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Before Fiscal Transparency
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Proposer des outils et présenter des méthodes de traitement statistique de l’information, faire usage du chiffre, pour mesurer les phénomènes historiques et analyser des processus. Développer une réflexion sur le contenu et la pertinence des données, sur les conditions de leur élaboration, sur leur inscription dans des catégories largement préconstruites. Tels sont les objectifs poursuivis par Histoire & Mesure, en publiant des articles et des comptes rendus de livres, qui, au-delà des découpages disciplinaires et chronologiques, placent l’histoire et la mesure au centre de leurs problématiques.

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Absolutism and Fiscal Transparency in Eighteenth-Century Spain

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Abstract. Studies of the public management of taxation and finance matters have tended to focus on legislation and the political structure. There would nonetheless seem to be a glaring difference between state intentions and actual practice. Our objective here is to assess the gap between political rhetoric and actual policy enforcement. Looking at a specific tax hike in the second half of the eighteenth century in Spain, we examine the arguments used and facts hushed up to justify the change, investigate how the political regime might constrain these arguments, and, finally, how the information given on the whole process was manipulated to woo over the taxpayers. We argue that legislation was by no means synonymous with actual enforcement of policies precisely because it had to be communicated to society.

Keywords. Fiscal Policy, Fiscal Transparency, Taxation, Public Finances, Warfare, Charles III

Résumé. Absolutisme et transparence fiscale dans l'Espagne du xviiième siècle. Les études historiques consacrées à l'administration fiscale et financière ont tendance à se concentrer sur la législation et les structures politiques. Il existe cependant une différence flagrante entre les intentions de l'État et leur mise en pratique. Notre objectif ici est d'évaluer l'écart entre la rhétorique politique et l'action financière. L'augmentation d'une taxe spécifique dans l'Espagne de la seconde moitié du xviiième siècle permet d'examiner les arguments utilisés par le gouvernement et les faits qui étaient tus afin de justifier l'innovation fiscale. Elle permet également d'enquêter sur la façon dont le régime aurait utilisé ces arguments et, enfin, d'observer comment l'information divulguée sur ce processus a été manipulée afin de gagner l'appui des contribuables. Au final, il nous semble que la législation fiscale n'était nullement synonyme d'une mise en œuvre, précisément parce qu'elle devait être communiquée à la société.

Mots-clés. Politique budgétaire, transparence fiscale, impôts, finances publiques, guerre, Charles III

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Why should an absolutist state worry about fiscal transparency? Why should an absolutist state be interested in getting its taxation policy across to the taxpayers? Was any sort of control mechanism wielded over its taxation policy? Historians have tended to answer these questions in terms of state construction. A simplistic dichotomy between parliamentary states and absolutist states has led many historians to rule out the very possibility of any absolutist state worrying about fiscal transparency. In theory an absolutist state had no curb, control or institutional restriction whatsoever to the enforcement of its taxation policy. Precisely because of this unlimited capacity of fiscal action it had no need either to explain its taxation policy to taxpayers. More recently it has been argued that the will of a state alone was not enough in itself to bring in significant tax changes. The work of Patrick O’Brien or Stephen Conway, for example, has shown that it was necessary to involve taxpayers in the taxation policy. As the English example shows, a certain consensus between state and taxpayers about the advantage of any fiscal change, whether in terms of protection or opportunities, was essential.

According to this new way of looking at the relationship between the political regime and taxation policy, and as Joël Félix has shown for mid-eighteenth century France, the absolutist state also stood in need of a consensus, but a different sort of consensus. Today it is argued that the absolutist state would seek consensus only with the revenue-collecting middle men. This would be a limited consensus, involving pacts with specific groups (whether public institutions or private groups). An absolutist state, therefore, would still not need to communicate its taxation policy changes to taxpayers themselves. Since there was no type of communication or taxpayer involvement in the taxation policy, the consequence would be that taxpayers of absolutist states would systematically oppose any change in the taxation policy. Absence of fiscal transparency, therefore, was a sine qua non of understanding taxation policy in absolutist states.

Does this hold true for all fiscal states? Let’s look at the example of eighteenth-century Spain, clearly an absolutist state. And let’s ask the same question: did the Spanish absolutist state have any need of explaining to its taxpayers the reasons behind its taxation policy? Did the Spanish state have any type of concern or sensitivity about the reaction of its taxpayers? In other words, did the Spanish absolutist state practice any type of fiscal transparency?

We have addressed this problem by analysing an extreme case: the moment of the biggest eighteenth-century hike of the Spanish Real Hacienda’s most important source of inland revenue. In November 1779
the Spanish government decreed a tax increase to defray the war that broke out against Great Britain in June of the same year. In the opinion of Miguel Artola, “the most convenient option was taken”, upping by one third the amount the state received from Rentas Provinciales y Equivalentes (provincial consumer taxes in Castile and equivalent taxes in other regions). Artola argues that it would seem perfectly logical for the state to finance warfare expenditure by raising taxes and that the state found it easy to do so by means of a 33.3% rate hike. Artola regarded this as easy to understand. After all, we are dealing here with an absolute state that can pursue the arbitrary policy it wishes; i.e., tweak state revenue as much as it liked whenever it deemed fitting to do so. War was more than enough reason, Artola implicitly sustains, for the state’s absolutist fiscal policy to show its true colours. Artola undoubtedly sees this despotic tax hike as a clear example of arbitrariness underpinned by the absolutist model.

To assume that Charles III’s state could raise tax rates when and how it wished is to accept that the Bourbons pursued a policy of fiscal absolutism, or at least were in a position to do so. The aim of this article is precisely to plumb the truth of this hypothesis, i.e., to find out whether or not Charles III’s government could really afford to give free rein to this fiscal absolutism. It seems timely to ask this question now because Artola’s thesis has recently come under fire on two grounds: firstly the degree of arbitrariness allowed by absolutism and secondly the ease with which an absolute government could raise tax rates.

First and foremost there is a growing number of historians who shed doubt on this knee-jerk equation of absolute governments, like Charles III’s, and the untrammelled free will to change tax systems and rates. As Hoffman and Norberg conclude, with the French case in mind: “taxation and despotism were, in the last analysis, incompatible”. It would seem to be clear by now that the problem was not the political model, or at least not alone. The discovery that absolute states in fact had more difficulty than parliamentary states in changing their taxation policy has opened up an interesting debate about why precisely the non-absolutist states like Great Britain or the Netherlands were able to modify and mobilise their taxation resources far more successfully. As things currently stand in this ongoing research, everything seems to indicate that, rather than strictly a question of

the political regime, what really mattered was the lower degree of opposition to taxation changes in non-absolute states. The differences between states seem to reside above all in the levels of political and economic elites, both local and national. Non-absolute states, in other words, might pursue a fiscal policy just as arbitrary as an absolute state, but its enforcement came up against much less social opposition and was even helped by an open and self-interested enforcement participation and consensus from the elites. Limits to the taxation policy, therefore, did not lie so much in any country's particular constitutional structure but more so in the groups sustaining political power, legalising the fiscal-change measures and expediting their enforcement or even directly promoting and participating in them. To put it in a nutshell, therefore, the important point about Charles III's fiscal absolutism was not whether or not it was arbitrary but whether or not it could be effectively enforced.

Secondly, the idea of "convenience" attributed by Artola to this warfare-financing tax hike has also been brought under the spotlight of recent historical research and found wanting. To start with there is now a certain consensus that taxation was not the most efficient warfare-financing method in the eighteenth century. In the English case, which has been most closely studied, this option was taken up early, but even in France the government was unable to fall back on tax revenue to confront the conflict. As Richard Bonney argues, past experience had taught the French government (but any other European state might have plausibly learnt the same lesson), that the new taxes would not rake in enough money quick enough to finance a war. The only way to change this situation would have been to steal a march on events by changing the taxation policy before the war, but diplomatic watchdogs would have seen any such move as a formal declaration of war. Any wartime tax hike would have served, at best, for helping to pay off wartime-contracted debts afterwards. The warfare-financing tax hike decreed by Charles III cannot be seen as an isolated and almost automatic measure. To understand its real nature it needs to be studied in the historical context.

5. This thesis is well explained in P. K. O'Brien, 2011, p. 408-446.
6. This is borne out by analysing the taxation changes bound up with the creation of public debt, where consensus of the participants in the creation and sustaining thereof was essential. This is the thesis of D. Stasavage, 2003.
context in which it was effectively agreed and enforced. Neither can this tax hike be written off as a convenient measure. Consideration has to be given to such factors as the real revenue-raising calculations of the authorities, which we can check against its enforcement, its efficacy in raising this calculated sum, the speed and the methods put into practice. The fact that there was an order to raise tax rates, in other words, cannot stand alone as an explanation of that taxation policy. We need also to factor in the design of the taxation change, how this tax hike was actually enforced and what were the consequences of the measure. Studying a particular taxation change from the moment it was decided upon to the moment it was enforced and the revenue received can give us some revealing insights into the true nature of Charles III’s absolutism.10

1. The delay in bringing in the tax hike

Despite the arbitrary authority implicitly and explicitly attributed by Artola to Charles III’s government, those in charge of his taxation policy were much less sure of their ground. After the end of the war the Secretario de Estado himself, Conde de Floridablanca, with the recent experience of having implemented the biggest fiscal change of his government, wrote that “the operation of increasing or changing taxes [...] is one of the most serious, most difficult and riskiest measures that might be taken within this vast monarchy of ours”.11 For the head of Charles III’s government the decision to tamper with a tax was no trifling matter; in no way was it easy and convenient and, judging from his own words, needed to be approached with the utmost caution.

As a result of this mindset, raising taxes was by no means the first-resort for Charles III’s government. In 1779 the order went out for a Junta de Medios (Resources Board) to be set up, with the remit of proposing resources for tackling the war with Great Britain, declared in mid-June 1779; the Junta duly came up with ten resources or measures.12 If any importance can be given to the number and order of the proposed measures, tax hikes came in last. To finance this war the Junta proposed the establishment of


11. Dictamen del conde de Floridablanca sobre la forma de aumentar las rentas provinciales, issued on 15 May 1784. AHN (Archivo Histórico Nacional), Estado, Leg. (number of legajo) 238.

12. This Junta de Medios also features as Consejo Particular de Medios. Its documentation in AHN, Consejos, Leg. 5379.
“gratuitous” donations, lotteries, life annuity funds in the Americas and diverse sales of titles, jobs, encomiendas (grant of right to tributes and revenue) and graces in the Americas and in a significant ninth and tenth place, a 33% increase in the Rentas Provinciales “of Castile and Aragon” and a tax on spirits and liqueurs. Significantly, another Junta de Medios held in late June 1779 did not even mention tax increases. It would seem that the government was working from the idea that any warfare-financing resource was valid providing it involved no tax increases.

The Secretario de Estado’s written thought must have been a deep-seated maxim of Charles III’s government, because the most surprising aspect of this whole tax-hike issue is precisely how long it took for the government to bring it in. Although the war began in June 1779, the government did not give the tax-hike order until mid-November of this year. This delay does not seem logical in the circumstances, especially in view of the fact the revenue was likely to take some time to filter through the system. The money resulting from the tax increase would not reach the state’s coffers until one year after the outbreak of war. This delay contrasts sharply with the extraordinary legislative fleet-footedness shown by the opposing sovereign George III, who, at the very moment of declaring war ordered increases in a host of taxes. This national difference suggests a differing sensitivity towards the role of taxes as a warfare-financing medium.

Everything would seem to suggest that the Spanish government was confident that the taxation option would not be necessary if the military strategy came out well, seeking to defeat Great Britain by this same summer of 1779. To this end all military effort had concentrated on building up a huge navy to attack the British Isles directly together with the French fleet, followed by an invasion and a rapid end to proceedings. The failure of this strategy forced the authorities to ply its loins for a long war and seek more financing sources. Up to that time the war-financing method had been the traditional one of rifling all deposits of public funds right round the

13. The first Junta de Medios in 1779 was made up by the secretario del despacho de Hacienda, Miguel Múzquiz, the governor of the Consejo de Hacienda, Pedro Rodríguez Campomanes, the Secretario de Estado, Conde de Floridablanca, the Abbot Pico, Andrés Barcia, five representatives of the realm and the procurador general of the realm. Reference is made to the two juntas in J. Canga, 1968, p. 24. The proceedings of this Junta in AHN, Consejos, Leg. 5380.


15. On the advantages Spain would glean from a “quick end to the war”, such as the invasion of Great Britain, see the thoughts of Floridablanca as expressed to Aranda (Spanish ambassador in Paris) AHN, Estado, Leg. 4218.
country. These pools of savings, with the government's established right to tap into them, had defrayed Spain's various conflicts since 1774 (Moroccan attack on the North African strongholds, expedition to Algeria in 1775 and to Río de la Plata in 1776) but the source was now running dry. Whether because the government confidently expected the war to be over quickly or preferred other financing sources and mistrusted the taxation option, the truth is that Charles III's government dallied six months over the tax hike. Recent historical experience must have taught them that that the revenue would be slow to come in and they were also perfectly aware that the Real Hacienda was now entering a war with its traditional financing source exhausted, so the decision to put back the tax hike can be accounted for only by the government's chariness of a fiscal change. This is borne out by the government's subsequent sense of its obligation to justify the change.

2. The search for legitimacy

Charles III, as an absolute monarch, had all the necessary sovereignty, legitimacy and authority to decree an increase in tax rates. In theory, neither the monarch nor his government was bound to ask any other institution to vouchsafe this decision or negotiate its enforcement. Charles III was much freer than his rival George III when it came to changing his subjects' taxation situation. Spain was still far from being a "checked leviathan", whereas the United Kingdom was showing the first signs of being so. 16 Despite these advantages, the government's political practice was surprisingly coy, falling within parameters of behaviour that we might dub "fiscal paternalism". For whatever reason, and despite the delay, the government decided to act with notable precautions, to forestall a taxpayer backlash, and bent over backwards to soften the impact of this tax hike. As we will soon see, this tax increase was presented as an exceptional measure and in fact was called in the documentation "Extraordinary". 17

16. On the development of control mechanisms over the state's legislative activity and its capacity of drawing up fiscal and financial policies, see J. Hopet, 2002, p. 267-294. Julian Hopet cites precisely the war against the Thirteen Colonies in 1780 as the starting point of an extraordinary development of these mechanisms, p. 291. Stephen Conway, however, has shown that parliament's degree of control over taxes for military spending was less than had been previously supposed; see S. Conway, 2007, p. 47. The crux was really to secure the consensus and support of the elites; see R. Harding, 2007, p. 31-50.

17. To refer to this tax hike the Secretaría de Hacienda used the term "Extraordinary Contribution" from the word go and this usage was then taken up by all involved institutions and officials.
For some reason Charles III’s government wanted to avoid appearing before “public opinion” as a despotic and arbitrary government. In a calculated and systematic way he continually resorted to a justificatory rhetoric to back up his decision and muster grassroots support and legitimacy. The very decree that imposed the one-third hike in Rentas Provinciales was a notable exercise of political justification, based on overriding arguments of pressing needs, justice and fairness. The rhetorical intent is obvious and the words therefore need to be read with a pinch of salt. Nonetheless, the arguments used to take on a special significance if we bear in mind the manner in which the tax hike was arranged and enforced.

The pressing needs referred to in the decree did not stem solely from the war with the English, initiated over six months back. The decree also invoked the backlog of costs built up since the “costly expeditions to Africa and the Americas”. By stressing the longer timeframe of the urgency the government was trying to emphasise the king’s ongoing fund-raising effort up to that time, without falling back on the option of tax increases. This highlighted the state’s paternalistic function of protecting its subjects at no cost to them and also brought out both the inevitability and justice of this rise now that all the state’s other resources had been milked dry.

The writers of this document openly tabled the justice of this tax increase because, in the government’s view, the war undertaken was intrinsically just too. The English and the English alone, it was argued, were the warmongers here, since they had been provoking the Spanish and attacking “my American domains since 1770”, which, as he expressly acknowledged, imperilled the possessions of both worlds and “the goods and trade of my beloved subjects”. By using this argument the government was presenting the conflict to taxpayers as a defensive rather than offensive war; it was just to defend oneself, especially when what was at stake was the monarchy’s most coveted possession: its colonies. This rhetoric is very different from the English government’s tax-hike justification oratory, which preferred to coax taxpayers into supporting an expansive project that would boost economic opportunities. An all-in-this-together political rhetoric was not really on the cards in the Spanish case.

Once the justice of this war had been established, the Spanish government then had to detail how it would be kept up and who by. Charles III’s

government expressly declared in this decree that it behoved the government itself to seek warfare-funding resources, which would be done if possible without increasing the tax burden. The principle of taxes only as a last-ditch effort was therefore made explicit right from the word go. The sequence here is crucial. It is in this characteristic trait that the Spanish government stands out from other European countries, where raising taxes was the first thing done after declaring war because state creditworthiness was guaranteed (both for attracting funds and backing up the issue of public debt).20 Quite on the contrary, in all the conflicts during Charles III’s reign (Seven Year’s War and post-1774 conflicts) tax rises were the last-ditch measure when the state’s liquid resources and savings had run out.21 As Charles III expressly recognised to justify the last-ditch effort of asking taxpayers to help finance the war: “I find myself in the inexorable need of asking my countrymen for help after saving them from any encumbrance over many years”. Probably this was what Charles III’s government really thought.

This self-justificatory rhetoric reached its peak with the arguments brandished to keep both arbitrista thinkers and taxpayers themselves happy: demonstrating unequivocally that the tax would be enforced in a just and even-handed way (a crucial argument to glean a certain public consensus and second-guess the government’s own legitimacy). For a start the tax was given a time limit; it would be enforced only during 1780. This time limit is important because this hike has traditionally been presented as an opportunity for the government to reform the Rentas Provinciales, a process that eventually led to Lerena’s 1785 reform.22 In fact this decree shows that the new tax was born with an expiry date. If the tax was then renewed this was always on the express condition of a one-year extension to its term, which called for a new justification and a new commitment from Charles III’s government.23 In fact, once the war had ended, the state did not extend the tax term anew. At least from the public-finance point of view,

20. This way of addressing the funding problem stands out for its originality when compared with the approaches elsewhere in Europe; see M. Sonenscher, 2007.

21. As during the Seven Year’s War, Charles’s government preferred to tap into state “savings” in the Real Depósito before increasing tax rates (see A. González Enciso, 2002, p. 187) or even asking for donations for civil and ecclesiastical bodies (see J. Andrés-Gallego, 2003, p. 159).

22. As Pegerto Saavedra has suggested, the one-third increase in these taxes was a fortunate first step, subsequently rounded out by Lerena’s 1785 reform. P. Saavedra, 2007, p. 843. For more information on Lerena’s reform see A. González Enciso, 2009, p. 249-268.

23. The tax-hike renewal orders in Madrid, 24-12-1780, AGS, SSH, Leg. 1741 and 21-11-1781 in AGS, SSH, Leg. 1742 and 27-11-1782 in AGS, SSH, Leg. 1744
this revocation was also illogical, because it was precisely with the return of peace that the state’s debts and payment defaults ganged up most urgently.

Political denial of warfare-fuelled financial urgencies can best be understood from a paternalistic vision of politics. This at least was the interpretation made by the Archbishop of Granada when, after the end of the war, he weighed up the definitive revocation of a tax that had been renewed for yearly terms since late 1779. In an equally paternalistic tone he opined that revocation of the *Extraordinaria* was a show of

"your majesty’s love of his subjects, whose deff policies now surprise us anew with another public benefit comparable only to the state’s generous pardon of one third in your taxpayers’ burden, imposed thereon only due to the urgencies of war and much to the chagrin of your compassionate heart."

This limited term of the new tax is yet another feature that stands out from the fiscal measures adopted by the enemy, where the new taxes ended up grafted for good on the fiscal structure, insofar as they had no time limit and were tied in with the need of paying off the public debt built up during the war. Both governments, in other words, made tax changes but Charles III’s was not brought in at the start of the war and was decreed with a built-in time limit.

Probably with the same legitimacy-seeking purpose, the Spanish government accompanied the *Extraordinaria*’s time limit with another even more decisive public-opinion-wooing trait: the new tax’s even-handedness. Contradictory as it may seem, Charles III’s despotic government felt the need to present the tax change as fair and just. Fiscal inequality had been one of the main gripes of the *proyectistas* and politicians of the time in their demands for tax reforms. These authors tended to cite the *Rentas Provinciales* as the most extreme example of this lopsidedness, so the principle of taxation fairness was almost bound *de rigor* to pop up in the decree. According to the orders of the Secretaría de Hacienda, the new tax would be enforced throughout the whole of Spain rather than just in the crown of Castile. This meant that the *Extraordinaria Contribución* would be extended to all the taxpayers of the Crown of Aragon too, their own provincial taxes, the *Equivalentes*, being increased by exactly the same proportion. This geographical extension meant that this new tax burden

24. Granada, 26-12-1783, AGS, SSH, Leg. 1744.
would be truly “national”, an extremely important development in Spain’s eighteenth-century taxation system.\textsuperscript{26}

By bringing Aragonese taxpayers into the trawl of the new tax, the state killed two birds with one stone. Until now the liabilities of Aragon’s taxpayers had never been revised in the whole century, so they had gradually built up a privileged position; this new tax partly put paid to that. Secondly, it helped to justify the tax to Castilian taxpayers. Despite this political decision, however, the nationwide extension of the scope of this tax was not accompanied by a new nationwide collection arrangement. This oversight led to grave inequalities and problems that the state had to solve on a seat-of-the-pants basis.

Any tax that aims at even-handedness and fairness cannot afford to leave out any group of taxpayers, or at least due arrangements have to be made to charge them in another way. The decree therefore explained, to pre-empt any grievances against privileged taxpayers, such as the church, that these were exempt from the new tax for now because other “more efficient” taxes had been levied on them. In any case the decree by no means ruled out including them within this tax later; indeed the Secretaría de Hacienda was already working towards this end.\textsuperscript{27} The message was clear: all subjects were to be charged alike in an effort to pre-empt taxpayer opposition and seek a tacit consensus and legitimacy.

The Secretaría de Hacienda’s vaunted fairness and even-handedness of the tax hike was reinforced with the argument that it would, to a certain extent, be progressive: lower earners would not pay as much tax as higher earners. An express declaration was in fact made of exclusion from the tax of: “necessary items for feeding the poor”. In all likelihood the paternalist rhetoric surrounding this tax-rise sought to emphasise its justice and fairness. Perhaps Charles III’s government was even haunted by memories of the recent popular uprisings suffered by the previous Secretario de Hacienda. The Esquilache riots still loomed large; indeed they were an express argument wielded by the Directores Generales de las Rentas Provinciales in planning the revenue collection system for this new tax and

\textsuperscript{26} A. González Enciso, 2003, p. 21-41.

\textsuperscript{27} The “gratuitous” and forced donations of the clergy have never received their full due as a financing arrangement, but in this particular war they made an appreciable contribution. The 1780 church donation, for example, added up to over 12 million reales, against the forecast figure of 36 million from the Extraordinaria Contribución. R. Torres, 2015.
also lay behind the felt need to justify, in Madrid’s case, the exemption of some staples.  

Just as important as the manifest will to make sure everyone paid their bit was the secure establishment of the revenue collection method. As it later transpired, the government in fact feared that this new tax would end up strengthening non-state-controlled revenue collection methods, affecting the poorest taxpayers despite the spirit of the law. The government knew and feared that uncontrolled head taxes (repartos/repartimientos) and lump-sum payments (encabezamientos) or new consumer taxes could have disastrous effects on local economies and the worst-off. Once more the paternalist spirit shines through and the state allowed the towns to dip into the surplus funds of Propios y Arbitrios (local land revenue) in the local coffers. A subsequent instruction sent out to intendentes made the situation even clearer: the reason for using the surplus of Propios y Arbitrios as a means of paying the new tax was “to avoid untoward encumbrance of taxpayers”. A measure of this importance was possible due to the institutional and administrative changes in local finance control brought in by the monarchy since midway through the century. The state’s ostensible intention in doing so had been to reduce the alarming local debt levels but nobody was blind to the fact that the control systems established on local income, expenditure and debts also allowed state authorities to keep track of the resources available in Spanish towns and villages.

Working from the state’s information on the actual financial resources at local level, the Secretario de Hacienda ascertained, at the end of 1777, that local coffers contained a total of 62.5 million reales, of which 32.2 million were in cash and the rest in outstanding credits. The Directores Generales de Rentas had previously estimated revenue from the Extraordinaria Contribución to be about 30.3 million reales, so it was assumed that local coffers had more than enough to defray the new tax. The government’s information to hand therefore prompted it to authorise — in reality to force — towns and villages to use these resources to pay the tax rise. Nonetheless,

28. Sáez de Parayuelo and Juan Matías de Arozarena to Miguel Múzquiz, Madrid, 24-11-1779, AGS, SSH, Leg. 2327.
29. Real Cédula 3-12-1779, AHN, Hacienda, libro 8031.
31. AGS, SSH, Leg. 435.
32. Sáez de Parayuelo and Juan Matías de Arozarena to Miguel Múzquiz, 24-11-1779, AGS, SSH, Leg. 2327.
there were presumably more reasons than merely a paternalist outlook urging the state to authorise use of these local resources for payment of this tax.

If the overriding object of any fiscal policy was to raise the revenue as quickly and efficiently as possible, Charles III’s government thought to do so by confiscating the savings of local governments. The use of these local resources, moreover, might help to dissuade local councils from taking out loans to pay taxes, i.e., running up debts. Avoiding borrowing by concejos had been precisely the main aim of the Bourbons’ local finance reforms. It would therefore not seem reasonable for the state to give concejos full liberty in deciding how to pay the new tax, i.e., the method, because this would have involved the risk of Spain’s local councils running up more debt. In other words, the state decreed a rise in taxes that was in fact a transfer of revenue.

By going about it this way the state was also pre-empting local councils from creating new consumer taxes or head taxes to pay the Extraordinaria Contribución, a practice that would end up spreading panic and discontent among consumers and taxpayers. We would argue that the state had plumped for a paternalist approach to taxation (limiting debt and damage to consumers), although this measure does not cloak the arbitrariness implied in this policy (shaking up and control of local finances too dip into them at will afterwards). The consequences of this disconcerting but understandable way of conceiving taxation and finances ended up working against the state itself in the revenue-collection process.

All the precautions taken to justify the hike in Rentas Provinciales y Equivalentes tell us that the government did have a certain sensitivity towards any popular reaction to the enforcement thereof. Charles III’s government to some extent reined in its own powers of absolute despotism and arbitrariness. It probably did so due to fear of taxpayer reaction but the truth is that the state made an effort to vouch for its own taxation legitimacy; such second-guessing was absolutely unnecessary in light of its real powers.

3. The actual revenue-collection situation

Charles III’s caution and damage-limitation approach continued when it came to making revenue-collection arrangements. To start with the tax-hike decree was repeatedly put back for fear that the bad weather and drought the country was currently suffering from would increase taxpayer opposition. The government’s qualms even led it to halt distribution of the already printed decree to regional authorities until such time as the weather
might change, even though it had already been signed by the king. The
great problem for the government, however, lay in how to enforce the decree.
The overriding fear was that failure to make due provision for all possible
snags and drawbacks might bring the whole procedure grinding to a halt
due to complaints and suits brought by taxpayers; in the words of Miguel
Múzquiz: “You (Directores Generales de Rentas) will see the downpour
that is going to engulf the Finance Ministry.”

The Secretaría de Hacienda saw the main problem to be coming up
with a clear definition of Rentas Provinciales before applying the 33%
increase thereto. This definition process was left up to the Directores
Generales de Rentas. After a painstaking analysis of the characteristics
of each tax making up the Provinciales, it was agreed to exclude some of
them. The directors were at pains to explain this exclusion since it implied
a reduction in the amount of revenue collected. Motley arguments were
offered ranging from economic effects that a certain tax might have on
economic activity, to any legal ceiling that might exist, as in the case of
situaros, tercias or aguardiente. The patchy nature and trend of the taxes
making up the Rentas Provinciales seriously hindered the design of the
taxation policy, no matter how absolute the state’s powers might be. In all,
the costs of these excluded taxes was reckoned to trim 5.6 million reales
off the previously estimated 32 million revenue from the Extraordinaria
Contribución. Some idea of the importance of this reduction can be

33. “the day looked promising with heavily laden clouds but they were blown away
by the north wind at dusk and the night is still cloudless. Before publishing the decree we
deem it fitting that it be held back until the end of the month, watching the weather reports
in the interim throughout the whole country to see if the drought is to continue”, Sáez del
Parayuelo to Múzquiz, Madrid 18-11-1779. AGS, SSH, Leg. 2327.

34. Múzquiz to Directores Generales de Rentas, 15-11-1779, AGS, SSH, Leg. 2327.

35. Exclusion was made of tercias (tithes), servicio ordinario (a property tax on
commoners collected in Castile), spirit tax, situado (money transfers), población de
Granada, sosa and barilla, quinto de la nieve (tax on the ice business), silk, extraction and
sugar.

36. Such was the case of the Granada silk revenue, where “any alteration might undo all
progress made in this highly appreciated business.” Directores Generales de Rentas, Juan
Matías de Arozarena and Sáez de Parayuelo to Miguel Múzquiz, 24-11-1779, AGS, SSH,
Leg. 2327.

37. “After your majesty’s transfer to them of the spirit tax.” Directores Generales de
Rentas, Juan Matías de Arozarena and Sáez de Parayuelo to Miguel Múzquiz, 24-11-1779,
AGS, SSH, Leg. 2327.

38. Directores Generales de Rentas, Juan Matías de Arozarena and Saez de Parayuelo
to Miguel Múzquiz, 24-11-1779, AGS, SSH, Leg. 2327. Datos de Madrid AGS, DGT, Inv. 16,
Guión 24, Leg. 49.

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gained by comparing this 5.6 million of excluded taxes with the 5 million to be contributed by Catalonia for the Extraordinaria.

<table>
<thead>
<tr>
<th>Rentas Equivalentes</th>
<th>Ordinary revenue</th>
<th>&quot;Extraordinaria Contribución&quot;</th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Real Contribución del Catastro de Cataluña</td>
<td>15,210,457</td>
<td>11.9</td>
<td>5,070,146</td>
</tr>
<tr>
<td>Contribución Equivalent de Valencia</td>
<td>8,285,346</td>
<td>6.5</td>
<td>2,597,747</td>
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<tr>
<td>Aragón</td>
<td>5,665,999</td>
<td>4.5</td>
<td>1,666,666</td>
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<tr>
<td>Talla general de Mallorca</td>
<td>461,882</td>
<td>0.4</td>
<td>160,627</td>
</tr>
<tr>
<td>Total Equivalent</td>
<td>29,643,684</td>
<td>23.3</td>
<td>9,495,186</td>
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<tr>
<td>Rentas Provinciales</td>
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<td>76.7</td>
<td>26,646,735</td>
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<tr>
<td>Total</td>
<td>127,293,302</td>
<td>100</td>
<td>36,141,921</td>
</tr>
</tbody>
</table>
<pre><code>               | 77.9             | 22.1                          | 100 |
</code></pre>

Source: AGS, SSH, Ig. 999.

This was not the only limit the government imposed on itself and, indeed, there were more exceptions. The most important was the case of Madrid, whose Rentas Provinciales were farmed out to the Cinco Gremios Mayores. In Madrid the government's fear of any grassroots reaction to a change in the tax structure was particularly evident. With memories of the Esquilache riot still vivid in its mind, the government clearly pleaded caution: "equivalent measures with no risk of inciting popular unrest should be sought". To hammer home this point it was decided that the exceptional methods would be enforced only in the inner city, with general Rentas Provinciales being applied to the province of Madrid as a whole. The Gremios were authorised to levy special consumer charges, but once again with the caveat that "the poorer people and tradesmen of Madrid should not see their staples threatened by the Extraordinaria Contribución". In the end the Gremios were allowed to levy the charge only on cocoa, wine, wax,

39. Indeed the taxation-fuelled unrest against Esquilache stemmed partly from the attempts made since 1762 to hike up the Rentas Provinciales J. Andrés-Gallego, 2003, p. 185.

40. Directores Generales de Rentas, Juan Matías de Arozarena and Sáez de Parayuelo to Miguel Méjizqui, 24-11-1779, AGS, SSH, Leg. 2327.

41. Miguel Méjizqui to Directores Generales de Rentas, Palacio, 20-12-1779, AGS, DGR-II, Leg. 610.
sugar and textiles on the grounds that “the poorer people can mostly eschew such goods and the charge therefore encumbers more so the better off who can afford same”. A calculation was also made to ensure that the extra tax should be collected only until adding up to a one-third increase and should not be prolonged beyond the liability established for the inner city of Madrid (1.9 million reales de vellón). In other words, instead of levying the tax where it was likeliest to contribute most, such as a consumer-intensive built-up area, equity with the rest of the realm was the overriding motive, to avoid upsetting Madrid residents. This was the exact opposite procedure to the English, who tended to levy their taxes where business and demand for goods was highest. Once more, Charles III’s government shifted uneasily between a love and dread of its subjects, showing special sensitivity towards its Madrid subjects.

Once a definition has been made of how much was to be raked in with the new tax, i.e., about 36 million reales de vellón in the whole of Spain, arrangements were then made for transferring the money, as previously agreed, from the local authorities to the Real Hacienda. The problem for the state was how quick this revenue could be obtained, with the words “winning time” continually featuring in the Secretaría de Hacienda’s correspondence. The state was really obsessed with this issue of speed. As Patrick O’Brien has shown, the true financial challenge of all European governments was not to create new taxes but to cut the revenue-receiving cost and time and ipso facto increase the efficiency of the whole operation.

We would argue that if Charles III’s government turned to Rentas Provinciales for the biggest war-financing tax increase, this was hardly on the grounds of its being the easiest revenue to bring in. Quite on the contrary, it was in fact the most time-consuming revenue collecting tax of all. The real reason for doing so must have been that it glimpsed the best possibility of cloaking the revenue-transfer sleight of hand that was intended, above all, to solve the grave problem of revenue-collecting tardiness in the new taxes. Precisely in an instruction prior to the tax-hike order it was indicated that the decision had been taken to pay the Extraordinaria Contribución

42. Miguel Múzquiz to Consejo de Castilla, Madrid, 20-12-1779, AGS, DGR-II, Leg. 610.
43. Many examples in AGS, DGR-II, Leg. 610.
45. See the comparison of the revenue collection speed in various royal taxes (Tobacco, General, Lanae (wool revenue), Salinas (salt revenue), Provinciales and Bula de Cruzada (indulgences)) in three years (1762, 1772 and 1782), see R. Torres, 2015, p. 216-217.
with the leftovers of the Propios y Arbitrios because this was conducive to “sooner and more effective enforcement of a great part of this service”. In our judgement the war and associated urgency gave the pretext and chance for masquerading a transfer of funds from local authorities to the king’s coffers. In all likelihood war was the excuse and the alibi was fiscal paternalism, but the way the whole revenue collection process was arranged raises the question of whether it in fact amounted to a clear subjection of local funds to the financial interests of the state.

Charles III’s government could call above all on two key factors to make sure the local council’s savings were spent perforce on payment of the “Extraordinaria Contribución”. Firstly the system of intendentex and secondly a long track record of growing control over local treasuries. Since 1760 there had been a local accounts watchdog body called Contaduría General de Propios y Arbitrios, albeit closely watched over in its turn by the Consejo de Castilla, because the Secretaría de Hacienda preferred to place his trust in the intendentex. The Consejo de Castilla’s annual stream of information helped to keep a constant track of the money available at local level. In truth these accounts procedures were not totally accurate, designed as they were to flaunt the “progress” being made in the Bourbon’s reformist, local-debt-reduction policies. In time this sparked off the protests of the Secretaría de Hacienda who wanted to know how much was effectively being held in local treasuries. After a fierce clash with the Consejo de Castilla, the Secretaría de Hacienda finally found out that the Consejo’s much-vaunted 347.6 million reales de vellón as “cumulative profit since 1760” from the towns of the whole of Spain, in fact boiled down to only 68 million reales de vellón. Even these were only theoretically available because part thereof corresponded to local debt. The study to find out how much the Secretaría de Hacienda could actually call on as ready cash threw up the final figure of 37.5 million reales de vellón. It is a striking coincidence that this resulting figure should tally so closely with the 36.1 million reales de vellón that the government hoped to glean from the “Extraordinaria Contribución”.

If the government’s final intention was to effect a revenue transfer and thus avoid any increase in the tax burden (apart from the “well-off” Madrid classes), it all came to naught in the end.

46. Real Cédula 3-12-1779, AHN, Hacienda, libro 8031.
48. This follows from the correspondence between Miguel Múñizqu and Manuel Becerra, Comptroller of Propios y Arbitrios, from 1777 onwards and in the months running up to the November 1779 decree, AGS, SSH, Leg. 80.
The government set up a “consejo particular” within the Consejo de Castilla, closely watched over by the Secretaría de Hacienda, with the express remit of urgently dealing with any doubts thrown up by authorities or taxpayers “as quickly as possible and with overriding preference to any other business.”\textsuperscript{49} All the information generated was supposed to help the treasurer general, in liaison with the intendentes, to supervise the circulation of available capital.\textsuperscript{50} In fact, however, what the Real Hacienda was quickly flooded with was not local savings but rather intendentes' reports warning of the non-existence of the ostensibly-available capital and asking for an extension of the payment deadline. From Barcelona the Barón de la Linde insisted on a three-fold phase in of the Equivalente payment, as had always been the custom with the Catastro, the provincial tax of Catalonia. The tax hike and immediate payment thereof as decreed, explained the intendente of Catalonia, could not be done “without alteration thereof in this case, not only in due accordance with the agreed rules for payment of the Catastro but also because it would be impossible for towns and villages to come up with the extra payment”. Múzquiz’s response was a forthright no: “the third increase is to be enforced on the whole Catastro as on the whole Contribución de Aragón, Equivalente de Valencia and Talla en Mallorca, without the exception that (you) have mistakenly assumed”.\textsuperscript{51} The important point for the minister here was not the “how much” but “when,” i.e., the revenue collection speed. But the intendentes had already given warning of the real situation, that the money was not in fact available in the amount assumed by the Consejo de Castilla or the Secretaría de Hacienda. The implicit objective of a swift transfer of funds from local authorities to central government was floundering by now, and therewith any hope of a burden-free tax hike.

In January 1780 the worst fears came true. All the involved authorities agreed that the money did not exist in local councils; the Directores Generales de Rentas final conclusion after the avalanche of negative reports was: “the Propios surplus wrongly supposed to exist by the respective Contadurías has in fact been unforthcoming in many towns and villages”. The Secretaría de Hacienda’s response, telling intendentes to up the pressure on local councils to come up with the money, was unavailing. The Directores themselves pointed out “this seldom serves any purpose other

\textsuperscript{49} On 24 November the Secretaría de Hacienda ordered the Consejo de Castilla to set up with some urgency a “Consejo Particular”; the correspondence with the Secretaría de Hacienda in AGS, SSH, Leg. 435.

\textsuperscript{50} On the coordinating role of the treasurers general, see R. Torres, 2012.

\textsuperscript{51} Barón de la Linde to Múzquiz, Barcelona 8-12-1779. Múzquiz to Linde, Madrid 22-12-1779, AGS, SSH, Leg. 999.
than making it even more difficult for towns and taxpayers to comply." In the words of the intendente of Valencia, no one was saying that the accounts presented to the Consejo de Castilla or intendentes were false; it was just that the money, physically, was not there: "the funds do not now exist" and that "those surpluses were make-believe." The intendente of Catalonia came to the selfsame conclusion: "the ostensible surpluses, in most towns, do not actually exist in the coffers."

The situation was practically the same throughout the whole of Spain. The money was non-existent, as it turned out, because it had been spent on urgencies, unforeseen expenses or even expenses authorised by the Consejo de Castilla but then left out of the accounts sent to Madrid. Cádiz declared itself to be incapable of paying its Extraordinaria due of 1,474,193 reales because, with the permission of the Consejo de Castilla, it had invested all the 1778 and 1779 surpluses in street-cleaning and paving work. Vélez Málaga had lent its 1778 surpluses to the "local harvesters of wine, raisins, almonds, figs, lemons and oranges" to promote their production and exportation. Similarly, Seville had already committed its present and future surpluses. To offset the effects of the poor harvest of 1779 the city had borrowed 120,000 pesos from local merchants to import grain. To pay off this loan, which had been authorised by the Consejo de Castilla, Seville had mortgaged precisely the yield of two dehesas and all the future revenue surpluses. The city was now in a cleft stick. If it ceased to pay off the loan, in order to meet its Extraordinaria commitments, this would entail breach of contract, ruling out any similar recourse in the future and also, they argued, driving up wheat prices. Such examples are endless.

The attempt to control local finances had apparently been all in vain. The problems that had urged the Bourbons to step in do not seem to have changed the local finance situation much. Corruption, uncontrolled borrowing or fanciful accounting began to come to light in all the reports explaining the lack of money. In some cases the intendentes began to blame the "juntas municipales" for having pulled the wool over the authorities'

52. Directores Generales de Rentas to Múzquiz, 17-10-1780. AGS, DGR-II, Leg. 610.
53. Manuel Martínez de Irujo to Pedro Francisco de Puyó, Valencia 29-12-1779, AGS, SSH, Leg. 999.
54. Barón de la Linde to Miguel Múzquiz, Barcelona 11-12-1779, AGS, SSH, Leg. 999.
55. Ayuntamiento de Cádiz 16-2-1780, AGS, SSH, Leg. 1739.
56. Autorización del Consejo de Castilla, Madrid 7-5-1778, AGS, SSH, Leg. 1739.
57. Francisco Antonio Domezain to Miguel Múzquiz, Seville 15-12-1779, AGS, SSH, Leg. 1741.
eyes, not only in the routine accounts but also in one-off inspections. The intendente of Granada claimed he could come up with evidence proving that after

“having checked (by secret denouncements) several local treasuries once, twice or three times in the course of fifteen days ... that in search of short term loans they get the scribe to record existence of funds in the coffers that are in fact removed and paid to the owner thereof... whereby they are turned into private business of the Junta auditors, and this contagion runs rife through all provinces.”

The upshot of this actual situation of local finances was that money earmarked for payment of the Extraordinaria Contribución did not reach the royal coffers with the speed or ease required. A transfer that was expected to take a few days dragged on much longer. By mid-February only ten percent, 3.2 million reales, had been paid over and it was not until January 1782 that all was paid off.

The non-existence of these local surpluses and the long-drawn out payment process speak volumes about the true nature of the Bourbons’ fiscal policy. This crushing failure forced the government to change tack. It allowed the local councils to choose their own way of paying over the sum due, even by setting up new local taxes. This ran completely counter to its efforts up to that time to exert greater control over local finances. Any paternalist intent was overridden by bleak reality.

From mid-March 1780, at first timidly and then openly, the government passed on instructions to the consejo particular for it to accept any type of tax or debt proposed by the ayuntamientos. The catalogue of measures adopted by towns and villages to meet this Extraordinaria payment swelled endlessly: hiring of fishing rights in the River Tormes, exporting of sosa and barilla in Cartagena, or, to take one more example, bullfighting in Seville. The most frequent recourse however, in country towns, was the ploughing of new arable land and the use of funds or sale of cereals and

58. Antonio Carrillo de Mendoza to Miguel Múzquiz, Granada 24-12-1779. AGS, SSH, Leg. 1739.
59. We have used the “estado de cobranza” (charge statement) closest to the end of the month. AGS, SSH, Leg. 1739 and 1740.
60. Por la villa de Bohoyo, provincia de Ciudad Rodrigo, Consejo a Múzquiz, 14-7-1781, AGS, SSH, Leg. 1741.
61. Consejo a Múzquiz, 26-6-1781. AGS, SSH, Leg. 1741.
62. The intendente dealt with Seville’s request to raise funds for paying the “Extraordinaria” by holding 8 bullfights “due to the locals’ bent for fiestas of this type”, Seville, 16-8-1782, AGS, SSH, Leg. 1742. In the end only 4 bullfights were authorised.
money from the pósitos (local grain stores) while cities tended to turn to public debt or levy taxes on wine and spirits. Each case was pretty sui generis, however, revealing local councils of that time to have a whole host of other functions besides serving local residents. Take the case of Lérida, which asked the Consejo Particular for permission to pay the one-third increase under the Catastro, 61,379 reales, from the city’s bridge toll fund (peazgo), since it had no Propios (local revenue-generating assets) and “no other means of coming up with the money”. The intendente of Catalonia and Secretario de Guerra, Conde de Ricla, supported the city’s request, because the toll fund also served for city fortification work, but Miguel Múzquiz’s response, written in his own hand, was forthright: “his majesty considered it to be more urgent to pay the third part of the extraordinary contribution than extending the city’s bridge”. Quite clearly the political discourse had shifted.

As the war dragged on, more and more resources were needed and the government, flying in the teeth of its own announcements, decided to extend the “Extraordinaria” for one year more during 1781, this measure then being repeated in subsequent years for as long as the war lasted. Although it was a mere extension, the Secretaría de Hacienda deemed it fitting to phase in changes in the revenueollecting arrangements, learning directly from the lessons of the first year of enforcement of the Extraordinaria.

For a start the self-legitimising rhetoric of 1779 was now toned right down. The Secretaría de Hacienda devoted most of its extension order to explaining revenue-collection arrangements, now quite different. The state now showed more flexibility in accepting means of payment. It continued to recommend that local councils should pay the contribution from the Propios

63. Witness the town of Arévalo, which declared that it had no surpluses to pay the “Extraordinaria Contribución”, even though its quota was a modest sum of 35,553 reales. Neither could it raise this sum from local residents, “most of whom are humble day labourers”. The only option left was to obtain permission for taking this sum from its pósito (grain store), which at that moment had 290,000 reales in cash and 7,000 anegas of wheat, Arévalo, 10-4-1780, AGS, SSH, Leg. 1739.

64. The right of peazgo had been a propio (local revenue-generating asset) of the city of Lérida since 1432; in 1642 the decision was taken to spend this revenue henceforth on city fortification work. Although, like other towns and villages of the monarchy, it was ordered to regulate its propios in 1766, this was never in fact done, partly because it came to be tapped into directly “for reserved warfare resources”. The proceedings are kept in AGS, SSH, Leg. 999.

65. Miguel Múzquiz to Conde de Ricla, Madrid 6-4-1780, AGS, SSH, Leg. 999.

66. RO 27-12-1780, AGS, DGR-II, Leg. 610.

67. The last extension on 27-12-1782 for the year 1783 in AGS, SSH, Leg. 1744.
y Arbitrios surplus but left open the possibility of the council taking up new loans or levying new taxes. The state even countenanced the possibility of inter-council loans “on a payback basis”, against the surety of such new taxes as may be levied. As for the type of taxes, there was now no limit, barring the catch-all recommendation that councils “should give preference to measures that stimulate arable and livestock farming such as bringing new land under the plough, pastureland enclosures and other of similar ilk that do not impinge on commonland rights”.68 Wine and spirit taxes were also recommended, on the grounds that “these are by no means staples and excessive use therefore should rather be discouraged”. Nonetheless, the Secretaría de Hacienda left it up to the towns to make such tax proposals as they deemed fitting in each case, always on condition of avoiding poll taxes and not “over-taxing the staples of the poor”. Lastly, the Secretaría de Hacienda made a pointed reminder about the need of rapid payment and directly blamed payment delays on the councils’ debtors, asking for greater harshness to be used against them.

But the most telling measure of the extension order, in terms of reflecting the change in the government’s outlook, was state authorisation of a de facto suspension of payments by councils of the whole of Spain. The Secretaría de Hacienda considered that, with the aim of pre-empting any head taxes and in the interests of “the Real Hacienda receiving as soon as possible the one-third increase in Rentas Provinciales o su Equivalente” it would be fitting for the local authorities to cease forthwith to pay back censos (redemptions in fact being compulsory under the regulation approved by the Consejo de Castilla) or to pay historical debts or “any debt whatsoever and even the execution of agreed construction work, if not yet begun or, if so, if it can now be suspended without causing grave damage to anyone”. This freeze on debt payments and cancellation of public work69 was granted only for one year “being suspended for now and no further than the year 1781”.70 It goes without saying by now, however, that this suspension of payments was extended too in later years, in the new extensions, and right up to the end of the war. The state did not seem willing to wield the same justice

68. Miguel Múzquiz, Madrid 27-12-1780, AGS, DGR, II, Leg. 610.

69. There are many examples of suspension of public works. Witness the paving of the streets of Palencia, with the suggestion that the 39-maravedi levy on wine pitchers should now be spent on the Extraordinaria, even at the cost of suspending the construction work. This proposal was immediately approved by the Consejo, which deemed it to be “very fitting that all construction work be suspended, even if already begun”, and that the exception of avoiding grave damage “does not apply to the ceasing of paving work”, Consejo 12-5-1781, AGS, SSH, Leg. 1741.

70. Sundry circulars of Manuel Becerra, 11-1-1781 and 27-1-1781, AGS, SSH, Leg. 999.
against council debtors as against their creditors. The government gave breathing space to local treasuries and also improved revenue-collection prospects, but these debt payment defaults must surely have undermined local authorities’ creditworthiness in the search for new lenders later.

With these extensions the government had handed over the whole fiscal initiative to the local councils. The problem for the latter was that their chances of increasing the local tax trawl dwindled as the war dragged on and demand, concomitantly, fell. In the end most towns had no option but to fall back on head taxes and borrowing, *i.e.*, just what the government had initially wished to avoid. The revenue-collection initiative had finally been left in the hands of local councillors. The state, in the end, had to give up on its efficiency drive just to make sure the money came in anyhow. From the warfare funding point of view it was a pyrrhic victory. For local finances, however, it was a severe blow that led to higher borrowing levels, a forfeiture of creditworthiness and a reduction in taxable demand. The one and only positive feature in all this was the increase in arable land and therewith the perpetuation of a productive and fiscal model based on expansive agriculture. 71

Figure 1. *Cumulative monthly revenue of the “Extraordinaria Contribución” by the 22 provinces of Castile*

![Graph showing cumulative monthly revenue](image)

*Source. AGS, SSH, Leg. 1739 to 1744.*

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71. It is difficult to calculate the amount of new land brought under the plough but there were literally thousands of local requests to turn commonland and *dehesas* into arable land.
Some idea of the local difficulties in meeting this Extraordinaria Contribución can be gained from the payment backlogs, building up as time went on. By the end of 1780, for example, the 22 provinces of Castile had paid over to the state 86% of their Extraordinaria dues for this year (31,153,710), the rest being paid backdated in later years. This payment percentage fell in the following years; in 1781 only 69% of the sum due was actually paid; in 1782 62.9% and in 1783 only 52%. This decreasing ability to pay the Extraordinaria on time meant a build-up of payment defaults and delays. The Extraordinaria must without doubt have become an increasingly heavy burden for local towns and taxpayers. In other words the state not only failed in its attempt to spare taxpayers but even failed to raise the resources it needed quickly enough, ceasing to receive them at all as the conflict wore on.

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A study of the century’s biggest tax hike sheds light on the Spanish absolutist state’s taxation policy. The measure was originally taken on the grounds that it would be an efficient warfare-financing method. The whole revenue-collection arrangement was steeped through in fiscal paternalism, aiming to head off the least social unrest. The government second-guessed its own legitimacy and considered it essential for the revenue not to come straight from taxpayers’ pockets. For the government of Charles III this tax rise was to be nothing more than a quick and temporary transfer of funds from local coffers to the Real Hacienda. The problems cropped up when the state realised it could not tap into local funds with impunity and above all that they did not exist in the amounts expected beforehand. Pressing needs and the actual situation of local finances forced the state to renege on its intentions and paternalistic rhetoric, leaving the solution of the problem up to the councils. The state had to accept any proposed measure, including even those ideas it had most vigorously opposed in previous decades, such as upping the local borrowing rate. In the end the state obtained the revenue it wanted but at the cost of ditching a good part of the reformist and interventionist policy pursued hitherto. The absolutist state, in other words, did not have the institutional control for modifying its taxation policy at will but the poverty of the country and of its subjects and the love and fear felt on their behalf were perhaps the most effective constraints to its fiscal despotism.
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Les articles, dont il est souhaitable que le texte ne dépasse pas 70 000 signes, doivent être accompagnés d'un résumé (700 signes maximum), de 5 mots-clés en français et en anglais, ainsi que des coordonnées postales et e-mail des auteurs.

Les illustrations (figures, images et graphiques) seront soumises dans leur forme définitive (en format EPS, TIFF ou JPEG, 300 dpi). Les textes des légendes et des titres ne seront pas portés sur la figure, mais composés à part avec appel de légende. Les notes (brèves), signalées dans le texte par un appel de notes numéroité, situées en bas de page et faisant référence à la bibliographie placée en fin d'article, seront présentées selon les normes indiquées sur la page web : http://histoiremesure.revues.org/document1056.html.

Les articles sont envoyés simultanément à Anne-Sophie Bruno, Mathieu Marraud et Anne Varet-Vitu, par voie électronique. Ils font l'objet d'une expertise et sont examinés par le Comité de lecture de la revue. S'ils sont acceptés, la décision de publication est notifiée aux auteurs. Elle est subordonnée à la signature du formulaire de cession de droits permettant à l'éditeur de valoriser et de protéger les œuvres de tout pillage et de toute altération.

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Couverture : « Jean de Dinteville et Georges de Selve (Les Ambassadeurs) » par Holbein (détail), The National Gallery, Londres.
Today, transparency is hailed as a key to good governance and economic efficiency, with national states implementing new laws to allow citizens access to information. It is therefore paradoxical that, as shown by a series of crises and scandals, modern governments and international agencies frequently have paid only lip-service to such ideals. Since Jeremy Bentham first introduced the concept of transparency into the language in 1789, few societal debates have sparked so much interest within the academic community, and across a variety of disciplines, using different approaches and methodologies. Within these current debates, however, one fact is striking: the lack of historical reflection about the development of the concept of transparency, both as a principle and as applied in practice, prior to its inception. Accordingly, the aim of this special issue is to contribute to historicising the ways in which communication and control over fiscal policy and state finances operated in early modern European politics.


Limits to fiscal transparency in parliamentary monarchies


Provincial estates in composite polities


Control and intermediation of corporate bodies


Publicity and communication in absolute monarchies