

CURRENT SCHOLARSHIP

John Law's Capitalist Violence

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The year 2019 marks a milestone in the history of finance and of capitalism: the three hundredth anniversary of John Law's spectacular take-over of France's economy. Between December 1718 and December 1719, Law established the first national bank in French history, the Banque Royale or Royal Bank, as well as Paris' original stock exchange, on the rue Quincampoix. At the same time, Philippe d'Orléans, the Regent governing France during Louis XV's minority, fused several older trading companies in order to create a giant conglomerate known as the Indies Company that enjoyed an absolute monopoly over the country's overseas trade. The Regent gave Law control first over the newly powerful Indies Company, then over the Royal Mint, and in the end over the regulation of all government finance and expenditure. Finally, also in 1719, Law introduced the French to two financial instruments with which they had had no prior experience: paper money and publicly traded stock in the form of shares in the new Indies Company. One man controlled the most important economy in Europe.

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