

Tyson Leuchter
University of Chicago

And He Showed Us the Abyss that had Opened Beneath his Feet: The Paris Stockbrokers, Liability, and Corporatism in Restoration France

Paris stockbroker Sandrié-Vincourt was in trouble. The Company of Parisian Brokers, a corporate body tasked with professional supervision and maintaining the state-granted monopoly on financial intermediation in public debt at the Paris Stock Exchange, was investigating troubling reports of his misconduct. It was rumored that he had built up massive liabilities, as against comparatively meager assets. As the Paris stockbrokers were the sole agents legally empowered to transact in the public debt, Sandrié-Vincourt's case threatened both personal bankruptcy and a disruption to the stability of the nation's credit markets, a key concern during Restoration France (1815-1830). The rumors, unfortunately, were true: Sandrié-Vincourt's financial position soon collapsed, leaving his account books radically unbalanced. Not wanting to face the dire consequences of bankruptcy, Sandrié-Vincourt fled France in 1823, leaving behind debts and creditors alike.

This paper will examine the legal and economic controversy Sandrié-Vincourt left in his wake, focusing on a prominent trial between Sandrié-Vincourt's creditors and the Company of Parisian Brokers. A corporate body that had survived the assault on legal privilege during the French Revolution (1789-1799), the Company, the creditors argued, established moral and professional bonds between its members. Positing this professional solidarity, Sandrié-Vincourt's creditors argued that the Company should be held liable for the debts of its members. The Company's legal counsel responded that while a form of corporatism was necessary to ensure the security of the state's credit system, this did not mean that professional bonds translated into shared liability. Indeed, the counsel argued, the logic of financial intermediation in fact individualized the transacting parties. The stockbrokers may have enjoyed a state-enforced corporate monopoly at the Paris Stock Exchange, but they contracted with individual clients, negotiated prices with individual counterparties, and managed their accounts as individuals. Sandrié-Vincourt's debts were his own, the Company's counsel maintained, and the Company could not be held responsible for them; the practicalities of public finance at the Paris Stock Exchange therefore required both corporate protections and individual risks. As this paper will argue, the resolution of this trial thus turned on questions of the security of public debts, the nature of collective liabilities, and the possibility for state-sanctioned corporate privilege in a regime ostensibly dedicated to formal legal equality.