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# Haiti and the Indemnity Question

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## Haiti and the Indemnity Question

### Alex Dupuy\*

1) Haiti did not agree to pay an indemnity to France in 1825 because it feared a war with its former colonial power. In 1814, France sent envoys to Haiti to demand that King Henry Christophe, who controlled the north of Haiti, and President Alexandre Pétion, who controlled the south and west, resubmit to French sovereignty. Christophe had that envoy arrested and jailed. Pétion, on the other hand, offered to pay an indemnity to France to compensate the former colonial property owners in return for France's official recognition of Haiti's independence.

I. Introduction	113
II. CLASS INTERESTS BEHIND HAITI'S INDEMNITY DECISION	115
III. CONCLUSION	120

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- 2) Jean-Pierre Boyer succeeded Pétion as president of the Republic of Haiti in 1818 and of the whole of Haiti in 1820 after Christophe's death by suicide. As had Pétion before him, Boyer consistently opposed all attempts by France to reimpose its sovereignty over Haiti. In 1824 he offered to pay an indemnity to France to compensate the former colonial property owners for the same reason his predecessor did in 1814. France finally did so in 1825.
- 3) The indemnity, which was fully paid-off in 1883 under Salomon, was not the primary cause of Haiti's inability to develop its economy. It was instead due to the inability of the successive post-independent governments to expropriate the land-owning/possessing peasant farmers to recreate the large-scale plantation system of the colonial era, on the one hand, and the constant internecine conflicts among factions of the dominant classes to control the state and its prebends. 4) Between 1875 and 1910, successive governments borrowed more money than they had previously, none of which was related to the indemnity. These debts, which amounted to 113,156,500 francs and were more egregious than the indemnity, were not paid off until 1961, and opened the way for direct foreign capital investment in production and for foreign banks to reestablish control over the national economy since the U.S. occupation from 1915-1934.

### I. Introduction<sup>1</sup>

Every student of Haitian history knows that in July of 1825, France sent the Baron de Mackau accompanied by a flotilla of 14 war ships to Haiti. This was to demand that Haiti, then under the government of Jean-Pierre Boyer, pay an indemnity of 150 million francs to France to compensate the former colonial property owners in return for its recognition of Haiti's independence, in which Boyer

<sup>&</sup>lt;sup>1</sup> Much of the information from this piece is extracted from ALEX DUPUY, RETHINKING THE HAITIAN REVOLUTION: SLAVERY, INDEPENDENCE, AND THE STRUGGLE FOR RECOGNITION, Chapter 4, "Property, Debt, and Development: Rethinking the Indemnity Question," 91–133 (2019). Moreover, this piece is also based on Dupuy's opinions, which He has constructed studying this topic for years, connecting the dots between history and practicality.

agreed.<sup>2</sup> It is also well recognized that in a second treaty in 1838, Boyer succeeded in reducing the total amount to be paid to 60 million francs with annual installments spread over 30 years; lowering the interest rate from 6 to 3 percent on the 30 million francs Haiti borrowed from a French bank for the initial payment of 150 million Francs.<sup>3</sup> He also succeeded in eliminating the half-duties Haiti had to pay on its exports to France, but which it had already stopped doing. Haiti paid off the 90 million francs indemnity in full in 1883, which was 58 years after the 1825 treaty or 45 years if based on the 1838 agreement.<sup>4</sup>

As could be expected, there are different interpretations of Boyer's decision to accept the ordinance, but they generally fall into two broad categories. First, there are those who argued that Boyer was afraid of the French flotilla and capitulated.<sup>5</sup> Largely based on that belief, former Haitian President Jean-Bertrand Aristide demanded that France repay Haiti the equivalent sum of \$21,685,135,571.48 for the 90 million francs.<sup>6</sup> More recently *The New York Times* published a series of reports in which its authors argued that Haiti was "forced to pay the descendants of the former slave masters," that "the burden continued well into the 20<sup>th</sup> century" and "hobbled the country for more than 100 years." Had the estimated \$21 billion stayed in the country, it would have boosted Haiti's economic growth.<sup>8</sup>

 $<sup>^2</sup>$  See François Blancpain, Un siecle de relations financieres entre Haïti et la France (1825-1922) 67 (2001).

<sup>&</sup>lt;sup>3</sup> See id.

<sup>&</sup>lt;sup>4</sup> Ministère des Affaires Étrangères, Paris, France: MAE-CP Haïti : v. 8. *Ordonnance du Roi*, 30 mai 1838; *See also* BLANCPAIN, *supra* note 2, at 63-74.

<sup>&</sup>lt;sup>5</sup> See generally 6 Thomas Madiou, Histoire d'Haïti 460 (1988); Victor Schoelcher, Colonies etrangeres et Haïti, resultats de l'emancipation anglaise 167 (1843); Abel-Nicolas Leger, Histoire diplomatique d'Haïti (1804-1859) 141 (1930).

<sup>&</sup>lt;sup>6</sup> Jean-Bertrand Aristide, *Discours de son Excellence Jean-Bertrand Aristide, Président de la République, à l'occasion de la Cérémonie Commémoriale du Bicentennaire de la Mort de Toussaint Louverture* in MUSEE DU PANTHEON NATIONAL, (2003).

<sup>&</sup>lt;sup>7</sup> Catherine Porter, et al., *The Ransom: The Root of Haiti's Misery: Reparations to Enslavers*, NY TIMES (May 20, 2022), https://www.nytimes.com/2022/05/20/world/americas/haiti-history-colonized-france.html.

<sup>&</sup>lt;sup>8</sup> *Id*.

#### II. CLASS INTERESTS BEHIND HAITI'S INDEMNITY DECISION

I offer a different view that focuses on the class interests Boyer and Alexandre Pétion were defending when they offered to pay an indemnity to compensate the former colonial property owners in return for France's recognition of Haiti's independence. In 1814, France, believing that Haiti was still divided into three parts as it had been from 1810 to 1812, sent three emissaries to Haiti to seek its submission to French sovereignty. <sup>9</sup> General Andre Rigaud had taken control of part of the south in a failed revolt against Pétion and died in 1812.<sup>10</sup> General Maximilien Borgella, who was allied with Rigaud, then ceded the south to Pétion who controlled the southern and western parts of Haiti. Henri Christophe, a notable strategist during the Haitian revolution, controlled the north until his death by suicide in 1820, after which the whole country was reunified under Boyer's government.<sup>11</sup>

When one of the French envoys arrived in the north, Christophe had him arrested and jailed where he was left to die. 12 Pétion made it clear that he would never submit to French rule but offered to pay an indemnity to France to compensate the former colonial property owners. When Boyer succeeded Petion in 1818 and took control of the whole country in 1820, he pursued Pétion's quid pro quo. In 1824, he sent emissaries to negotiate a treaty with France to recognize Haiti's independence in return for an indemnity and reciprocal commercial advantages.<sup>13</sup> When they didn't succeed, Victor Schoelcher remarked that at this point, "the French government understood finally that it either had to abandon all relations with the old colony or establish them on mutually recognized and agreed

<sup>&</sup>lt;sup>9</sup> See 7 BEAUBRUN ARDOIN, ÉTUDES SUR L'HISTOIRE D'HAÏTI 71-113 (1958); see also DUPUY, supra note 1, at 106.

<sup>&</sup>lt;sup>10</sup> *Id.* at 206.

<sup>&</sup>lt;sup>11</sup> The Haitian Timeline: A History of Military Dictatorship and Civil Rule, COUNCIL ON HEMISPHERIC AFFAIRS, (Feb. 9, 2010) https://coha.org/military-dictatorship-in-haiti/; see also DUPUY, supra note 1, at 106.

<sup>&</sup>lt;sup>12</sup> See Jean-Baptiste Guislain Wallez, Precis historique des negociations ENTRE LA FRANCE ET SAINT-DOMINGUE; SUIVI DE PIECES JUSTIFICATIVES, ET D'UNE NOTICE BIOGRAPHIQUE SUR LE GENERAL BOYER, PRESIDENT DE LA REPUBLIQUE D'HAITI 13-17 (1826).

<sup>&</sup>lt;sup>13</sup> Pieces officielles relatives aux négociations du gouvernement français avec le gouvernement Haïtien pour traiter de la formalité de la reconnaissance de l'indépendance d'Haïti (1824).

upon grounds. It is on that basis that King Charles X issued the ordinance of 17 April 1825."<sup>14</sup> If that is the case, then it cannot be argued that Boyer accepted the 1825 ordinance because he feared war with France. He did it for the same reasons his predecessor had: to solve the property question that remained at the heart of the conflicts between the former colonial planter class and the Haitian bourgeoisie and get France to officially recognize Haiti's independence. By declaring the indemnity a national debt in 1826, Boyer saddled the nation with the bill. Moreover, Boyer had invaded and occupied the western Spanish colony of Santo Domingo from 1822 to 1844 and taxed its population to help pay off the indemnity.<sup>15</sup>

As Louverture had done before him, Dessalines compelled landless or otherwise unemployed laborers to return to their former plantations under military control. His regime also antagonized other sectors of the population and factions of the military. <sup>16</sup> An uprising erupted against him on October 8, 1806, quickly spread to different parts of the country with the support of factions of the military and ended with his assassination that same month. <sup>17</sup>

No sooner was Dessalines gone that a conflict erupted between the factions of the dominant classes allied with Christophe, on the one hand, and Pétion, on the other, that led to the partition of the country into two states. <sup>18</sup> Christophe attempted to revitalize the plantation system by compelling landless workers to live and work on the farms to which they were assigned. <sup>19</sup> He also established commercial relations with England to weaken France's influence and tried in vain to gain its recognition of Haiti's independence. <sup>20</sup> By contrast, Pétion, confronted with a peasant rebellion in parts of the Southwest in 1807 that lasted until his death in 1818, pursued a

<sup>&</sup>lt;sup>14</sup> SCHOELCHER, *supra* note 5, at 164-65.

<sup>&</sup>lt;sup>15</sup> Frank Moya Pons, Deuda Pública, Crisis Económica y Oposición durante la Dominación Haitiana 28-32, (1972).

<sup>&</sup>lt;sup>16</sup> *Id*.

<sup>&</sup>lt;sup>17</sup> *Id*.

<sup>18</sup> Id

<sup>&</sup>lt;sup>19</sup> See generally JAMES G. LEYBURN, THE HAITIAN PEOPLE 46 (1941) ("Christophe made a steady successful effort to explain to the people the necessity of hard work on the plantation"); see also PAUL MORAL, LE PAYSAN HAÏTIEN: ÉTUDE SUR LA VIE RURALE EN HAÏTI (1961).

<sup>&</sup>lt;sup>20</sup> DUPUY, *supra* note 1, at 101.

more liberal land and labor policy.<sup>21</sup> He leased or sold public lands to high-ranking military officers and public officials, and made land grants to lower-ranking officers, mid-level civil servants, and rural laborers.<sup>22</sup> Yet, the wealthiest landowners appropriated the best and largest properties.<sup>23</sup>

Rising to power in 1818 as President of the Republic of Haiti after Pétion's death, Boyer reverted to the draconian land and labor policies of Louverture, Dessalines, and Christophe, which he embodied in his 1826 Code Rural. Still, he was unable to reconstitute the large plantations of the colonial era.<sup>24</sup>

Boyer also imposed the Code Rural in Santo Domingo where he met stiff opposition.<sup>25</sup> By the time of the "Praslin Revolution" of 1843 that led to his overthrow and exile in March of that year, a significant opposition led by the more liberal wing of the Haitian bourgeoisie had coalesced around a series of grievances that demanded an end to the government's authoritarian and repressive measures, greater freedom of the press and public debate, educational and legislative reforms, and a coherent program of economic development including agricultural reforms.<sup>26</sup> Notably absent in this list was the repudiation of the indemnity he had agreed to pay to France.

Based on the foregoing summary, then, Boyer did not accept the 1825 ordinance because he feared war with France. He knew that France was not contemplating or prepared to launch a military expedition to reconquer Haiti as Bonaparte had done in 1803; and although a blockade was an act of war and could have caused disruptions to international trade with Haiti, to be effective it would have had to be expanded to all Haitian ports and throughout the entire island of Hispaniola that was under his control at the time. That would have required the deployment of a much larger fleet "without any guarantee of success" as the independent council that King

<sup>&</sup>lt;sup>21</sup> *Id*.

<sup>&</sup>lt;sup>22</sup> *Id*.

<sup>&</sup>lt;sup>23</sup> *Id*.

<sup>&</sup>lt;sup>24</sup> *Id.* at 101-02.

<sup>&</sup>lt;sup>25</sup> *Id.* at 206.

<sup>&</sup>lt;sup>26</sup> Dupuy, *supra* note 1, at 102; *see also* Frank Moya Pons, The Dominican Republic: A National History 139 (1988).

Louis XVIII appointed in 1821 concluded and opposed any attempt to reconquer Haiti militarily.<sup>27</sup>

If the fear of war was not the reason Boyer agreed to pay the indemnity, two others were. The first was the desperate need to gain recognition of Haiti's independence by other powers who refused to do so before France. The second had to do with the question of property, that is, to ensure the transfer of ownership of the colonial properties to the Haitian government and the emergent ruling class.

The 90 million francs indemnity that was paid off in 1883 by President Salomon represented about ten years of fiscal receipts for the Haitian government. Many have argued that the indemnity was a root cause of its inability to develop its economy since 1825. Leontend instead that two other factors played a more significant role. The first factor was the inability of the Haitian ruling class to expropriate and proletarianize the former slaves and their descendants since the time of Louverture and reconstitute the large plantations of the colonial era. And the second factor resulted from the conflicts among different factions of the ruling class to control the state since 1806 and their dealings with foreign businesses and governments, including incurring even more debts than the indemnity that they could not repay.

As mentioned above, the respective governments of Dessalines, Pétion, Christophe, and Boyer tried but failed to revitalize the plantation system that had made Saint-Domingue the most productive sugar-producing colony in the eighteenth century by transforming the former slave masses and their descendants into wage-laborers to work on them. They succeeded instead in gaining access to land, either as de facto owners, tenant farmers or sharecroppers to produce food crops for their consumption as well as for the local, national, and world markets.<sup>30</sup>

The system of tenant farming or sharecropping could have made it possible to use more advanced technology to increase the

<sup>&</sup>lt;sup>27</sup> MADIOU, *supra* note 5, at 193-94.

<sup>&</sup>lt;sup>28</sup> DUPUY, *supra* note 1, at 116.

<sup>&</sup>lt;sup>29</sup> See generally Anthony D Phillips, Haiti's Independence Debt and Prospects for Restitution, Institute for Justice and Democracy in Haiti (May 2009), https://ijdh.org/wordpress/wp-content/uploads/2009/11/Haiti\_RestitutionClaim-ArticlePhilipps05-09.pdf; see also Jacques Barros, Haïti de 1804 à nos jours (1984).

<sup>&</sup>lt;sup>30</sup> DUPUY, *supra* note 1, at 119.

productivity of the farms. That alternative never materialized because the sharecroppers and the small peasants with access to land would have needed to be expropriated to create larger farms. As aforementioned, Boyer understood that this was the essential precondition to the development of the economy, but since neither he nor his successors could expropriate the peasants and transform them into wage-laborers, the bourgeoisie was stymied in its efforts to develop a national infrastructure, expand public, technical, and professional education, diversify agriculture, and promote the growth of industries. Consequently, the dominant classes were limited to accumulating wealth mainly from the circulation rather than the production process. They became a commercial and a rentier bourgeoisie that engaged in financial, commercial, and trade relations with other countries to which they exported Haitian agricultural products and lumber and imported durable and consumer goods they resold on the domestic market.<sup>31</sup>

In addition to commercial enterprises and/or land as the basis of wealth accumulation, the State became a source of enrichment for those who controlled it.<sup>32</sup> Dictatorship and rule by force became the predominant form of government possible under such circumstances, and the coup d'état the principal means of making and unmaking governments.<sup>33</sup> Between 1804 and 1915, out of the 24 heads of state in 111 years, 13 were overthrown, three were killed in office, six others died in office, and only two completed their terms.<sup>34</sup>

The weakness, divisions, and endless conflicts among factions of the ruling class to control the state also made them vulnerable to manipulation by foreign businesses and their governments.<sup>35</sup> More serious and consequential were the borrowings of large sums of money from foreign banks that opened the way for foreign capital to reassert its dominance over Haiti's economy.<sup>36</sup>

As Gérard Pierre-Charles summarized the consequences of indebtedness, between 1875 and 1910 Haiti borrowed a total of 166

<sup>&</sup>lt;sup>31</sup> *Id.* at 120.

<sup>&</sup>lt;sup>32</sup> *Id*.

<sup>&</sup>lt;sup>33</sup> *Id*. at 128.

<sup>&</sup>lt;sup>34</sup> ALEX DUPUY, HAITI IN THE WORLD ECONOMY: CLASS, RACE, AND UNDERDEVELOPMENT SINCE 1700 115-123 (1989).

<sup>&</sup>lt;sup>35</sup> DUPUY, supra note 1, at 128.

<sup>36</sup> Id.

million francs, and in 1914 Haiti's total foreign debt amounted to 113 million francs.<sup>37</sup> These debts were not fully repaid until 1961.<sup>38</sup> Moreover, it is worth noting the evolution of the ratio of these debts to Haiti's treasury, whose principal source of foreign currency came from its exports. According to Alain Turnier, for every three dollars Haiti earned on its coffee exports in 1875, \$0.33 went to service the foreign debt.<sup>39</sup> That increased to \$1.20 in 1896, and \$1.00 in 1910.<sup>40</sup> Looked at differently, the burden of repaying Haiti's foreign debts was not caused by the indemnity but by subsequent debts accrued after 1875 that were not related to the indemnity.

By the beginning of the twentieth century, foreign banks had reestablished their control over the national economy, which in turn opened the way for direct foreign capital investment in production resulting from land concessions to European firms, and which the United States invasion and occupation of Haiti from 1915 to 1934 consolidated.

### III. CONCLUSION

From the foregoing, the following conclusions can be drawn. First, President Boyer, as had his predecessor Alexandre Pétion, did not offer to pay an indemnity to France because they feared French military aggression. Both presidents did so instead to solve two problems simultaneously: the recognition of Haiti's independence and to settle once and for all the property question in the interest of the Haitian ruling class. The indemnity was not the principal reason Haiti could not develop its economy in the nineteenth century. Instead, the inability of the ruling class to recreate the plantation system of old and the constant internecine struggles by factions of the dominant classes to control the state as a source of enrichment, combined with borrowing more money unrelated to the indemnity they could not repay were far more consequential. As Alain Turnier put

 $<sup>^{37}</sup>$  Gerard Pierre-Charles, L'economie haıtienne et sa voie de developpement 136-137 (1967).

<sup>38</sup> Id

 $<sup>^{39}</sup>$  Alain Turnier, La societe des Baïonnettes, un regard nouveau, 35 (1985).

<sup>&</sup>lt;sup>40</sup> *Id*.

it, "to stop the descent into hell, good will, competence, and patriotism were not enough, and foreign aid was essential, whereas imperialism aimed to carve-up its prey. External finance succeeded in transferring to the economy the colonialism that was politically defeated on the battlefields of Saint-Domingue, and thus perpetuate the past."

<sup>&</sup>lt;sup>41</sup> *Id*.