁹ Thuret began to feel that he was the victim of a plot not only to steal his fortune but a political intrigue that targeted the King of the Low Countries. See ANMT 48 AQ 15 “Affaire avec Demiannay aîné, banquier à Rouen” 21 May 1847 in which Thuret discusses how at the time his papers were seized General Fogel raised a complaint. ANMT 48 AQ 15 Note from Thuret June 1845. ANMT 68 AQ 14 says “they intended to humiliate the King of the Low Countries by violating my house” He called on a variety of French ministers, including the Minister of Justice, the Minister of Foreign Affairs to take a particular interest in his case given his political rank.

complain that in France there does not exist the same trust [*confiance*] for businesses that one sees in other countries,” wrote Thuret. “This is very true. But when one sees that a *bankrupt* can compromise with impunity a person whom he has found ways to embroil in his bankruptcy, then the trust between businessman and banker cannot exist, or must be very limited.”¹⁴⁰ He advised foreigners to learn from his mistake and avoid long-term investment in the country. They should, he said, place their money in government funds where the return was always “assured and prompt” and furthermore “does not depend on anyone.”¹⁴¹ In avoiding all attachment to permanence, he said, investors “risk nothing, given that they can sell when they like.” In a world of arbitrariness and accident, they would remain what he felt he no longer was, namely, “the masters of their capital.”

¹⁴⁰ ANMT 2003 060 377 “Notes pour M. Isaac Thuret, ancien banquier à Paris” pg 7 copy ANMT 68 AQ 12. Emphasis in original.

¹⁴¹ Ibid.