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**The Contractor State and
Its Implications, 1659-1815**



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*Victualling Louis XV's armies.
The Munitionnaire des Vivres de Flandres
et d'Allemagne and the military supply system*

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After the two decades of relative peace and financial recovery that followed the death of Louis XIV (1715) the French monarchy in the middle of the eighteenth century was again involved in a series of long and costly international conflicts. While the Crown's annual expenditure had remained fairly stable at around 200–220 million *livres tournois* (lt.) since the collapse of John Law's Scheme (1720), funding the War of the Austrian Succession (1741–1749) and the Seven Years' War (1756–63) required marshalling considerable new resources. A conservative estimate of the additional cost comes to a total of 2 billion lt., and even up to 2.5 billion or more when the *dette flottante*, or the outstanding unfunded debt at the end of the war, is taken into account.

In the case of the War of the Austrian Succession, which is the best documented the total additional war-related costs (850 million) were spent on a larger army and navy, as well as on the subsidies disbursed to French allies. On average, during this conflict each of the three ministers of War, Navy and Foreign Affairs saw their budget more than double (see *Table 1*). In 1745, current war-related expenditure peaked at 266 million —against 114 million in peacetime— thus making up 80 per cent of the monarchy's total spending. If one adds the cost of servicing the old debt —which added another 60 million per annum— the total of the war related disbursement

1 These figures are obtained by comparing the French expenses prior to the war and total expenses during the war. They exclude the last year of each conflict and therefore refer to the periods 1741–48 and 1756–62. They are indicative rather than definitive and absolute but probably the most accurate.

peaked in 1744 at an amazing 98 per cent of annual income, and probably more since in wartime the monarchy delayed paying a growing portion of its civil expenses.

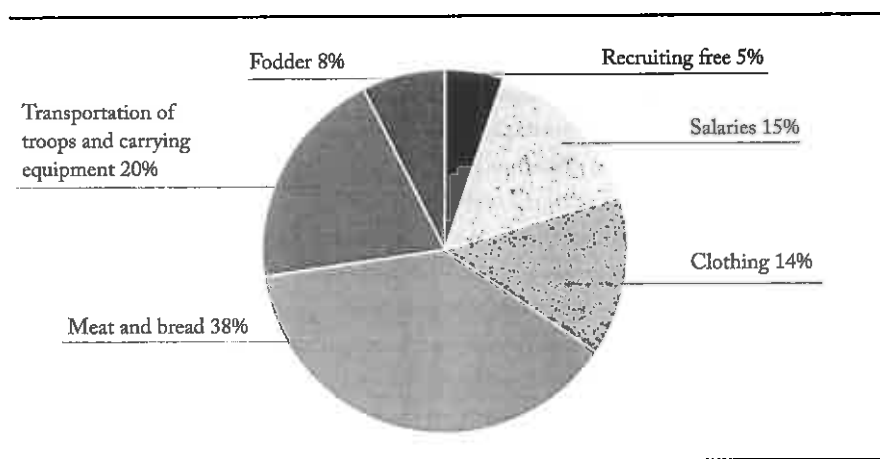
Table 1. French expenditure, 1739-1751

| | 1 <i>Army</i> | 2 <i>Navy & Galères</i> | 3 Foreign Affairs | A Total war related | B Total French Expenses | Growth (per cent) | A/B War related expenses | C Debt service | A+C/B (per cent) |
|------|------------------|--------------------------------|----------------------|------------------------|----------------------------|-------------------|-----------------------------|-------------------|---------------------|
| 1739 | 78,9 | 12,7 | 15,9 | 114,7 | 224,8 | | 51 | 76.9 | 85 |
| 1740 | 79.3 | 15,3 | 19,2 | 113.8 | 212,2 | | 54 | 59.2 | 82 |
| 1741 | 102.9 | 18,2 | 39,2 | 160.4 | 255,9 | 21 | 63 | 59.2 | 86 |
| 1742 | 122.50 | 22.1 | 38,7 | 183.2 | 271,1 | 6 | 68 | 60.9 | 90 |
| 1743 | 152.8 | 29,6 | 33,2 | 215.6 | 307,3 | 13 | 70 | 63.4 | 91 |
| 1744 | 178.6 | 40,3 | 33,9 | 260.2 | 326,2 | 6 | 80 | 60.8 | 98 |
| 1745 | 171.8 | 29,3 | 55,4 | 265.7 | 342,8 | 5 | 78 | 61.4 | 95 |
| 1746 | . | . | 33,7 | 226.9 | 329,9 | -4 | 69 | 54.3 | 85 |
| 1747 | . | . | 53,1 | 252.6 | 358,2 | 9 | 71 | 55.1 | 86 |
| 1748 | . | . | 38,6 | 237.8 | 360,7 | 1 | 66 | 65.1 | 84 |
| 1749 | 106.6 | 25 | 49,9 | 181.6 | 367,8 | 2 | 50 | 132.2 | 85 |
| 1750 | 106.2 | 31.6 | 27,4 | 165.2 | 263,4 | -28 | 63 | 73.4 | 91 |
| 1751 | 96.9 | . | 20,8 | 117.8 | 239,9 | -9 | 35 | 68.4 | 54 |

As with any conflict, a large share of the additional money raised by the State went to supply troops with bread, meat, forage, carts, horses, powder, weapons, and so forth. Details about military expenditure in the first year of the War of the Austrian (1741), reveal that most of the 23 million increase in the military budget, which rose by one third from 64 to 87 million, was spent on the formation of the *armée de Bavière* and the *armée de Westphalie*. The recruitment of new soldiers to supplement the core of veterans who had been kept on the books in peacetime represented an important initial

disbursement. At a cost of 60 lt. per new soldier to pay for the recruitment fee and uniform, raising 31,600 volunteers came to 1.9 million. The clothing of 120,000 militia men drafted to take the place of the garrisoned veterans who joined the armies added another 1,8 million. Yet data shows that the military expenditure was above all devoted to feeding (7,5 million) the troops, as well as transporting them to their armies, along with the equipment and the artillery train.

Graph 1. Expenses for the raising of two armies in 1741



A memorandum written in 1763 by one of the *munitionnaires des vivres*, who supplied bread to French armies, reveals that purchasing flour and baking the bread for the soldiers in the various theatres of operations came to 106 and 113 million lt. in the years 1744-48 and 1757-62, or, on average, 23 and 19 million lt. per year. Since these statistics referred to approximately the same number of men under arms, feeding the armies with bread would have amounted to 18 per cent of the total additional funds raised during the five last years of the War of the Austrian Succession and 10-12 per cent of the extraordinary costs of the six military campaigns of the Seven Years' War. While these figures should not be taken at face value, they indicate that, overall, the costs for the supply of bread to the troops during Louis XV's wars did not increase, a phenomenon which raises a number of questions about the contemporary criticisms about the efficiency of the system of supply by enterprise, or the so-called *munitionnaires*.

know-how, as well as their financial power to the business of supplying food, essentially bread, to Louis XV's troops sent in the North. Its director, Jacques Marquet de Bourgade (1718-84), was one of the most prominent financiers in eighteenth century France whose advice was much sought after by ministers. In the last years of the American War, as *intendant général du Trésor* (1781-83), he was appointed personal advisor to controller general Joly de Fleury on issues relating to credit. Bourgade was the son of Maurice Marquet (1683-1780), a very successful financier who began as a wheat merchant in Bordeaux and entered the business of provisioning Louis XIV's armies in the difficult years following the memorable Great Winter of 1709. During the War of the Austrian Succession the expertise of Bourgade's father was again called upon and he soon became one of the greatest contractors. He had business partnerships with the two companies of *munitionnaires* which supplied bread to the royal armies in the North (Flanders and Germany) and the South (Provence and Italy). He also had financial interests in the business of military hospitals and in the *régie* for the supply of fodder. Bourgade probably took over from his father, who retired at the end of the war, once the company's accounts had been finally settled with the state.

The MGVFA was very much a family business. Other members of the Marquet family were also represented in it by Bourgade's two younger brothers. In addition to his interests in the company that supplied bread, Jean-Daniel Marquet de Montbreton (1724-98) administered the collection of direct taxes as *receveur général des finances* of the *généralité* of Grenoble (1759-80) and later acquired the same office in the *généralité* of Rouen (1781-90), one of the wealthiest regions of France, with an annual tax return of 10 millions lt. (ca. £400,000). The purchase of this office soon after Paris de Montmartel's retirement was probably useful to the *munitionnaires* who needed cash and had thus a grip on the money paid in by taxpayers. The other brother was Pierre Isaac Marquet de Peyre (1721-79), who ended his career under Louis XVI in one of the coveted and prestigious posts of *fermier général*, and lost all of his fortune in the construction of lavish buildings, was a very active partner. In 1759, he was one of the three members of the company sent to the French armies in Germany to supervise the purchase and storage of flour, the baking and distribution of bread, and all related payments.⁵

⁵ See the instructions written by Marquet de Bourgade for his brother in Fr. 8013, ff. 261-271, *Notes pour mon frère concernant le service des vivres de la campagne 1759 qu'il doit être chargé de diriger*.

Among the other partners, it is worth noting the presence of Madame de Pompadour intendant, Jean-Baptiste-Denis Nesme (d. 1761).⁶ For patronage at court was an essential component for the success of the business of the *munitionnaire général*. On two occasions, at least, Bourgade had to intervene and pen arguments to oppose the demands of powerful individuals, the likes of finance minister Silhouette and even the king himself, who asked for an interest (*croupe*) in the business in favour of their *protégés*. Although their names do not appear in the *marché* signed in 1755—a contract which was renewed each year between 1744 and 1764—it is possible that Bourgade or one of his brothers, also acted on the behalf of the famous Paris brothers. The four Paris brothers, whose family came from Dauphiné, in the south-east of France, had reached the summit in the world of financiers by supplying Louis XIV's armies. Under the Regency of the duc d'Orléans (1715-23) they were heavily involved in the various schemes which sought to manage the Crown's debts. Their hostility to John Law's ideas had earned them a brief exile but the Paris brothers had been recalled after the Mississippi bubble with the task of liquidating the *Système*. In June 1726, the *révolution de cour* which ended with the appointment of Louis XV's preceptor, cardinal de Fleury to the post of *Premier Ministre*, constituted a blow for the Paris brothers who were again sent to exile, while one among them, Joseph Paris Duverney who had been their principal financial advisor in the duc de Bourbon's fallen administration, was imprisoned in the Bastille for 16 months.

In the early 1730s, following the dismissal of their enemy, controller general L. Peletier des Forts, the Paris brothers progressively went back into business, and with a vengeance. Although they all had a variety of interests in the collection of the king's

⁶ Other partners included: François-Marie Prévôt (1697-66), *munitionnaire de la marine et des galères* and his son Etienne Prévôt (1728-1822); Robert Millin (1698-1776) who also had an interest in the *Munitionnaire des vivres d'Italie* and the *société des hôpitaux d'Italie*, and his son Jérôme-Robert Millin (1733-94) who became *receveur général des finances* of Rouen; Augustin Bouret de Villamont (1713-60), brother of the famous *fermier général* François Bouret, *trésorier général de la Maison du Roi* (1743-56) and *munitionnaire des vivres de l'armée d'Italie*; Jacques-Nicolas La Salle Dampierre (1723-93), Louis Paris de Treffonds (1713-73), later *receveur général des finances de Rouen* (1761-73), François Choula de Bussy, Jacques-François Choula de Biencourt, and Nicolas-Anne Delisle. For the family and professional background of these financiers see Christine Favre-Lejeune, *Les secrétaires du roi de la Grande-Chancellerie de France: dictionnaire biographique et généalogique, 1672-1789* (Paris, 2 vols, 1986) et Thierry Claeys, *Dictionnaire biographique des financiers au XVIIIe siècle* (Paris, 2 vols, 2009).

To address this important issue, historians have relied on a limited body of primary sources, usually partisan literature which tells us less about the actual business of supplying troops than the disarray of the military and the public during the Seven Years' War. After a promising start, a series of defeats in Germany in 1758 followed by a partial default in 1759 fuelled unprecedented criticisms of the Bourbon monarchy's institutions in general and its *constitution militaire* in particular. In such a difficult context, the government's reliance on private contractors became the subject of mounting censure. The purpose of this study is to revisit the debate in France about military supply systems with the help of a unique collection of papers gathered by Joseph Marquet de Bourgade about the activities of the *Munitionnaire général des vivres de Flandres et d'Allemagne* (MGVFA). It will also examine the ways in which the complex relationship between the State, its contractors and public opinion shaped Choiseul's decision to abandon enterprise for direct administration (*régie*) by the state at the end of the Seven Years' War.²

1. Systems of military supplies

As was the case of Britain, the government of Versailles in the 1740s was caught unprepared by the return of warfare on a large scale. On both sides of the Channel, an unprecedented period of peace had reduced the size of the forces and their supply was limited to troops dispersed between garrisons both at home and in the colonies. The system adopted by both states, which sought to minimize costs and dissatisfaction, was flexible but, overall, it relied on a number of private contractors whose services

2 Details about the activities of the company known as the *Munitionnaire des Vivres de Flandres et d'Allemagne* (here abbreviated MGVFA) are taken from a collection of copies of documents (accounts, letters and memoranda sent to the minister of war, the comptroller general of finance, the *commissaire général des vivres* Paris Duverney, the *banquier de la cour* Paris Montmartel, the *intendant de l'armée* Foullon, etc.) gathered by Jacques Marquet de Bourgade, director of MGVFA. These papers, which cover the years 1758–63 but also contain references to the MGVFA's activities in the War of the Austrian Succession, are stored in the Bibliothèque nationale de France, *Manuscrits Français* 8013–8018. They can be supplemented by documents from the *Archives du Service historique de l'Armée de Terre*, in Vincennes, in particular in sous série 1 M: 1 M 230, *Mémoire historique sur le service des vivres de Flandre et d'Allemagne pendant la guerre de 1757 à 1762 inclus*, 329 ff. and 1 M 1791–8, comte Guibert's *Mémoire sur les vivres* (1er mars 1776), 13 f.

were usually limited to supplying local needs. With the outbreak of the War of the Austrian Succession, the French government had to adjust its peacetime system to the needs of larger armies. Maintaining two armies in Germany, each of which was bigger than the largest provincial cities in France, and which were often on the move in hostile foreign territory, required a level of organisation, imagination and coordination beyond the capabilities of most small contractors. On the eve of the French Revolution the *Encyclopédie méthodique* devoted to *Art militaire* still expressed the mid-eighteenth-century official view that the minister could not rely on '*munitionnaires [...] who on have notions relative to the supply of garrisons, [for they] find everything difficult or impossible, even in countries full with food and crossed by rivers*'.³

In the early years of the war of the Austrian Succession (1741–43) a system of *régie* or direct administration by government, was introduced to supply the armies of the Rhine and of Bohemia but was found unsatisfactory and, apparently, too expensive. In 1744, *munitionnaires généraux*, modelled on Louis XIV's system of war supplies were reintroduced. With this system, the state limited its contacts to a dozen main intermediaries who enjoyed a monopoly over a range of services to the armies in one of the theatres of war. They relied in turn on a large number of French and foreign subcontractors, not to mention the resource of contributions levied on the enemy. For instance, Joseph-Michel Cadet, the *munitionnaire général* who entered in 1755 into a contract to supply the French army in Canada and support the population's needs in case of bad harvests. For that purpose, he had to purchase and organise regular shipments of goods to and from Canada, France and the West Indies.⁴ Yet the *régie* system was not totally abandoned by government. It was maintained for the supply of forage and, more generally, when contractors were unwilling to offer a service they found too risky and therefore difficult to cost.

Like most financial ventures in early-modern France, the signatory of the *marché* or contract, entered into with one of the ministers for war or navy, was a front man. Claude Jollet, the *bourgeois de Paris* who, in 1755, signed the *marché* for the supply of bread and rice to the armies of Flanders and Germany, was acting on behalf of a company—the *Munitionnaires généraux des vivres de Flandres et d'Allemagne* (MGVFA)—run by financiers of the highest rank who brought their administrative and commercial

3 Louis Félix Guynement de Keralio, *Encyclopédie méthodique. Art militaire* (Paris-Liège, 1784–1785, 4 vols), vol. 3, p. 286, article *Munitions*.

4 On this famous *munitionnaire* see the latest monograph by A. Côté (1998).

taxes and invested their money in numerous commercial ventures, the two youngest brothers were to hold key positions in Louis XV's government. Jean Paris de Montmartel (1690-1766) recovered his former position as *garde du Trésor royal* (1730-55) and, on the eve of the War of the Austrian Succession, he was appointed *banquier de la Cour* (1740-58) for the remittances abroad of subsidies to France's allies. The short War of the Polish Succession (1733-35) saw the return of Joseph Paris-Duverney (1684-1770) to business. His expertise as *munitionnaire* of the army of Flanders and Germany under Louis XIV earned him the post of *commissaire général des vivres* (1733), which he held until the end of the Seven Years' War. As such, Duverney supervised under the secretary of state for war all military supplies and was the principal intermediary with the *munitionnaires*. The logistical problem of regularly feeding troops—an army of 120,000 men meant a daily consumption of 1,000 sacks of flour each weighing 200 pounds—to avoid desertion and keep up the troop's fighting spirit explains why the *commissaire général des vivres* meddled a lot in the planning of military campaigns, and even in the appointment of commanders. Such civilian intervention in the formation of strategy was not always welcomed by officers. Old maréchal de Noailles, head of one of the most powerful aristocrat families at court and personal advisor to Louis XV, who had commanded French troops in the Peninsula during the War of the Spanish Succession and presided over the *Conseil de Finances* under the Regency, despised Duverney so much that he labelled him the 'Flour General'.⁷

2. The 'munitionnaires' and public opinion

With the renewed outbreak of war in the mid eighteenth century, the financiers were once again the targets of public scorn. To fund the War of the Austrian Succession Louis XV chose to raise taxes to a level unprecedented since the death of the Sun King. All of his subjects paid more tax than they could probably remember and indeed the highest per capita rate of the century in proportion to GDP.⁸ By the end of the war, the nobility and landowners were subjected to a new tax, the *vingtième*, or 5 per

⁷ Quoted in the *Mémoires de Madame du Hausset*.

⁸ On these fiscal reforms and figures about taxation see J. Félix (1999). The figures in this book update and correct those published in P. O'Brien and P. Mathias (1976: 601-50) and complement J.C Riley (1987). On the subject of these statistics and their interpretation see also R. Bonney (2004: 191-215).

cent of their net revenue, the first of its kind ever introduced in peacetime and the first to specifically target *privilégiés*. Its aim was to finance a *caisse d'amortissement* (*sinking fund*) to redeem the state's unfunded debt owned mostly by contractors. We know for instance that in 1752 the Crown issued 1,8 million of bonds bearing 3 per cent interest to settle its debt with the company which held the contract for the supply of bread in the North, in other words the company of Bourgade's father.⁹ These fiscal measures and the benefits enjoyed by financiers during the war suffice to explain the unhappiness on part of the public in the early 1750s and demands that the additional revenue should not be wasted on excessive spending or new opportunities for financiers to further expand their fortune.

It is not clear if the *munitionnaires* were targeted in pamphlets during the War of the Austrian Succession. Few polemical texts have survived from the 1740s. This decade was above all characterised by the publication of academic, if critical, books, Montesquieu's *Spirit of Laws* being perhaps the best example. Pamphlet literature about state finances seems to have blossomed in the mid-1750s and the 1760s up until Terray's partial bankruptcy (1770). In this editorial context, the publication, in 1756, of maréchal de Saxe's *Mes Réveries* was a watershed for the public image of military contractors who were the subject of much criticism. Although the *munitionnaires* argued that this posthumous book was written when Saxe was still a young officer, it was interpreted by the reading public as expressing the opinions of the older Saxe who had become a national hero for his Flanders campaigns during the War of the Austrian Succession and, by that time, had only praise for military contractors and the importance of their services in securing French victories.¹⁰ In the wake of the Seven Years' War, however, reforming military officers like the comte Guibert found their prime inspiration in Saxe's *Réveries*. Like him, Guibert criticised the burdens of contractor's commercial interests on strategy and sought to infuse the soldier with a new sense of patriotic and frugal virtues that put military prowess before a full stomach. Although Saxe and Guibert's literary works annoyed contractors, the inflammatory

⁹ The capital of this debt was to be sunk by the *caisse d'amortissement* in 10 to 12 years, by means of an annual lottery. It was fully paid by 1759.

¹⁰ Dampierre de La Salle, who was one of the partners in the MGVFA, pointed out in his *Mémoire sur une question relative aux troupes de terre par un ancien munitionnaire* (1790) that Saxe's *réveries* was a youthful work which contradicted his praise, as a commander of the French armies in Flanders during the War of the Austrian Succession, of the service provided by the *munitionnaires des vivres*.

vocabulary of Grub street writers was more damaging. Ange Goudar, for instance, argued that the monopoly the *munitionnaires* enjoyed and the number of *commis* they employed were one the five factors that made war was more damaging to France than to any other country. Goudar argued that,

*Most of our war projects fail because it is in the interest of the compagnie des vivres that they do not succeed. Their contract would be terminated too early if a campaign brought war to an end; but everyone knows that their fortune depends on prolonging the war as long as possible. Is it not a thought contrary to public security that a company of maltôtiers (vultures) have the full power of surrendering the state to the enemy, for in the end they can do that if they so wish.*¹¹

The visibility and, thus, the assumed profitability of the *munitionnaires*' business were additional causes that aroused discussion of their activities. As we will see from the details given below, the contractors of military supplies were very large companies, probably the largest private organisations in France, second only to the *Ferme générale* which collected half of the French monarchy's ordinary revenue or about 150 million per annum. During the Seven Years' War, the total turnover of Bourgade's company was 150 million, or on average 25 million per annum (see *Table 2*). The wartime *marché* renewed each year between MGVFA and the Crown involved supplying the armies of Flanders and Germany—which peaked at 280,000 men—with bread (and also biscuit and rice) during the campaign and in winter quarters, as well as providing *pain de munition* for the garrisoned troops on the Atlantic coasts. Overall, in the six campaigns of the war, the *munitionnaire* administered the purchase, transport and transformation of 470,000 tons of goods.

11 Ange Goudar, *Les intérêts de la France mal entendus, dans les branches de l'Agriculture, de la Population, des Finances, du Commerce, de la Marine, & de l'Industrie, Par un Citoyen* (Amsterdam, 3 vols, 1756), vol. 2, pp. 161-162.

Table 2. Total expenditure of the Munitioinaire des Vivres de Flandres et d'Allemagne, 1755-1764¹²

| | Garrisons in Flanders and Germany | Service des Côtes de l'Océan (garrisons along) | Service for the armies of Flanders and Germany | Total |
|-------|-----------------------------------|--|--|-------------|
| 1755 | 3,117,200 | - | - | 3,117,200 |
| 1756 | 2,747,104 | 518,499 | - | 3,265,603 |
| 1757 | 2,306,666 | 868,373 | 11,089,919 | 14,264,958 |
| 1758 | 1,555,061 | 2,265,509 | 23,500,088 | 27,320,658 |
| 1759 | 1,773,750 | 1,226,946 | 22,057,537 | 25,058,233 |
| 1760 | 1,576,358 | 1,215,958 | 20,510,677 | 23,302,993 |
| 1761 | 1,180,124 | 914,139 | 28,400,839 | 30,495,102 |
| 1762 | 1,190,729 | 968,322 | 26,801,029 | 28,960,080 |
| 1763 | 4,405,004 | 399,024 | 2,651,214 | 7,455,242 |
| 1764 | 2,535,225 | - | - | 2,535,225 |
| Total | 22,387,225 | 8,376,774 | 135,011,305 | 165,775,306 |

As a business man, Bourgade was eager to dispel any criticisms that could jeopardise the respectability of the MGVFA in the eyes of the public and, above all, of the government. In 1760, for instance, Bourgade reacted swiftly when the consistency and colour of *pain de munition* was altered. He wanted to prevent the spreading of usual rumours among the troops that the *munitionnaires* were making money on the back of the soldier (and potentially killing the troops by supplying unhealthy food by adding more rye than was authorised). On this occasion, Bourgade informed Foulois, *intendant of the army*, the civil officer attached to the commander of the army who liaised with the *munitionnaires*'s representatives, that the modification resulted from wet weather conditions in France which had affected the quality of recent harvests.

12 BNF, Fr 8020, *Bordereau général des recettes et dépenses en deniers et des consommations en effets taillés pour le service des garnisons que pour celui de campagne depuis 1755 jusqu'en 1764*. These figures were those finally settled at the end of the war, once all the accounting procedures had been done. There is a slight discrepancy with the *marchés* because the handling costs were estimated on the basis of previous years while the accounts were based on actual expenses.

when sacks of wheat were constantly drenched.¹³ Bourgade also successfully intervened against the implementation for his company's employees of a military disciplinary law which he feared would bring his business into disrepute.¹⁴ In 1761, he used all his power of patronage to make sure that the *Parlement* of Paris did not further defer registering the letters of nobility granted by the king to Nicolas-Anne Delisle, one of the MGVFA partners, for the crucial role he had played on the battlefield in feeding the soldiers and especially in assisting with army retreats. This matter was significant for Bourgade because in its remonstrances against new taxes and loans, the *Parlement* of Paris had been very vocal against the benefits of the financiers. In the end, Bourgade had no difficulty in winning this battle as he got the support of the influential individuals he wrote to, like the prince de Conty, the duc d'Ayen or the duc de Richelieu and, through them, was able to win over two *présidents* and twelve *conseillers* in the *Parlement*.¹⁵ Despite public anger and jealousy, the *munitionnaires* were able to resist attacks. The service they provided was not only crucial for the armies: the logistical and financial infrastructure was too complex to venture any change that would cause potentially fatal disruption to the supply system.

The supremacy the two Paris brothers enjoyed over French finance and the supply of Louis XV's armies are another main cause for the growing public anger against the financiers' wealth and political power at court. In the military and fiscal crisis of 1758, cardinal de Bernis, then *de facto premier ministre*, developed a hostility towards Paris de Montmartel's unwillingness to risk his fortune and to seek new methods of financing the war effort.¹⁶ The indelicacies and frauds committed by some of Montmartel's staff in Germany, and publically acknowledged at the time, caused Duverney's great reputation, which he had acquired during the War of the Austrian Succession, to suffer in the same way that his brother's did.¹⁷ It was further tarnished by French military setbacks in

Germany and the ensuing debates, both at court and among officers, about individual responsibilities. Although the *munitionnaires* were keen to praise the quality of their services, the system was not immune from scandals. The sheer size of the company made it difficult to prevent fraud and the making of illegal profits. For instance, speculative activities on the purchase of wheat in Germany in 1757 were revealed when Millin de Grandmaison, who probably held a stake in the MGVFA, had a disagreement with his business partners Lenormand de Mézières et Duchesne.¹⁸

Therefore it should come as no surprise if Choiseul, at the end of the Seven Years' War, received a memorandum which denounced the excessive profits enjoyed by the *munitionnaires* and linked them to Duverney's position in the Ministry of War who, as 'the administrator (once devoted to their service) and even their partner', had the power to 'arbitrarily determine' the price of military rations. Although Bourgade's reaction was to mock the shortcomings of this hostile text, he was undoubtedly related to Paris Duverney—the latter's only daughter had married one of Bourgade's brother—who had full responsibility over the pricing of military rations. Since the French government did not use an open tendering process for contracting military supplies, administrators and *munitionnaires* were bound to arouse suspicion of collusion and illicit profit. Evidence suggests, however, that Duverney did not systematically support the *munitionnaires'* interests at the expense of the state. For instance, at the start of 1759 he advised the maréchal de Belle-Isle, secretary of state for war, to reject the MGVFA's offer to supply bread at 41.5 deniers per ration and maintain the previous year's tariff which was cheaper (39 deniers), thus saving the government half a million on the cost of the military campaign. To be sure the aim of this intervention, which took place in the context of rising wheat prices, was not to reduce the benefit made by the *munitionnaire* but to compensate the Crown for the unexpected profit the contractor had made in 1758 on the purchase of wheat for the king. In fact, Duverney and the contractors always justified the necessity that they made a profit, like any other private business, and insisted that it had to be large enough to ensure that the *munitionnaire* would not go bankrupt and be forced to cease supplying goods. In the absence of competitors, their monopoly over the supply of troops meant they could reduce their margin, which was indeed in the fiscal interest of the state, and still make substantial profit on quantity.

13 BNF, Français 8013, Copie de la lettre écrite par M. Marquet de Bourgade à M. Foulon, intendant de l'armée de Soubise le 9 février 1729, f. 50 vo-51 vo.

14 BNF, Français 8015, *Ordonnance du roi pour empêcher les malversations des employés dans les armées, du 18 février 1761*, f. 117 vo and passim for Marquet's memoranda.

15 BNF, Français 8017, f. 275-275 vo.

16 K.P. Wormeley (1902, 2 vols, vol. 2: 195, 225, 239).

17 Mauvillain, who was *trésorier de l'armée* in Germany abused his position to make an illegal profit of almost 3 million lt. by using Paris-Montmartel's remittance to speculate on the exchange of currencies, See R. Waddington (1899-1914, 5 vols, vol. 1) where he mentions disputes between military officers and Duverney in relation to army supplies.

18 Mentioned in A. Corvisier (1992-94, 4 vols, vol. 2) and P. Dupieux (1934, 95: 116-148).

In any case, Duverney was not willing to enter into detailed discussions about the pricing of the *marché*. In addition to the uncertainties of estimating handling costs during the campaign, which, as he observed, would be accounted for afterwards, he maintained that it was neither in the interest of the minister nor of the *munitionnaires* to debate prices at length. Above all the price of the ration had to be determined by the need to sustain the contractor's willingness and ability to offer his credit 'as it is likely that *la finance* (the finance ministry) will be in arrears in paying him'. The author of the anonymous memorandum mentioned above was not utterly wrong when he denied contractors the title of *munitionnaires*, whose activities were normally defined by the task of 'supplying food', and described them as financiers who were 'advancing his money and credit'.¹⁹ In 1759, Duverney's comments were highlighting the severe cashflow problems the monarchy experienced in the Seven Years' War and how they affected the nature of the contractual relationship between government and suppliers, *All I can say is that the commitments that the munitionnaire de Flandres et d'Allemagne will contract are frightening, and I can but tremble for him for all kinds of reasons*.²⁰

3. The business of the 'munitionnaires des vivres' and their profits

While Bourgade could only praise the anonymous memorandum's objective of imagining ways to introduce new and cheaper methods for victualling Louis XV's armies, he was less than impressed by its calculations and the conclusions its author drew about the nature of the *munitionnaires*' business. In effect, contractors normally provided three kinds of services for the state: they purchased goods and supervised the processing of these goods which transported and delivered to the troops. The *munitionnaire* was certainly only too aware, as we will see later, that the monarchy's financial difficulties in the Seven Years' War put considerable pressure on the company to become a banker for the king. Yet, the *munitionnaire's* main activities were above all commercial and administrative ones. In 1758, Bourgade summed up for the secretary of state the very essence of his company's activities:

We should add that a company supplying food can, in some ways, be compared to a very substantial trade company since in the food business the principal purpose is to buy and sell goods, such as the 650,000 sacks of wheat which represent one year's consumption during war time, empty sacks to contain it, 20 to 24,000 quintals of rice, 100,000 sacks of oats to feed the horses employed to transport victuals, the purchase of those 5,600 horses and secondary requirements.

*The difference in this comparison is that in the food business, the main and principal product, which is wheat, is first converted into meslin by mixing wheat and rye into flour, and then into bread, that is distributed in endless daily rounds, so that where it will be eaten is always uncertain, because that depends on the movement of troops, and also that the goods pass through various hands and thus the resulting accounting operations are very complex and subject to procedures which are both long and difficult to carry out.*²¹

Buying, moving and processing wheat into flour and then into bread, and gathering all accounting documents for the presentation of their accounts to the government, was so much the daily task of the *munitionnaires* and their partners, that the price of the sack of meslin which the government agreed to pay (from which was calculated the price of the military ration) incorporated all the costs carried by the contractor as well as his profit. The overall profit, called the *arbitraire*, was made of a fixed profit at 3 lt. per sack and an additional variable profit of 40 sols per sack (2 lt.). Although the 40 sols were paid by government to the contractor for each sack of flour purchased and turned into military rations, the net profit of the contractor varied with the actual price of the wheat, the 40 sols being a premium to compensate loss due to variation in the price of wheat during the year for which the *marché* was contracted. On the basis of a provision of 600,000 sacks of flour per annum in wartime, the contractor's certain profit on the purchase of wheat was 1,8 million and the maximum legal variable profit on price variation was 1,2 million. Given that contracts were signed every year in the winter months, prior to the beginning of the military campaign, the likelihood of bad harvests threatening the *munitionnaire's* liability to fulfil his part of the contract was minimal. A memorandum written for controller general Silhouette to justify the costing of the *marché* for 1759 acknowledged the fact that in previous years the

¹⁹ BNF, Fr. 8017, *Plan d'une administration oeconomique*, ff. 10-41.

²⁰ BNF, Français 8013. Copy of a letter written by M. Paris Duverney to maréchal de Belleisle, 4 February 1759, f. 28.

²¹ BNF, Fr. 8017, in the conclusion of Marquet's reply to the *Plan d'une administration oeconomique*.

munitionnaire had been able to purchase wheat at a cheaper cost than the one agreed by government on the basis of information sent by the provincial *intendants*. There is little doubt that the *munitionnaire*, who was acting as a wholesale merchant, had the necessary infrastructure in place to buy wheat at a competitive price. Thanks to his facilities to store wheat and his cashflow, the contractor was always able to purchase wheat at the best moment. By spreading his sources of supply between various provinces, he also minimized the effect of his purchase on local prices. The MGVFA, as will be seen shortly also made a profit on the transportation of wheat and bread which is more difficult to estimate.

Bourgade's memorandum gives a unique insight into the various components that made up the price of the sack of flour, which, for the campaign of 1759, was costed by the state at 29 livres 5 sous. *Table 3* suggests that the cost of raw wheat represented only a quarter of the price of the sack paid to the contractor.²² Such figures, which multiplied by a factor of four the price of wheat once it was processed into *pain de munition*, suffice to explain some of the criticisms against the *munitionnaires des vivres*. The bulk of this additional expenditure was made on handling costs (ca. 40 per cent), in particular on the salaries of the substantial numbers employed by the *munitionnaires*. About 1 million lt. was disbursed to administrative staff employed in Paris and in the provincial offices, and those who followed the armies. This sum probably included higher salaries paid to the directors in the Parisian headquarters and qualified staff, such as treasurers, inspectors and so forth employed in the provinces and attached to the armies. Yet, on the basis of a yearly salary of 1,000 lt., which was twice that of a qualified worker, the *munitionnaires* must have provided employment to hundreds of *commis* and workers, not including various agents paid for specific tasks. To these salaries must be added 600,000 lt. per annum paid to the 1,100 bakers who, on a rota basis, baked bread in the bakeries that were built at a short distance from the troops, and repaired equipment, as well as sums disbursed for workers occupied in milling wheat and fuelling bakeries' ovens with wood.

22 BNF, Fr. 8013, ff. 234-237 vo, *Calculs de renseignements pour justifier de la fixation des Prix du Traité du Munitionnaire pour les armées pendant la présente année 1759*. The manuscript also contains several estimates about the cost of different services to the armies as well as *marchés* and relating estimates and calculations which are updated according to changes in the government's decisions regarding the number of troops for the campaign.

Table 3. Pricing the sack of flour for the armies of Flanders and Germany (campaign 1759)

| | | | Price in livres, sous, deniers ²³ | Price in deniers | % |
|------------------------------------|--|---------------------------|--|---------------------|---|
| 1. Sack of flour | With arbitrary (profit and premium) | (5,321,525) ²⁴ | 13 lt. 10 s. | 3,240 | 4 |
| 2. Purchase | | (295,640) | 15 s. | 180 | |
| | Waste at 2 per cent | | 5 s. 6 d. | 66 | |
| | Commission fee | | 5 s. 6 d. | 66 | |
| | Bagging, weighing, tying up, and sealing | | 4 s. | 48 | |
| 3. Transport | To the army warehouses, inland or on the frontiers | (591,280) | 1 l. 10 s. | 360 | |
| 4. Handling | | (4,434,604) | 11 l. 5 s. | 3 | 3 |
| | Details and estimated cost for 397,187 sacks (basis 1757-1758) | lt. | | | |
| | Staff of the two armies and in the Paris offices, for 15 months | 1,221,600 | | | |
| | Bakers (1,100) | 610,268 | | | |
| | Milling | 295,640 | | | |
| | Wood for baking bread | 394,187 | | | |
| | Warehousing costs and incidental waste | 197,093 | | | |
| | Purchase of sacks and wear and tear | 300,000 | | | |
| | Salaries of the 2 <i>munitionnaires</i> ' deputies | 120,000 | | | |
| | Lump sums, offices rentals and costs, post | 300,000 | | | |
| | Remittances to the armies (cost of exchange and banker's commission) | 240,000 | | | |
| | Accounting | 400,000 | | | |
| | Sub-total | 4,078,789 | | | |
| 2+3+4 | | (5,518,618) | 14 l. | | |
| 5. General expenses | Interests of cash advances and loans, costs of remittances in France, droits de presence | (930,000) | 2 l. 5 s. | 540 | |
| Total cost of the sack(s) of flour | | (11,617,719) | 29 l. 5 s. | 7,020 | |
| Price of the ration | | | 39 d. | | |

23 One *livre tournois* was made of 20 *sous*, and one *sou* of 12 deniers. The *livre tournois* contained a total of 240 deniers.

24 Figures in brackets calculate the cost in lt. of each of the five main items of expenses on the basis of a supply of 397,187 sacks. The supply of the garrisons was cheaper. The ration on the frontier

Finally, the MGVFA provided work to a large number of people whose task was to assist with the transport of sacks and *pain de munition*. In effect, if transport made up only 5 per cent of the gross price of the sack of flour, it is because this expense merely covered conveying the sacks of wheat from their place of purchase in France to the closest army storehouses within France or on the frontiers. The cost of moving wheat from home magazines to the storehouses in foreign territory—there were 85 such storehouses in 1759 stretching from the Scheldt to the Lower Rhine and from there to the theatre of operations—was not included in the price of the sack of flour. For the whole year of 1759, 7 million was allocated for conveying wheat abroad, including on-going costs for the building and repair of local storehouses and staff payments. The tariff was 4 lt. for each sack of wheat to be transported from a foreign country and 6 lt. for replenishing storehouses for winter quarters, the stock of which was naturally depleted during the campaign and the period spent in winter quarters.²⁵ The breakdown of the price of the sack of flour did not include expenditure for bringing the bread from the bakeries to the soldiers either. This task was also contracted to the *munitionnaire des vivres* who purchased the horses with their equipment and who were paid a daily allowance per horse (*solde*) by the government. At 3 lt. 3 s. per day, the cost of the 9,600 horses (reduced to 1,600 in the winter quarters) to be employed by the MGVFA added 4.8 million to the 1759 contract (26.6 million). Overall, all items of expense for transport amounted to some 8 million, or about 40 per cent of the total cost (18.5 million) for supplying field armies with bread in 1759, against c. 10 million for the production of bread.²⁶

In contrast to the campaign in Flanders during the War of the Austrian Succession, victualling the troops during the Seven years' War was very hard on horses and equipment of wagons and carts. In Germany the *munitionnaires* could not rely on the dense network

of canals and roads typical of the Austrian Low Countries. They had to put up with poor communications made even more difficult because of the harsher climatic conditions. The MGVFA profit on transport was minimal as they needed to replace, at their own costs, all the horses which were unfit or died in service, as well as the carts which broke down on rugged terrain. On two occasions during the war, the enemy's attacks forced the French troops to retreat and the *munitionnaires* to abandon all goods and equipment, which then had to be replaced at great costs. A large workforce was needed to look after the horses and drive carriages. On the basis of contemporary treatises concerning the organisation of the *service des vivres*, 9,600 horses would make 50 *équipages* of 24 ammunition wagon, each equipage handled by 33 employees making a total of 1,650 individuals.²⁷

In conclusion, one can assume that during the Seven Years' War the MGVFA employed 3–4,000 staff, had an average annual turnover of 25 million and probably made a fixed annual profit of c. 2.5 million. This was in line with the contemporary assumption that the financial reward for providing services to the king should be 10 per cent. The maximum additional and variable profit, however, the *munitionnaire* could make on the price of wheat as well as on leasing transport, might have increased total profit to 3 million in good years. Figures published in 1769 suggested even higher profits: Jean Baptiste Daragon reckoned that the *munitionnaires des vivres* made 'up to 3 and 4 million during the last war' but it is not clear whether these sums were for contractors in both theatres of war.²⁸ By the end of the war, each of the 14 partners of the MGVFA would have made a total profit of 1 to 1.5 million lt. The actual profit depended of course on their initial investment, or the number of *sols* they held in the capital of the company. The bankruptcy of Marquet de Peyre, who was unable to pay bills of 1.2 million for the construction of his Parisian hotel, confirms to some extent

Flanders and Germany was priced at 30 deniers and at 35 deniers for the Côtes de l'Océan. These troops respectively consumed 28.5 million and 23.9 millions of rations in 1759, making, at 181.5 rations per sack, some 289,000 sacks for a total cost of 7 million.

25 The *munitionnaires* explained that in the Seven Years' War transport cost rose because the German countries were too poor and he had to draw a larger portion of wheat directly from France than had been the case in the previous conflict.

26 These calculations are based on a valuation made in March 1759. They do not include the provision of 23,174 quintals of rice for 695,220 lt. and the related transport costs at 2 lt. per quintal (total 741,568 lt.).

27 The *munitionnaire* had to feed them and the contract took account of staff employed in transport in the number of military rations to be supplied. François Sicard, *Histoire des Institutions militaires des Français*, Paris, 1831, 4 vols., vol. 1: 478–479. For more details see François Naudot, *Le Munitonnaire des armées de France, qui enseigne à fournir les vivres aux troupes avec toute l'économie possible [...] l'emploi particulier du munitonnaire, celui du général des vivres, l'ordre et la régie des équipages, les instructions pour tous les commis...* (Paris, 1701) and Louis Dupré d'Aulnay, *Traité général des subsistances militaires* (Paris, 1744, 2 vols.).

28 Abbé Fleury, *Droit public de France, Ouvrage posthume composé pour l'éducation des Princes; Et publié avec des Notes, par J.B. Daragon*, Paris, 1769, 2 vols., vol. 2: 638.

the estimate of a fortune in the region of 1,2 million. Such level of wealth was typical of the *receveurs généraux des finances* at the end of their career, but inferior to that of *fermiers généraux*.

In spite of this substantial financial reward (at the time the minimum annual salary was around 300 lt. per annum), the MGVFA remained very nervous about the return on their work and investment throughout *a war so constantly unfortunate, and in countries so exhausted*.²⁹ At the start of the war, the partners decided not to distribute any profit until peace was declared, probably to maintain a high level of liquidity and seize the best opportunity for buying cheap wheat. This decision was also helpful as it could be used to justify resistance to outside pressures to take on new partners or sleeping partners as acceptance of newcomers would require a full inventory of all the company's assets and generate additional costs as well as potentially divisive legal procedures.

If the *munitionnaires* expected a short war, as seemed to have been the government's expectation, and to benefit from the experience gained in the War of the Austrian Succession, they were bitterly disappointed. In contrast with the previous conflict, when the government had paid regularly its contractors, the *munitionnaires* expended a considerable amount of time and effort claiming payments for their services. In 1759, the MGVFA was owed 1,3 million and 4,6 million for their supplies in 1757 and 1758. The situation was made worse by the suspension of payments (October 1759) and from that moment the *caisse des vivres* in Paris was struggling on a daily basis to replenish its coffers with cash to allow the next day's payments. In July 1763 the MGVFA computed its cash advances at 13 million compared to a mere 3 million at the end of the War of the Austrian Succession. The financial crisis of the monarchy was a real problem for contractors because they had to pay a multitude of expenses, in particular staff salaries and their subcontractors. But cash was precisely what was most lacking. For the government not only rescheduled and renegotiated the terms of payment of its short-term assets. When it paid, it was with a large proportion of paper, in the form of bonds. *Table 4* reveals striking differences between the two wars. In the Seven Years' War, 40 per cent of the payments made by the State to the MGVFA were in paper against only 15 per cent in the years 1744-1748. Since the state applied this policy to all its contractors, the latter used to sell the bonds on the private market when they needed cash, sales which naturally accentuated a movement

29 BNF, Fr. 8018, *Copie de la délibération de la Compagnie concernant le traitement de ses députés aux armées, à cause des dépenses extraordinaires, 3 août 1763*, f. 69.

of spiralling depreciation of the State's financial assets as well as those floated by *munitionnaires* to refinance themselves. Of course the loss incurred in cashing in bonds varied according to the specifics of each asset but it was usually between 30 and 60 per cent. In the case of the MGVFA, the average loss on negotiating bonds was 10 per cent in the late 1740s and 28 per cent in the Seven Years' War (see *Table 4*).³⁰ Therefore the contractors' cashflow was dangerously low during the Seven Years' War while the cost of borrowing money or cashing bonds delivered to them by the State was very expensive, as expensive as in the worse time of Louis XIV's wars.

The retirement of Paris Montmartel who, for many years, had acted as a lender of last resort for the financiers and ensured the liquidity of a fiscal system which was now in crisis was also a setback for contractors and financiers. Although Laborde took over Montmartel's activities, the MGVFA started to act as a banker for government by raising money on the financial market for much larger amounts than they had used to. At first, the *munitionnaires* probably thought that they were just bridging a temporary deficit in the *Trésor royal*. Bourgade was alarmed when he realised that by agreeing to financially support the State he might be shooting himself in the foot by encouraging the controller general to tighten the tap on the flow of money even more. Military and naval defeats, the stifling of French trade by the British navy and the domestic political crisis only made matters worse. In October 1760, the MGVFA decided to take a step forward: the partners chose to increase their cash advances to avoid the negotiation of 6 million bonds at 3 per cent assigned to them by government which, on the market, would incur a 60 per cent loss. In January 1761, 2 million had been raised at a cheaper rate. The memorandum sent to Choiseul was not incorrect when it observed that contractors had turned into financiers. The relative inefficiency of the French financial system and the impact of military defeat on the interest rate might have put extraordinary burdens on Louis XV's contractors. Yet, as Gordon Bannerman has recently shown, the phenomenon was not exclusively French but also characteristic of the British experience in the Seven Years' War. The very cost of the conflict and political limits on the annual increase of the budget meant that the annual resources were insufficient to cover the actual needs of the armies, hence the usefulness for Cabinet of relying on the credit of contractors like Lawrence Dundas.³¹

30 BNF, Fr.8018, f. 116 passim, *Examen et Comparaison de la Dépense en fonds extraordinaires faits pour le service des Vivres de la Guerre de 1757 à 1762, avec ceux faits pour la guerre de 1744 à 1748*.

31 G. Bannerman (2008).

Table 4. Payments in cash and paper made by the Crown to the MGVFA during Louis XV's wars, and loss for the negotiation of bonds

| | 1744-1748 | 1757-1762 |
|--|--------------------|--|
| <i>Munitionnaire général des vivres d'Italie</i> | | <i>Munitionnaire général des vivres des provinces méridionales (South)</i> |
| Government payments in cash | 34,160,885 | 2,576,000 |
| Government payments in paper | 4,863,800 | 2,871,225 |
| <i>Total</i> | <i>39,024,685</i> | <i>5,447,225</i> |
| Cost for the negotiation of paper | 868,488 | 793,742 |
| Loss for cashing in paper | 17.8 % | 27.6 % |
| <i>Munitionnaire général des vivres de Flandres et d'Allemagne</i> | | |
| Cash | 58,632,438 | 62,918,478 |
| Paper | 10,238,400 | 44,877,125 |
| <i>Total</i> | <i>68,870,838</i> | <i>107,795,603</i> |
| Loss on paper | 1,221,334 | 13,185,638 |
| Net cash total | 67,649,504 | 94,609,965 |
| Loss for cashing in paper | 12 % | 29.4 % |
| <i>Total</i> | <i>107,895,523</i> | <i>113,242,828</i> |
| Proportion of paper in Crown's payments | 15.1 (14 %) | 47.7 (41 %) |
| | | <i>Régie de Minorque</i> 1,990,247 |
| | | <i>Régie d'Espagne</i> 1,532,378 |

The return of peace did not bring immediate relief to the *munitionnaires* who were very anxious about the measures the Crown would take to deal with an unprecedented level of debt and a public opinion which was more forceful than ever about the need to introduce major reforms and make the financiers pay. The anxiety was well-founded: in September 1763, Bourgade was so aware of the pressures on ministers that he gathered notes and observations, probably for controller general Bertin who supported pro-government pamphlets, in case it was necessary to counter the impressions that circulating publications give of financiers.³² In December 1763, the king's

decision to appoint a magistrate of the Paris *Parlement*, L'Averdy, for the job of finance minister was a shrewd move to defuse public anger against the financiers who, in the end, were only subjected to a token tax. As L'Averdy put it bluntly, it was very difficult for government to do without the financiers who owed large sums of money and still lent their credit to service the Crown's deficit.

Like all contractors, Bourgade was awaiting a speedy decision regarding payment of the MGVFA's cash advances. In the Spring of 1763, he sent two memoranda to Bertin in order to take advantage of a recent decision about debts which offered to indemnify the original holders of government's bonds issued in payment for services, in other words who had held on to them instead of selling them and, perhaps, speculating on their depreciation. Bourgade asked for an indemnity of 2.5 million for the 6 million bonds at 3 per cent the MGVFA had held since 1760. It is not known if Bertin agreed to Bourgade's demands which were probably meant to cover the loss in case the bonds were finally cashed on the market. It may be that Bourgade's aim was to put pressure on Bertin and obtain other favours, in particular to speed the settling of the MGVFA's accounts with the government. In any case, Bourgade was unhappy with a situation whereby the new *caisse d'amortissement* was to amortise debt owned by creditors over a period lasting up to 25 years (until 1789) whereas the capital of *munitionnaire's* outstanding debt paid in bonds during the previous war had been fully repaid before 1759. In the absence of the accounts of the MGVFA it is impossible to estimate the actual profit that the partners distributed between them for their services during the Seven Year's War. The cost of the war, the size of the debt in 1763 and the discrediting of royal assets explain that the financial reward for supplying the king's armies in the Seven Years' War became a longer term business than expected for those contractors who had been lending their credit and were paid in paper. From 1763, the story of these bond holders runs in parallel with the policies of Louis XV and Louis XVI's finance ministers for sinking the debt and the evolution of the market price of these bonds. It may well be, though, that ministers prioritised repayment of contractors' debt or negotiated with them a variety of agreements to compensate for their losses. For instance, all the equipment and the food accumulated in Germany were used to supply garrisons in France in 1764.

³² Fr. 8017, ff. 74-80vo.

Conclusion. *Peace and the fate of the 'Munitionnaire général des vivres' de Flandres et d'Allemagne*

For the *munitionnaires des vivres*, supplying the troops in wartime was a difficult but exciting and busy period. Peacetime, with the reduction of the troops, was a much quieter one. It was above all the time for settling the accounts with the government and distributing profits to the partners. The accounts for 1755 and 1756, which came to only 3 million per annum, had already been finalised in 1757. Those of the busiest war years required more time. They were gradually settled during the years 1764 to 1766. By this point, the system of *munitionnaires généraux* had been suppressed and replaced by a *régie* or direct administration by the state. For many observers and historians afterwards, the transition undertaken in the system of military supply under Choiseul's reforming ministry was symbolic of a new era, the ultimate victory of public opinion and patriotic thinking over the *munitionnaires* and financiers, and the costly and inefficient services they had offered during the Seven Years' War. This apparent victory, however, was short-lived as Choiseul's successor, the comte de Monteynard decided to rely once again on private enterprise to supply garrisoned troops (1771). This decision was soon followed by the publication of *Essai général de tactique* (1772) by the comte de Guibert, a favourite of the *philosophes'* salons, who critically examined the relationship between war supplies and military campaigns, and the French system of supplying armies. With Louis XVI's accession in 1774 and the appointment of the reforming comte de Saint-Germain, who favoured the *régie* system, debates were once again re-opened about the virtues of direct administration³³.

For once, contractors decided to enter the fray in the person of Jean-Nicolas Dampierre de La Salle (1723-93), who, in 1753, married the daughter of Jean-Denis Nesme, intendant of Mme. de Pompadour, and purchased 1 sol of interest in the *munitionnaire des vivres de Flandres et d'Allemagne*. Although Dampierre's *Lettre d'un ancien munitionnaire des troupes du roi* (1777) gave the impression that it replied to a pamphlet called *Le Publicole français*, his aim was to publically discuss Guibert's ideas about the military supply system³⁴. Dampierre's views match almost point by point

those of Bourgade as they appear in the collection of documents he gathered on the activities of his company during the Seven Years' War. Yet the broader appraisal of Dampierre's *Lettre*, which provides details about the evolution of military supply under Louis XV, reveals that if Choiseul's reforms responded to the pressures of public opinion and the need to cut expenses, the change to *régie* also suited the *munitionnaires'* agenda. Apart from the fact that military supply in peacetime was a less interesting and rewarding activity, Dampierre's text indicates that the partners had been unwilling to carry on with business and the company was dissolved. Some of the partners reached the age of retirement and others who had been attached to the armies needed to look after their ill health. More importantly, at the beginning of 1764, the government had finally decided to suppress all laws which traditionally prohibited free trade in wheat and export abroad. The *munitionnaires*, as one of the principal merchant groups in a system based on monopolistic values, disagreed with the spirit of the laws. They were not prepared to contract with the state because of the risks of business on a market that would be less predictable and, in any case, was likely to see prices rising, which was precisely one of the major aims of the new corn laws. By the mid-1760s, the context of a looming financial crisis, a succession of very bad harvests which saw the price of wheat rocket and population riot over tax on bread would lead to Terray's partial bankruptcy (1770) and chancellor Maupeou's coup against *Parlement* to muzzle public criticism of government. These measures would be accompanied by the repeal of the liberal corn laws and the abolition of *régie*: short of cash but anxious to feed the army in a context of rising prices, the government was happy to rely on private enterprise for the supply of *pain de munition* to the troops and, of course, for other advances.

In the end, the relationship between Louis XV and his military contractors was far from a happy story. Although partners in the MGVFA saw their services rewarded and several among them became financiers in the highest echelons, the transition from military supply to tax collection suggests that they were keen to escape from a profession which had proved risky and brought dishonour. This was perhaps the inevitable consequence of the burdens of warfare and profits contractors made in support of the state military commitment which, in earlier times, had seen financiers sent before the *chambres de justice*. In the Seven Years War the self-confidence of *munitionnaires* considered as an Ancien Régime type seems to have greatly suffered. Yet, the employees of MGVFA who were transferred to Choiseul's *régie* simply because they liked their work, which was quite important, or could not see themselves in another activity, could

³³ See the interesting study by L. Kennett (1967), which is very much inspired by reformers' views and pamphlets. See also A. Corviser, *op. cit.*, and L. Mention (1884).

³⁴ *Le publicole français, ou mémoire sur les moyens d'augmenter la richesse du prince par l'aisance des peuples* (Paris, 1776).

accept the image of bloodsuckers. Dampierre de La Salle, one of them, was so upset by the insults published in the *Publicole français* (1776) against *munitionnaires* that he published a defence and demanded:

*is it really so sure that companies which have been dismissed, re-engaged, applauded, criticized, relentlessly denounced, painted in the most odious colours, will again devote themselves to such humiliation? Their informers are beneath contempt ... but souls of any sensitivity fear what hurts at whenever quarter comes from ... That constitutes, to think it so, a sign of weakness in me; but I own to this weakness.*³⁵

For Dampierre, obviously, by the end of the Seven Years' War the military supply system was in disarray. In many respects, this crisis reflected the bigger problems that the French monarchy was facing, specifically the need to modernise its fiscal and political structures.

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35 *Lettre d'un Ancien Munitionnaire des Vivres des troupes du Roi* (La Haye, 1777), p. 51.