
*Who Profited from the Alienation of Public Revenues in Ancien Regime Societies? Some Reflection on the Examples of France, Piedmont and Naples in the XVIIth and XVIIIth Centuries**

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In the Ancien Regime societies which we shall discuss in this paper it was not only the State that profited from taxation. On the contrary, the profits of taxation were shared between the public authorities and those who by virtue of their capital and enterprise made it possible for the former to raise its taxes. The second group included all those creditors, holders of government rents or stock, and the financiers of the state monopolies who represented in one form or another the sector of private finance. In an earlier paper at this conference, it has already been described to us how the latter entered into the field of public finance and tax raising due to the difficulties facing the State in reaching those who had not been able to protect themselves by privileged exemption from taxation, and the time lags encountered between tax gathering and the perception of revenue, aggravated by the growing need for speedy and improved revenue resulting from ruinously costly and warlike foreign policies. In short, for States that were always short of money and

* This paper was originally delivered in Florence in December 1978 in the course of a conference on 'Taxation and its social implications in Italy and France in the XVIIth and XVIIIth centuries' where it introduced the papers given on the second day in a section devoted to 'Creditors, financiers, tax-farmers: taxation as a source of income and profit'. The papers referred to in the text are listed in Note 3.

never in a position to raise cash through taxes quickly, recourse to the assistance of private operators often became a condition of survival. Although this recourse to private finance often took rather complex forms, the consequences were in principle relatively straightforward, and created a financial circuit in which the money taken from the tax-payers finished up in the coffers of the State's creditors. When the system reached its fullest stage of development only two partners remained — the tax-payers on one hand, and the State creditors on the other, with the revenues raised from taxation no longer even passing through the hands of the public authorities. One of the finest examples of this latter situation is provided by the Neapolitan 'arrendamenti' studied by Luigi de Rosa.¹

This fundamental re-routing of the tax revenues of the Ancien Régime was not only a problem for the State itself, and Marcel Courduric's works on the public finances of Marseilles have shown that local authorities and corporations were equally affected by it.² However, it was in relation to the State that it developed on the widest scale in terms of the importance of the interests at stake. The discussion that follows is then addressed to studies dealing with the situation in three particular states — on the French monarchy, by Guy Chaussinand-Nogaret and Daniel Dessert; on Piedmont by Enrico Stumpo; and on the Kingdom of Naples by G. Muto and A. Musi.³

The differences between these three states were considerable with regard both to their very unequal sizes and the varying degrees of political independence they enjoyed. In addition, we shall be considering them at very different periods in their history — the Kingdom of Naples from the late XVIth to the early XVIIth centuries; Piedmont in the second half of the XVIIth century; France during the last three reigns of the Ancien Régime. But these obvious points of difference should not be allowed to conceal a number of equally striking similarities. All three states were monarchies, all three were engaged, or involved, in highly costly foreign policies, and all three faced an identical problem — how to survive without mortgaging their financial independence? Each of them provide us with a different variation on a single

¹ L. DE ROSA, *Studi sugli arrendamenti del regno di Napoli. Aspetti della distribuzione della ricchezza mobiliare nel Mezzogiorno continentale (1649-1806)*, Naples 1958, XII, p. 369.

² M. COURDURIÉ, *La dette des collectivités publiques de Marseille au XVIII^e siècle. Du débat sur le prêt à intérêt au financement par l'emprunt*, Marseille, 1974, 379 p.

³ These are the titles of the essays which were published in 1981 by the Ecole française de Rome: G. CHAUSSINAND-NOGARET, *Le fisc et les privilégiés sous l'Ancien Régime*, D. DESSERT, *Le rôle de la noblesse dans les finances royales sous le règne de Louis XIV*, E. STUMPO, *La distribuzione sociale degli acquirenti dei titoli del debito pubblico in Piemonte nella seconda metà del Seicento*, G. MUTO, *Apparati finanziari e gestione della fiscalità nel regno di Napoli dalla seconda metà del '500 alla crisi degli anni '20 del secolo XVII*, A. MUSI, *Fiscalità e finanza privata nel regno di Napoli nella prima metà del XVII secolo*.

theme, so I shall begin by sketching out the parallels between the French, the Piedmontese and the Neapolitan cases, I shall then discuss the limitations inherent in such an approach and the significance of the situations that are revealed.

The importance of financial deficits in the history of the French monarchy is recognised by every one, and the history of the last Ancien Regime rulers is punctuated by repeated bankruptcy. The essays by Guy Chaussinand-Nogaret and Daniel Dessert reveal vividly the 'system' which both created and maintained this precarious situation. The monarchy's overwhelming need for ready cash meant, as Daniel Dessert shows, that the door was wide open for the capital of the nobility to gain a hold over the royal finances. It was primarily the nobility, rather than the Catholic financiers of administrative origin who served the monarchy, who bought up the rights alienated by the King, provided cash securities for the tax-farmers, and invested in State financial transactions. Nor did they come from the lesser nobility, but rather from the leading families of the aristocracy — the Dukes and Peers, the royal Ministers, the Marshals of France, the leading *noblesse de la robe*, all of whom were tightly organised in family clans, bound together by innumerable ties of blood, and collectively forming a homogenous power-block of the most influential persons in the land. These were the true beneficiaries of the privatization of the greater part of the State's fiscal resources, and their position seemed to be unshakeable. How could the monarchy go against its creditors since the latter were the leading representatives of the nobility, the principal support of the monarchy? At best the monarchy could do little more than arbitrate in the faction struggles which divided this aristocracy of the powerful.

The position of the latter would have been different, however, had they too had to contribute to those taxes of which they themselves were the principal beneficiaries. It is therefore important that Guy Chaussinand-Nogaret reminds us that the positive privileges of the aristocracy — expressed among other things in these financial activities — were compounded by the benefits which resulted from their passive privileges: their fiscal exemptions. Such exemptions were part of the institutional structure of the Ancien Regime in France; they were increased by the venality of public office, they became the *sine qua non* of the concept of nobility, and were seen by all the privileged classes as the essential bulwark of freedom against the pretensions of royal absolutism. The groups of power continually increased the scope of these privileges beyond what was conceded by the law, and by right or by force they escaped payment of the *taille* or regular contributions for *capitation*, as well as the various *dixièmes* and *vingtièmes*. Right down to the closing years of the Ancien Regime, all the efforts of the monarchy proved powerless in the face of an opposition which went beyond all legal bounds of fiscal exemption to defend the right to secrecy of the proprietor against investigation by the State.

The French 'system', as Daniel Dessert and Guy Chaussinand-Nogaret have reconstructed it, was characterised by the predominance of a minority

which owned a very great part of the wealth of the nation, but which stubbornly refused to accept any form of taxation. On the other hand, they were always ready to provide for the State at a price which they refused to give freely, and found such acts of goodwill an excellent means for building up their own fortunes and extending their power over that of the King, which was being strangled bit by bit, and over a very narrowly based fiscal system.

Were there by the end of the Ancien Regime any signs of change evident? As far as privileges are concerned, the answer is yes, as Guy Chaussinand-Nogaret has shown in the case of the nobility's volte-face on the question of fiscal equality.⁴ As far as the financial interests are concerned, Daniel Dessert's study does not provide us with any parallel developments since it is concerned with the reign of Louis XIV. However, the work of Herbert Lüthy and Guy Chaussinand-Nogaret⁵ shows that at the close of the Ancien Regime there had been a definite invasion of foreign capital — predominantly from Switzerland — as well as a deep crisis in public finance sparked off by the bankruptcies threatened by Necker's reforms. Can we then say that on the eve of the Revolution a major change in French public finances and in the ties binding public to private finance was in the offing?

The most salient characteristic of the French 'system' lies in the overwhelming position held by the nobility. There were, of course, commoners who enjoyed fiscal exemptions as well, by virtue either of contracts with their towns or through the purchase of office, just as there were provincial financiers who picked up some crumbs by participating in sub-contracts for the tax-farms or, as Yves Durand has recently pointed out,⁶ by providing sureties for the employees of the tax-farms. But none of this was sufficiently important to alter the overall picture of the French 'system'. And therefore the Piedmontese situation which Enrico Stumpo has described takes us into a quite different world, and I do not think I am distorting his conclusion in stating that the main beneficiaries of the Piedmontese fiscal system were the 'vile bourgeoisie'.

The studies by Einaudi, Bulferetti and Quazza⁷ provide a clear picture

⁴ On this, see also: G. CHAUSSINAND-NOGARET, *Aux origines de la Révolution: noblesse et bourgeoisie*, in *Annales E.S.C.*, XXX (1975), p. 271.

⁵ H. LÜTHY, *La Banque protestante en France de la Révocation de l'Édit de Nantes à la Révolution*, 2, Paris, 1961, p. 464 sq.; G. CHAUSSINAND-NOGARET, *Les financiers de Languedoc au XVIII^e siècle*, Paris, 1970, p. 716, 235 sq.; see also J.F. BOSHER, *French Finances, 1770-1795, from Business to Bureaucracy*, Cambridge, 1970, 370 p.

⁶ T. DURAND, *Un placement sûr au XVIII^e siècle: les cautionnements des employés de la ferme générale*, in *Mélanges offerts à V.L. Tapié*, 1973, p. 330-343.

⁷ L. EINAUDI, *La finanza sabauda all'aprirsi del secolo XVIII e durante la guerra di successione spagnuola*, Turin, 1908, pp. 175-277, L. BULFERETTI, *La feudalità e il patriziato nel Piemonte di Carlo Emanuele II (1663-1675)*, in *Annali della Facoltà di lettere, filosofia e magi-*

of the situation of the Piedmontese public debt at the end of the XVIIth century and the start of the XVIIIth. Resulting from expenditure on warfare it remained, even during the major conflicts of the age of Louis XIV, of modest proportions in relation to the revenues of the Savoyard state. Stumpo's essay is less concerned with putting forward new empirical data, but rather with revising the conclusions reached by earlier historians, and in this respect he completely disagrees with the views put forward by the English historian Stuart Woolf in 1962 in the pages of the *Nuova Rivista Storica*.⁸ Woolf argued that there was a clear preponderance of the clergy and the old feudal nobility (as opposed to the more recent nobility of 'neo-titolati') among the holders of investment in Piedmontese government securities. It was these two groups, he argued, who were the main beneficiaries of the transfer of capital from the taxpayers to the controllers of the State's fiscal revenues.

Enrico Stumpo has suggested a quite different interpretation of the relations between the Piedmontese monarchy and private finance. He argues that the bourgeoisie and their aristocratic extension, the *noblesse de robe*, who were the main recipients of loans secured against fiscal revenues — at rates varying between 43 and 71% of the total capital. He claims that this is further demonstrated by the distribution of wealth in Piedmont, as revealed in a range of official reports drawn up in the early XVIIIth century. He concludes, therefore, that it was primarily bourgeois capital that was drawn into investment in public finance in Piedmont in the second half of the XVIIth century. Let me simply draw attention to some of the financiers described by Stumpo in his paper, all of whom conform closely to the model of a merchant banker, to indicate that the situation in Piedmont, as Stumpo describes it, would seem to present a near perfect antithesis to that already given for France.

Did the Kingdom of Naples then constitute a middle road between the two extremes that seem to be emerging? If one looks simply at the Neapolitan public debt at the turn of the XVIth and XVIIth centuries, the answer would be a clear no — the Neapolitan deficit looks much more like the abyss of French finances than the more serene situation in Piedmont. This is something which does not, I believe, require further illustration.⁹ But for our purposes it is less

stero dell'Università di Cagliari, XXI (1953), pp. 386 s., 589 s., G. QUAZZA, *Le riforme in Piemonte nella prima metà del Settecento*, Modena 1957, pp. 195 s.

⁸ S.J. WOOLF, *Sviluppo economico e struttura sociale in Piemonte da Emanuele Filiberto a Carlo Emanuele III*, in *Nuova Rivista Storica*, XLVI (1962), p. 39.

⁹ See G. CONIGLIO, *Il vicereame di Napoli nel sec. XVII. Notizie sulla vita commerciale e finanziaria secondo nuove ricerche negli archivi italiani e spagnuoli*, Rome, 1955, p. 175 s., L. DE ROSA, *Crise financière, crise économique et crise sociale: le Royaume de Naples et la dernière phase de la Guerre de Trente ans (1630-1644)*, in *Bulletin de l'Institut historique belge de Rome*, XLIV (1974), pp. 103 s., G. GALASSO, *Le riforme del conte di Lemos e le finanze napoletane nella prima metà del Seicento*, in *Mezzogiorno medievale e moderno*, Turin, 1975,

the size of the debt, than the social organisation of the financial interests that it brought into being that is important. The work of G. Muto and A. Musi seem to reconfirm three essential features in this respect.

The first salient feature lies in the growing influence of financiers in the Kingdom of Naples in the period in question. In the second half of the XVIth century the raising of indirect taxes outside the capital was entrusted to provincial 'percezzori' and 'tesorieri'. On the other hand, the offensive mounted by the financiers was crowned with success, and from the XVIth century onwards the representatives of the Genoese financiers who operated in the Kingdom successfully infiltrated the ranks of the provincial 'percezzori'. After 1630, the agents of the great Neapolitan financier d'Aquino, studied by A. Musi,¹⁰ succeeded in driving out the former administration of 'percezzori', who were gradually replaced by new 'superintendenti' who enjoyed the trust of this leading financial operator. As a result of the growing power of such financiers over the raising of the Kingdom's taxes, the traditional litigation between the Royal Court in Naples and the 'percezzori' in the provinces began to be overshadowed by the suits raised between leading financiers like d'Aquino and the government. Does this in itself not suggest that there had been a shift in the opportunities for making profits to the advantage of the financiers?

The financiers were certainly powerful, but who were they? Here the crucial feature seems to be their instability. The financial life of the kingdom of Naples was subject to cycles of much greater magnitude than the faction struggles which divided the French clans. As Aurelio Musi shows, the final years of the XVIth century and the first decades of the XVIIth were marked by repeated shifts, starting with the predominance of foreign capital, first Genoese then Dutch, followed by that of native finance with a mass of transactions all centring on the figure of Bartolomeo d'Aquino, and then after 1647 a renewed influx of foreign capital. Quite apart from the differences of geographical origin, there was a sharp divide between the representatives of the great foreign commercial houses and d'Aquino, who had close ties with the feudal baronage and whose move into the lime-light had also coincided with the drop in commercial activity in the 1630s, the period in which baronial pressure on the rural communities of the Kingdom was at its most intense.

Did the instability evident amongst the leading financial groups in this period extend to all those who were investing in the government's needs? A. Musi shows that although the activities of d'Aquino served to create around

2ème éd., pp. 212 s., R. VILLARI, *La rivolta antispagnola a Napoli. Le origini (1585-1647)*, Bari, 1976, 3ème éd., p. 121 s.

¹⁰ VOIR A. MUSI, *Finanze e politica nella Napoli del '600: Bartolomeo d'Aquino*, Naples, 1976, 116 p.

him a 'socially dominant bloc' dominated by the barons, which allowed the latter to reinforce their control over the local communities by buying up direct taxes, this did not result in an exclusive financial relationship consisting of the monarchy and the feudatories, with d'Aquino acting as intermediary. In fact the barons were never the sole investors in the public debt. There were many other groups who also shared in the alienation of taxes, including the Genoese and also the Neapolitan bourgeoisie -- and for this I would draw attention to the list of creditors of the 'arrendamenti' published by Luigi de Rosa.¹¹

Needless to say, I have been guilty of much over-simplification in these brief remarks on the situation in the Kingdom of Naples. Bartolomeo d'Aquino, whose father had been a merchant, was not totally different from the Genoese merchant-financiers, many of whom also purchased feofs in the Kingdom, and there were also many Genoese financiers who entered into d'Aquino's net-work and carried on operating after his demise.

Nonetheless, it remains true that the same situation -- the State's need for revenue and its recourse to private capital -- resulted from one place to another in the creation of very different types of financial relations. In France, the nobility remained masters of the game and made large profits from the taxes to which they contributed little. In Piedmont, on the other hand, Enrico Stumpo sees the bourgeoisie (in the broadest sense of the term) to be the main beneficiaries of the alienation of public revenue. In the Kingdom of Naples, the situation was more confused and no single social group succeeded in gaining exclusive control over the funds wrung from the pockets of the taxpayers.

But how well founded are these parallels which I have tried to sketch? To show their limitations I would like to introduce three problems which seem to arise from what has already been said. The first concerns the purpose of this comparison. Are we in fact comparing systems that are really comparable? For example, Enrico Stumpo places an importance on State annuities in Piedmont that is not reflected in the analysis of Daniel Dessert, which adopts a very different approach. This presents the first element of ambiguity.

Secondly, it is far from clear that the criteria used in defining different social categories are the same for each author. While Enrico Stumpo includes the *noblesse de robe* as an extension of the bourgeoisie in Piedmont, the French historians include them with the nobility. Is it possible to establish criteria applicable to all three of these States? If we retain only the dichotomy between the nobility and the bourgeoisie the answer will probably be no, since the terms take on different meanings in different contexts. Should we then use some alternative distinction, such as that proposed by Herbert Lüthy who

¹¹ L. DE ROSA, *Studi...*, pp. 259 s.eq

distinguishes between those who 'share directly in the net product of the agricultural world' and those who live off 'cash wealth' which is independent of the former, and between those 'who form part of the regime' and those who are outside it?¹² However, such an approach raises major problems of application, let alone the theoretical obstacles which inhibit its extension to the Italian peninsula. I can only point to the problem of finding a uniform set of criteria for establishing social categories, therefore, without suggesting any solution.

Finally, should the comparison be limited to cover only those who benefited from the alienation of fiscal revenues? What about those the tax-payers at whose expense the alienated revenues were raised? In this case, once we move beyond the obvious example of the seigneur who purchased a tax levied on his own peasants and thereby increased his own control over the landed revenue of his own *seigneurie*, we find ourselves faced with a vast range of often extremely complex situations.

Therefore, the parallels between the three cases of France, Piedmont and Naples that I have attempted to outline can only be provisional. But before ending I should like to consider briefly their social and political significance.

The problem of the social significance of the different systems which I have described is not easily resolved. We lack an essential piece of information for such an evaluation, since we are still very far from knowing exactly what portion of the total national revenue was being distributed through these channels. Was it just a small or even a marginal percentage of the whole? In more direct terms, was the redistribution of national revenue effected through the alienation of fiscal revenues important or insignificant? Until we are able to come to some conclusion on this crucial question,¹³ the importance of the findings which I have discussed cannot be clear, since the importance of the role of the nobility or of the bourgeoisie in one system and another will depend ultimately on the place of that particular system in the context of the economy as a whole. So once again we come up against an element of uncertainty.

It does seem possible, however, to say something more definite about the political significance of the different situations we have discussed. There can be no doubt that the reconstruction of those financial systems which were created at the expense of the fiscal resources of the absolutist States leads one to

¹² H. LÜRTZ, *La Banque...*, 2, pp. 8 s., 773 s.

¹³ This problem provided the theme to the 8th 'Study week' of the *Istituto internazionale di storia economica "Francesco Datini"* of Prato, under the title: *Prodotto lordo e finanza pubblica, Secoli XIII-XIX*.

question again in a rather new way the whole concept of absolutism. Indeed, in his analysis of the French case Daniel Dessert goes so far as to ask whether it makes sense any longer to use the term absolutism, since the monarchy had surrendered all financial independence to a single creditor — the nobility. Could it then be that the financial structures that the monarchy was unable to prevent being created between the tax-payers and private financiers, when added to those fiscal privileges which deprived the state of any solid financial basis, were together responsible for a political fact of much greater importance — the collapse of absolutism?

