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THE MEXICAN EXPEDITION OF 1862-1867 AND THE END OF THE FRENCH SECOND EMPIRE*

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The End of the French Second Empire

ABSTRACT. The French expedition to Mexico from 1862 to 1867 rarely features in accounts of the origins of the Franco-Prussian War or of the liberalization of the French Second Empire in its final years. By contrast, this article uses a range of archival and published sources to argue that the failure of the Mexican expedition was an important factor in the crisis that convulsed French politics in the late 1860s. The legitimacy of the fiscal-military system was undermined, in large part because of the burdens that the expedition imposed on the French people. There resulted difficulties over finance and the army, which hindered the Second Empire's ability to confront the Prussian threat and accelerated the emergence of the 'Liberal Empire' with the constitutional reforms of 1867-1870. Liberalization, though, could not rescue the imperial regime, and the legitimacy crisis of the Second Empire was only resolved by a transition to a parliamentary democracy under the Third Republic.

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The French intervention in Mexico from 1862 to 1867 has spawned a large literature, but curiously little of it considers the expedition's consequences for France or Europe. Though historians have situated the wars of German unification in a global context,¹ the Mexican expedition barely features in standard accounts of the origins of the Franco-Prussian War.² Moreover, while historians have long noted the unpopularity of the Mexican expedition,³ they have generally underplayed its importance in explaining the political and constitutional reform of the French Second Empire in the late 1860s.⁴ Instead of considering the ramifications for French domestic politics, historians of the expedition have been principally concerned to explain how the French came to expend so much blood and treasure in a region in which they had *prima facie* so few strategic or economic interests. Thus, much of the scholarship addresses questions of diplomatic, intellectual and cultural history, reconstructing Franco-Mexican relations from the 1820s onwards, explaining Napoleon III's objectives in Mexico and analysing the regime that the French created there.⁵ While some of this work discusses the expedition's consequences for France – particularly regarding its relationship with contemporaneous French imperialism in Algeria, Indochina and elsewhere – the impact in Europe has been comparatively neglected.⁶ Indeed, the conquest of Algeria aside, historians have largely overlooked the effects of French extra-European policy on France, reflecting a broader disregard for French imperial history from 1814 to 1870.⁷

As we shall see, however, the Mexican expedition had a severe impact on French politics, stimulating the liberalization of the Second Empire in the 1860s and reducing the regime's capacity to cope with a deteriorating international situation in Europe. These consequences are apparent in the finances of the Mexican expedition, which have received relatively little attention despite historians' focus on explaining why the French expended such resources in Mexico in the first place. While scholars have given some attention to the

economic motivations for the Mexican expedition and its financial history,⁸ they have largely overlooked the question of how the costs of the intervention affected the French public – a crucial issue, since the latter’s willingness to bear the burdens of the fiscal-military system, that is the taxes and conscription which underwrote French great power, directly affected France’s ability to face the Prussian threat. As Edward Shawcross has observed, the limited popularity of the Mexican expedition pushed the French government to seek to minimize the costs by installing the Archduke Maximilian, brother of the Austrian Emperor Franz Josef, as emperor of Mexico in 1864. Upon accepting the throne, Maximilian agreed the Miramar Convention with France, stipulating that his government would reimburse the French 270 million francs for the costs of the expedition hitherto and would finance the presence of French troops in Mexico thereafter. Shawcross argues that the use of Maximilian’s regime as a vehicle for informal empire contributed to the expedition’s failure; had the French sought to occupy Mexico the way they had Algeria after 1830, he suggests, the intervention’s chances of success might have increased. However, the enormous expense of conquering Algeria made it unattractive as a model for French imperialism elsewhere.⁹ Indeed, the costs of the expedition were the reason that the French gave Maximilian’s government for their withdrawal.¹⁰ Moreover, even if the French had been willing to bear the costs of direct rule in Mexico, they would still have had to contend with the hostility of the United States. Not only did the Americans, particularly after the end of their Civil War in 1865, contribute materially to the republican guerrilla war against Maximilian’s Empire, but pressure from Washington pushed the French to accelerate their withdrawal in 1867.¹¹

Though aggravated by republican guerrillas and the French desire to intervene in Mexico on the cheap, the financial problem was incipient from the outset. While the

expedition was partly motivated by the desire to nurture the strength of the 'Latin' race and so check the power of the 'Anglo-Saxon' United States, secure better access to Mexican resources such as silver and cotton and extend French commerce, the pretext for the expedition in 1862 was Mexico's default on foreign debt. Mexico, thus, faced severe fiscal difficulties before the French arrived. In the final years of Spanish rule, the colony slipped into deficit as Madrid sought to offload mounting budgetary problems at home onto the colonies, initiating a period of fiscal instability that lasted into independence.¹² Protracted political volatility thereafter, not least disagreements over federalism and centralization, hindered the construction of a stable and effective fiscal system.¹³ Most recently, a civil war of 1857-1860 – the Reform War – that followed the promulgation of a liberal constitution in 1857 had interrupted tax collection, stimulating banditry and resistance to taxation. The French intervention did little to alleviate Mexico's socio-economic problems. On the contrary, banditry and unrest increased, encouraged by opponents of the French intervention who fought a guerrilla war, aggravating problems of taxation and adding to the costs of the expedition by increasing France's military difficulties. Benito Juárez, the Mexican president before the intervention, did everything he could to make life as hard as possible for the French, maintaining a diverse coalition of radicals, moderates and liberals while cultivating support in Washington.

Concerns about the expense of the Mexican expedition reflected the French public's general wariness of Napoleon's aggressive foreign policy, which entailed military interventions in the Crimea, Italy, Syria, China and Indochina in addition to Mexico – all of which cost money and men.¹⁴ Throughout the Second Empire, the government's seeming willingness to spend money provoked criticism of fiscal irresponsibility.¹⁵ To appease the critics, Napoleon appointed Achille Fould as finance minister in 1861 to pursue fiscal

equilibrium. Given the series of military actions abroad, Fould raised taxes. Naturally, the ensuing fiscal burden was unpopular. Despite increasing taxes, though, Fould ultimately aimed to reduce them and streamline the state, thus enhancing the legitimacy of the fiscal system. Indeed, the desire to cut taxes was one reason for the conclusion of the Franco-British commercial treaty in 1860. While the 1850s had been boom years, the 1860s were more turbulent economically, given the disruption arising from poor harvests, cholera, wars and financial crises. Spending on public works such as railways, slashed after 1848 to accommodate pressure for retrenchment, rose alongside military expenditure as the government sought to counteract economic malaise. While public works had been largely delegated to the private sector in the 1850s, investor confidence was more volatile in the 1860s, necessitating greater government action.¹⁶ The expense both of the latter and of an aggressive foreign policy impeded the tax cuts that might have bolstered the legitimacy of the regime.

Napoleon's foreign policy had further domestic political costs. His sponsoring Italian unification, and thus the absorption of the Papal State into Italy in 1860, eroded Catholic support for the Empire, while the regime also lost support in industrial areas that suffered from the lowering of tariffs that followed the Franco-British commercial treaty of 1860. Still, the government's position was sufficiently solid that the initial moves towards political liberalization, intended to recalibrate support for the Empire, in November 1860 were not forced on Napoleon but rather reflected his choice.¹⁷ Likewise, the regime proved willing to countenance greater decentralization in the 1860s, stimulating greater vibrancy in local politics and ultimately the emergence of the 'republican' notion of citizenship that characterized the Third Republic.¹⁸ However, with opposition progress in the elections of 1863 and 1869 and growing popular discontent in the late 1860s, the government was

pushed to further concessions, hastening the liberalization of the Empire. As we shall see, the legacy of the Mexican debacle contributed to these problems, weakening the regime and reducing France's chance of victory over Prussia in 1870.

I

Soon after the French arrived in Mexico, it became clear that expedition would not be quick, easy or cheap. 'I do not know how we will get out,' Fould wrote in September 1862, 'and what advantage we can get from it [the expedition]. The news which reaches me from Mexico makes me tremble for the finances.'¹⁹ Considering Mexico as a potentially wealthy country, the French did not anticipate the expense of the expedition. Instead, Napoleon expected it, and the settlement of Mexican finances, to be quick and easy: 'one of the first questions will be the re-establishment of order in the finances, because that will permit us, without overburdening the country, to pay ourselves our indemnities.' To his knowledge, the Mexican government's ordinary revenues would suffice for this purpose.²⁰ In other words, the French were drawn into Mexico partly by casual racial and cultural assumptions that they could tap the country's wealth more effectively than the Mexicans themselves. Such assumptions of superiority probably contributed to the French reluctance to leave Mexico once these rosy expectations were disappointed. The notion of Mexican inferiority both increased the reluctance to concede defeat and made victory appear more achievable.

The French faced numerous difficulties when they landed, most of which had financial ramifications. Shortly after arriving in Veracruz, the French commander Charles de Lorencez noted the 'excessive price of everything in Mexico';²¹ the French, wrote a finance

ministry official the following year, had to make their purchases in piastres 'at an excessive rate'.²² While Mexico had land of 'extraordinary fertility' alongside extensive mineral wealth, the French could not just exploit this at will. Indeed, despite Mexico's reputed wealth in gold and silver, the French faced shortages of specie, and thus prohibited its export while having to import it to allow the army to purchase supplies.²³ Such difficulties, arising from social turbulence and the limited capacity of the Mexican state, were exacerbated by Juárez's partisans but may have nevertheless increased the French sense of superiority over the Mexicans. As Lorencez wrote, 'We have such a superiority over the Mexicans of race, of organization, of discipline, of morality and of elevation of sentiments that I pray your Excellency to please inform the Emperor that from now, at the head of these 6,000 soldiers, I am the master of Mexico.'²⁴ Despite his defeat at Puebla by a smaller force a few days later, which retarded the French advance and boosted the morale of Juárez's forces, the French generally continued to consider the Mexicans inferior. Indeed, considering his Mexican auxiliaries, Lorencez wrote that they 'avail us almost nothing, ravage the country and increase our unpopularity.'²⁵ Given the perceived inadequacies of France's Mexican allies – which had some justification – and the defeat at Puebla, the French sent reinforcements under the command of General Forey, adding to the cost of the expedition. Already, Lorencez had logistical difficulties with his 6,000 men; the proposed increase to 25,000 would obviously exacerbate these problems. Ultimately, the French army in Mexico grew to 30,000 men.

The reinforcement of the army after Puebla reflected the new reality of the Mexican expedition. Rather than the relatively rapid operation the French may have had in mind at the outset, they had to reconcile themselves with the possibility of a protracted intervention. In June 1862, Lorencez wrote that 'After several years of Monarchy this

country would obtain an amazing degree of prosperity. But nobody here wants monarchy, not even the reactionaries. The Mexicans are all infatuated with liberal ideas'.²⁶ A month later, he reiterated that he 'had not seen a single partisan of monarchy in Mexico', but hoped that a French occupation of 'several years' would rectify this deficiency.²⁷ As his remarks about Mexico's potential prosperity indicated, the intervention would have to be accompanied by a process of state-formation, which would serve as an instrument for informal empire in Mexico and allow the French to extract the means required to reimburse themselves the cost of the expedition. Thus, in November 1862, Fould sent a former receiver general, Budin, 'to constitute in Mexico, as soon as possible, a good financial administration.'²⁸ In 1863, he was reinforced by 12 agents drawn from the different branches of the finance ministry to assist him in imposing order and regularity on Mexico's finances.²⁹ Simultaneously with Budin's appointment, Fould opened negotiations with bankers to reduce the costs of procuring credit in Mexico to cover the army's needs.³⁰

While Budin's mission extended to raising money from any taxes available, the French directed most of their attention towards customs. In part, they did so because customs revenues were hypothecated to cover the payments Mexico owed the French, British and Spanish. Other taxes were problematic, given the difficulties the French had in imposing authority across Mexico, particularly on rural areas. While Maximilian's regime raised direct taxes, these seem to have yielded little; in 1866, General Bazaine, who replaced Forey as commander of the expedition in 1863, noted that landed estates did not produce enough to pay the taxes imposed on them.³¹ Controlling major ports, customs were a relatively easy tax for the French to exploit, even if the violence that accompanied their expedition impeded the commerce that underlay customs revenues. Consequently, customs were the main source of tax revenue during the intervention.

While the French installed agents to oversee the collection of customs duties, revenue remained inadequate.³² Throughout the intervention, customs provoked complaints from taxpayers for the uneven collection of the duties and their seeming arbitrariness.³³ Pending the creation of a more productive tax system, Forey decided to emit for the new Mexican government treasury bills of up to 200,000 piastres per month, guaranteed by France.³⁴ While the Miramar Convention specified that the Mexican army would cease to be financed by the French on 1 July 1864, this proved impossible to implement, given the Mexican government's lack of means. Thus, Bazaine stipulated that the costs of the Mexican army would continue to be paid by the French, who were ultimately to be reimbursed.³⁵ 'The financial situation will improve, I hope,' he wrote shortly afterwards, 'but it progresses slowly up to now. It is necessary, above all, to create an administration and to find some politicians. It is necessary to create resources and there exist no others besides the old taxes which are totally insufficient and barely established.'³⁶

The problems with taxation weakened Mexican government credit, which simultaneously assumed greater importance as a source of revenue. Indeed, as he contemplated accepting the Mexican crown, Maximilian sought to ensure a loan for his prospective government.³⁷ Upon taking the throne, he opened negotiations in Paris and London, creating the *Commission des finances du Mexique* in Paris under the Count de Germiny, a former French finance minister and ex-governor of the *Banque de France*. French financiers, though, inclined to follow the lead of the City, which had hitherto provided most of Mexico's foreign credit. If the bondholders who had suffered from the default of 1861 were not compensated, wrote the Paris banker Salomon de Rothschild, the British market would be closed to the loan, rendering it unfeasible.³⁸ In any case, Maximilian hoped to minimise his dependence on the French. Thus, he concluded a contract with the London

firm of Glyn Mills for 305 million francs. The loan, however, was poorly received by investors,³⁹ leaving the French with a considerable problem: if Mexico could not procure funds on the market, the French government would have to provide more money. Fould, wrote the Paris banker Hottinguer, regarded the loan 'as a resource for his treasury'.⁴⁰ Of the nominal 534 million francs that Mexico borrowed in two loans in 1864 and 1865, only 34 million went to Maximilian's government.⁴¹ The rest went to service existing foreign debts and to the French treasury. While the costs of the expedition were still large enough to keep Fould's 1864 budget in deficit,⁴² the sums spent on Mexico were relatively small (table 1). Excluding 31,713,000 francs that the navy ministry spent on foreign interventions without being able to disaggregate the costs for each mission, the Mexican expedition cost approximately 363,165,000 francs from 1861 to 1867 and produced revenues of around 61,975,000, comprising reimbursements from the Mexican government, the sale of Mexican bonds and income from Mexican customs.⁴³ Even without these revenues, Mexico never cost more than 5% of the French government's budget in any given year from 1861 to 1867. Though the expense of informal empire in Mexico was easily sustainable, it was still significant enough to impede tax cuts and thus impress public opinion with the costs of the expedition, as we shall see.

[INSERT TABLE 1 HERE]

Given their desire to minimize expenditure in Mexico, the French acted to rescue the 1864 loan. Already in 1862, Fould had expressed his willingness to assist the Mexican government in obtaining credit.⁴⁴ While the British had been Mexico's principal overseas creditors before 1861, the tripling of Mexico's foreign debt during the intervention was largely financed by the French.⁴⁵ Faced with lacklustre results in London, the *Commission des finances du Mexique* replaced the conventional 6% bonds issued by Glyn Mills with

lottery bonds.⁴⁶ The use of the latter reflected a shift in the market for Mexican securities. Whereas Glyn Mills had moved to issue the loan in the usual fashion, relying on bankers and their lists of subscribers, lottery bonds were designed with a more demotic appeal: their offer, in this instance, of a biannual cash prize targeted French small investors instead of high financiers. 'Prizes, premiums and all sorts of combinations of games', wrote the Paris banker Alphonse de Rothschild, would ensure that the loan 'would be taken would be taken by the country itself, which greatly likes games and lotteries.'⁴⁷ Another loan of 250 million francs in 1865 was issued by the same means, and Fould expressed his 'delight' that 70,000 people had invested.⁴⁸ Government officials publicly endorsed the loans, projecting an economic bonanza in Mexico and helping to raise the number of investors in Mexican bonds, ultimately, to 300,000.⁴⁹ Though the loans were raised successfully, they came with significant risk premiums: 14.43% interest in 1864 and 15.6-16.49% in 1865. While elite bankers still took a significant portion of these loans,⁵⁰ which they then sold, the recourse to French small investors presented a severe political difficulty when it came to withdrawing from Mexico a few months later. Fould's 'delight' was thus short-lived.

Besides rescuing the Mexican loan, Fould also sought to ease Mexican government credit and stimulate the Mexican economy through the creation of a *Banco de México*, modelled on the *Banque de France*. Whereas substantial parts of the loans could be raised from relatively low-information small investors, the bank would rely on high financiers, some of whom had agents or contacts in Mexico. Already in 1863, Fould was discussing proposals to this end with several bankers. Pitching the idea to Hottinguer, who then enlisted other bankers in support, Fould suggested that the state-formation – chiefly the creation of a functioning fiscal system and army – on which the French had embarked in Mexico would prevent their withdrawal for at least 3 years. Thus, Hottinguer, despite his

unwillingness to partake in issuing Mexican bonds,⁵¹ concluded that 'in these conditions it seems to me that this proposal of a bank can be usefully pursued';⁵² 'if France maintains its administration in that country [Mexico], the privilege that we obtain can only be an excellent affair'.⁵³ Hottinguer had few illusions about the situation in Mexico. It was a 'shattered country', whose 'credit is to be completely reconstructed'.⁵⁴ While Maximilian stalled approving the bank's statutes, perhaps hoping for a counteroffer, these and an advance of 10 million francs were finally agreed in February 1865 with distinguished members of the Paris *haute banque*, including Hottinguer, Pillet Will, Mallet, Fould, Seillière and Marcuard André alongside the City firm Finlay Hodgson.⁵⁵ Hottinguer's colleagues, though, were generally warier of the proposal than he was. Considering it an 'extravagant idea', Marcuard, for example, only acquiesced because 'I do not want to separate myself from our friends... who probably have good reasons' for endorsing the proposal.⁵⁶ Baring, Hottinguer's principal correspondent in London, declined to participate, on the basis that the bank could risk the firm's reputation – though he was confident that 'you will make money by your shares... in the Paris hotbed of speculation'.⁵⁷ Such lukewarm sentiments contributed to the collapse of the syndicate in September, due to concerns about the mismanagement of Mexican finances. While the *Comptoir d'escompte de Paris* took over the contract, the project ultimately failed.⁵⁸

The abandonment of the *Banco de México* perhaps reflected a decline in French support for Maximilian's regime. Seeking to establish a basis for his rule that did not rest exclusively on the French army, the emperor sought to conciliate different factions in Mexican politics under an enlightened, moderate liberalism; at the same time, he used ceremony and urban renovations in Mexico City to try to impress his new subjects with the mystique of monarchy – at considerable expense.⁵⁹ The French were generally

underwhelmed by these efforts. Within a few months of Maximilian's arrival, Bazaine was complaining that the 'torpor which paralyses the members of the Mexican government could not be relieved by my efforts', while his agents were finding it 'impossible to complete their mission, lacking support from the Mexican authorities'.⁶⁰ Maximilian's government, he wrote, sought to 'leave to us all the odious exceptional and rigorous measures.' In fiscal matters, meanwhile, Mexican officials showed a 'passive resistance' to supervision.⁶¹ While tax revenues, particularly from customs, seem to have increased during the intervention, these remained far from adequate to cover the costs of the army.⁶² The ensuing 'penury' of the Mexican treasury inhibited the government from functioning effectively, and denuded Maximilian of resources that he might use for sake of developing his support among the Mexican population.⁶³ Encouraged by Juárez's agents, banditry remained rife, and French efforts to raise tax revenues by expediting Mexican economic development, for instance through railway construction, made slow progress. Were it to succeed, therefore, the process of state-formation would take longer than the French had anticipated – a prospect for which they had little enthusiasm.

With the continuing inadequacy of the Mexican tax system and the loans of 1864 and 1865 having been largely spent, the Mexican government's financial dependence on France increased. Despite the difficulties evinced since the beginning of the expedition, Fould maintained, with growing impatience, that Mexico was 'rich and it must pay if it wants us to give it security.'⁶⁴ In April 1866, wearying of the expense and faced with growing hostility to the expedition from the French public, mounting pressure from the United States following the end of the Civil War and the consequently resurgent Mexican republicans, the French government announced its intention to evacuate Mexico between November 1866 and November 1867, which had 'an adverse influence on Mexican

resources in paralysing business and in estranging capital.’⁶⁵ Mexican credit, already frail, collapsed (figure 1). In May, following persistent requests from Maximilian for advances, Bazaine conceded 500,000 piastres per month, to be secured against customs revenue.⁶⁶ The decision to withdraw, paradoxically, increased the cost of the expedition until the evacuation was actually realized. ‘The ever-growing embarrassments of the [Mexican] Treasury,’ wrote Bazaine, ‘are a cause of malaise that paralyses everything’.⁶⁷ The French government, though, resolved to provide no further advances to Maximilian’s government, despite the commitment of the ‘men on the spot’ to the intervention and their claims that fiscal equilibrium could be attained in Mexico.⁶⁸ Instead, a new agreement concluded in July gave the French half of all Mexican customs revenue.⁶⁹ By this point, though, all Mexico’s debts, both those privately contracted and those owed to the French government, were secured against ‘the mirage of brilliant customs revenue’, as Fould sardonically put it. With no credit forthcoming from the non-existent *Banco de México*,⁷⁰ at the end of 1865 Maximilian had proposed to raise 500 million francs in London using customs as collateral. While Fould was more than happy for the Mexicans to raise money in London, he was wary of imposing another burden on customs revenue and doubted that investors would buy.⁷¹ Financially, Maximilian’s Mexico offered no hope of return – though as late as March 1867, for example, one French provincial newspaper perhaps somewhat disingenuously described Mexican bonds as ‘always in high demand’ on the Paris bourse (figure 1).⁷²

[INSERT FIGURE 1 HERE]

The French hoped to leave Maximilian with the means to survive, but even before their evacuation the outlook was bleak. ‘Property produces nothing’, wrote Bazaine; ‘the civil, political, financial, military and judicial administrations do not function.’⁷³ Unpaid, Mexican troops were deserting and defecting.⁷⁴ The French government’s termination of

the subsidies granted by Bazaine was, one officer wrote, 'a death sentence' for Maximilian's regime.⁷⁵ The latter's collapse, though, would imperil the repayment of the money the French had put into Mexico since 1861. For the French government, and certainly for Fould, preserving the investment of French nationals was a high priority, which became significantly more important as the loans of 1864 and 1865 drew more French capital into Mexico.⁷⁶ The problem was all the more acute, given the probability that Maximilian's regime would collapse following the French withdrawal. While Fould at least talked as though he expected a new government to honour Mexico's debts to France, his colleagues harboured no such delusions.⁷⁷ Thus, upon resuming power in 1867, the Republican government denied that it owed French creditors, exacerbating the problems of legitimacy that the Mexican expedition created for Napoleon III's regime.

II

The Mexican expedition may have ended in 1867, but it remained a fixture in criticism of the Bonapartist regime until the latter's collapse. The withdrawal coincided with an intensification of the difficulties confronting the Second Empire in the late 1860s. In part, these arose from the liberalization of the Empire that began in 1860. In 1864, the Le Chapelier law, which had prohibited workers' unionization, was repealed in a forlorn bid to cultivate the urban working class.⁷⁸ The ensuing wave of strikes intensified towards the end of the decade as the economy proved sluggish,⁷⁹ following poor harvests, outbreaks of cholera and financial crises, all of which fuelled what the opposition called 'la grève du milliard'. Referring to the 'milliard' in the vaults of the *Banque de France* which permitted

interest rates to fall, the opposition lambasted government policy as creating an atmosphere of uncertainty, uncondusive to investment despite the surplus of capital and thus causing economic malaise.⁸⁰ Meanwhile, restrictions on the press were relaxed, providing the regime's critics with new fora in which to attack the government. The latter came under particularly heavy fire after the Prussian army's unexpectedly rapid victory over Austria in 1866 presented a challenge to French primacy in Europe, precipitating a foreign policy crisis. Though Napoleon had made a pre-war bargain with Bismarck to ensure the transfer of Venetia to Italy, France itself made no tangible gain, which left the impression of acquiescence in Prussian aggrandisement for nothing in return. Seeking compensation, the government attempted to orchestrate the acquisition of Belgium and Luxembourg, but without success.⁸¹ These inept machinations to recoup prestige in Europe, wrote the duc de Persigny, a former minister and staunch Bonapartist, reinforced the impression that the government was 'completely corrupt'; 'today everybody believes the Empire is going to ruin'.⁸² Withdrawal from Mexico, in effect defeat, was a further blow. All these setbacks aggravated the problems confronting the French fiscal-military system.

Given continuing pressure for retrenchment, the weight of expenditure in Mexico, which showed no sign of yielding imminent success, became increasingly difficult to justify. In 1866, Fould noted the 'strong reluctance of the [legislative] chamber with respect to the Mexican expedition'.⁸³ Persuading deputies to vote money for Mexico was becoming harder. Already in 1862, the prefect of the Meurthe had noted the 'unanimous approbation' that greeted a reduction in the size of the army and thus of military spending, given the peace in Europe and the unpopularity of recent tax increases, particularly on salt.⁸⁴ In 1864-1865, before the withdrawal, Fould forced further cuts to the army budget. According to the prefect of the Aube, these were 'received by public opinion in the most favourable manner',

and there was a general desire for the cuts to have been greater.⁸⁵ Under pressure to minimize expenditure in Mexico, Bazaine wrote that he had 'ceaselessly made every effort to arrive at notable economies'.⁸⁶ As Marshal Randon, the war minister, rather caustically recalled, 'Everybody wanted reductions in the army, a lowering of the expenditure of the war ministry, at the same time as they were pretending that the Mexican expedition was ruining our arsenals and was exhausting our army.'⁸⁷ The Mexican expedition may not have exhausted the army, but it certainly produced war-weariness. 'France's task is complete: the enemy we had to fight is defeated...', wrote one observer in *La Presse* in 1866. 'The task of Mexico is to be continued and achieved; but, we repeat, it is a Mexican interest that does not bind in any way the policy or action of France'.⁸⁸ While military leaders such as Forey wished to remain in Mexico, adamant, as they had been for years, that final victory was imminent,⁸⁹ they were in a clear minority by 1866. *Procureurs généraux*, charged with evaluating public opinion in the regions over which they exercised jurisdiction, emphasized the widespread satisfaction at the withdrawal from Mexico.⁹⁰

The Mexican expedition was generally unpopular, but public opinion was multifaceted. The satisfaction at the end of the expedition, wrote the *procureur* in Dijon, is mixed with a feeling of humiliation. It is felt that our efforts in this faraway country have failed; it is supposed that American pressure, as much as the difficulties inherent in the enterprise, determined our retreat & national pride suffers from both of these thoughts. One calculates that the sacrifice in men & in money that we have uselessly made & all the investors in Mexican loans who, for the most part, belong to the class of small capitalists that the promise of high interest [rates] calls more than others towards hazardous placements, reproach the Government for having pushed

them towards this disastrous speculation. All these sentiments, inspired by the national or private interests, are sourly displayed.⁹¹

The Mexican expedition, in other words, offered plenty of causes for grievance among the French public, particularly with respect to the fiscal-military system on which French great power depended. Discontent at the waste of blood and treasure was blamed on the government, weakening the legitimacy of the regime. Investors in Mexican bonds, generally described by *procureurs* as 'middle class', worried that their investments would be lost in the withdrawal. While few of these bondholders seem to have expressed a desire for the French to remain in Mexico, they nevertheless hoped that the government would save them from their predicament. The appeal to small capital, encouraged by the government in 1864-1865, came at a political price. Moreover, rescuing French bondholders depended heavily on the Mexican government, since the idea that the French government would guarantee Mexican bonds was politically difficult. While some supported the idea, the *procureur* in Caen, for example, noted that much of the wider public saw it as 'excessive and unjust'.⁹² Indeed, the concern for Mexican bondholders was not universal. As the *procureur* in the industrial town of Douai observed, 'the working classes of the towns and the countryside remain completely indifferent'.⁹³

The government's problem was that the bondholders, though a minority, had prominent advocates in the press and the *Corps législatif*. 'I am very worried about the question of the investors in the Mexican loan', wrote Napoleon, because the regime's opponents 'want to exploit their discontent.'⁹⁴ In July 1867, Pierre-Antoine Berryer, a legitimist deputy and frequent critic of the management of the public finances and of the Mexican expedition,⁹⁵ denounced the government for having allowed the bankers to swindle small investors, lambasting in particular the director of the *Comptoir d'escompte*,

Alphonse Pinard, whose firm had played a leading role in issuing the Mexican loans.⁹⁶ As one of the self-described ‘fools’ who invested in Mexican bonds wrote, Pinard and his associates ‘know so well how to profit from our ignorance’.⁹⁷ The bankers responded by seeking to deflect criticism of themselves onto the regime. In November, Pinard chastised the government for having ‘proclaimed almost officially that the Mexican empire had exceptional resources and that *French capitalists could entrust it with their money with complete confidence*.’⁹⁸ Turbulence on the bourse in 1867 probably reinforced the willingness to castigate bankers over the Mexican loans and, like the latter, was easily linked to the government, further eroding small investors’ confidence in the regime. In September 1867, a crisis at the *Crédit mobilier*, a joint-stock finance company established in 1852 with the government’s support, reached its climax in a widely-reported scandal. Run by the Pereire brothers, the *Crédit mobilier* and its management maintained close links with the regime. Indeed, the government had attempted to rescue the Pereires, most notably by allowing the *Crédit mobilier* to double its share capital in 1866.⁹⁹ ‘The misfortune of the *Crédit mobilier* coincides with failures abroad,’ wrote the republican Jules Ferry; ‘and while affairs in Mexico and Germany provide a big lesson in foreign policy, the losses, scattered across all classes by this great financial deception, complete the economic education of the French people.’¹⁰⁰ In 1868, Ferry delivered another financial *cause célèbre*, this one less well-founded, by denouncing the mismanagement of the municipal Parisian finances.¹⁰¹ Despite these blows to the regime’s reputation for economic competence, the financial turbulence had one positive outcome: it increased the attractiveness of government *rentes* as a safe haven, a sense reinforced by the difficulties of other foreign companies, particularly those associated with the *Crédit mobilier*.¹⁰² As a result of these failures abroad, which Hottinguer described as ‘a cause of ruin for everyone’, ‘small investors buy *rentes* and

French securities'.¹⁰³ Thus, when in August 1868 the government opened a public subscription for loan of 429 million francs, issued partly to convert short-term securities used to finance the Mexican expedition, it received subscriptions worth 15,000 million francs from a total of 781,292 people.¹⁰⁴ While the *procureur* in Besançon noted the 'immense enthusiasm' for the loan, he also observed that 'ceaselessly repeated rumours of war disturb and alarm people, who retain their capital and break off negotiations. Business hesitates and deals only in the short term'.¹⁰⁵ The loan was one of the few good, long-term investments available. At the same time, the 'rumours of war' kept attention on the government's foreign policy – with its less than glorious record.

The number of investors in the 1868 loan reflected a transformation of the French financial system during the Second Empire in line with the democratization of French politics during the period, which risked being undermined by the financial travails of the late 1860s, not least those arising from Mexico. The investing public had grown substantially in the 1850s, which was demonstrated most dramatically in the issuing of 1,500 million francs of *rentes* by public subscription to finance the Crimean War, as the government had promoted 'the universal suffrage of capital', aspiring to create the property-owning democracy of the nineteenth century. The liberalization of the Empire in the 1860s was part of this project, intended as it was to broaden the regime's appeal, in part to the 'middle class' – precisely those people whose savings vanished in Mexican bonds. These investors, noted the prefect of the Loiret, had 'confidence in the wisdom of the Emperor's Government and count on the support of the deputies of the Loiret to defend their interests in the event that they could be threatened.'¹⁰⁶ The failure to protect investors in Mexican bonds probably stimulated dissatisfaction with the regime among the 'middle class', forcing the continued liberalization of the Empire, both to restore the government's standing

among such people where possible and to cultivate greater support among the lower classes. The latter, more indifferent to the issue of Mexican bonds, could buttress the regime in the face of middle-class discontent. To an extent, therefore, the politics of the 'Liberal Empire' mirrored those of Disraeli's One-Nation Conservatism in Britain: appealing to the lower classes to facilitate democratization on conservative terms. In Britain, this appeal relied on social and electoral reforms, while in France it depended on public works and social reforms such as the permission to unionize and, in both countries, it entailed invocations of jingoistic nationalism, even if the Bonapartist appeal to nationalism was complicated by the regime's foreign policy failures.

The furore over the Mexican bonds coincided with a debate over military reform. Indeed, historians have overlooked the Mexican expedition's consequences for army reform in 1867, focusing instead on the impact of Prussia's victory over Austria. Certainly, though Napoleon had favoured military reform in the aftermath of the Wars of Italian Unification of 1859-1860, the outcome of the Austro-Prussian war created a renewed urgency. Since 1818, the French army had relied on long-term conscription – seven years' service in 1866 – for which men were chosen by lot, in contrast to the Prussian system of shorter, more universal service after which soldiers passed into the reserve. In 1866, seeking the benefits of a larger reserve, Napoleon backed proposals for shorter, universal military service. The opposition was widespread. Randon, favouring an army of professional soldiers, resigned; Niel, his successor, was better disposed towards Napoleon's ideas, though he too had reservations. Thus, before a reform bill was even drafted, Napoleon was pushed to dilute his initial design. In December, the government proposed that men would spend six years each in the army and the reserve, after which they would become part of a new *garde mobile*. In unveiling the proposal, the government showed its sensitivity to discontent with the fiscal-

military system, promising that reform would not 'encumber the finances of the state, nor impose too heavy a burden on the population'; the state did not want 'to divert in peacetime the vocations of young men aspiring to the liberal professions.'¹⁰⁷ Despite such reassurances, officials noted the resounding unpopularity of the proposal, which was so badly castigated in the *Corps législatif* that the government was forced to further dilute it before it eventually passed in January 1868.¹⁰⁸

The disaster in Mexico goes some way towards explaining the opposition to the government's proposal. True, most arguments against the bill did not revolve around Mexico. Liberals criticized an expansion of the army as facilitating a more oppressive state, conservatives feared the consequences of arming the masses, while republicans supported more universal conscription than the government proposed. The possible consequences of drawing labour away from agriculture and industry were a further concern, particularly given the regime's receding reputation for economic competence.¹⁰⁹ However, the army law debate also offered a means of airing more general grievances against the regime, not least because the issue of conscription affected both domestic and foreign policy. Thus, days before the law passed, a candidate for a by-election decried the 'system of official candidates' – that is deputies nominated for election by the government – which had 'directed us into Mexico; it is the same system that, tomorrow, in full peacetime, will give us a military law the application of which agricultural and industrial France cannot long sustain'.¹¹⁰ As the criticism of official candidatures indicates, the Mexican expedition was invoked during the army law debate to support further liberalization of the Empire. Already in 1866 as the debacle in Mexico became apparent, opposition politicians such as Adolphe Thiers, a former minister and among the most distinguished of the opposition deputies in the *Corps législatif*, had used the opportunity to demand a more consultative political

process. The existing political system, Thiers and others argued, had allowed the expedition despite the French public's indifference. As a result, France, committed in Mexico, had lacked the means for action in Europe in 1866.¹¹¹ While the regime made some minor concessions to such pressures, allowing the *Corps législatif* to question ministers from January 1867, agitation for liberalization remained unabated and was exacerbated by the debate over the army law.¹¹² In sapping the regime's prestige, the failures in Mexico and in Europe in 1866-1867 did nothing to endow the government with the kind of political capital necessary to impose greater sacrifices on the French population for the sake of foreign policy.

The pressure for political liberalization compounded the war-weariness arising from the Mexican expedition, none of which made larger-scale conscription, generally unpopular at the best of times, more palatable. The expedition had made lightening the fiscal-military burden more difficult earlier in the decade, when France faced little geopolitical threat, and made raising the burden correspondingly harder later in the decade, when such a threat materialized. Indeed, some ministers feared the electoral consequences of extending conscription.¹¹³ While the Mexican expedition and other military actions abroad fed an existing republican pacifism,¹¹⁴ anti-war sentiment pervaded large sections of society. The *procureur* in Chambéry, for example, noted in 1868 that given the 'angry memories' left by the military interventions in Italy and Mexico, a war at the emperor's behest, without popular support, would endanger the dynasty; thus, the liberalization of the Empire was essential.¹¹⁵ Not only could liberalization reduce the regime's aggressiveness abroad, but the Mexican legacy emphasized the potentially unwelcome geopolitical implications of the army law. Thus, the liberal deputy Maurice Richard argued that extending conscription risked encouraging the aggressive foreign policy evinced in Mexico.¹¹⁶ Similarly, the

republican Jules Favre claimed that the Mexican expedition had aroused other powers' fears of French aggression, which an expansion of the army would only reinforce; consequently, the law would diminish France's influence abroad.¹¹⁷ Such invocations of the Mexican debacle during the debates on the army law exacerbated the problems of legitimacy facing the regime and the fiscal-military system.

The legitimacy crisis and the legacy of the Mexican expedition were clearly reflected in the legislative elections of May 1869. Indeed, during the final months of the Empire, suggests Roger Price, 'a substantial amount of support for violent revolution was building up', though, as he observes, revolutionary socialism had very limited appeal outside major industrial centres.¹¹⁸ Still, the 1869 elections showed notable gains for opposition liberals and republicans, the latter receiving a substantial increase in working class support despite the regime's charm offensive, while the government retained a clear majority of seats.¹¹⁹ In some rural areas such as the Morvan nivernais, the republicans were the chief beneficiaries of increased voter turnout, though the official candidate was still elected.¹²⁰ The army law provided a principal theme of the campaign,¹²¹ with election literature reiterating the malaise of the fiscal-military system and invoking the Mexican expedition. The regime, Favre charged, 'has spent our millions, it has sacrificed our children to enterprises which the country would have stopped had it been consulted freely.' Mexico, as the most recent, one of the longest-lasting and most expensive albeit not the costliest in French lives, was foremost among these 'enterprises'. Though French troops remained in Rome until 1870, the Italian wars ended in 1860, as did the intervention in China, while the expedition to Syria ended the following year; and whereas the French had a more protracted presence in Cochinchina, establishing a colony there in 1863, this required only a small fraction of the men and money lost in Mexico. Though Cochinchina consumed 60 million francs in 1860, an

expense partly inflated by the intervention in China, costs there fell from 57 million in 1862 to 22 million in 1863, stabilizing at around 19-20 million annually thereafter. Even with a revenue of 1,630,000 francs from Cochinchina in 1863, its deficit was markedly smaller than Mexico's, which that year peaked at 97,619,000 francs (table 1).¹²² The regime, Favre continued, 'has maintained, aggravated a system of compression which weighs on all minds. It has doubled the debt, increased its burdens, it has asked the *Corps législatif* for and obtained upon proclaiming it necessary an army of eight hundred thousand which removes for nine years our children from work, family and marriage'.¹²³ Other candidates referenced Mexico more explicitly. Denouncing the growth of public expenditure, one wrote that 'other powers have grown in Europe, while in Mexico a useless and unfortunate expedition cost precious blood of our valiant armies'.¹²⁴ With the passage of the army law, another told voters, 'all your sons are soldiers', which exacerbated the risks of the adventurous policy apparent in the 'faraway expedition' of Mexico.¹²⁵ 'You were told one day: the Empire means peace', wrote the republican Taxile Delord, citing Napoleon's famous speech of 1852, 'and the Empire has been until now one long war. In the Crimea, in Italy, in China, in Mexico the blood of our children has been spilled.'¹²⁶

Meanwhile, the problem of the bondholders remained. Seeking to douse continuing public anger, in 1868 the government had offered a partial refund of Mexican bonds in the 1869 budget proposing to raise 68 million francs by issuing 3 million francs of *rentes*.¹²⁷ The government's proposal did little to satisfy the bondholders; Germiny did 'not hesitate' to denounce it as 'incomplete, insufficient.'¹²⁸ Many bondholders sent letters and petitions to the *Corps législatif*, while the holders of over 6,000 bonds formed a committee to lobby the deputies.¹²⁹ Ministers consequently agreed to increase the compensation to 4 million francs of *rentes*, then worth just over 93 million francs, which were to be used alongside

5,675,068.20 francs deposited at the *Caisse des dépôts et consignations*. The latter, charged with managing a wide range of private assets for the French state, had taken custody of some of the money raised from the Mexican loans. Nevertheless, the holders of some 40,000 Mexican bonds still declined the refund, preferring not to compromise their claim on the Mexican government.¹³⁰ As the number of refusals suggests, many investors remained dissatisfied. Thus, during the election campaign, one journalist, for example, condemned the *Corps législatif* for having approved men and money for the expedition and for having acquiesced in the government's swindle of small investors in Mexican bonds.¹³¹ The legacy of the Mexican expedition therefore provided ready fodder for the campaign against the government, with the fiscal-military system facing particularly intense criticism.

Despite the discontent, a plebiscite in May 1870 endorsed a new, more liberal constitution for the Empire, suggesting at least an acceptance of the regime. However, the dissatisfaction prompted by the Mexican expedition and expressed in the elections of 1869 had certainly not vanished. Noting the general desire for peace, the *procureur* in Riom wrote in April 1870 that a 'war would stop the reforms that we [the people] cannot wait to see', which included 'tax cuts [and] economies' in public spending.¹³² Indeed, Bonapartism retained firm support in parts of rural France, benefitting from an association with lower taxation, while Republicanism remained tainted by the memory of tax increases imposed by the Second Republic in 1848.¹³³ Despite the Prussian threat, and Napoleon's reluctance, the army budget therefore faced further reductions in 1870.¹³⁴ Meanwhile, the unpopularity of military expenditure and the conscription it implied was an important factor in pushing the French to propose, unsuccessfully, Franco-Prussian disarmament in early 1870.¹³⁵ As with the debate over army reform, the regime's precariousness inhibited the preparations that might have better enabled France to counter the Prussian threat.

The remarkably rapid collapse of the regime partly reflected its continuing problems of legitimacy. With war against Prussia, wrote the finance minister shortly after the outbreak of hostilities in July 1870, 'we risk the dynasty and at the same time the destinies of our country'.¹³⁶ Like Napoleon III's other wars, that of 1870 aroused limited popular enthusiasm.¹³⁷ While the outbreak of hostilities produced a patriotic *élan*, this quickly became antipathy following the defeats of early August, which effectively destroyed Napoleon's authority – in contrast to 1914 when the Germans reached the Marne without imperilling the Republic's legitimacy. The emperor, defeatist before the war began, remarked that 'all [was] lost'. Returning hurriedly to Paris from Saint-Cloud, the Empress Eugénie pronounced the dynasty as finished.¹³⁸ Though she too was generally rather fatalistic, having in August 1866 described the state of affairs after the Prussian victory in the Austro-Prussian War as 'the beginning of the end of the dynasty',¹³⁹ other well-informed observers agreed: 'even with a victory we [the French people] have accounts that are too big to settle', wrote Alphonse de Rothschild; the dynasty was doomed as 'irritation against the present government is pushed to its final limits'.¹⁴⁰ In Paris and elsewhere, demonstrations against the regime multiplied, encouraged by rumours of treason.¹⁴¹ A former opposition deputy, and thus albeit a rather jaundiced observer, travelling between Tulle and Brides-les-Bains in mid-August noted the widespread unpopularity of the government, 'a ministry of treason' that was neglecting the defence of France and represented 'the last expression of personal power'.¹⁴² The Empire was defunct before Sedan. Public hostility, arising from socio-economic difficulties and political missteps such as the Mexican expedition, left the regime with limited stamina by 1870. Given this fragility, withdrawal towards Paris, which would have made sense militarily by mid-August, became politically impossible. Instead, needing a victory, Napoleon and the army were pushed into a

disastrous march to Sedan, where he surrendered on 2 September. The paralysis of the army command that allowed strategy to be almost totally dictated by domestic politics also reflected more directly the toxic legacy of Mexico. In his attempt to deflect responsibility for the Mexican debacle, Napoleon had used the press to insinuate that Bazaine had mishandled the expedition. The consequently tense relations between Napoleon and one of his most distinguished commanders, already problematic at the start of the war, became more so when he was forced to give Bazaine command of the main French army after the reversals of early August.¹⁴³ While the French command structure during the war was in any case inadequate, here, as in other respects, the outcome of the Mexican expedition contributed to the defeat at Sedan and thus to the eclipse of French primacy in Europe.

III

The Mexican expedition contributed significantly to the erosion of the Bonapartist regime in the late 1860s. The cost of the intervention, though sustainable, inhibited Fould's hopes of streamlining the state to strengthen the regime and perpetuated an image of the government as wasteful of public funds. The maintenance of high taxes and the limits to reductions in military spending in the early 1860s weakened the Empire's legitimacy, sapping political capital which might have used more effectively in resisting the rise of Prussia. The protracted intervention in Mexico enhanced the regime's alleged partiality to armed conflict, which was unpopular among the French public and did nothing to strengthen the case for more extensive conscription in 1867. Moreover, in the seeking to alleviate the burden of Mexico on the French treasury, the government created a further

problem of dissatisfied bondholders after 1867. Like the regime's reputation for war, the issue of the bondholders presented a challenge to its legitimacy.

The crisis of executive power that the Mexican expedition helped to provoke lasted until the late 1870s. In this respect, 1870-1871 was less of a caesura in French history than historians have suggested. By the time the crisis ended in the late 1870s, monarchy was rapidly losing credibility in French politics, and with it went support for a strong one-man executive. While Thiers, president of the Republic from 1871 until his removal by the National Assembly in 1873, exercised considerable executive power, the presidency diminished thereafter. In 1877, his successor, the royalist MacMahon replaced his republican *président du conseil* Simon, precipitating a constitutional crisis as the republican majority in the Assembly immediately passed a motion of no confidence in the new government. In the ensuing elections, the republicans retained their majority, effectively marking the triumph of the legislature over the executive. The weakening of the executive, though, reflected the legacy of the Liberal Empire; indeed, as historians such as Philip Nord and Sudhir Hazareesingh have shown, the political culture of the Third Republic owed much to the Second Empire.¹⁴⁴ In the 1860s, as we have seen, the opposition lamented the lack of oversight of the executive, citing a long catalogue of the government's failures – not least that in Mexico. With the Third Republic, the plebiscite, touted by Ollivier as the distinction between the Liberal Empire and a parliamentary regime,¹⁴⁵ was shelved, as was direct election to the presidency. Instead, the president of the Republic was chosen by the National Assembly, curbing the executive's capacity to claim to legitimacy independent of the legislature.

If the end of the Second Empire did not resolve the crisis of the executive, Sedan came closer to settling the problem of the fiscal-military system. The army was overhauled in the aftermath of defeat, and universal conscription was introduced. Meanwhile, despite the opposition rhetoric of streamlining the state in the 1860s, the Third Republic presided over the accelerated growth of government expenditure, not least through public works, as the state continued to expand.¹⁴⁶ The opposition critique of executive power in the 1860s entailed lambasting the government for disposing of the nation's blood and treasure without sufficient accountability to the people. Indeed, Fould, who opposed political liberalization in the 1860s, saw reductions in government expenditure as a means of reinforcing the more authoritarian Empire established in the 1850s by mitigating discontent with the fiscal system. Instead, the growth of public expenditure encouraged the liberalization of the Empire and, ultimately, the creation of a parliamentary regime. In this respect, the Mexican expedition, in impeding Fould's programme of retrenchment in the 1860s, played a role in forcing the liberalization of the regime – all the more so, since the 'Liberal Empire' of 1870 was largely a consequence of the legitimacy crisis that the failure in Mexico helped to create. Thus, the Mexican expedition not only reduced the Second Empire's capacity to respond to the rise of Prussia; it also expedited the creation of a parliamentary democracy in France.

¹ B. Simms, *Europe: The struggle for supremacy, 1453 to the present* (London, 2014), pp. 231-48.

² D. Wetzel, *A duel of giants: Bismarck, Napoleon III and the origins of the Franco-Prussian War* (Madison, 2001); G. Wawro, *The Franco-Prussian War: the German conquest of France*,

1870-1871 (Cambridge, 2003), pp. 16-40; D.E. Showalter, *The wars of German unification* (London, 2004), pp. 201-39.

³ F.E. Lally, *French opposition to the Mexican policy of the Second Empire* (Baltimore, 1931).

⁴ See, for example, Q. Deluermoz, *Le crépuscule des révolutions, 1848-1871* (Paris, 2012), pp. 275-306; É. Anceau, *L'Empire libéral*, 2 vols. (Paris, 2017).

⁵ See, for example, E.C. Corti, *Maximilian und Charlotte von Mexico*, 2 vols. (Zürich, 1924); C. Schefer, *La grande pensée de Napoléon III: les origines de l'expédition du Mexique* (Paris, 1939); J.A. Dabbs, *The French army in Mexico, 1861-1867: a study in military government* (The Hague, 1963); C.H. Bock, *Prelude to tragedy: the negotiation and breakdown of the tripartite Convention of London, October 31, 1861* (Philadelphia, 1966); A.J. Hanna and K.A. Hanna, *Napoleon III and Mexico: American triumph over monarchy* (Chapel Hill, 1971); N.N. Barker, *The French experience in Mexico, 1821-1861: a history of constant misunderstanding* (Chapel Hill, 1979); J.-F. Lecaillon, *Napoléon III et le Mexique: les illusions d'un grand dessein* (Paris, 1994); M. Cunningham, *Mexico and the foreign policy of Napoleon III* (Basingstoke, 2001); E. Pani, *Para mexicanizar el Segundo Imperio: el imaginario político de los imperialistas* (Mexico City, 2001); A. Gouttman, *La guerre du Mexique, 1862-1867: le mirage américain de Napoléon III* (Paris, 2008); G.-A. Dugast, *La tentation mexicaine en France au XIX^e siècle: l'image du Mexique et l'intervention française, 1821-1862*, 2 vols. (Paris, 2008); K. Ibsen, *Maximilian, Mexico and the invention of empire* (Nashville, 2010); P. Galeana (ed.), *El imperio napoleónico y la monarquía en México* (Mexico City, 2012); E. Shawcross, *France, Mexico and informal empire in Latin America, 1820-1867* (Cham, 2018).

⁶ Shawcross, *France, Mexico and Informal Empire*; C. Carroll, 'Imperial ideologies in the Second Empire: the Mexican expedition and the *Royaume Arabe*', *French Historical Studies*, 42.1 (2019), pp. 67-100.

⁷ On this point, see D. Todd, 'A French imperial meridian, 1814-1870', *Past and Present*, no. 210 (2011), pp. 155-86.

⁸ G. Gille, 'Les capitaux français et l'expédition du Mexique', *Revue d'histoire diplomatique*, 79 (1965), pp. 193-250; L. Ludlow, 'La disputa financiera por el imperio de Maximiliano y los proyectos de fundación de instituciones de crédito (1863-1867)', *Historia Mexicana*, 47.4 (1998), pp. 765-805; S.J. Black, *Napoleon III and Mexican silver* (Silverton, 2000); S.C. Topik, 'When Mexico had the blues: a transatlantic tale of bonds, bankers, and nationalists, 1862-1910', *American Historical Review*, 105.3 (2000), pp. 714-38.

⁹ Shawcross, *France, Mexico and informal empire*, pp. 219-23, 247-8.

¹⁰ Napoleon III to Maximilian, 15 Jan. 1866, in Corti, *Maximilian und Charlotte*, II, appendix, p. 75.

¹¹ Hanna and Hanna, *Napoleon III and Mexico*; R.R. Miller, 'Arms across the border: United States aid to Juárez during the French intervention in Mexico', *Transactions of the American Philosophical Society*, 63.6 (1973), pp. 1-68.

¹² C. Marichal, *Bankruptcy of empire: Mexican silver and the wars between Spain, Britain and France, 1760-1810* (Cambridge, 2007).

¹³ There is a large literature on Mexican public finance after independence: see, *inter alia*, J.H. Jaimes, *La formación de la hacienda pública mexicana y las tensiones centro-periferia, 1821-1835* (Mexico City, 2013); E. Sánchez-Santiró, *Las alcabalas mexicanas (1821-1857): los dilemas de la construcción de la Hacienda nacional* (Mexico City, 2009); J.A. Serrano Ortega, *Igualdad, uniformidad, proporcionalidad: contribuciones directas y reformas fiscales en México, 1810-1846* (Mexico City, 2007); C. Marichal et al. (eds.), *Historia de la hacienda pública del estado de México*, 4 vols. (Mexico City, 1994), I; B. Tenenbaum, *The politics of penury: debts and taxes in Mexico, 1821-1856* (Albuquerque, 1986); M. Carmagnani,

'Finanzas y estado en México, 1820-1880', *Ibero-Amerikanisches Archiv*, 9.3-4 (1983), pp. 279-317.

¹⁴ L.M. Case, *French opinion on war and diplomacy during the Second Empire* (Philadelphia, 1954).

¹⁵ M. Marion, *Histoire financière de la France depuis 1715*, 6 vols. (Paris, 1914-1931), V, pp. 426-8.

¹⁶ L. Girard, *La politique des travaux publics du Second Empire* (Paris, 1952); J. Greenfield, 'The origins of the interventionist state in France, 1830-1870', *English Historical Review* (forthcoming).

¹⁷ Deluermoz, *Le crépuscule des révolutions*, pp. 275-6; T. Zeldin, *The political system of Napoleon III* (London, 1958).

¹⁸ S. Hazareesingh, *From subject to citizen: the Second Empire and the emergence of modern French democracy* (Princeton, 1998).

¹⁹ Fould to Baroche, 4 Sept. 1862, Paris, Bibliothèque Thiers (BT), Baroche MSS, MsT 980, fo. 30.

²⁰ Napoleon III to Forey, 30 Jan. 1863, in P. Gaultot, *L'Expédition du Mexique (1861-1867), d'après les documents et souvenirs de Ernest Louet, Payeur en chef du Corps Expéditionnaire*, 2 vols. (Paris, 1906), I, p. 120.

²¹ Lorencez to Randon, 10 Mar. 1862, Vincennes, Service historique de la Défense (SHD), 7G 1.

²² Budin to Fould, 27 May 1863, La Courneuve, Archives du Ministère des affaires étrangères (MAE), Rouher MSS, 232PAAP/4, fo. 197.

²³ Lorencez to Randon, 24 June and 9 Aug. 1862, SHD, 7G 1; Budin to Fould, 27 May 1863, MAE, Rouher MSS, 232PAAP/4, fos. 197-8.

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- ²⁴ Lorencez to Randon, 26 Apr. 1862, SHD, 7G 1.
- ²⁵ Lorencez to Randon, 24 June 1862, SHD, 7G 1.
- ²⁶ Lorencez to Randon, 24 June 1862, SHD, 7G 1.
- ²⁷ Lorencez to Randon, 22 July 1862, SHD, 7G 1.
- ²⁸ 'Instructions pour M. Budin, chargé d'une mission au Mexique', by Fould, 11 Nov. 1862, MAE, 31MD/8, fo. 15.
- ²⁹ Fould to Budin, 14 Apr. 1863, MAE, 31MD/8, fos. 39-40.
- ³⁰ Hottinguer to Baring, 9 and 11 Nov. 1862, London, Baring Archive (BA), HC 7.1.1301, 1302; Gille, 'Les capitaux français et l'expédition du Mexique', p. 198.
- ³¹ Bazaine to Randon, 4 Aug. 1866, SHD, 7G 4.
- ³² Bazaine to Randon, 27 Nov. 1864, SHD, 7G 1.
- ³³ Rapport à l'Empereur Maximilien, by Maury, n.d., SHD, 7G 2.
- ³⁴ Forey to Randon, 13 July 1863, SHD, 7G 1.
- ³⁵ Circular by Bazaine, 2 July 1864, SHD, 7G 1.
- ³⁶ Bazaine to Randon, 27 Aug. 1864, SHD, 7G 1. On taxation under the Second Mexican Empire see, for example, M.J.R.S. Garavito, 'El deber fiscal durante la regencia y el segundo imperio: contribuciones y contribuyentes en la ciudad de México', in C. Marichal and D. Marino (eds.), *De colonia a nación: impuestos y política en México (1750-1860)* (Mexico City, 2001), pp. 247-75.
- ³⁷ Corti, *Maximilian und Charlotte*, I, pp. 220-1, 293-7.
- ³⁸ Salomon de Rothschild to his cousins, 11 Nov. 1863, London, Rothschild Archive (RAL), XI/109/85/3.
- ³⁹ M.P. Costeloe, *Bonds and bondholders: British investors and Mexico's foreign debt, 1824-1888* (Westport, 2003), pp. 81-5.

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- ⁴⁰ Hottinguer to Baring, 4 May 1864, BA, HC 7.1.1375.
- ⁴¹ Topik, 'When Mexico Had the Blues', p. 719.
- ⁴² Procès-verbaux, conseil des ministres, 28 Sept. 1866, Pierrefitte-sur-Seine, Archives nationales (AN), Rouher MSS, 45AP/1.
- ⁴³ *Moniteur universel*, 25 June 1867.
- ⁴⁴ 'Instructions pour M. Budin, chargé d'une mission au Mexique', by Fould, 11 Nov. 1862, MAE, 31MD/8, fo. 16.
- ⁴⁵ J. Bazant, *Historia de la deuda exterior de México, 1823-1946* (Mexico City, 1968).
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- ⁴⁸ Fould to Bazaine, 31 May 1865, in Gaulot, *L'Expédition du Mexique*, II, p. 142.
- ⁴⁹ *Constitutionnel*, 21 Dec. 1867.
- ⁵⁰ Fould to Drouyn de Lhuys, 15 Apr. 1865, MAE, 31MD/8, fos. 149-50.
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- ⁵² Hottinguer to Baring, 4 and 5 Aug. 1863, BA, HC 7.1.1344, 1345; Hottinguer et C^{ie} to Fould, 25 Aug. 1863, and Fould to Hottinguer et C^{ie}, 26 August 1863, Roubaix, Archives nationales du monde du travail (ANMT), Fould et Heine MSS, 115AQ/36.
- ⁵³ Hottinguer to Baring, 26 Aug. 1863, BA, HC 7.1.1347.
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- ⁵⁶ Marcuard to André, 23 Aug. 1863, ANMT, Neuflyze MSS, 44AQ/12.
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- ⁵⁸ R. Hottinguer to Baring, 20 Sept. and 18 Oct. 1865, BA, HC 7.1.1408, 1412; Fould to Drouyn de Lhuys, 29 Sept. 1865, MAE, 31MD/8, fos. 169-72; contract of 29 Sept. 1865, CAEF, B/32492; Gille, 'Les capitaux français et l'expédition du Mexique', p. 236.
- ⁵⁹ R.H. Duncan, 'Political Legitimation and Maximilian's Second Empire in Mexico, 1864-1867', *Mexican Studies/Estudios Mexicanos*, 12.1 (1996), pp. 27-66.
- ⁶⁰ Bazaine to Randon, 10 Dec. 1864, SHD, 7G 1.
- ⁶¹ Bazaine to Randon, 27 Dec. 1864, SHD, 7G 1.
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- ⁶³ Bazaine to Randon, 27 July 1865, SHD, 7G 2.
- ⁶⁴ Fould to Baroche, 15 Sept. 1866, BT, Baroche MSS, MsT 980, fo. 159.
- ⁶⁵ Bazaine to Randon, 9 May 1866, SHD, 7G 3; *Moniteur universel*, 5 Apr. 1866.
- ⁶⁶ Procès-verbaux, conseil privé, 1 May 1866, and Lacunza to Bazaine, 28 Apr. 1866, SHD, 7G 3.
- ⁶⁷ Bazaine to Randon, 9 Apr. 1866, SHD, 7G 3.
- ⁶⁸ Fould to Baroche, 30 July 1866, BT, Baroche MSS, MsT 980, fos. 144-5; Fould to Langlais, 16 Feb. 1866, MAE, 31MD/8, fos. 201-4; Bazaine to Randon, 28 Apr. 1866, SHD, 7G 3.
- ⁶⁹ Convention of 30 July 1866, *Moniteur universel*, 13 Sept. 1866.
- ⁷⁰ Maximilian's government had hoped for a substantial loan from the bank (Bonnetons to Fould, 27 Mar. 1865, MAE, Rouher MSS, 232PAAP/4, fos. 235-7).
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- ⁷² 'Bulletin financier', 24 Mar. 1867, *Courrier de Saône-et-Loire*, 26 Mar. 1867.
- ⁷³ Bazaine to Randon, 4 Aug. 1866, SHD, 7G 4.
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