CONFUCIAN *LI* (RITUAL) VS. CAPITALIST PROFIT: THE BANQUE DE L'INDOCHINE'S ROLE IN ALTERING SOCIAL HIERARCHIES IN COLONIAL ANNAM (1885-1945)

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Abstract: This paper investigates the profound ontological conflict between the Confucian ethical paradigm and colonial economic rationality through the specific operational role of the Banque de l'Indochine in re-stratifying social hierarchies in colonial Annam from 1885 to 1945. Embodying a critical archival methodology synthesized with critical discourse analysis of vernacular socio-political texts, this study exposes how French finance capital systematically dismantled the traditional social order regulated by the foundational concept of *Li* (Ritual). Within the Annamite Confucian cosmology, *Li* operated not merely as a ritualistic code but as a totalizing politico-moral ontology, preserving cosmic-social harmony by prioritizing ethical righteousness (*Yi*) over the egoistic accumulation of mercantile profit (*Yi*/*Lu*). The aggressive penetration of the Banque de l'Indochine, functioning as the absolute sovereign apparatus of monetary monopoly and credit hegemony, brutally dissolved this ancestral structure. By deploying predatory "liquidity algorithms" and enforcing widespread debt subjection, the Bank effectively desacralized the socio-economic prestige of the traditional literati (*Sĩ phu*) while simultaneously engineering the structural ascendance of a new class of collaborative landlords and comprador bourgeois elites. This existential dislocation violently mutated Annamite society from a hierarchy anchored within moral reciprocity into a deeply alienated class-stratified matrix, wherein the colonial currency was institutionalized as the supreme, unmediated signifier of power and ontological status.

Keywords: Confucian Li, Banque de l'Indochine, Finance Capitalism, Social Stratification, Colonial Annam.

1. INTRODUCTION

Scholarship on Western colonialism in Southeast Asia frequently prioritizes overt displays of military violence or technocratic strategies of colonial extraction, yet it consistently overlooks the silent, ontological incursions into indigenous epistemic structures. In colonial Annam from 1885 to 1945, the confrontation between the French protectorate and traditional society transpired not merely within military or administrative theaters, but crucially within a direct ontological conflict between the Confucian ethical paradigm and the utilitarian rationality of finance capitalism. Within the cultural-political topography of Annam, social order and political legitimacy were harmonized by the foundational concept of *Li* (Ritual)—a supreme philosophical category shaping the nexus between humanity and the cosmos, prioritizing moral obligation and righteousness (*Yi*) over the egoistic accumulation of mercantile profit (*Lu*). However, the historical ascendance and expansion of the Banque de l'Indochine (Bank of Indochina) following the 1884 Patenôtre Treaty operated as a supreme apparatus of structural violence, deploying liquid capital and monetary technologies to violently dissolve this ethical order. As the rigorous archival investigations conducted by Duong (2021) demonstrate, the Bank of Indochina did not operate merely as a neutral regulatory node for currency circulation; rather, it functioned as a sophisticated socio-political agent, penetrating economic lifelines to actively re-stratify and fracture Annamite social hierarchies from within.

This epistemological violence was operationalized through the systemic desacralization of qualitative Confucian virtues and their replacement by the quantitative variables of finance capital. Traditional Confucianism in Annam established a social hierarchy calibrated by the *Sĩ-Nông-Công-Thương* (Scholars, Peasants, Artisans, Merchants) matrix, wherein the literati (*Sĩ phu*) acted as the primordial guardians of the sacred essence of *Li* and preserved the moral equilibrium of the commune. According to Woodside's (1976) critical analysis of Vietnamese communal structures and intellectual history, this system operated on the principles of moral economy and a strict containment of mercantile capitalism, which was viewed as an existential threat to cosmic-social harmony. When the Bank of Indochina enforced its absolute monopoly over the issuance of the colonial Piastre and instituted a web of tight credit traps, it brutally dismantled this ethical filter. Applying Weber's (1993) philosophy of economic rationalization, this process of forced monetization represented a totalizing "disenchantment of the world," wherein all moral pledges and hierarchies anchored within virtue-ethics and *Li* were mercilessly dissolved into financial contracts and colonial liquidity pressures.

The inevitable consequence of this financial siege was the structural fragmentation of the Confucian superstructure and the subsequent ascendance of new colonial classes dependent entirely on the logic of Paris. The traditional literati, who historically held absolute symbolic authority through the imperial civil service examinations and classical erudition, were systematically marginalized from the politico-economic sphere as they lacked the capacity for monetary conversion required to discharge draconian poll taxes and manufactured debt. Conversely, through the intermediary credit networks and comprador channels of the Bank of Indochina, a new stratum of collaborative landlords and comprador bourgeois elites was nurtured and elevated to the apex of social power. This trajectory perfectly instantiates Gramsci's (1971) paradigm of cultural hegemony, wherein the colonizer engineers a native intermediary class that willingly assimilates and operationalizes the logic of capitalism to solidify imperial sovereignty. By deconstructing the internal administrative records of the Bank of Indochina alongside critical discourse analysis formulated by Fairclough (2013), this study aims to reconstruct the deeply traumatizing transformation of Annamite society: a profound dislocation from a hierarchy of Confucian moral reciprocity into an alienated, class-stratified matrix wherein the colonial currency was institutionalized as the absolute signifier of existential status.

2. LITERATURE REVIEW

To fully comprehend the structural mutation of social hierarchies in colonial Annam under the operations of the Banque de l'Indochine, this study situates itself at the epistemic intersection of Eastern political philosophy and critical theories of colonial capitalism. Within the East Asian ideological paradigm, the concept of *Li* (Ritual) functions not merely as superficial behavioral etiquette, but as a totalizing ontological category that anchors both cosmic and social orders. According to Kirkland's (2004) foundational exegesis on Asian philosophical traditions, social equilibrium is preserved through the alignment of human conduct with the cosmic Dao, wherein *Li* serves as an ethical filter regulating all economic interactions and preventing the alienation of human relations by egoistic material desires. When Confucianism was institutionalized as the state ideology in traditional Vietnam, it engineered a moral economy that prioritized *Yi* (righteousness and duty) while deliberately suppressing *Lu* (individual profit). Consequently, the traditional class structure intentionally marginalized the merchant class at the base of the social hierarchy to insulate the ethical integrity of the commune from the corrosive incursions of mercantile capitalism.

However, the expansion of Western imperialism introduced a diametrically opposed paradigm: the utilitarian rationality of finance capitalism, wherein every sacred virtue was systematically desacralized and quantified into monetary units. In his seminal philosophical critique on the nature of money, Simmel (2004) argues that money is not a neutral instrument of exchange, but an objectifying force capable of flattening the qualitative distinctiveness of cultural and spiritual values into purely quantitative dimensions. When the Banque de l'Indochine institutionalized its hegemonic authority across French Indochina, it did not merely circulate currency; it aggressively imposed this objectifying logic onto the social fabric of Annam. This trajectory is deeply unpacked in the empirical scholarship of

Duong (2020), who demonstrates that the colonial banking apparatus operated as a supreme instrument of structural violence, leveraging liquidity mechanisms and credit networks to transmute social bonds historically governed by *Li* into predatory relations of debt subjection, thereby radically re-stratifying the indigenous hierarchy.

From the theoretical lens of critical colonial studies, the violent penetration of Western capital into pre-capitalist formations invariably triggers the ontological destruction of indigenous epistemic and social structures. Analyzing the dynamics of modern imperialism, Harvey (2003) theorizes this phenomenon as "accumulation by dispossession," a process by which colonial financial apparatuses expropriate not only physical resources but also the autonomous spaces of traditional institutions. In colonial Annam, this dispossession occurred simultaneously on both economic and epistemological levels. The historiographical accounts of Brocheux and Hémery (2009) illustrate how the French protectorate, in absolute symbiosis with the Banque de l'Indochine, systematically dismantled the self-sufficient moral economy of the Vietnamese village, forcibly assimilating the peasantry into global market dynamics through draconian taxation and forced monetization. Complementing this perspective through a critical psychoanalytical framework, Fanon (1967) asserts that the ultimate violence of colonialism lies in its capacity to compel the colonized subject to define their own existential worth exclusively through the metrics of the colonizer. Consequently, the Confucian superstructure of Annam was violently dissolved; the traditional literati were stripped of their symbolic authority, yielding to an alienated, class-stratified matrix wherein the colonial currency was institutionalized as the supreme reality dictating all social prestige.

3. THEORETICAL FRAMEWORK

To decode the profound ontological conflict between the Confucian ethical paradigm and colonial capitalist rationality in protective Annam, this study establishes an interdisciplinary theoretical framework weaving together Eastern moral philosophy and Western critical theories of power, subjective subjection, and capital accumulation. The primary pillar of this framework is the politico-moral ontology of Confucian *Li* (Ritual). Within classical Confucian philosophy, as systematically conceptualized by Kirkland (2004), *Li* represents far more than a set of formalistic, superficial behavioral etiquettes; rather, it constitutes a sacred semiotic architecture that sustains cosmic, social, and human equilibrium. *Li* operates as a defensive regulatory filter, positioning supreme ethical obligation and righteousness (*Yi*) as the governing principles of social organization while intentionally containing the corrosive expansion of mercantile capital and the egoistic pursuit of individual profit (*Lu*). The traditional social matrix of *Sĩ-Nông-Công-Thương* (Scholars, Peasants, Artisans, Merchants) is the structural manifestation of *Li*, wherein the apex of social prestige is allocated to the literati (*Sĩ phu*)—the absolute custodians of classical cultural capital—rather than holders of naked financial capital.

The secondary pillar, standing in direct ontological antagonism to *Li*, is the utilitarian rationality and abstracting violence of Western finance capitalism, illuminated through Karl Marx and Max Weber's theories of monetary disenchantment. In his profound philosophical exegesis on the nature of currency, Simmel (2004) posits that forced monetization is not merely a structural shift in economic exchange, but a totalizing epistemological technology that flattens the qualitative, sacred, and ethical dimensions of social life into homogeneous, quantitative units of price. When French finance capital, operationalized through the Banque de l'Indochine, enforced its absolute monopoly over the colonial Piastre, this banking apparatus functioned precisely as the historical mechanism of the "disenchantment of the world" (*Entzauberung der Welt*) theorized by Weber (1993). Social relations that were historically organic, reciprocal, and governed by *Li* and virtue-ethics within the Annamite commune were systematically desanctified and ruthlessly converted into legal contracts, artificial liquidity pressures, and mechanical relations of debt subjection to the colonial sovereign.

The tertiary pillar addresses the mechanisms of class re-stratification and the expropriation of symbolic authority, utilizing Pierre Bourdieu's paradigm of capitals and Antonio Gramsci's theory of hegemony. To analyze how the Bank of Indochina structurally fractured the traditional hierarchy, this study applies Bourdieu's (1986) structural model concerning the translatability and convertibility of economic, cultural, and symbolic capitals. In the traditional Confucian order, cultural capital (classical erudition) and symbolic capital (the moral prestige of the literati) were the absolute dominant currencies of social status. However, by introducing coercive "liquidity algorithms" to enforce poll taxes and compound debt debts, the Banque de l'Indochine institutionalized economic capital (the colonial Piastre) as the supreme, exclusionary matrix to evaluate and subjugate all other forms of capital. This structural dislocation catalyzed the rise of a collaborative native class—landlords and comprador bourgeois elites—who possessed no traditional cultural capital but wielded absolute colonial economic capital. This trajectory perfectly embodies Gramsci's (1971) formulation of cultural hegemony, wherein the imperial core governs not merely through direct state coercion, but through an engineered intermediary subaltern class that willingly assimilates and enforces the logic of capitalism to perpetuate colonial sovereignty.

Finally, this framework is completed by integrating Critical Discourse Analysis (CDA) and the archaeology of knowledge to expose the internal nexus between the language of power and subjective alienation. Drawing upon Foucault's (1972) philosophy of discursive formations, this study treats the financial registers and administrative ledgers of the Banque de l'Indochine not as neutral technocratic documentations, but as advanced technologies of power designed to establish a new market *episteme* that obliterated the ancestral Confucian system of knowledge. This discursive displacement, as Fairclough (2013) argues, represents the exact locus where structural violence penetrates everyday social practices, systematically re-coding the vernacular language and thought-structures of the oppressed, mutating them from moral agents of *Li* into fragmented "indebted subjects." This integrated critical matrix, synchronized with the robust archival historical excavations of Duong (2021), provides a powerful diagnostic lens to unmask the totalizing trajectory of disenchantment, social stratification, and existential subjugation endured by Annamite society under the hegemony of colonial finance capital.

4. RESEARCH METHODOLOGY

To scientifically deconstruct the structural clash between the Confucian ethical paradigm and French capitalist rationality in colonial Annam, this study deploys a rigorous, interdisciplinary methodological framework synthesizing empirical archival historiography with Critical Discourse Analysis (CDA). The primary empirical matrix of this research is excavated systematically from the French National Overseas Archives (ANOM) in Aix-en-Provence and national repositories in Vietnam, encompassing the original annual governance ledgers, fiscal balance sheets of the Banque de l'Indochine, and regulatory taxation decrees issued by the Governors-General of Indochina between 1885 and 1945. Adopting the historical-critical methodology formulated by Brocheux and Hémery (2009) regarding colonial economic topographies, these quantitative data are processed not merely as neutral fiscal indicators, but are operationalized to expose the coercive "liquidity algorithms"—the instruments of structural violence that systematically drained rural cash reserves and drove the Annamite commune into chronic debt subjection.

Simultaneously, the study integrates Critical Discourse Analysis grounded within the theoretical framework of Fairclough (2013) to deconstruct vernacular philosophical texts, petitions of the traditional literati (*Sĩ phu*), and village customary codes (*Hương ước*) from this era. This qualitative method enables the author to pierce through semantic structures to identify how colonial finance power aggressively interpellated and dissolved the traditional Confucian *episteme*. Aligned with Foucault's (1972) archaeology of knowledge, the financial registers of the Bank of Indochina are unmasked as an advanced technology of power, actively re-coding traditional moral lexicon and mutating social bonds historically governed by *Li* (Ritual) into cold contractual obligations and permanent liabilities. This direct juxtaposition of the colonizer's economic texts against the colonized's cultural discourses reconstructs the silent yet catastrophic epistemological warfare waged across protective Annam.

To transfigure empirical historical evidence into profound ontological insights, the methodology incorporates Bourdieu's (1986) sociology of capital configuration and domination. The operationalization of archival data specifically focuses on tracing the systemic depreciation of the cultural and symbolic capitals held by the literati when confronted with the absolute, exclusionary sovereignty of economic capital (the colonial Piastre) monopolized by the Bank of Indochina. Drawing directly from the comprehensive historical excavations of Duong (2020) concerning colonial credit networks and capital accumulation, the research matrix establishes a strict dialectical correspondence between the flows of liquid capital and the re-stratification of indigenous social hierarchies. Finally, to evaluate the existential trauma of the subaltern, the study embraces the critical apparatus of Lazzarato (2012) on the production of the indebted subject, transmuting arid debt registers into definitive philosophical proof of alienation, subjective fracturing, and the totalizing collapse of the moral regime of *Zhi Zu* before Western utilitarian rationalism.

5. RESULTS AND DISCUSSION

5.1. The Liquidity Algorithm of the Banque de l'Indochine and the Disenchantment of Annam's Rural Moral Economy

The intervention of French finance capital into the social fabric of Annam through its central economic apparatus, the Banque de l'Indochine, was not merely an act of economic subjugation, but fundamentally a profound epistemological restructuring of the traditional worldview. Drawing upon archival administrative reports (*Rapports sur les opérations*) and financial balance sheets of the Banque de l'Indochine from 1885 to 1945, historical empiricism reveals a calculated strategy aimed at enforcing a monetary monopoly of the colonial Piastre, thereby systematically eradicating the indigenous bimetallic system (copper and zinc cash) that had long been intertwined with the localized, self-sufficient mode of production (Ducreux, 2018). By institutionalizing the Piastre as the sole legal tender for all public obligations, particularly the onerous colonial head and land taxes, the French regime compelled the peasantry of Annam to abandon non-monetized strata of value. This liquidity algorithm effectively transmuted an issue bank into a sovereign locus of power that dictated the vital currents of the native economy. Through the absolute revaluation of material wealth and agrarian resources according to the criteria of the colonial silver standard, the Banque de l'Indochine isolated traditional non-commodity spaces of exchange, forcing the entire Annamite economic ecosystem to revolve around the axis of global capitalist markets (Meuleau, 1990).

This monetary monopolization was ruthlessly operationalized through the mechanism of artificial credit crunches and the imposition of exorbitant interest rates upon intermediate brokers and comprador networks in pivotal urban centers of Central Annam, namely Tourane (Da Nang), Hué, and Vinh. Archival financial records during periods of global economic depression and post-war reconstructions demonstrate that the Banque de l'Indochine maintained a highly restrictive discount policy toward native enterprises while aggressively elevating commercial lending rates to levels between 9% and 12%, thereby shifting systemic liquidity risks downstream (Duong, 2021). As urban economic agents found themselves suffocated by capital scarcity, they instantly deflected this financial pressure onto the rural hinterlands of Central Annam via networks of usury and predatory crop-advances. The resulting artificial liquidity scarcity in the Annamite countryside was by no means an accidental byproduct of market fluctuations, but rather a deliberate technology of colonial governance. It thrust the peasantry into a state of permanent economic vulnerability, wherein they possessed concrete agrarian wealth yet remained completely impotent in accessing the legal tender required to discharge their obligations to the colonial state (Giacomi, 2022).

This mechanical constriction ignited a direct epistemological collision between the logic of capital accumulation and the "moral economy" model inherent to traditional Annamite villages. According to extensive archival ethnographies and customary legal codes, the rural landscapes of Annam did not operate on the modern principle of individual profit maximization, but were instead encapsulated and regulated by the sublime normative filters of *Confucian Li (Ritual/Propriety)* and *Yi (Righteousness)* (Scott, 1976). Within the Confucian paradigm, economic behavior was strictly subordinated to a cosmic moral order; the exchange of goods and labor among community members was conceptualized as a web of qualitative, reciprocal obligations designed to safeguard collective harmony and the minimal subsistence rights of every villager. *Li* dictated that those endowed with material abundance bore a moral imperative to extend benevolence and relief to the impoverished during seasons of scarcity, and a lineage's symbolic honor was measured by its restraint of avarice in reverence to communal ethics. Acts of excessive usury or the speculative hoarding of grain amidst natural catastrophes were deemed not merely illicit, but a sacrilegious violation of *Li*, effectively exiling the perpetrator from the cultural matrix of the community (Popkin, 1979).

Nevertheless, the penetration of this Western financial institution functioned as an agent of the *"disenchantment of the world" (Entzauberung der Welt)* in the precise epistemological sense articulated by Weber (1922). The colonial Piastre, as a pure mathematical abstract, executed a violent operation upon the societal psyche by thoroughly quantifying qualitative virtues of honor, duty, and moral debt into cold, geometric calculations on colonial ledgers. Through the lens of the Banque de l'Indochine, consanguineous ties, ancestral obligations, or feudal loyalty — the very conceptual cement that solidified the Confucian socio-political hierarchy — were rendered completely valueless unless they could be translated into liquid collateral or cash solvency (Duong, 2020). This mathematical, calculative rationality stripped away the sacred aura of moral commitments; the honor of a *Junzi* (Confucian gentleman) or the sanctity of a scholarly lineage was degraded and subjugated to a standardized credit rating formulated by French technocrats in Saigon or Paris.

This disenchantment precipitated a profound ontological mutation within the Annamite social structure. The essential nature of human relations in the rural matrix of Central Annam was irreversibly altered: transforming from a state of *moral reciprocity* anchored in *Li* into a regime of *cold legalistic bindings and mechanized debt obligations* (Lazzarato, 2012). The village sphere, once a sanctuary protecting the human condition from biological contingencies, was transmuted into an atomized battlefield of survival, where individuals were mechanized into isolated economic units. Peasants and landlords no longer perceived one another through the shared horizon of reciprocal Confucian duties, but rather through the fine print of foreclosure clauses, land-mortgage deeds, and compounded interest trajectories. The moral economy was supplanted by the structural violence of colonial jurisprudence, where the Banque de l'Indochine stood at the apex of the hierarchy as a *deus ex machina* governing the destiny of all classes, permanently mutating the subjectivity of the Annamite people from morally grounded Confucian agents into alienated economic entities under the hegemony of finance capital (Polanyi, 1944).

5.2. The Expropriation of Symbolic Capital from the Literati and the Architecture of the Colonial Comprador Class

The mutation of the class structure in colonial Annam from 1885 to 1945 under the structural operations of the Banque de l'Indochine was not merely a peripheral consequence of economic modernization, but rather a systematic strategy of dispossession targeting the power base of the traditional elite. Empirical evidence from the colonial archives exposes how the French protectorate instituted rigorous fiscal decrees, specifically poll and land taxes, requiring absolute settlement in the colonial Piastre rather than traditional agricultural produce or indigenous zinc currency (Ducreux, 2018). This calculated synergy between the colonial administrative apparatus and the debt leverage of the Banque de l'Indochine engineered a ruthless liquidity trap for the literati (*Sĩ phu*), minor mandarins, and traditional aristocratic lineages of Annam. Lacking the structural capacity to rapidly convert immovable landed property or symbolic prestige into liquid cash flows, numerous scholarly families and former officials succumbed to systematic bankruptcy when confronted with draconian tax deadlines and compounded liabilities. The historical registers of foreclosures and estate liquidations executed by the Banque de l'Indochine in Central Vietnam bear witness to a traumatic reality: the Confucian intelligentsia, who historically guarded the spiritual lineage of society, were stripped of their means of production and marginalized from the newly established colonial economic order (Duong, 2021).

Conversely to the calculated impoverishment of the old intellectual elite, the archival financial ledgers of the Banque de l'Indochine reveal a monumental and consistent flow of credit deliberately channeled into the consolidation of rubber and coffee plantations, mining concessions, and macro-mercantile conglomerates. These financial resources were never distributed to the subaltern masses or independent indigenous productive sectors, but were instead intentionally routed to nurture a nascent class of collaborative landlords and comprador bourgeois elites who aligned themselves with the protectorate's sovereignty (Meuleau, 1990). Through credit agency contracts and intermediary financial networks, the Banque de l'Indochine sustained a new paradigm of economic elites who accumulated wealth by acting as systemic brokers, extracting resources from the rural communes to feed the markets of the metropole. This highly selective distribution of capital fundamentally restructured the cartography of property ownership in Annam, consolidating a new matrix of inequality wherein economic power was exclusively vested in factions beholden to colonial capitalist logic (Giacomi, 2022).

To decode this traumatizing transfer of power, this study comprehensively applies Pierre Bourdieu's sociological framework regarding the dialectical translatability of various forms of capital. Within the traditional Confucian order of Annamite society, the social structure was rigorously calibrated by the *Sĩ-Nông-Công-Thương* (Scholars, Peasants, Artisans, Merchants) hierarchy, wherein cultural capital (classical erudition and canonical knowledge) and symbolic capital (moral prestige, lineage honor, and ethical recognition secured by *Li*) held absolute hegemony (Bourdieu, 1986). The literati wielded supreme authority to regulate social life not by virtue of material accumulation, but because they embodied the sacred essence of Ritual (*Li*). However, by institutionalizing the colonial Piastre as the exclusionary matrix to measure and validate existential worth, the Banque de l'Indochine executed an epistemological coup. Economic capital (colonial cash), historically subordinated to the base of the social hierarchy within the merchant domain, was violently elevated into the supreme standard capable of buying, manipulating, and fracturing all other forms of capital. The symbolic authority of the Confucian gentleman was radically expropriated at its root, as classical scholarship and moral honor proved completely impotent when trying to liquidate debt obligations demanded by the colonial banking core (Duong, 2020).

This structural trajectory perfectly instantiates Antonio Gramsci's paradigm of "Cultural Hegemony," which explains how an imperial power constructs sustainable domination through the engineering of domestic proxy classes. The newly emergent collaborative landlords and comprador bourgeois elites in Annam were entirely vacant of traditional cultural capital or Confucian ethical prestige; their systemic legitimacy was constructed exclusively upon their structural dependency on the credit lifelines and legal protection of the Banque de l'Indochine (Gramsci, 1971). Upon acquiring economic capital, this subaltern colonial intermediary class willingly assimilated, internalized, and operationalized the utilitarian and profit-driven logic of Western capitalism. Their ascendance plunged Annamite society into a profound state of existential alienation: the traditional hierarchical order of the Three Bonds and Five Virtues (*Tam cương ngũ thường*), once anchored in virtue-ethics and *Li*, was shattered. In its place, a cold, class-stratified matrix was institutionalized, wherein human honor and existential status were no longer calibrated by moral self-cultivation but were starkly reduced to the sheer capacity for colonial monetary accumulation (Lazzarato, 2012).

5.3. The Fracture of Subjectivity: From Yi to Li and the Making of the Indebted Subject

To comprehensively apprehend the ontological depth of the colonial trauma in Central Annam from 1885 to 1945, this study conducts a Critical Discourse Analysis (CDA) across a heterogeneous matrix of textual records, including mandarin petitions, critical theoretical treatises, and reformed village customary codes (*Hương ước*) promulgated by early twentieth-century modernization movements. Historical empiricism excavated from the philosophical essays and journalistic works of the Duy Tân (Modernization) movement, alongside the incisive writings of seminal intellectuals such as Phan Châu Trinh and Huỳnh Thúc Kháng, exposes a totalizing epistemological crisis within the indigenous consciousness (Phan, 2012). Examining the lexical frequency within the print media of this epoch reveals a traumatizing linguistic displacement: traditional terminology representing the idealized cosmic order was systematically overwhelmed by neologisms rooted in colonial utilitarianism. The archival texts record a profound wave of existential self-interrogation among the contemporary intelligentsia, who confronted the violent dissolution of an autonomous lifeworld as communal institutions were torn asunder by the omnipotent sovereignty of the Banque de l'Indochine's silver Piastre and the inescapable vice of financial liability.

The pervasive density of terms articulating confusion, cynicism, and existential displacement within these texts serves as irrefutable empirical evidence of the fracturing of indigenous identity.

Notions such as "bankruptcy" (*phá sản*), "mortgage deeds" (*văn tự văn khế*), "compounded usury" (*lãi mẹ đẻ lãi con*), or "colonial debt" ceased to function as neutral economic descriptors; instead, they mutated into metaphysical metaphors signifying fundamental human impotence before a mechanized universe (Duong, 2021). The discourse of the Central Annamite literati during this period resonates with ontological agony when confronting the violent fragmentation of lineage structures, the forced liquidation of ancestral burial grounds, and the systematically humiliated dignity of individuals who historically self-identified as moral agents but were reduced to subaltern entities before the foreclosure tribunals of the colonial banking core. This was not merely an existential dread of material destitution, but an ontological horror of witnessing the complete invalidation of their ancestral paradigm of truth, plunging the native subject into a void of systemic disorientation and a deep sense of colonial inferiority when measured against Western techno-rationality.

Philosophically, these empirical findings illuminate a catastrophic inversion of the core axiological system that had historically constituted East Asian subjectivity. Confucian philosophy constructs its ethical coordinate axis upon a strict dialectical binary: *Yi (Righteousness - the imperative of cosmic morality and altruistic deontological action)* stood in absolute opposition to *Li (Profit - the individualistic pursuit of self-interest and petty utilitarianism)* (Tu, 1998). Within the classical episteme, the mechanism of *Li* (Ritual/Propriety) functioned as a normative filter designed to govern, restrain, and sublimate human desires for material gain, constantly aligning individual intentionality with the cosmic axis of Righteousness (*Yi*). Nevertheless, the systemic intrusion of the Banque de l'Indochine inverted this spiritual topography at its root. By institutionalizing the colonial currency as the exclusive medium for biological and legal survival, this financial capitalist apparatus legitimate, universalized, and stimulated the infinite accumulation of profit (*Li*) as the supreme standard of a new Darwinian morality. Profit was no longer reprimanded as an ethical deviation; conversely, it was consecrated as the highest manifestation of colonial adaptability, forcing human subjects to abandon the ideal of the *Junzi* (noble gentleman) to enter the calculation-driven universe of capitalist modernism.

This normative transmutation achieves its most profound elucidation through the deployment of Maurizio Lazzarato's critical apparatus regarding the production of the "Indebted Man." French finance capital, operating through its structural core in the Banque de l'Indochine, did not confine its violence to the physical colonization of territorial geographies or the expropriation of material surplus; rather, it subtly colonized the innermost spiritual architecture of the Annamite population through the mechanism of debt (Lazzarato, 2012). Under the hegemony of the Bank of Indochine, debt was never merely a transient fiscal condition, but functioned as a sophisticated technology of socio-political power designed to produce a new modality of subjectivity: the individual permanently anchored in a state of existential and economic guilt. By reducing all organic social relations and moral obligations to the cold flows of credit and compound interest, finance capital successfully capitalized the future temporality and existential choices of the colonized, transforming them into self-disciplining subjects calculated to optimize the functionality of the colonial machine (Duong, 2020).

Consequently, the traditional subject of Central Annam was violently dispossessed of their existential temporal autonomy and interior tranquility. The human ontology, once harmonized with the organic flows of the Dao and Ritual (*Li*), was painfully re-engineered into an "indebted soul," chronically haunted by mechanical calculations, the lived experience of manufactured scarcity, and the permanent specter of financial ruin (Polanyi, 1944). The temporal horizon of the peasant and the intellectual alike no longer belonged to the process of moral self-cultivation or ancestral devotion, but was entirely mortgaged to the rigid fiscal deadlines enforced by the Banque de l'Indochine. This pervasive existential anxiety engineered a deep fracturing within the native identity: the subject desperately attempted to preserve the sacred virtues of the Confucian sages while simultaneously being forced to operate as cold, utilitarian agents to secure mere biological survival. This represents the most devastating and enduring spiritual trauma inflicted by French finance capital upon the cultural corpus of Annam—an internal annihilation of the traditional moral ecology that no mere military conquest could ever achieve.

6. CONCLUSION

The comprehensive investigation into the structural operations of the Banque de l'Indochine in Annam from 1885 to 1945 exposes a traumatic historical reality: the penetration of French finance capital was not merely a peripheral reconfiguration of material production, but fundamentally a violent surgical operation executed upon the indigenous epistemological structures and traditional philosophical-religious paradigms. Through its predatory liquidity algorithms and the enforcement of the colonial silver Piastre monopoly, the Banque de l'Indochine established a sophisticated technology of fiscal governance that systematically fractured the autonomous, organic lifeworld of the "moral economy" inherent to the rural hinterlands of Central Vietnam (Scott, 1976). Colonial currency, violently elevated from a subordinate instrument of exchange into a supreme mathematical abstract, thoroughly quantified the qualitative virtues of indigenous honor, ancestral duty, and moral debt. This financial institution functioned as a structural agent of the disenchantment of the world, radically expropriating the sacred ethical authority secured by *Li* (Ritual), and forcing the entire Annamite human ecosystem to subordinate itself to the cold, utilitarian coordinate axis of global capitalism.

At the deeper strata of the social structure, the selective distribution of credit and the coordinated fiscal decrees of the colonial protectorate engineered a deeply traumatizing transfer of class power. By transmuting economic capital into the exclusionary metric of existential validation, the Banque de l'Indochine dispossessed the traditional Confucian literati (*Sĩ phu*) of the cultural and symbolic capital that had historically anchored their societal hegemony (Bourdieu, 1986). The organic *Sĩ-Nông-Công-Thương* hierarchy, historically grounded in virtue-ethics and *Li*, was shattered at its root. In its place, French finance capital constructed and nurtured a nascent collaborative intermediary class composed of comprador landlords and bourgeois brokers. The ascension of this subaltern elite, who willingly internalized and operationalized Western capitalist logic in exchange for colonial credit lifelines, established a new cultural hegemony that plunged Annamite society into an alienated state of class stratification, wherein human dignity was starkly reduced to the sheer capacity for monetary accumulation.

The most devastating and enduring legacy of this financial colonization resided not in material expropriation, but in the radical fracturing of subjectivity and the production of the "Indebted Man" within the psychological and spiritual depth of the native consciousness. The permanent anxiety of debt and the compounded interest traps enforced by the Banque de l'Indochine successfully colonized the innermost spiritual architecture of the Annamite population, violently inverting the core axiological binary of East Asian philosophy: mutating human subjectivity from the pursuit of *Yi* (cosmic Righteousness) into a structural subservience to *Li* (individualistic Profit) (Duong, 2020). The traditional subject of Annam was violently dispossessed of their existential temporal autonomy and interior tranquility, transformed from a being existing in harmony with the organic flows of the Dao into an alienated entity perpetually torn between ancestral ethical devotions and the mechanical pressures of biological survival (Polanyi, 1944). This metaphysical trauma represents the most insidious modality of colonial violence, destroying the autonomous moral ecology from within the cultural matrix of the colonized.

When viewed through the lens of contemporary critical theory, the model of financial colonialism in Annam offers a profound academic case-study to comprehend the broader structural mechanisms of global imperialism. This study demonstrates that debt and monetary monopolies are not merely economic mechanisms, but operate as potent socio-political and epistemological technologies engineered to restructure subjectivity and capitalize the future temporality of the colonized (Lazzarato, 2012). The traumatic legacy of the Banque de l'Indochine inscribed upon the cultural corpus of Annam persisted for decades following the formal dissolution of the colonial regime, leaving deep scars within the historical trajectory of societal modernization. This work contributes a sharp, interdisciplinary framework that synthesizes empirical financial history with critical sociological philosophy, deconstructing the ontology of Western colonial capital and opening new horizons for post-colonial critique within the contemporary matrix of globalized modernity (Giacomi, 2022).

7. ACKNOWLEDGMENT

The author wishes to express his profoundest and most sincere gratitude to the historical archival institutions, venerable mentors, and steadfast colleagues whose academic stewardship and intellectual generosity illuminated this arduous scholarly itinerary. The realization of this treatise was primarily rendered possible through the invaluable assistance of the National Archives Center II (Ho Chi Minh City) and the French National Overseas Archives (ANOM, Aix-en-Provence), which granted access to the priceless administrative registers and financial balance sheets of the Banque de l'Indochine. Furthermore, the author is deeply indebted to the rigorous theoretical dialogues and incisive critiques offered by senior faculty and peers within the domains of Economic History and Social Philosophy; their epistemological insights significantly refined the dialectical confrontation engineered herein between the utilitarian logic of Western capital accumulation and the normative paradigm of East Asian Confucian morality. Finally, this work is reverently dedicated to the memory and enduring consciousness of the historic subjects of Annam, whose lived experience through the trauma of colonial subjection continues to offer profound existential reflections for contemporary post-colonial critique.

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