Some are More Liable than Others:
Determining Responsibility in Chartered Companies in the Early Modern French Atlantic

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Abstract

We take it as given that modern corporations have a separate corporate identity from that of shareholders, a permanent capital, transferable shares, managers, and a board of directors. Yet, the recognition of these features by the law is a relatively recent phenomenon. In the seventeenth and eighteenth centuries, the era of the development of the joint-stock company in Europe, the concepts of capital, shares, and liability were all in flux. Division of assets at the end of a single voyage, restrictions on transferability of shares, and calls for new contributions beyond the initial share routinely occurred. This paper examines a series of suits among associates of the Compagnie de la Nouvelle France (CNF) or Cent-Associés, one of the first French examples of the above organization, concerning the liquidation of company debts in the 1640s. These suits highlight the tension between the rights of associates, on the one hand, and the power of directors, on the other, in companies with a capital base and complex governance structure. While the CNF was modeled on the Dutch and English Indies Companies, judges and directors alike drew on existing French forms of association in their approaches to the responsibility of associates for the payment of company debts. The outcome reveals that internal company logic did not always agree with the logic of monarchical authority and patronage. Judicial and political contexts, then, were important in the evolution in legal status of companies in the seventeenth-century Atlantic.