

A detailed oil painting of Louis XIV, the Sun King, in full royal regalia. He is depicted from the waist up, wearing a voluminous white ermine-trimmed cape over a blue and gold patterned robe. He has a large, dark, curly wig and a serious expression. He holds a dark cane in his right hand. The background is a warm, textured gold and brown, suggesting an ornate interior.

LOUIS XIV'S ASSAULT ON PRIVILEGE

NICOLAS DESMARETZ
AND THE TAX ON
WEALTH

GARY B. McCOLLIM

LOUIS XIV'S ASSAULT ON PRIVILEGE

Changing Perspectives on Early Modern Europe

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LOUIS XIV'S ASSAULT ON PRIVILEGE

Nicolas Desmaretz and the Tax on Wealth

Gary B. McCollim

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To Annie

Le coeur a ses raisons que la raison ne connaît point.

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PREFACE

The study of fiscal-policy formation in the age of Louis XIV cannot be undertaken lightly or briefly, unfortunately for the reader. There are too many subjects that require explanation, such as royal finances, the King's Council, the royal court, the relationship between the royal government and its critics, etc. Wherever possible, I have tried to eliminate topics that seemed extraneous or that threatened to lead to discussions with only a tangential relationship to the theme of this book. It is for this reason that I have neglected any discussion of "mercantilism," an anachronistic term that appeared in the late eighteenth century and has prevented any objective discussion of the financial system and policies of the Old Regime in France. The control of commerce was more an evolving set of policies inherited from the medieval past than a conscious macroeconomic policy of the royal government. Kings inherited trade barriers and duties. They did not invent them. If anything, the royal government sought to suppress these barriers but the circumstances of foreign policy and provincial reluctance to go along with the crown prevented anything but the most inconsistent pursuit of this aim.

A second reason for avoiding this debate is that this book focuses on finances rather than commerce. The latter is considered only insofar as it involves the problem of increasing government revenues. For all practical purposes, commerce is not a part of this study.

There is the matter of the spelling of proper names of the many characters involved in royal finances under Louis XIV. The seventeenth century did not have any standard rules for spelling. Many historians have chosen to modernize the spelling of seventeenth-century names. In each case I have adopted the practice of employing the orthography used by the person himself so that researchers who examine original documents from the period will be able to determine the identity of an author by looking at the spelling of his name. For instance, many historians call Louis XIV's last finance minister Desmarets while the man himself spelled his name Desmaretz. Contemporary spelling varied from Desmarest to Desmarais to Des Marets, but I have chosen to spell his name as he spelled it. I follow the same practice with Delacroix and Dubuisson, who were often referred to by contemporaries as de la Croix and du Buisson. I have used the shorter Boisguilbert rather than Boisguillebert, although the owner of that name spelled it both ways. Desmaretz's predecessor spelled his name Chamil-

lard, while historians have adopted Chamillart. The famous *surintendant des finances* whose fall in September 1661 inaugurated Louis XIV's personal rule spelled his name Fouquet, while his enemy, Colbert, spelled it Fouquet. I am not choosing sides in that rivalry, however, by spelling the name the way its owner spelled it.

I have added a glossary of terms at the end of this book. Some terms will be explained in the text as well as defined in the glossary.

I would like to acknowledge the assistance, either spiritual or material, that many people and organizations gave me as I labored in the archives and arcana to produce this work. Many friends, who are too numerous to name, listened to my ideas and contributed much to my understanding of this confusing period of history. John C. Rule, my advisor, first suggested this topic and has since offered advice, encouragement, and enthusiasm to my efforts. Joan Kozar helped with translating several difficult passages and made the translation more felicitous than I could ever have hoped. Mathieu Dusart was kind enough to lend me a copy of his master's thesis on Nicolas Desmaretz's wealth. Jim Collins has been wonderful in offering suggestions and advice for this work. The staff at the University of Rochester Press, from Suzanne Guiod, Ryan Peterson, and Tracey Engel, along with a host of others, has been very helpful and much appreciated. I would especially like to acknowledge the encouragement I received from my friend the late Sharon Kettering, who, during the last three decades, urged me to get this published. It is my fault that it was not published until after her death. It was not for want of trying that it has taken so long. Over the course of the three decades since I began my research, two separate computers destroyed copies of this book as I was preparing it for publication. And finally, I would like to thank my wife, Ana, who has provided love and support along with editorial comments and advice. These people helped me to realize whatever success this work has achieved. Its failures and omissions are my own.

ABBREVIATIONS

A.A.E.	Archives du Ministère des Affaires Étrangères
A.N.	Archives Nationales
Arsenal	Bibliothèque de l'Arsenal
Assemblée Nationale	Bibliothèque de l'Assemblée Nationale
B.N.	Bibliothèque Nationale
Guerre	Archives du Ministère de la Guerre
Mém. et Doc.	Mémoires et Documents
mss. fr.	manuscrits français
n.a.f.	nouvelles acquisitions françaises

INTRODUCTION

In 1710 the government of Louis XIV implemented a tax on income called the *dixième* (tenth) that required each property owner to declare the income that he received from any property that he owned. This tax violated one of the principles of French society at the time because it disregarded the social status of the property owner and only evaluated the tax owed on the basis of the income produced by the property. In effect, the new law disregarded the privileges that Louis XIV's government had worked so hard to preserve or create in fashioning an ordered society. Previously, French social thinking had allowed certain social groups to remain exempt from direct taxation because they contributed to the state in other ways, that is, by serving in the military or in various courts, enforcing the king's justice. In addition, the royal government had worked to grant privileges to certain corporate entities, such as towns and provinces with representative assemblies, and to sell privileges to anyone who could afford to buy them.¹ The *dixième* would appear to wipe away all of those distinctions and to reduce the measure of one's place in society to how much wealth one's property earned. All property owners were equal and measured their contributions to the French state by how much money they earned. (The law did exempt church property from paying this tax because the Church could not be seen as paying for war, the principal reason for taxation.)

The traditional history of the Old Regime has repeated the argument for many years that the privileged orders did not pay direct taxes. In fact, recent historical research has described Louis XIV's fiscal system as an alliance between the crown and the privileged orders to milk money from the lower orders and distribute it in the form of pensions, interest payments, offices, and gifts to the privileged orders. The privileges that the royal government created were then used to force the privilege holders to borrow money for the state; in return, the government would pay the interest on the loan from revenues derived from taxing the nonprivileged.²

Nevertheless, the creation of the *capitation* in 1695 punctured that alliance by requiring all people to pay a tax based on either their social status or the status of the offices they held. The *capitation* recognized the existence of the various social orders in French society by levying a different amount of tax on each of twenty-two social levels as designated by the royal government. While it was the first direct tax under the Old Regime that required everyone to pay, the royal government's financial desperation led to the

exemption of certain groups, beginning with the Church but soon extending to other privileged groups in return for payments of as much as six times what they owed for one year's capitation. The capitation would be abolished in 1698 and recreated in 1701 to last for the remainder of the Old Regime.³

The dixième went even further by taxing the amount of income earned from property ownership and ignoring the social status of the owner. The dixième of 1710 was not, strictly speaking, an income tax because it did not tax the income earned from labor. By taxing the income derived from property ownership, the dixième was aimed squarely at the wealthy. The oft-quoted aphorism of Marshal Vauban that only one-tenth of French society could be considered wealthy and the rest were either starving or simply surviving illustrates the problems faced by a government in a society where wealth was so unevenly distributed. At least four out of five French subjects were involved in agriculture and the production of food. The majority of peasants owned little if any property and either rented or worked as day laborers on other people's land to survive.⁴ Thus, while subject to the capitation, these peasants would be exempt from paying the dixième. Those peasants who rented land would be required to report the amount of rent they paid and to whom. The nonagricultural population included workers who were not property owners either. The people subject to the tax on property were mostly the wealthy and the better off, not the overwhelming majority of the population, who were poor peasants or workers.

The dixième continued to exist for seven years until 1717, two years after the death of Louis XIV. Despite its suppression in 1717, the idea survived that every property owner, regardless of his social status, could be asked to contribute to the state during a time of emergency. The dixième was revived briefly during the War of the Polish Succession from 1733 to 1737 and again during the War of the Austrian Succession from 1740 to 1749. It was revamped in 1749 as the *vingtième* (twentieth) and would remain in effect until the French Revolution. We might ask today how the government of Louis XIV violated the social norms that the regime itself had done so much to uphold.

France was at war for twenty-two of the last thirty years of Louis XIV's reign. During this period France endured bad weather, including two terrible winters (1693–94 and 1709), as well as various subsistence crises caused by poor crop yields that not only killed off livestock but also caused subsequent starvation and epidemics of disease that eliminated large numbers of the French population. While the winter of 1693–94 has been shown to have killed more people than the 1709 Siberian winter, the memory of the 1709 winter haunted the French throughout the eighteenth century. Both winters produced horrible famines that reduced the population to eating anything, and created public disturbances that forced France's wartime government to devote attention and manpower to internal affairs as well.⁵

During these trying times, the government often revalued its coinage in order to stimulate commerce and increase tax revenues. Old Regime France used the *livre* (l.) as its unit of account. The livre was divisible into 20 *sous* (s.), which were in turn divisible into 12 *deniers* (d.). With 240 deniers in every livre, a single livre could be divided by two, three, four, five, six, eight, ten, and twelve, a flexibility that the modern decimal system does not have. Yet, there was no coin called the livre, nor one worth a single livre. The exact value of a livre is difficult to determine because it was never stable in relation to gold or silver, or to staples that were needed to survive. The gold *louis* and the silver *écu* varied in value throughout the reign. Silver coinage was more prevalent than gold in France, but even in cases where the amount of silver contained in a coin and its value in livres are known for a specific date, a government declaration could change the value of that coin within a month's time. In 1641 there were 26 livres, 10 sous to a marc of silver. By 1709 the proportion had changed to 35 livres, 9 sous, $1\frac{1}{11}$ deniers per marc of silver.⁶ The government had adopted a policy of reducing the amount of precious metal in its coinage in order to increase the amount of coins and encourage their circulation within France. Nevertheless, the amount of silver in circulation declined from 18,518,000 marcs in 1683 to 13,544,177 in 1715.⁷

Over the course of sixty-eight years the price of silver had increased by one-third, or, in other words, the livre had been devalued in relation to silver by one-third. Unless one is interested in buying silver, however, such alterations in the relationship of metal to monetary values is of little help in determining the impact of a rising tax burden on the taxpaying classes. Pierre Goubert described a serge-weaving family of five in Beauvais who earned 108 sous per week. They ate 70 pounds of bread each week, each pound costing $\frac{1}{2}$ sous. When the harvest was abundant, they were relatively secure. In the aftermath of the miserable winter of 1693, however, the price of bread soared to more than 2 sous per pound. Before the price returned to normal, two members of this family had perished.⁸

The shortage of money was a major reason for revaluing the coinage by reducing the quantity of precious metals in order to increase the amount of currency in circulation. Seventeenth-century France did not have banking and credit institutions that would have allowed the government to extend the money supply. It did have an unofficial network of moneylenders who were willing to extend credit to local consumers. In fact, local commerce depended on the extension of credit to survive. Very few large retail purchases involved the exchange of money. Instead, local merchants extended credit to their regular customers until the customers were able to collect the coinage to pay their bills. This method of operation extended to the upper layers of society and included the government itself, which relied on credit from the so-called financiers who were able to attract large-scale

loans to back government operations. As government expenses increased during the reign of Louis XIV, the government pressed the financiers for more loans and pressured the various, privileged corporations to extend their credit to the crown's war effort.⁹

The major royal expense was the military. During the peaceful years of the 1660s, when Louis XIV began his personal rule, the crown rarely needed 100 million livres to pay its bills. The last thirty years of the reign, however, were marked by two major wars that pitted France against most of Europe. The War of the League of Augsburg, also called the Nine Years' War, ran from 1688 to 1697 and saw France fighting against all the major powers of Western Europe: Spain, the Netherlands, England, Austria, the Holy Roman Empire, Savoy, and Portugal. Spain and Bavaria became France's allies during the War of the Spanish Succession from 1701 until 1714, but France's enemies soon occupied Bavaria, and Spain was the scene of a horrible civil war that pitted the forces allied with France against forces allied with its enemies. During these wars France's army increased in size from 250,000 during the Dutch War of the 1670s to 340,000 during the 1690s, but the strain of war and the demographic disaster of 1693–94 reduced France's ability to raise troops during the War of the Spanish Succession, when the army only amounted to 255,000 troops. The increasing expenses forced France to reduce support for its navy, which had been the third most powerful in Europe in the 1670s. By 1715 France's navy was half the size of England's and was no longer able to confront France's enemies on an equal basis.¹⁰

The cost of government rose almost steadily during the reign of Louis XIV. When we consider that average annual expenditures during Colbert's first decade in power—a decade of peace (1662–71)—were less than seventy million, the royal government would spend more than three times that amount every year after 1704. The rise in government expenses exceeded anything that can be blamed on inflation or monetary manipulation. During the last twenty-five years of the reign of Louis XIV, the finance minister, whose official title was controller general of finances (regardless of his other responsibilities, which will be discussed later), was forced to focus his efforts on supplying money to meet the ever-increasing financial demands of the Sun King's government.¹¹

Professional historians have largely ignored, or left unexplored, the later part of the reign of Louis XIV, that is, until the last thirty years. At a 1999 meeting of the Society for French Historical Studies at Georgetown University, the title of one session acknowledged that historical scholarship has largely ignored the period—"Between the Sun King and the Age of Light: Rethinking the 'Black Hole' in Old Regime French Historiography, 1690–1730." John C. Rule has been in the forefront of the efforts to redefine the end of Louis XIV's reign. His articles on Louis XIV's last foreign minister, Jean-Baptiste Colbert de Torcy, and his efforts to reform the foreign

ministry are part of Rule's endeavor to instill a historical interest in the neglected period.¹² In a major call for more research, first published in 1973, he defined what remained to be done.¹³ This book is an effort to uncover some elements of an ignored or misunderstood history.

James B. Collins has described the period at the end of the reign of Louis XIV as one of the most fertile and imaginative in the history of Old Regime political development. It was during these years, when France was almost constantly at war, that France produced what Collins calls a mature monarchical state, wherein the institutions of the monarchy began to function in ways that resemble a modern state government rather than the personalized and inconstant ways of medieval and Renaissance governments. The state became an actor separate from the monarch in accord with Louis XIV's dying words: "I am dying, but the state remains."¹⁴

There was a concerted effort by the government of Louis XIV, especially during the last years of his reign, to seek out new ideas and to listen to complaints about the fiscal and financial system that paid for the French state. Historians, however, have treated the end of the reign of Louis XIV as a time of crisis and chaos that resulted in bankruptcy because the government had exhausted its credit and burdened the state with tremendous debts that were only eliminated by the turmoil of the rise and collapse of John Law's bank during the Regency following the reign of Louis XIV.¹⁵ Much of modern scholarship has either mentioned the men who ran the government, especially its finances, simply as part of the government, or has ignored them entirely.¹⁶ Given the lack of information about the actions of the king's late ministers, some prominent surveys have either denounced them for missing the opportunity to reform France's finances,¹⁷ or have simply praised them for saving France from disaster during the War of the Spanish Succession.¹⁸

Louis XIV's last controller general of finances, the man who instituted the dixième, was Nicolas Desmaretz, who served from February 20, 1708, until his dismissal on September 15, 1715, two weeks after Louis XIV's death. He had been trained by his uncle Jean-Baptiste Colbert, who had been in charge of French finances from 1661 until 1683 and for whom he had worked for nineteen years, rising to become his principal assistant. After his uncle's death in 1683, Desmaretz was dismissed from the government in disgrace when he was accused of corruption. During the following twenty years when he was out of government service, Desmaretz served as a secret adviser to Colbert's successors and participated in the intellectual discussion over how taxation could either hurt or encourage France's social and economic development. When he returned to government in 1703 he dealt personally with those men and women who advocated new government policies and ideas that might have taken France down a different road in the eighteenth century.

Desmaretz presented a defense of his ministry entitled *Compte rendu de M. Desmaretz au Régent*.¹⁹ It was published under the title *Mémoire sur l'administration des finances depuis le 20 février 1708 jusqu'au 1er septembre 1715* and circulated throughout Europe.²⁰ Desmaretz was defending his actions as minister because he was being investigated, along with all the financiers, for activities going back to 1688.²¹ He was also offering himself as the best man to run French finances in the aftermath of Louis XIV's death. He was seconded in his efforts by his former *commis* or assistant, Jean-Roland Malet, who provided him with information taken from the government's records for the years of his ministry and later wrote his own defense of Desmaretz, although it was not published until 1789.²²

While Desmaretz had had a reputation throughout the eighteenth century as a strong-minded minister who worked to encourage French economic growth while defending the state from its foreign enemies,²³ that reputation disappeared in the aftermath of the French Revolution and Desmaretz himself was forgotten, along with all the other ministers from the latter half of Louis XIV's reign. Nineteenth-century historians, with their admiration for firm financial principles that required a balanced budget and well-ordered bookkeeping, tended to exalt the reputation of Colbert at the expense of the men who either preceded or followed him. In fact, one book's title from the late nineteenth century actually sums up the general opinion of this historical period until very recently: *Le désordre des finances et les excès de la spéculation à la fin du règne de Louis XIV et au début du règne de Louis XV*.²⁴ In light of recent research, we would argue that the "disorder" masked a vibrant debate about the role of the state and the proper measure of a subject as a taxpayer.

The first scholarly treatment of Desmaretz was a law thesis by René Dumas published in 1927.²⁵ Dumas relied heavily on the materials published by Arthur-Michel de Boislisle in the late nineteenth century taken from an archive created by Desmaretz under the supervision of his secretary, Gilbert Clautrier, that now form the basis of the G⁷ series of documents in the Archives Nationales. Like his uncle Colbert, Desmaretz believed that the crown should have an archive of its finances and a knowledge of past decisions for future reference. He collected papers and correspondence from his predecessors, going back to his uncle's ministry. Clautrier remained in the ministry after Desmaretz's departure. Indeed, his descendants were still working on royal finances in 1789.²⁶

Joël Félix wrote a brief biography and study of Desmaretz's ministry as part of a biographical dictionary of France's finance ministers that was published in 2000. He focused on Desmaretz's struggles to restore monetary solvency amid France's recurring debts, thus reducing the dixième to one of the measures that helped France get through the war until peace was achieved.²⁷ This book expands on Desmaretz's accomplishments,

especially the dixième, and sets them in the context of the events of their time and ideas about fiscal and financial policy that existed at the time.

We will look at the evolution of ideas about taxation and finance within the government of Louis XIV during the last thirty years of the reign. Any proper discussion of such a topic requires an examination of the fiscal system as it was, before discussing any changes that some people wanted. The many and varied taxes that the king inherited in 1661 when he began his personal rule evolved from the medieval past and were administered by private financiers who lent their credit to the state.

Very few governments in history have been able to maintain a balanced budget while fighting a war. Louis XIV's France was no different. In order to pay for the wars of the last years of the reign, the royal government had to borrow larger sums of money than ever before. Credit is the lifeblood of any modern state but the French monarchy had never enjoyed the confidence of its investors because it was above the law and had evaded its debts on several occasions over the course of its long existence. The crown, therefore, had to rely on indirect methods for raising large sums of money in a hurry. Investors had more confidence in private financiers and local institutions that were subject to royal justice. Any finance minister would have to learn to juggle these private individuals and institutions to appeal to those with money to lend.

The rising level of expenditure as the reign progressed forced the government to turn to methods for raising money that were called extraordinary because they appeared at times when money was desperately needed. They were hardly unusual because they had been employed during earlier crises, such as the Wars of Religion or the Thirty Years' War. They had helped to provoke the Fronde in 1648 and would cause a certain amount of unrest after 1688. They were limited in that they could only raise certain amounts of money and they had a detrimental effect on what was called ordinary revenues.

Although historians have generally said that the economy of France was stagnant throughout the reign of Louis XIV, some research has questioned this kind of generalization.²⁸ Nonetheless, the men in government worked diligently to extract greater quantities of money from the economy. Colbert created a relatively effective system for extracting money and credit that worked well during peacetime. The strain of war after 1688 seriously debilitated Colbert's system, as his successors were forced to resort to open borrowing and hidden loans at ever-increasing rates of interest.

In 1695 a new, temporary tax called the capitation was added to the older, direct taxes because the government could not borrow any more money. The capitation taxed social status rather than income. A person's tax depended on his status or the status of any office he held rather than on his wealth. Even though the capitation was suppressed in 1698 with the

return of peace, it had provoked such outcries about its fairness that the government granted more leeway to local tax administrators in the collection of the capitation when it was restored again in slightly different form in 1701.²⁹

The capitation proved to be an inadequate resource once war resumed in 1701. The string of defeats suffered by French arms beginning in 1704 caused serious disruptions in France's state credit machinery. A 10 percent surtax was added to the capitation in 1705 and was extended to all other taxes before the year was over. The royal government survived the disasters of 1706 and 1707 through frantic borrowing by whatever means were available. By 1710 France was forced to adopt the *dixième*, a tax on the income of property owners.

Desmaretz would have to adapt his policies to the institutions at hand. We will look at these institutions and the men who occupied key positions in the political and financial administration of the realm. Policy passed from the minister through the King's Council because the king in council had to approve all laws. In reality, the supposedly unified council was a collection of separate subcommittees or special groups that acted as the council for certain specific purposes, one group for one purpose and another for a different reason. The king himself attended the groups that decided new policies. Those the king did not attend merely adapted established policies to new circumstances. They all functioned under the rubric of the King's Council, but only the Royal Council of Finances could formally approve any new taxes, like the *dixième*. By the end of the reign, however, the Royal Council of Finances had become a fiction behind which the controller general dominated policy discussions and issued decisions in the council's name.

At the nadir of the reign, Louis XIV turned to Colbert's nephew, Nicolas Desmaretz, a man who had been chased from the government on suspicion of fraud following his uncle's death in 1683. Even the king is supposed to have called him a crook (*fripou*) when Controller General Chamillard mentioned his name in 1699. Yet, many people at court and in Paris regarded him as the only man who could save France's finances.

Between the death of Colbert in 1683 and Desmaretz's appointment as controller general of finances, three men occupied that position: Claude Le Peletier from 1683 until he resigned in September 1689, Louis de Phélypeaux de Pontchartrain from 1689 until he resigned to become chancellor in September 1699, and Michel Chamillard from 1699 until the king accepted his resignation in February 1708. Of the men who succeeded Colbert as finance minister, only Le Peletier came from outside the finance ministry. Pontchartrain had been an intendant of finances for more than two years before becoming controller general; Chamillard had been an intendant of finances for nine years before ascending to the controllership

general, and Desmaretz had a long history with the finance ministry under both his uncle and Chamillard. When his uncle died, Desmaretz was the only intendant of finances, but he was already suspected of accepting kick-backs and other financial misdeeds. Colbert had been ill for more than a month before he died on September 6, 1683. Thus, Louis XIV had time to think about whom he was going to select as his new finance minister.

Claude Le Peletier was the Le Tellier clan's choice to succeed Colbert on September 6, 1683. In the early part of Louis XIV's personal rule (1661–1715), the men who worked as ministers were members of one of two clans that appeared to be in competition for royal favor. In 1683 Colbert and his allies controlled finance, Paris, the navy, and the foreign ministry, while the Le Telliers controlled the Chancellery, the war ministry and its dependencies, and the post office. Colbert's death presented an opportunity for the Le Telliers to control the finance ministry and shift the balance of power in their direction. Le Peletier was related by blood and loyalty to the Le Tellier clan. He was able to reinforce his family's position by putting his brother, Michel Le Peletier de Souzy, in a position of importance and nominating his own successor as controller general of finances.

Much has been made of the Colbert–Le Tellier rivalry, and the conflict between the families has often seemed more acute because the personalities of the finance minister, Colbert, and the war minister, François-Michel Le Tellier, marquis de Louvois, were brusque to the point of brutality. Both men competed for royal favor. The general tenor of ministerial activity under Louis XIV, however, was one of cooperation and coordination. After the disappearance of the Le Tellier clan, the Le Peletiers and their allies, the Phélypeaux de Pontchartrain, might even be seen as a new faction in competition with the Colberts within the government, a faction that would persist for the remainder of the Old Regime. None of these later ministers was as rude or abrupt as Colbert or Louvois, with the possible exception of Desmaretz himself.³⁰

Louis XIV disliked dealing with the quarrels between Colbert, his finance minister, and Louvois, his war minister. His decision to appoint an ally of the Le Tellier clan, Le Peletier, would be the first of a series of failed efforts to prevent the clash of interests between the two ministries from disrupting his council. After Louvois was succeeded in 1691 by his twenty-three-year-old son, Louis-François-Marie Le Tellier, marquis de Barbezieux, Louis XIV reduced the war minister to being responsible for military supplies, while the king concentrated on military strategy. Nevertheless, the king had to endure the sharp-tongued criticism of his finance minister, Louis de Phélypeaux de Pontchartrain, Le Peletier's successor. When Louvois' son died unexpectedly in 1701, Louis XIV appointed his friend Michel Chamillard, the controller general of finances, to be war minister and finance minister at the same time, thinking this would prevent any quarrels for the king to

settle. This experiment failed, however, because the burden of both offices exceeded one man's abilities and health.³¹

Although the son of a treasurer of France in the Paris Bureau of Finances, Le Peletier nevertheless studied law and rose to be a president in the Parlement of Paris in 1660 and provost of merchants in Paris (1668–76), where he worked with Colbert, the secretary of state in charge of Paris. He became a semester (half-year) councilor of state in 1673 and an ordinary (full-year) councilor of state in 1678 while serving as honorary dean of the faculty of law in Paris during the years 1677–81. His mild temperament supposedly won over the king, who said that he did not want a finance minister who was too harsh on his people, perhaps a backhanded slap at Colbert. Le Peletier continued to serve as a *président à mortier* (one of eight judges besides the first president) in the Paris Parlement during 1686–89 while he was controller general. He spoke freely and frankly with the king, who was reluctant to let him resign in September 1689. Louis XIV persuaded Le Peletier to stay on as a minister of state and to sit on government councils that advised the king. Le Peletier took over supervising the post office after Louvois' death in July 1691 until he left the court permanently in September 1697, although he did return for an annual visit every year until his death in 1711. He was affable, a conciliator, and scrupulous in his dealings with others, a trait that caused some at court to ridicule him as "Ministre Claude" for being a man who refused to use his influence for personal gain.³²

Le Peletier's resignation from the post of controller general of finances in September 1689, just as France was preparing for a pan-European war, is difficult to understand. He sought to relinquish the finance ministry as war was beginning in Germany in 1688. He may have disapproved of the war that began with the devastation of the Rhineland by French forces seeking to deprive France's enemies of support and supplies from the region. His resignation can be seen as a recognition on his part of his failure to prevent the war. Le Peletier may not have looked forward to having to quarrel with Louvois over military expenses during a war. He may also have been uncomfortable dealing with financiers and accountings. Just before he turned over the controller general's function to his handpicked successor in September 1689, Le Peletier wrote to his friend Nicolas de Lamignon de Basville, the provincial intendant in Languedoc: "All the men and officers involved in the management of money are of a strange nature. My heart has much difficulty in getting accustomed to them."³³

Le Peletier's successor was Louis de Phélypeaux, comte de Pontchartrain, the son of a judge at the trial (1661–64) of the former superintendent of finances Nicolas Fouquet. Pontchartrain began his career in law as a counselor on the Parlement of Paris in 1661 at age eighteen. The king chose him, in 1677, to be first president of the Parlement of Rennes, a sensitive post where a revolt had recently been suppressed. Although he was

small in stature, Ponchartrain's diplomatic abilities earned him praise at court, where he was recalled in April 1687 to become the third intendant of finances. (Colbert had operated with just two intendants of finances.) He became controller general on September 20, 1689, with Le Peletier's recommendation. He took on additional responsibilities as secretary of state for the navy and the Maison du Roi in November 1690, following the sudden death of Colbert's son, Seignelay. He entered the Conseil d'en haut (Council of Ministers) in November 1690, where he would sit until July 1714 as one of the king's closest advisors. In September 1699 he resigned as finance minister and secretary of state to become chancellor of France, the king's chief legal advisor.

During his tenure as a minister from 1689 until 1714 Pontchartrain would be a major reforming element at court. He created the capitation in 1695. Pontchartrain, however, is also the minister who relied heavily on the policy of selling offices or privileges to pay for the war. According to the memorialist Saint-Simon, who liked him, he was lively and witty, but other opinions indicate that he was an impatient man with a sharp tongue who tended to select the course of least resistance. In any case, both the king and his influential, secret second wife, Madame de Maintenon, began by admiring Pontchartrain's abilities and relying on his judgment, but the king may have tired of his impatience and sharp tongue. When Pontchartrain was named chancellor in September 1699, he told Saint-Simon that it was the happiest day of his life, not because he had become chancellor but because he had given up finances. According to Henri-François Daguesseau, a future chancellor himself, Louis XIV was more concerned about getting rid of Pontchartrain as controller general than he was in naming him chancellor. Pontchartrain had clashed with the king too often and had lost the support of Madame de Maintenon. The king was looking forward to having a more agreeable personality to work on his finances. Pontchartrain remained a minister with considerable influence inside the government but his influence on financial policy declined as chancellor. He retired from court and resigned as chancellor when peace was restored in July 1714.³⁴

Michel Chamillard (as he signed his name) began a career intended for the clergy but the 1675 death of his father, who had been one of the prosecutors in the trial of Nicolas Fouquet, forced him into public life as a counselor to the Parlement of Paris in 1676. His billiard-playing brought him to the attention of the king, who enjoyed the game and appreciated Chamillard's skill. Of all of Louis XIV's ministers, Saint-Simon said that Chamillard was the one the king liked best. Like Pontchartrain before him, he was a friend of Le Peletier and supported by Madame de Maintenon. Chamillard was named master of requests in 1686 and participated in several investigations of the tax farms as well as the situation in Touraine,

Poitou, Guyenne, and Normandy. In 1689 he was named provincial intendant in Rouen although the Marquis de Sourches says he would have preferred to remain at court. In 1690, with the king's help, he bought one of the offices of intendant of finances that were created that year. He managed Madame de Maintenon's personal affairs and was appointed in 1695 to manage the affairs of the school at Saint-Cyr that the king's wife had founded for young, orphaned noblewomen.

Chamillard was well liked at court, where he was anxious to be of service to everyone. Scrupulously honest, even severe at times, Chamillard was patient and hard working, but was by all accounts a man of limited abilities. He became controller general of finances on September 5, 1699, and, to his surprise, on January 7, 1701, he added the responsibilities of being secretary of state for war when Louvois' son died unexpectedly. He is supposed to have said to Louis XIV, "You want me to be Colbert and Louvois at the same time." Clearly, the king wanted his friend to be the wheel horse of the government as it fought the War of the Spanish Succession. Louis promised to help Chamillard but the minister's health declined as France's armies were defeated and the problems in finance increased. Finally, after securing for his son the right to inherit the office of secretary of state for war in January 1707, Chamillard persuaded his friend the king to let him resign as finance minister in favor of Chamillard's friend and ally Desmaretz on February 20, 1708. Chamillard told Desmaretz, "Sir, you give me life, and I give you death."³⁵

The *dixième* arose from the climate of ideas in France and within Desmaretz's coterie. The government of Louis XIV did not exist in a vacuum. The government had official and unofficial methods for receiving complaints, grievances, appeals, and even advice. The crown relied on advice-givers (*donneurs d'avis*) at court who lobbied in favor of new policies from which they hoped to profit if they were adopted. Also, the ministers were aware of various reform ideas circulating in France. The government relied on a network of officials, especially the provincial intendants who, as masters of requests, had ties to the King's Council, to investigate the originators of these ideas, advise the government on the impact of any new policies, and report any reactions from the local populace. The interplay between the concerns and ideas of the minister and the suggestions and complaints from the kingdom led to the emergence of the *dixième* as well as the other policies Desmaretz adopted.

Desmaretz and his assistants were personally in contact with some of the people who are today regarded as the foremost reform thinkers of their time: Vauban, Boisguilbert, John Law, and the Abbé de Saint-Pierre, among others. The minister and his assistants also corresponded with many less prominent people who offered ideas about reforming or altering the financial machinery of the French state. However impractical or unrealistic some of this advice might have seemed, it was not ignored.

We will examine the events and circumstances that forced the French government to adopt financial and fiscal policies that were contingent on the events of the battlefield or the negotiating table. Recently, Thierry Sarmant called for a study of the daily practice and reality of political power during what he calls the “great moments” (*grandes heures*) of French history. He stated that we have learned much about the public and private lives of France’s monarchs, the political ideas and institutions that supported the monarchy, the organization of the ministries, and the biographies of the significant actors, but we know very little about how these men, ideas, and institutions came together to produce and carry out policies.³⁶ The adoption of policy involved the interaction of circumstance, necessity, and the perception of what was possible. This book represents an attempt to provide a study of how institutions, men, and ideas came together at a moment in time to act in the face of events.

Desmaretz pursued policies that enabled France to survive the worst years of the War of the Spanish Succession and to emerge with some semblance of dignity, with a Bourbon still on the Spanish throne and the end of Habsburg control of all the lands surrounding France, a problem that had faced every French king since François I in the early sixteenth century. The end of the war left France in worse financial condition than any time since the Fronde. The government of Louis XIV turned from making war to liberating itself from the debts incurred from two wars. The ideas and programs undertaken by Desmaretz prior to Louis XIV’s death on September 1, 1715, indicate how he intended to liquidate France’s debts. Unfortunately for those policies, Louis’ death led to Desmaretz’s second expulsion from government. His policies had antagonized too many powerful forces. The post-louisquatorzian Regency would resort to several contradictory and inconsistent measures to resolve the debt problem.

Chapter 1

THE FISCAL SYSTEM UNDER LOUIS XIV

The Royal Tax Farms

Governments depend on credit to survive. One kind of credit is the short-term loan that modern governments make to themselves. In other words, the government spends money in a steady, regular way that has nothing to do with the pace of revenue collection to pay those bills. Old Regime France could not lend money to itself. Instead, it borrowed money from financiers who were employed either as contractors or officeholders to collect taxes and send the revenues to the state. All of these revenue collectors employed similar methods for paying the state while collecting its revenues.

One way of understanding French royal finances is to know how a revenue farm operated.¹ In France, revenue farming appeared at a time when property ownership meant exercising civil authority. When kings were living off their domains, they did not exactly administer the properties. They leased their property to a third party, who promised to pay them a set lease price in monthly, quarterly, or annual installments for a given period of time.

In the Middle Ages, property meant either land or certain rights, or both. For instance, a landholder might also hold the right of justice over the residents of his land. He might also have a toll bridge or a watermill or some other revenue-producing rights on the same piece of land. If he was a great, landed lord, he might have several estates with adjoined rights. Finding them too troublesome to administer directly, he might have leased them, separately or together, to the highest bidder, who promised to pay the lease price regularly. The lord was only concerned with his revenue from this “farm” and took little interest in its daily operation. The farmer who administered the property replaced the lord and enjoyed all the privileges of the actual lord in his absence. The farmer was gambling on profiting from the property by squeezing each and every right for every sol he could get, and by hoping for a good harvest. The proprietor was relieved of the everyday worries of running his property in return for a steady income. All of this, of course, appeared at the stage of Europe’s economic development when these rights and dues could be traded for money. Revenue

farming was a common practice among the great lay and ecclesiastical landlords of the thirteenth and fourteenth centuries.

The principles of revenue farming were applied to taxes as a source of public revenue when the French monarchy began to assume the attributes of sovereignty. The feudal king derived his income from his landed wealth and the rights or fees of his position as a feudal lord. He created revenue farms for these sources of income. When the right to levy taxes on people outside the royal domain became a permanent feature of the French monarchy in the fourteenth century, the king committed the privilege of collecting these taxes to royal tax farms. Legally and technically, the Old Regime recognized no difference between the proprietorship of a feudal king over his personal income and the rights of a sovereign king to tax the public.

The need for new sources of revenue preceded the development of government institutions to administer these funds. Originally, these tax farms were set up to collect specific fees in specific places. The tax farmer relieved the monarchy of the burden of creating a professional group of tax administrators. The equipment, records, and employees belonged to the tax farmer. By the sixteenth century the king had reimbursed the tax farmer by a variety of means and took possession of the bureaucracy and equipment of the farms. Thereafter, the tax farmer promised to maintain the equipment and pay the salaries of the employees when leasing the farm.

By the seventeenth century, leases on these farms usually lasted six years, though the bureaucracy administering them was permanent, and the rules and regulations of taxation were fixed. The lessee therefore assumed all the risks. In good years he hoped to make a profit; if times were bad, however, he would take a loss. During those six years, the royal government surrendered the hope of any increased revenue in return for a guaranteed foreseeable income derived from the lease.

The tax farm was an instrument of the government. It disbursed funds at the local level to pay its employees. After 1522, when the government instituted *rentes*, bonds on the Hôtel de Ville of Paris that were to be paid from the revenues of the *aides* or *gabelles*, the tax farmers of the *aides* or *gabelles* disbursed this money directly to the payers of the *rentes* at the Hôtel de Ville without passing through the Royal Treasury. The purchaser of a *rente* was lending money to the crown in return for payments in interest from the income of the king's tax farms. Such disbursements were listed and deducted as charges against the lease payments. By the time of Louis XIV, the royal government was using the tax farms for the purpose of transferring funds within France and saving the cost of transporting money from the local level to the Royal Treasury and back. The whole process became a simple bookkeeping procedure.

The tax farms became credit institutions for the government as well. The government could issue *assignations* as recognition of a debt by promising to pay the principal and interests from the receipts of a tax farm. On presentation of the assignation by the bearer, a tax farmer, on the orders of the controller general, could pay the amount of the assignation in full when it was due, or at a discount if it was cashed early.

The farmer could also borrow money from the investing public by issuing short-term notes called *billets des fermes*. Although they began as a measure for helping tax farmers to overcome temporary cash-flow problems, *billets des fermes* became a method of granting the government advances on lease payments. Farmers resorted to *billets* to satisfy royal requests for advance payments by borrowing from the public at interest. The payment of both *assignations* and *billets des fermes* was deducted from the lease payments as charges.

The scattered tax farms were gradually consolidated into one large company known as the General Farms or *fermes unies*. The consolidation process was long and required more than a century to complete. The monarchy was trying to reduce the costs of duplicate services and charges against separate leases for essentially the same purpose.

In the Old Regime taxes were divided into two basic groups: *impositions* and *perceptions*.² The General Farms and other tax farms administered the collection of a large number of revenue sources known as *perceptions*. Today, we use the term indirect taxes to describe these sources of revenue. *Impositions* were collected by another group of financiers known as receivers general of finances (*receveurs généraux des finances*), who were venal officials rather than tax farmers. They owned the right to receive the funds collected and to transfer money to the Royal Treasury.

Perceptions involved all sorts of indirect taxes levied on a variety of goods and services. Outside the General Farms, there were other tax farms in France, such as those granting monopolies to manage the postal service, the sale of tobacco, the control of gold and silver products, and other items that were never part of the General Farms. The General Farms administered the collection of the largest variety of *perceptions*, which were broken down into four major categories.

The first category where revenue farming began encompassed the rents, dues, and income derived from the royal domain, the property of the king in his capacity as a feudal and land lord. The king's domain varied in size and rights throughout France. It expanded as the realm expanded, delaying the process of consolidating the General Farms. The farms of the royal domain were the oldest but were also the last to be united to the General Farms. The second group of *perceptions* administered by the General Farms was called the *aides*. These were sales or excise taxes on a variety of goods, mostly beer and wine. The third category was somewhat similar and

was called the *traites*, tariffs collected on goods as they crossed certain provincial or foreign borders or as they entered certain towns. The *traites* had been partially consolidated in the late sixteenth century, creating a large area of northern France known as the Five Great Farms. Trade between the Five Great Farms and the rest of France was restricted by the *traites*, heavy import-export duties. There were also *traites* among several provinces that were reputedly called foreign provinces because of their relatively recent acquisition by France.

The last group of perceptions was the infamous *gabelles* or salt taxes. Salt was a necessity not just for seasoning food, but for preserving it in the absence of refrigeration. The sale of salt was a royal monopoly. The price of salt varied from province to province. North central France was the *pays des grandes gabelles*, where the tax was high. Each geographic area known as a parish—called a “fiscal parish,” a tax designation that was not necessarily similar to the church parish—was forced to buy a fixed amount of salt annually. Southeastern France was the *pays des petites gabelles*, where the price of salt was lower. Other areas of France paid even lower prices and were not forced to buy fixed amounts of salt annually.

In 1681 Colbert welded these four separate sets of tax farms together into a single lease called the Lease Fauconnet. A lease of any tax farm took the name of the frontman, known as the *adjudicataire-général*, who was simply the person who lent his name to the company rather than a major investor in the lease. French law made no provision for corporations or limited-liability stock companies. Someone had to sign the lease as the lessee, but this person was usually not a major investor. The last important financier to sign a lease was François Legendre in 1668, for all of what would become the General Farms, except for the farm of the domain. Thereafter, frontmen were known as *hommes de paille*, or straw men. They gave the lease standing in law and were backed by forty wealthy financiers known as the General Farmers, who promised to help each frontman carry out the terms of his lease.

The General Farms were royal property that included the tax rights and the machinery to collect those rights. They had a permanent staff, a set of rules, and the physical hardware to perform their task. The Lease Fauconnet was to collect 137 separate taxes. The bureaucracy of the General Farms existed separately from the lease and continued to function as a *régie*, or government-run administration, when the government could not persuade any financiers to lease the farms.

The company of the General Farmers was a syndicate of financiers who performed two services for the state. They administered the General Farms, hiring and paying the staff, buying supplies of salt, and maintaining the buildings and equipment. Their most important function, however, was to provide the government with money on the basis of their personal

credit. They provided the government with money in advance of the collection of taxes. At the signing of a lease they advanced a deposit to show their good faith. The deposit was deducted with interest from the last year's lease payment. The deposit was thus a loan. In 1681 they advanced 8 million livres, and required each farmer to contribute 200,000 livres.³ The same advance was made in 1726 when the General Farms were leased again. The 1726 lease was the first since 1709 to complete its six-year term successfully. Leases signed in 1715 and 1717 were broken as the government stumbled through John Law's banking experiment and the clean-up that followed the bankruptcy of Law's bank.

During the intervening period there is evidence that the individual contribution of each farmer may have been higher. Several *arrêts* (decisions on a point of law or fact) issued by the Royal Council of Finances during Desmaretz's ministry admitted members to the company of General Farmers to replace members who had died. These new members were required to pay 450,000 livres to the receiver general of the farms, who was to use this money to reimburse the estate of the dead General Farmer.⁴ One member of the General Farms estimated in 1700 that the profit from one farmer's investment could be as much as 14 percent, if he invested his own money, and 9 or 10 percent, if he borrowed his funds.⁵ It would appear that Colbert's experiment, since its beginning in 1681, had achieved a certain recognized level of profitability. The disasters at the end of Louis XIV's reign and the financial instability of the Regency apparently reduced that prestige to the same level it had occupied in 1681.

The General Farmers could be called upon to lend money to the government during the course of the lease in the form of advances on the next year's lease payment. Membership in the company of General Farmers and the deposit made at the beginning of each lease proved that a financier had good credit standing and that the government could rely upon him to lend his credit to the king. Consistently skirting bankruptcy, the royal government needed third parties to borrow money from a public that was reluctant to lend to the crown. When the farms went into *régie* in 1709 and again in 1719, the government lost this vital source of credit.

Colbert had built that source of credit through relentless administrative effort. He canceled leases with the various farms signed during Nicolas Fouquet's tenure as *surintendant des finances*. Colbert's close supervision over the activities of the farms reduced the amount of charges and graft taken by the farmers. The renegotiated leases raised revenues coming into the Royal Treasury. Colbert ordered the farmers to keep weekly accounts, which his staff supervised. His stated purpose was to reduce the impositions on the population as a whole and to make the tax farms the most important part of the government's finances. During the 1660s, while working to consolidate the farms, he reduced France's direct taxation, called the

taille. He also avoided seeking advances from the farms until the necessities of the Dutch War in the 1670s forced him to do so. This war delayed the consolidation of the General Farms until 1681. The Dutch War also upset the financial house of cards he had built in the 1660s, but he hoped to rectify the difficulties. Unfortunately, he died before he could complete this work.⁶

Table 1.1 illustrates the resources all the various tax farms, not just the General Farms, provided to the monarchy from 1662 until 1707, during the reign of Louis XIV. There are no reliable figures for the years 1708 to 1715. The charges were funds deducted from the lease price to pay for farm expenses or local expenditures, or to pay the interest for the *rentes*.

Table 1.1. Revenue from tax farms, 1662–1707.

Year	Lease Price	Charges	Royal Treasury
1662	48,599,764	23,949,131	25,941,653
1663	45,876,026	19,638,821	20,461,771
1664	53,964,509	20,767,121	29,630,614
1665	43,908,160	14,482,890	30,229,516
1666	44,395,201	15,514,763	25,908,232
1667	44,668,745	14,473,540	29,674,253
1668	45,779,954	14,415,840	30,407,775
1669	47,883,584	13,953,283	34,980,300
1670	50,077,890	14,380,079	37,032,809
1671	51,652,334	12,148,566	36,753,865
1672	51,707,834	13,168,088	31,502,025
1673	52,591,334	13,749,601	37,074,431
1674	54,069,385	13,995,757	37,711,892
1675	58,285,500	14,168,040	38,177,687
1676	57,991,750	15,544,684	33,402,725
1677	60,547,666	15,897,870	33,983,953
1678	59,254,332	17,190,472	34,070,926
1679	59,283,565	17,341,009	30,679,220
1680	60,661,057	16,239,910	29,463,552
1681	62,528,783	16,862,500	37,805,053
1682	65,210,750	6,044,582	49,699,723
1683	65,892,000	13,652,012	42,575,456

(continued)

Table 1.1. (concluded)

Year	Lease Price	Charges	Royal Treasury
1684	65,652,000	13,239,700	41,965,359
1685	66,273,529	17,071,814	42,057,709
1686	65,743,000	17,122,100	43,265,254
1687	65,829,584	17,582,270	45,424,120
1688	64,847,500	16,807,691	42,789,809
1689	66,106,666	17,410,955	36,002,725
1690	69,916,207	18,615,106	35,992,943
1691	68,142,034	20,183,082	32,934,159
1692	63,065,495	20,830,098	33,139,408
1693	63,794,500	22,980,891	24,826,220
1694	64,558,000	24,333,813	19,973,842
1695	65,547,440	24,812,481	16,795,334
1696			
1697	61,221,706	29,451,454	11,076,574
1698			
1699	65,971,750	35,079,376	21,688,861
1700	66,526,750	39,394,845	27,131,905
1701	66,456,750	36,684,118	29,772,632
1702	64,739,849	38,344,754	26,395,095
1703	54,465,000	40,904,133	13,560,867
1704			
1705	55,680,000	41,846,000	13,134,000
1706	59,520,000	43,607,000	15,913,000
1707	60,937,000	47,251,304	13,685,696

Note: The figures for the Royal Treasury include all funds received in one year rather than just the funds for that year's lease payment.

Source: This table was constructed from information found in A.N. KK 355 for the years 1662–99. There is no data given for the years 1696 and 1698. Information for the years 1700–1707 comes from Boislisle, *Correspondance des contrôleurs généraux*, 2:583–99. There is no information given for the year 1704. Boislisle's data is based on estimates within the controller general's office. The book KK 355 cites pages in the account books of those same bureaus where each item can be found.

Colbert had begun trading on the credit of the farms in 1671 via advances. In 1680 he created a lending institution backed by the credit of the gabelles called the *Caisse des emprunts* that provided short-term credit to depositors who left their money in the *caisse* in return for a promissory note for repayment of the deposit, with interest, at a set date. His financial system rested on the credit of the tax farms that provided the government with 49 percent of its total revenues in 1683, the year of his death. Colbert had increased royal revenues from the General Farms by more than three-quarters from what they were in 1661. With the help of his nephew, Desmaretz, Colbert codified laws on the gabelles and aides in two *ordonnances* in 1680 and 1681. He did not succeed in codifying the laws on the royal domain or for the *traites* although the results of his work on the latter were released in 1687 as a summation of the legal practices involved in their collection.⁷

Colbert's successor, Claude Le Peletier, was quick to dismantle the *Caisse des emprunts* immediately and the General Farms when the lease expired in 1687. He replaced the single lease with two leases: the Lease Domerque for the gabelles and *traites* and the Lease Charrier for the aides and domain. The combined lease price was lowered from 64,123,000 livres annually during the last year of the Lease Fauconnet to 63 million livres for the two new leases.⁸ Le Peletier's reasoning is difficult to understand. An account of the last year of the Lease Fauconnet shows that the total product of the aides, gabelles, and *traites* for 1687 was more than 65 million livres. The account gives no figures for the domain.⁹ On the surface it would appear that Le Peletier gave away what could have been a substantial profit from the crown. The War of the League of Augsburg started in 1688, however, and would have wiped out any profit. Le Peletier resigned as controller general of finances in September 1689.

The War of the League of Augsburg pitted France against all the major powers of Western and Central Europe. Alone and without allies, France would have to rely on its own financial resources. Colbert's system depended upon indirect taxes, the first to suffer in wartime. Le Peletier's successor, Louis de Pontchartrain, embarked on a policy of alienating *rentes* against the farms and selling offices. The result can be seen in the increase in the amount of charges against the revenues of the farms. Colbert's credit instrument was being sapped for every sol it could deliver. The level of payments from the farms began a descent that would never reverse for the remainder of the reign.

In 1691, as a gesture of defiance to France's enemies, the government broke the two leases on the General Farms and recombined the General Farms under the Lease Pointeau, but at a total price of only 61 million livres annually. While less than the combined two leases, it was above any realistic estimate of the profit to be derived from the General Farms. The General Farms finished the six-year lease in 1697 with