Clergy and Fiscal Reform in Eighteenth-Century Spain*

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1. THE TAX SYSTEM OF HABSBURG AND BOURBON SPAIN

The analysis of the continuities and changes in the Spanish taxation system is a very interesting research field. Since any modern public tax system reflects not only the evolution of a given state machine, but also of an entire community, studying the characteristics and innovations of tributary mechanisms ultimately involves the elucidation of continuous aspects and changes in the society itself.

Iberian taxation of the early modern period was characterized by the presence of at least three features which made it similar to the taxation systems of most of the coeval European States: 1) the existence of different tax regimes, due to the political, institutional and administrative separation between the two Crowns of Castile and Aragon which constituted the monarchy; 2) the legitimacy of differentiated taxation systems based on rank and territory, which led to two different types of socio-economic inequality: firstly between the Crowns of Castile and Aragon; secondly, between classes of taxpayers (pecheros) with a detrimental effect on those belonging to the estado llano (i.e. the unprivileged classes); and 3) an extremely wide variety of taxes – mainly indirect – the stratification of which (since the end of the sixteenth century) gave rise to a very complex situation both from the juridical and administrative point of view. It should also be noted that, as in all tax systems of the time, collecting methods deeply affected the nature of each tax. Therefore, recent historiography has frequently underlined the fact that, in the Old Regime, tributary mechanisms such as those in the Castilian taxation system, cannot be studied exclusively by taking account of the legal definitions of taxes.¹

The purpose of this work is twofold: on the one hand, it attempts to illustrate the continuities that can be found within the Spanish taxation system, in particular, the Castilian system during the eighteenth century. Despite the War of the Spanish Succession and the Nueva Planta taxation system of the Aragonian Crown, the Bourbons did not abolish the taxation system inherited from the Habsburgs, but tried as far as possible to improve it. Up until the implementation of the Castilian cadastre promoted by Zenón de Somodevilla, Marquis of the Ensenada, the

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¹ On the specific case of the Castilian servicios de millones, see J. I. ANDRÉS UCENDO, La fiscalidad en Castilla en el Siglo XVII: los servicios de millones, 1601–1700, Bilbao 1999, pp. 15–23. On the regulatory framework and the administrative practices, see the treatise by Juan de la Ripia, Práctica de la administración y cobranza de las Rentas Reales [...], firstly published in 1676, which was reissued at least five times until the reprint corrected and commented on by Diego María Gallard in 1795.
Bourbon governments attempted administrative reforms aimed at rationalizing the system in force, based on consumption taxes and customs duties.

The continuity between the Habsburgs’ age and the rule of the first two Spanish Bourbons was mainly a result of the capacity of both sets of administrations to plan economic policies and was enhanced by the use by officials in the eighteenth century of a wide range of seventeenth-century texts on economy and taxation to develop their technical skills. Some of these texts were reprinted throughout the eighteenth century. ² In many of these arbitrios, several hypotheses for a radical reform of the Spanish tax system had already been suggested – from single taxes to cadastral plans.³ The most surprising case was the plan of fiscal reorganization proposed by José González in 1650, which was elaborated by Martín de Loynaz a century later and re-proposed as late as 1821 by one of the staunchest Spanish liberal thinkers, Valentín de Foronda.⁴

The awareness of the injustices inherent in the Spanish tax system led the proyectistas and the reformist groups that were active during the reigns of Philip V and Ferdinand VI to formulate two alternative proposals which nevertheless had the same objective, namely «el alivio del estado llano». On the one hand, they aimed at reducing the indirect fiscal pressure on productive classes; this worked to the detriment of foreign merchants by shifting the burden of taxation from consumption taxes to customs duties and was the result of a protectionist policy. On the other hand, they attempted to pursue a gradual shift from indirect to direct taxes imposed on realegis, through the implementation of a cadastral based on land measurement and surveys. Even though the reformist ministers of Charles III and his son followed more or less coherently the two paths outlined in the early eighteenth century, both options were frustrated.

On the other hand, an examination of the eighteenth century reforms applied to economy and taxation allows the wider question of the roots of the Iberian Ilustración to be tackled from an original perspective. It stands to reason that the Ilustración was the result of the confluence of a plurality of traditions, currents of thought and branches of knowledge, old and new. Prominent among these were the proyectismo heir to the seventeenth-century arbitrismo; the persistent regalist tradition revitalized by the reforming trends within Catholicism (in addition to Jansenism, Febronianism and Antonio Pereira’s theories); natural law; and, lastly, political (or “civil”) economy, the scientific and academic status of which was defined precisely during the reign of Charles III thanks to the Sociedades Económicas de Amigo del País and the creation of the first university chairs. This (and other) theoretical systems were combined and hybridized by the ilustrados according to their political struggle and related reformatory planning – which was sometimes confused, but at other times was more coherent and effective. The aim was to correct some of the most

² Mention should be made of the Riqueza firme y estable de España […] published by Sancho de Moncada in Madrid in the crucial year 1619. The treatise was reprinted, again in Madrid, during 1746 with the title Restauración política de España […]. Moncada’s text constantly served as a referral source for the most important Iberian proyectistas and reformers of the eighteenth century, from Uztáriz to Campomanes and Jovellanos.


⁴ See infra.
evident injustices in the coeval class-based society. It is interesting to note here that the reformers and *ilustrados*, especially at the end of the eighteenth century, clearly sought to formulate a new concept of tax equity suited to absolute monarchy, which, by assuming public happiness as a universal meter of distributive justice, began to explicitly criticize the economic inequality born of the privilege-based society of the old regime.

Since, due to the vastness of the subject, it is necessary to select a point of view whereby the existence of the connection between “ideas” (and thus, cultural history) and tax reforms may be verified, I will adopt as a preferential perspective the vision of the role of the Church and the clergy that Spanish *proyectistas*, reformers and *ilustrados* developed during the seventeenth century. Undoubtedly, the attack against clerical immunities and properties, which was explicit in the two paradigmatic cases of the expropriation of the Jesuit *temporalidades* after the expulsion of the Spanish branch of the Society of Jesus (1767), and of the *desamortización* in 1798, represented one of the most important watershed in the history of Early Modern Spain. It is worthwhile insisting on the validity of this argument in order to challenge the deep-seated historiographical cliché (which has often been promoted to the rank of self-evident thesis) according to which late eighteenth century reformism would be weaker and far more unrealistic than the pragmatic and “administrative” reformism of the reigns of Philip V and Ferdinand VI.

Before going any further, I consider it worthwhile to provide some elements which will allow the contextualization of the continuities and ruptures in Iberian taxation practice and theory during the eighteenth century. In particular, I will focus my attention mainly on the fiscal mechanisms of the Crown of Castile, since it was the core of the Spanish monarchy for a long time. It is not by chance that most of the reform projects, during the eighteenth century, concerned its taxation system.

Tax levying in the Iberian kingdoms was essentially based on nine types of taxes: 1) property taxes and revenues from the Crown assets; 2) taxes paid by the

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5 Such a thesis has recently been revived, for instance, by J. GUILLAMÓN ÁLVAREZ, *La Guerra de Sucesión y el comienzo de las reformas borbónicas*, in El cambio dinástico y sus repercusiones en la España del Siglo XVIII. Homenaje al Dr. Luis Coronas Tejada, edited by J. FERNÁNDEZ GARCÍA, M. A. BEL BRAVO, J. M. DELGADO BARRAD, Jaén 2000, pp. 529–542. However, for an overall assessment of the economic reforms carried out or passed during the reign of Charles III, see V. LLOMBART, *La política económica de Carlos III. ¿Fiscalismo, cosmética o estímulo al crecimiento?, «Revista de Historia Económica», XII, 1 (1994), pp. 11–39. With regard to the history of ideas, see, by the same author, El pensamiento económico de la Ilustración en España (1730–1812), in Economía y economistas españoles, edited by E. FUENTES QUINTANA, vol. 3 (La Ilustración), Barcelona 2000, pp. 7–89.

clergy; 3) dues from the nobles; 4) consumption taxes (called *Rentas Provinciales* in eighteenth century Castile); 5) customs duties or *Rentas Generales*; 6) monopolies and sovereign rights; 7) tributes from the tax-exempt and autonomous provinces (the Kingdom of Navarre, the three Basque Provinces and the states belonging to the Crown of Aragon); 8) the *Rentas de Indias*; 9) other miscellaneous taxes.

The financial structure of the monarchy was based on indirect taxes, in particular those levied on consumption in the Kingdom of Castile. The most important source of income was the *alcahula* sales tax, created by Alfonso XI in 1342. This permanent tax, whose nominal rate was ten percent, was a consumption tax imposed on any transaction of movable and immovable property. Between 1639 and 1663, the *Cortes* voted to increase the tax rate by an additional four percent (the *ciento*). After the early fifteenth century, the tax was levied on sellers, although they passed this on to the consumer in the sale price. It was a general levy, theoretically applied not only to *pecheros*, but also to privileged groups; the clergy were exempt from it only in the event that the sale of goods and products was not carried out for commercial purposes. The *alcahula* could be collected directly by the Crown or, more often, by a tax-farmer or contractor. Among major merchants, the habit was soon established of paying a set amount agreed in advance between the tax-farmer and the
seller (*pago por iguala*), which enabled avoidance of the numerous control procedures related to the value and quantity of goods\textsuperscript{11}.

At the beginning of the sixteenth century, Castilian taxation underwent a radical transformation due to the introduction of a third collection system, the so-called encabezamiento. This was an arrangement whereby each local community agreed to pay to the Hacienda a lump-sum in place of the revenues of the *alcabalas* and the consumption taxes in general\textsuperscript{12}. The Crown itself moved towards this solution, because, considering the lack of an efficient administration able to collect taxes economically, it preferred to raise a fixed and reliable sum of money. This was achieved by apportioning set tax quotas among the main cities of a province and, later, among the taxpayers of each village. Those in charge of the final calculation were local authorities (*alcaldes, corregidores*, magistrates), that, at least in theory, were supposed to ensure a certain equity by assigning to each head of household a fee proportional to the wealth of the family. Taxpayers could – again in theory – report any abuse or favouritism\textsuperscript{13}. In the case of the large Castilian manufacturing and trading centers, there were guilds – in Madrid, these were the *Cinco gremios mayores* – that fixed the single quotas payable by their members. However, the assignment of a particular amount to a person was, obviously, often arbitrary.

This system was formalized in 1536 when Charles V and the Cortes signed the first general encabezamiento in the history of the Crown of Castile: in this case, the *Hacienda real* (or to be more precise, the *contadores* or comptrollers) assigned a specific lump-sum payment to the eighteen cities which had a right to represent the kingdom. These cities then re-distributed the burden on their territory according to the system already in use for the collection of ordinary and extraordinary subsidies (*servicios*) which had been voted in by the Cortes.\textsuperscript{14} Therefore, the encabezamiento contributed to the assimilation of the *alcabala* into the *servicios ordinarios*, transforming it from an indirect tax on consumption and transactions into a fixed apportioned tax that was collected as an income tax, or, more frequently, simply as a personal tax.\textsuperscript{15}

\textsuperscript{11} In the case of food products (mainly cereals, meat, fish, wine and oil), tax-farmers were compelled not only to record in specific registers the arrival of the goods at the city’s gates, but also to provide traders with weights and measures to calculate the quantity of the product to be subtracted proportionate to the amount of tax.

\textsuperscript{12} The method of the encabezamiento had been introduced for the first time in 1495 by the Catholic Monarchs and initially applied only to Castilian communities.

\textsuperscript{13} The encabezamiento at a local level was an apportioned tax (*impuesto de cupo*), but it could become a differential tax (*impuesto de cuota*) based on the repartimiento, that is to say on an estimation (often approximate and intuitive) of the tax base. The latter case frequently occurred when a single community did not produce the amount assigned to it by the city *cabeza de partido* represented in the Cortes. There were two types of repartimientos: the *por mayor*, usually formulated by the Council of Castile, which allocated the quota for each Castilian province on the basis of *vencindarios* (general censuses, such as the one conducted in 1594) that were infrequently updated and, therefore, not very reliable. Afterwards, the *contadores mayores* carried out the *repartimiento por menor* among the communities of the single provincial districts. So, unlike the encabezamientos, the repartimientos did not provide for any negotiation between the central administration and the cities, whose municipal councils could only determine in detail the personal properties or goods to be taxed (sometimes through the system of *sisas*) in order to raise the assigned amounts.

\textsuperscript{14} The second encabezamiento general was signed on October, 25, 1560, while the third one was signed on February, 22, 1575; its quota (two and a half million ducats) was decreased by 27% during the Cortes of Madrid in 1576.

municipalities were usually opposed to this practice, because such direct taxes competed with municipal taxes (propios and arbitrios: dues at the town gates, rights on mills, fairs and butcher shops), that were generally based on indirect taxes and were farmed out.

At the end of the sixteenth century, the servicio de millones, which was voted for by the Cortes for the first time in 1590, became the second branch of the Castilian taxation system. Between 1632 and 1637, salt, cattle, sugar, fish, chocolate and tobacco were added to the taxed staples (wine, oil, meat and vinegar). Taxes on luxury goods, as well as on bread, were always avoided, despite the periodic proposals to impose them. The initial amount – eight million ducats to be collected over six years – was later increased to twenty-four, and the collecting periods were deferred from time to time. As a consequence, in the first half of the seventeenth century, the servicios frequently overlapped one another, so that the Monarchy was forced to cancel the previous servicios, whose collection was not yet over (in 1636, for instance, three servicios were in force at the same time). After this time, the Crown contented itself with a fixed sum, that stabilized at around four million ducats. Initially, the millones were regarded in the same way as other voluntary contributions or servicios ordinarios and extraordinarios that the Cortes had started to pay since the beginning of Charles V’s reign. Later the millones were automatically renewed, without the need to convene the Cortes: in 1601, a permanent commission of millones was created and in 1658, this became a sala de millones annexed to the Consejo de Hacienda (Council of the Treasury), with the specific task of representing the kingdom (namely, the eighteen cities with the right to vote)\textsuperscript{16}. Therefore, in the second half of the seventeenth century, the millones became a permanent branch of the royal taxation, and revenues from this source were greater than any other income since 1601. In addition, the system used in this case was the apportionment of quotas according to the three levels of the encabezamiento: provincial, municipal and local. However, unlike what had happened in the case of the alcabalas encabezadas, they were collected by means of the old system of sisas (in force since the fourteenth century), which involved a deduction from a maximum of 1/8 to a minimum of 1/24 of the quantity of the product sold. In essence, the buyer of a given merchandise received a lesser quantity at the same price, and that difference was the amount of the levy. In theory, the seller remitted to the Hacienda a sum equivalent to the deducted amount, but in practice, neither the Royal Treasury was able to monitor each individual collection, nor the municipal authorities – which did not receive any commission on the taxes – were incentivized to make the appropriate controls in taverns and markets.

The creation (in 1642) of the fiel medidor – a venal office entrusted with inspections – limited the problem of tax evasion, but it did not prevent the clergy from enjoying a special immunity called refacción, which was soon extended improperly. As Pope Innocent XII confirmed in his brief of 1722, the clergy had to pay the millones only on goods of personal consumption bought at the market, but not on products grown on ecclesiastical lands nor on products destined for divine worship or alms. However, since it was practically impossible to distinguish the former from the latter case, it was decided that at the end of each year, the secular

\textsuperscript{16} The eighteen cities accounted for as many Castilian provinces. During the seventeenth century, four more cities were added and their number reached twenty-two: Galicia (1623), Extremadura (1652), Palencia (1666), la Mancha (1700).
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Authorities should compensate the clergy, and specific funds derived from the encabezamientos were set aside to this end. The main obstacle was that many officials, fearing to be excommunicated, preferred not to charge the millones to the clerics. As Miguel de Zavala y Auñón (a former collaborator of the intendant of Catalonia José Patiño,) would complain in a Representación of 1732 addressed to Philip V, tax evasion was very common, and the burden of paying the refacción ended up being born entirely by the juegos (households) encabezados.17

After the millones, the alcabalas and the various donations voted for by the Cortes, the taxes that produced the highest revenues for the Royal Treasury during the Old Regime18 were the sovereign rights (regalias), namely royal prerogatives such as customs and monopolies.19 Unlike all the servicios voted for by the Cortes, the revenues gained through regalias were administered by the king as the repository of sovereignty. Customs duties or Rentas Generales were divided into terrestrial, fluvial and maritime taxes. Before the reform introduced by Philip V in 1708, domestic customs passes (or puertos secos) separated off the territories of the monarchy one from another, and in particular the Crown of Castile from the Crown of Aragon.20

Under the Habsburgs, the Church of the Iberian kingdoms also gave a large contribution to finance the costs of the monarchy: the amount of the levy was high, even though undoubtedly not proportional to the real estate wealth accumulated by the church in the peninsula and in the colonies. In fact, from the end of the fifteenth century until the eighteenth century concordats, the Holy See gave substantial shares of its ecclesiastical incomes to the Spanish monarchs, in return for their support of Catholicity. This practice began during the Reconquista, when the Popes conceded the so-called tercias reales (namely two-ninths of all the tithes paid to the Church). This continued in 1485 with the promulgation of the Crusade Bull, and in 1523, when

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17 M. Zavala y Auñón, Representación al Rey N. Señor D. Felipe V dirigida al más seguro aumento del Real Erario y conseguir la felicidad, mayor alivio, riqueza y abundancia de su Monarquía, n. p., Madrid 1732. It was later reprinted in Miscelánea económic-política o discursos políticos varios, Pamplona, Herederos de Martínez, 1749, pp. 7–180. In his Representación, Zavala, who had contributed to the launch of the Catalan cadastre, defended his and Patiño’s action. Twenty-one years later Zavala’s treatise was discussed by F. Véron de Forbonnais in his Considerations sur les finances d’Espagne: see N. Guasti, Il ‘ragno di Francia’ e la ‘mosca di Spagna’: Forbonnais e la riforma della fiscalità all’epoca di Ensenada e Machault, «Cromohs», 9 (2004), pp. 1–38 (http://www.cromohs.unifi.it/9_2004/guasti_forbonnais.html).

18 The oldest and most important monopolies were those on salt, lead, sulphur and snow, to which, during the third decade of the seventeenth century, there were added duties on spirits (1632–1717), stamped paper (1632), tobacco (1636), gunpowder and playing cards (1636). From the beginning of the seventeenth century on, royal monopolies were called siete rentillas (or seven minor revenues). The collection of revenues coming from the goods under state monopoly was usually farmed out, although in the case of salt there was established a collection system of compulsory assignment to each community of quotas whose value was established by the Crown (aequipos). Also in this case, the apportionment was carried out by local authorities.

19 One of the chronic problems of the Spanish tax system was due to the asientos or short-term debt contracts. The inability of the Crown to repay the loans and their interest forced the monarchs to issue the juros (interest-bearing state bonds) and, thus to consolidate public debt. The most desired bonds were those situados or secured against specific levies: in other words, the holder of the juro obtained the perpetual (in case of a lifetime juro) or temporary right to keep the proceeds from the collection of a specific tax.

20 With the passing of time, the rates of customs duties varied, with no distinction between imports and exports: they usually oscillated from 15 to 30% ad valorem. The most important entries during the Habsburg period were the Sevillian almogarjazgo, the renta de lana (on the exportation of raw wool) and the diezmos de la mar.
Adrian VI entrusted the Crown with the management of the estates (revenues included) of the three main religious-chivalric orders (Santiago, Calatrava and Alcántara). In 1561, Rome authorized the Spanish clergy to pay to the Hacienda the subsidio (i.e. one-tenth of the ecclesiastical revenues), resorting, also in this case, to the system of agreed quotas. Finally, in July 1567, Pius V granted perpetually to the Crown the produce of the total tithe paid by the third largest producer of each village or, from 1570 on, by the first tither or casa diezmera of each parish. Due to the impossibility for the royal administration of collecting autonomously the tribute in kind, five-year concordias or agreements were negotiated with the primate of Spain, the Archbishop of Toledo, who monetized the established amount (250,000 ducats in 1572) in order to pay it to the Hacienda over a period of five years.  

Considering taxation from a theoretical point of view, it should be noted that, from the end of the sixteenth century onwards, it became one of the topics of the complex debate on the causes of the monarchy’s decadence. Generations of Iberian officials, clerics and intellectuals, especially during the seventeenth century, tried to define the origin and the characteristics of the crisis in Spanish politics, society and the economy. The result was a real economic “literary genre”, the arbitrismo, which proposed a whole host of reforms and solutions to ward off the incipient crisis of the monarchy. The malfunctioning of the tax system, in particular the Castilian one, was among the central elements of what John H. Elliott described as «self-perception of decadence.»  

The climax of this debate was reached during the second decade of the seventeenth century, with the famous consulta of the Consejo de Castilla dated 1619 and the subsequent discussion on the economic conditions of the country. Most of the numerous treatises that circulated at the time – such as, for instance, the Conservación de Monarquías by Pedro Fernández de Navarrete (1621) – took into consideration the role played by the fiscal imbalance in the commercial and productive stagnation. Among the remedies more frequently suggested by the arbitristas was the need to reduce the tax burden on the productive classes and, proportionally, to make more equitable the contribution of the clergy to the maintenance of the monarchy. Arbitristas (along with many seventeenth-century authors of political treatises, such as Diego Saavedra Fajardo), proyectistas and reformers of the following century had in common this regalist argument: starting from the assumption that the clergy are unproductive in economic terms and that, at the same time, due to the lands in mortmain, withold a significant amount of sources of income from the tax authorities and society, the king had the right to

21 Artola, La Hacienda, pp. 57–62. The tercias reales, the subsidio and the excusado were described as the «Three Graces». In addition to these contributions, there were the media-anata eclesiástica (corresponding to half of the first year’s beneficial income of the high clergy) and the pensiones de mitras (one-third of the Episcopal incomes).

demand from the Church and the Pope not only a greater contributory effort, but also a reduction in the number of clerics, in particular those belonging to the regular clergy.

During Philip IV’s reign, the problem of a fair distribution of the tax burden between the Crowns of Castile and Aragon was also tackled for the first time, but the attempt of the Count-Duke of Olivares to gain the contribution of the Aragonian autonomous territories by means of the unión de armas (1624–1626) failed miserably. Subsequently, with Portugal’s separation and the Catalan revolt of 1640–1652, the dynastic union upon which the “composite monarchy” was based ran the risk of dissolving.

Generally speaking, apart from a few exceptions, the sixteenth-century Iberian thinkers dealing with economic and financial issues had as a theoretical frame of reference the Aristotelian Political theory and the second Scholasticism (in particular, the School of Salamanca reflected deeply on these issues). As a consequence, when the practical aspects of the tax system are taken into consideration, the argumentative frame appears to be dominated by Thomism’s capital theses, beginning with distributive justice and the reason of the state. From this point of view, the true epistemological change occurs at the beginning of the eighteenth century: of course, it was not a sudden break, but the dynastic change and the replacement of the administrative class – with the arrival of officials from Italy (José Patiño was among the first ones), France (Jean Orry) and the Flemish Region (Count de Bergeyck and also Spanish-born but Flemish-educated officials, such as Gerónimo de Uztáriz) – certainly did not play a minor role in Spain’s openness to European debates. At the same time as the movement of the novaturos was born, a political-administrative culture partly different from the Habsburg one started to be developed. 23 Although Anne Dubet, in line with the recent revision of the Bourbons’ absolutism promoted by Jean-Frédéric Schaub, reaffirmed that in Spain’s administrative procedure there was no sharp break between the Austrias and the Bourbons era, if we consider the cultural climate, it is evident that with Philip V a gradual change began, at least in the methodological frame of economic and fiscal thought. 24 As a matter of fact, in the first decades of the eighteenth century, economic and fiscal methodology started to be influenced by the language of the nascent «science of commerce». As Catherine Larrère has demonstrated for France,

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it was a «lexicon» which originated in natural law, and which was often hybridized with the more classical genre of commercial treatises and with practical commercial expertise. Also in the Spain of Philip V, there was a debate on three models of economic policy (reflecting as many political systems) which were already formalized at the end of the seventeenth century: these were firstly, French Colbertism, secondly, the model of the commerce d’économie or d’entrepôt embodied by the Republic of the Seven United Provinces, and, lastly, the aggressive model represented by the English Navigation Act. Among these three examples of economic policy, Colbertism clearly achieved the greatest success among the Iberian proyectistas of the time, so that Savary’s works – the Parfait Négociant (1675) and the Dictionnaire universel de commerce (1723) – and Vauban’s Dîme Royale (1707) became essential references for the ministers and officials of the Bourbon monarchy. However, a pro-agrarianism line continued to circulate, promoted by a sector of the Iberian arbitrismo and revitalized by the French current of opinion against Louis XIV’s warmongering and mercantilist line (from Boisguilbert to Fénelon). In order to illustrate the change in perspective linked to the Bourbon succession, it is useful to compare two books that, although published within twenty-five years of one another, can be taken as two significant indicators to measure the ongoing change: the Teatro monárquico de España (1700) by Pedro Portocarrero and the Théorica y Práctica de comercio y de marina (1724) by Gerónimo de Uztáriz.

The former is a typical political treatise in which the author – who was Patriarch of the Indies and nephew of the powerful cardinal Portocarrero, initially one of the strongest supporters of the Bourbon succession – condemns the excessive tax burden that threatens to turn the monarchs into tyrants. His reasoning appeals to the social contract theory inspired by Tacitism, Neostoicism and Foralism, now to the language of the second Scholasticism (in particular of the Jesuit school, since Mariana, Suárez and Ribadeneira are among the main sources of the treatise): excessive and arbitrary taxes not only go against the original pact between sovereign and subjects, but also violate the rules of distributive justice. By proposing again the already classical image of an organicist Spanish society, Portocarrero limits himself to a condemnation of the excessive privileges and immunities enjoyed by the privileged classes, but his polemic is to a large extent directed against nobility, and in particular against the venality of noble titles.

Completely different is the approach proposed by Uztáriz, a military engineer and native of Navarre, who was familiar with the Flemish culture and with the circles of contractors and financiers who would support Philip V during the first years of

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25 Governare il Mondo. L’economia come linguaggio della politica nell’Europa del Settecento, edited by M. Albertone, Milano 2009; Modelli d’altro confine. Prospettive economiche e sociali negli antichi Stati italiani, edited by A. Alimento, Roma 2009. Dutch commercial procedures started to be known at the beginning of the eighteenth century primarily through the Mémoires touchant le négoce et la navigation des Hollandais (1717) by Pierre-Daniel Huet. Details about English trade legislation (beginning with the text of the Navigation Act) and political arithmetic also passed to Spain through France, thanks to treatises such as Les intérêts de l’Angleterre malentendus dans la guerre présente (1704) by Jean Baptiste Dubos.
his reign. As is clear from the title, the subject of his work is trade considered as a form of economic policy and following universal rules (the teórica) that governments should consider when taking measures concerning productive and commercial activities related to specific contexts (the práctica). The analysis of the link the tax system and the development of manufactures and exchanges is the central theme of Uztáriz’s treatise, but it is based on an epistemological grid different from the Tomistic one. In fact, although Uztáriz seems to be still tied both to the arbitristic tradition and, thus, to the mercantilist paradigm, he replaces «dynastic interest» with an «economic interest» that marks the difference between the analyses of Portocarrero and Uztáriz is the awareness that governments must now plan their policy on the basis of the exact knowledge of the demographic and economic bases of their territories: if data on population and manufacturing are not available through consistent statistical surveys (following the British method of political arithmetic), it is impossible to achieve an active balance of trade, which is the true pillar of the military power and political balances in a Europe plagued by dynastic wars of succession. Ultimately, Uztáriz, as with many proyectistas of the early part of the century, tries to give specificity and dignity to his economic considerations by grounding them on pre-scientific bases. As a consequence, in Spain too a process was started that would lead to the birth of the new discipline of economics, which only


28 “Machiavellian” perspective (that is, including commercial competition in the context of a struggle for political hegemony or, in the best case, for the achievement of a balance of power) or a philosophical framework inspired by Aristotle. See C. LARRERE, L'invention de l'économie au XVIIe siècle, Paris 1992, pp. 95–134. Even Augustinism, and in particular its Jansenist interpretation, would represent, along with Utilitarianism, one of the doctrines inspiring seventeenth-century economic reflection, since both analyze and explain Epicureanism, Augustinism, and Republicanism and, thus, would arise from the hybridization of “old materials” with some new theoretical dynamics or “mechanics” of human passions. Therefore, the birth of political economy was due to the combination of a variety of philosophical currents, namely Natural Law, Aristotelianism, Thomism, Machiavellianism, Utilitarianism, and epistemological acquisitions. On this point, see also I. HONT, Jealousy of trade. International competition and the Nation-State in historical perspective, Cambridge Mass. – London 2005; J. ROBERTSON, The case for the Enlightenment. Scotland and Naples 1680–1760, Cambridge 2005; Id., “Enlightenment, Public Sphere and Political Economy”, in L’économie politique et la sphère publique dans le débat des Lumières, edited by J. ASTIGARRAGA et J. USOZ, Madrid 2013, pp. 9–32. Both scholars identify Melon as the key-author of the economic and reforming movement of the late seventeenth century, in particular in the Scottish and Neapolitan contexts. His Essai politique sur le commerce (1734) proposes an organic synthesis of the two key elements of the political economy of the Enlightenment, namely Epicureanism and Augustinism. At the same time, Melon praises commercial society (along with political arithmetic, as the guiding instrument for legislators), a moderate commercial liberism and luxury, and ends up anticipating Montesquieu’s conclusions about the link between political freedom and commercial development. On the circulation of the Essai in Spain, see J. ASTIGARRAGA, La dérangeante découverte de l’autre: les (més)aventures de l’Essai politique sur le commerce (1734) de Jean-François Melon dans l’Espagne du XVIIIe siècle, «Revue d’Histoire Moderne et Contemporaine», 57, 1 (2010), pp. 91–118.
It is clear that these epistemological and methodological changes also had repercussions with respect to dealing with the thorny question of the function of the clergy. Undoubtedly, Uztáriz, like many of his contemporaries, seems to be cautious on this subject and avoids the use of theoretical frameworks borrowed from the Natural Law thought, which he must have known about during his long stay in Flanders. However, the question of the taxation of the clergy clearly needed to be addressed on the basis of a pragmatic and substantially laic (in the broad sense of the term) attitude, that is to say, by rethinking the role that the ecclesiastics had to play in a rapidly changing reality, where the power of states was measured according both to the prosperity of the _estadio llano_, that is, of the productive classes (farmers, artisans and merchants), and to the reduction of the unproductive classes, among whom Uztáriz includes the majority of the clergy. Therefore, rather than the request to reduce the number of clerics as endorsed by Fernández de Navarrete, what is more interesting is the sharp condemnation (unthinkable only a few decades before) of the «sopa de los conventos» which was seen to incentivize unemployment and laziness in an artificial way. In other words, the late medieval Catholic assistencialism had been clearly rejected, whereas there was an increasing need for the process – skilfully studied by Michel Foucault – of the progressive disciplining of the labour force in order to increase national production. Certainly, it is not by chance that Uztáriz, like the majority of the _proyectistas_ and Bourbon officials of the early eighteenth century, considered Colbertism and the French economic policy pursued by Luis XIV (although adapted to the Iberian economic, political and legal specificities) as a model to follow and imitate, at least as far as its basic guidelines were concerned.30

2. Fiscal Reform in Eighteenth-Century Spain (1701–1759)

The guidelines for the fiscal reforms carried out or simply planned in eighteenth-century Spain can be analyzed in the context of the policies adopted by the Bourbon sovereigns Philip V (1701–1746), Ferdinand VI (1746–1759), Charles III

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Clergy and Fiscal Reform in Eighteenth-Century Spain (1759–1788) and Charles IV (1788–1808). It would be legitimate to add a further phase, corresponding to the age of the early liberalism and of the Restoration; that is, the period from the constitution promulgated by the Cádiz Cortes (1812) to the Liberal Triennium of 1820–1823. This is not only because in recent years the periodization of the Spanish Ilustración has been extended to include the second decade of the nineteenth century, but also because, more concretely, in those years the debate on the reform of the tax system continued along the lines already drawn during the first half of the eighteenth century.\textsuperscript{31} Anyway, the year 1808 is a very significant demarcation moment in Iberian history due to the double abdication of Charles IV and Ferdinand VII imposed by Napoleon, which led to the dissolution of the Bourbon state and to the establishment of a double political power (the power embodied by the patriotic Juntas and the Bonapartist power supported by the afrancesados or Frenchified government officials). Therefore, I think it is legitimate also from the point of view of tax reforms, to consider it as a watershed year, a terminus ad quem of a long phase that had begun with the early eighteenth century dynastic change.

In the years after the War of the Spanish Succession, the political earthquake caused by the conflict offered the first Bourbon governments the opportunity to tackle the reform of the various state entities that made up the monarchy.\textsuperscript{32} By abolishing the fueros (or charters of regional privileges) of the kingdoms forming the Crown of Aragon (the Kingdom of Aragon, the Kingdom of Valencia, the Principality of Catalonia, the Kingdom of Majorca and the Kingdom of Sardinia) and by modelling the administration on that of Castile, the new dynasty came to grips with the problem of renovating the respective tax systems. Actually, among the main objectives of the so-called Nueva Planta (1707–1716), there was an explicit willingness on the part of the Bourbon ministers to introduce a tax equivalence, by taking the product of the Castilian Rentas Provinciales as a parameter. Undoubtedly, the most important act of the Equivalente, the general fiscal reorganization of the states of the former Crown of Aragon, was the catastro established in Catalonia in 1716 by the then-Intendant and future prime minister of Spain (although native of Milan) José Patiño.\textsuperscript{33}


\textsuperscript{32} J. Lynch, Bourbon Spain, 1700–1808, London 1988 pp. 22–115; C. de Castro, A la sombra de Felipe V. José de Grimaldo, ministro responsable (1703–1726), Madrid 2004; La pérdida de Europa. La guerra de Sucesión por la Monarquía de España, edited by A. Álvarez-Ossorio Alvariño, B. J. García-García, V. León Sainz, Madrid 2007. For a long-term vision, see Las monarquías española y francesa (siglos XVI–XVIII). ¿ Dos modelos políticos?, edited by A. Dubet, J. J. Ruiz Ibáñez, Madrid 2010. We are currently witnessing a major historiographical revision concerning Philip V’s absolutist policy. In particular, the premise that the first Bourbon would have pursued a consistent reform project inspired by absolutism, borrowed from the monarchy of Louis XIV, has been questioned. It has been noted, for instance, that the Bourbon Nueva Planta could not totally erase the vestiges of the composite and polysynodal monarchy of the Habsburgs.


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The catastro was a fixed apportioned tax imposed on real estate (through the tasa real) and on income from movable wealth (by means of the tasa personal). In the first case, a scale of thirty-two types of land was established (according to quality), on which was levied a rate of 10% on the earnings produced. The estimates had been made by local authorities on the basis of self-certification, which had made possible the concealment of assets as well as outright frauds both of which benefited the oligarchies. Later follow-up audits carried out by the Intendancy staff did not manage to rectify such injustices. However, the catastro also taxed «lo personal», basically represented by the earnings of wage-earners, artisans and merchants. In this latter case, the estimates had been based on annual working days (with a lower limit of 100 days and an upper limit of 180 days), and two rates (8.5 and 10%) were to be applied in proportion to each category’s presumed income. Nevertheless, the catastro was not a differential tax but an apportioned tax, since Madrid had decreed that the Principality of Catalonia should pay a fixed amount (which was eventually reduced to 900,000 pesos) to be distributed among the various communities; at the local level, the distribution was carried out by magistrates, mayors and guilds. Fixed apportioned taxes were also established in the other kingdoms of the Crown of Aragon: the única contribución in Aragon, the equivalente in Valencia, the talla in the Balearic Islands and the donativo regio in Sardinia.\(^34\) Although the catastro was based on the declarations of the taxpayers, the quotas of every single community were set by the Intendant without considering individual incomes, while the allotment of the quotas to be allotted to each household was entrusted to local authorities. In conclusion, even if the philosophy of the Catalan catastro seems to have been inspired by the idea (later dismissed) of a tax proportionality, the model for the other taxes is surely older and close to the Castilian tradition. The greater modernity of the Catalan catastro also depended on the fact that in 1716, Patiño drew his inspiration from three coeval French models: the first one was the taille réelle, a property tax imposed on some French provinces (Provence, Dauphiné, Languedoc, High-Guyenne) which was calculated on the basis of a local “cadastre” or cadastral register called compoix. The second model certainly was the dixième approved by the Sun-King in 1710, which was a tax of 10% on revenues deriving from real estate, wages, and profits from movable property. Lastly, he was very familiar with the treatise Dîme Royale written by the Marshal of France, Vauban, in 1707, which illustrated the project of a ten-percent-tax on gross product, partially carried out three years later.

The many doubts regarding the Catalan catastro began to be alleviated in the second half of the eighteenth century, when many observers attributed the economic development of Catalonia precisely to the catastro.\(^35\) In fact, the fixed global quota, which in the first decades had been an excessive burden, was reduced over the century. It is therefore not surprising that in 1845 the Spanish government abolished


the alcabala and extended the Catalan catastro to the whole country.\footnote{P. García Trobat, *A forgotten result of the Spanish War of Succession: the catastro and its fiscal effects on the Crown of Aragon*, in *Kataster und moderner Staat in Italien, Spanien und Frankreich (18. Jh.)*, edited by E. V. Hayen, Baden-Baden 2001, pp. 193–216. The *Impuesto sobre el consumo de especies determinadas de 1845* replaced both the Castilian Rentas provinciales and the three taxation systems of the *Equivalente* of the Crown of Aragon. See F. Estapé Rodríguez, *La reforma tributaria de 1845*, Madrid 1971.} However, this increasing and protracted fortune was arguably the result of another factor of continuity in Spanish history, namely, the power of the big landowners and landholders, who easily managed the system of self-certifications and the local allotment of the fixed quota, and could therefore perpetuate their socio-economic, but also political, supremacy through fiscal pressure.

Ultimately, the Nueva Planta established for the first time a taxation equivalence between the Crowns of Castile and Aragon. However, the fact remains that the «administrative reformism» of the first Bourbon sovereign did not produce radical upheavals in matters of taxation, at least in Castile. In fact, the war commitments which aimed at recovering the Italian territories and which stu ded the entire reign of Philip V did not allow the sovereign or his ministers to revolutionize the tax system. Compared with the time of Charles II, the millones underwent no change, either in revenue or in the method of collection; the servicios were nominally the same (the 24, 2,5 and 9 millones for six years, as already set in 1632) and the collection system, founded on the encabezamiento and tax-farming, was identical. Only in 1725, after having carried out several censuses,\footnote{At the beginning of the century, the new dynasty had promoted some vecindarios, or population censuses, which also had the objective of determining to what extent the distribution of the apportioned taxes connected with the encabezamientos was correct: the demographic investigations ordered by Grimaldo in 1708 and by the Prince of Campoflorido in 1717 (vecindarios later included in Uztáriz’s *Teoría*) were of great significance.} did the government decide to revise the quotas and rules of the encabezamientos: since then, every taxpayer would have to draw up an annual statement of the wheat, livestock, wine and oil in his possession after harvest. In other words, until the fourth decade of the eighteenth century, the attempt was made to administer the system inherited from the Austrias as efficiently as possible and without too many alterations. In this context, an exception was represented by two important reforms: the abolition of border customs – the so-called puertos secos – between the Crowns of Castile and Aragon (declared in 1708 and again in 1711 and 1714); and the unification of all the alcabalas, cientos and millones of a given province under the control of a single tax-farmer (promoted by Jean Orry in 1713 and enforced in 1725). The latter measure undoubtedly was a notable step forward on the road to the rationalization of the system, which would be completed in 1749, when Ensenada would definitively abolish tax-farming and launch the única contribución.\footnote{In the last years of Philip V’s reign, the Minister of Finance Campillo tried to carry on the policy of rationalization of tax collection, relying on the direct collection of provincial taxes by the Bourbon administration: as a matter of fact, between 1741 and 1742, tax farming contracts were not renewed in five Castilian provinces. This line was also followed by Ensenada at the beginning of Ferdinand VI’s government and culminated in the decree of 11 October 1749 (regarded as a preamble to the única contribución) which provided for the passage of all the twenty-two Castilian provinces from the regime of tax farming to direct collection: since then, the intendants (whose powers were strengthened and clarified) were the only ones responsible for collection. However, the collection system based on the encabezamiento remained unchanged.}

To sum up, in the first half of the eighteenth century, Castilian taxation
continued to be based on the late-medieval consumption taxes (as in the case of the 
alabala), on customs duties and on the inefficient encabezamiento. 39

This continuity also had repercussions with regard to the economic analyses undertaken, since, in the early eighteenth century, only a few authors – apart from the significant case of Zavala – considered the other aspect of the debate, that is, the need to correct the imbalances in the primary sector. Uztáriz, for instance, considered the English corn laws so «repugnantes», that he did not deal with the crisis of the Iberian agricultural sector, nor did he examine in depth the issue of the food policy or of the liberalization of grain trade. 40 In other words, during the reign of Philip V, the reorganization of the financial system was not organically bound with the other important issue that characterizes the eighteenth century European economic debate, namely agrarian reform, but rather almost exclusively with the burning issue (especially after the Peace of Utrecht) of commercial policy and the revival of the Castilian manufacturing system. 41

Nevertheless, in these years, the regalist polemic against the Church gradually intensified. Its undisputed champion was Melchor de Macanaz. 42 It was not by chance that fiscal pressure to the detriment of the clergy had been increased since the beginning of the reign of the first Bourbon king, due to the continuous state of war of the monarchy until the forties. It has been amply demonstrated that, during the War of Succession, the contribution, which included a financial component, offered by the Castilian clergy to the cause of Philip V, was indeed decisive. 43 However, even before the end of the conflict, a growing opposition on the part of the episcopate and the regular orders coalesced against royal taxation and developed into a clamorous protest by one of the prelates, Luis Belluga, bishop of Cartagena, who had been the strongest supporter of the Bourbons. In November 1713, he addressed a violent memorial of protest to denounce the systematic violation of ecclesiastical immunity, in particular of the exemption from the payment of the tax on salt, which had been reiterated by the bull issued by Urban VIII on June 5, 1641. The pugnacious bishop went as far as to deny that the Crown had the sovereign right to exploit the commercialization of salt, and reminded that the greatness of states

39 Throughout the eighteenth century, contractors and the Bourbon administration continued to follow the practice (that had become standard) of raising the provincial quotas essentially through the sisas. Only in the event that the amount requested had not been reached, did they rely on the repartimiento, that is, the taxation of property, profits, volume of trade and livestock of all the vecinos residentes, including the clergy. This system, apart from ensuring the exemption of rentiers during the first phase of the collection (that of the encabezamiento), allowed landowners a large degree of tax avoidance, since, as Zavala complained, the local podermos controlled – now directly, now through clientelism – the municipal assemblies in charge of assessing the income of each fuego (or household). See ARTOLA, La Hacienda, p. 256 and 261.

40 UZTÁRIZ, Theoría y Práctica, ch. XXVIII, p. 67a. Aside from Zavala, the other author of the early eighteenth century who largely devoted himself to the examination of agriculture and, consequently to a cadastre-based tax reform was Alvaro Navia Osorio y Vigil de Quiñones, Marquis of Santa Cruz de Marcenado. See his Rapsodia económico-política monárquica, Madrid, Marín, 1732 (anastatic reprint Oviedo 1984).

41 HONT, Jealousy of trade, p. 77.

42 The influence that his works (most of which circulated handwritten) exerted on the regalism of the late eighteenth century still has to be fully assessed.

43 D. GONZÁLEZ CRUZ, Guerra de religión entre príncipes católicos: el discurso del cambio dinástico en España y América (1700–1714), Madrid 2002; D. MARTÍN MARCOS, El Papado y la Guerra de Sucesión española, Madrid 2011.
had always been directly proportional to the respect given to the immunities of the clergy, and that these had been guaranteed by canon and civil law. This, he argued, was demonstrated by the fact that, after the reign of Philip II, Providence had punished with military setbacks any new tax imposed on the Iberian clergy without papal consent. Furthermore, the bishop justified such privileges for the clergy on the basis of the services of spiritual care and material assistance that they provided to society. In conclusion, he stated that with the _subsidio_, the First Estate paid the _Hacienda_ at least one-tenth of its own income: much more than the nobility. This was a full-blown defense of the supremacy of spiritual over temporal power and of ecclesiastical over royal law.

The growing discontent of the clergy, along with the difficult issue of the papal recognition of the legitimacy of the succession of Philip V to the Spanish Crown, led the king to seek an agreement with the Holy See and the Iberian Church. He followed the political path of the concordats. Thus, after the rupture of diplomatic relations with Rome in 1709 (which allowed the Bourbon administration to administer vacant ecclesiastical benefices, and the episcopate to grant matrimonial dispensations without turning to the Apostolic Datary), the relations between the Spanish monarchy and the Holy See were normalized between 1715 and 1723. In fact, with the bull _Apostolici ministerii_ issued in 1723, Benedict XIII cancelled some of the privileges of regular orders, adumbrating the possibility of reducing even fiscal immunities. Later, the concordat of 26 September 1737 was signed: here the article 8 provided that all assets acquired under the regime of _mortmain_ from then on were liable for the same taxes as secular properties. However, – as all the regalist thinkers and the members of the _Junta del patronato_ (established in 1735) would later complain – _de facto_ this article was not complied with, nor did the agreement resolve the longstanding problem of benefices. So, in the last period of Philip V’s reign, new negotiations were begun, eventually leading to the signature of a second concordat in February 1753. This should have resolved both the long diatribe concerning the Crown’s claim to universal patronage over the Iberian Church and the issues concerning the so-called “papal reserves” on benefices. With this agreement, Benedict XIV yielded to the Spanish sovereign the royal patronage over the Spanish Church (thus extending the jurisdiction he already exercised over the Church of Granada and the American church), and abolished the papal reserves of the Curia and the nuncio. From a practical point of view, this meant that the king became

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44 L. _BELLUGA_, _Memorial que da a su Magestad el obispo de Cartagena. Sobre los acrecentimientos e impuestos en la sal [...],_ Murcia, S. A. Mesnier, [1713]. See also I. _MARTÍN_, _Figura y pensamiento del cardenal Belluga a través de su Memorial antirregalista a Felipe V_, Murcia 1960; _Estudios sobre el Cardenal Belluga_, edited by C. M. _CREMADÉS_, Murcia 1985.

45 The last attempt to enforce this provision was made by Squillace in 1760. The minister of Charles III remitted the taxes (in particular the _alcabala_) on immovable property passed under the _mortmain_ regime which had not been paid until then, with the provision that they would be paid from the first of January of that year onwards. On the other hand, even article 5 of the _Concordat_ of 1737, which provided that the Spanish Church would pay to the _Hacienda_ a new subsidy of 150,000 ducats every five years, had not been fully complied with.

master of the system of benefices and of all ecclesiastical dignities\textsuperscript{47}, and that from that time on he could more directly control the episcopate. From an economic point of view, the most far-reaching consequence was the significant reduction of the financial drainage carried on by the Curia, since all life annuities and bank coupons issued by the Roman banks on the incomes of Spanish benefices were cancelled\textsuperscript{48}. In addition, by cancelling a series of heavy taxes (anatas, medias anatas, quindineras and also espolios and frutos de vacantes), an entire branch of taxation connected to the system of benefices was eliminated.\textsuperscript{49}

This small revolution, however, did not totally interrupt the money drainage benefiting Rome, because the concordat did not undermine the right of Roman tribunals (in particular the Penitenzieria and Dataria) to grant absolutions and dispensations, especially those related to marriage. In the following years, all requests of this kind continued to pass not only through the usual institutional channel represented by the Agencia de preces, but also through many private agents residing in Rome.\textsuperscript{50} This is the reason why the jurisdictionalists of the second half of the eighteenth century continued to support one of the strongest rhetorical arguments of the Iberian regalist tradition, namely that of the drain of Spanish economic resources in favour of Rome\textsuperscript{51} (which argument Juan de Chumacero and Domingo Pimentel had already submitted to Urban VIII during their famous embassy to Rome in 1633).

3. THE CASTILIAN CADASTRE

An important turning point in the Iberian fiscal reformism was the introduction of the Castilian cadastre, as a basis of a single tax (or única contribución), according to the project advanced by the minister of Hacienda, Marquis of the Ensenada, between 1747 and the mid-fifties.\textsuperscript{52} By the formula of the única contribución, he did not mean the reduction of all taxes to a single one, but rather the “unification” of direct taxation into two branches (“real” or upon property, and

\textsuperscript{47} It was a total of 50,000 ecclesiastical benefices, of which 20,000 were “simple” or chaplaincies with rents attached, and 12,000 well-endowed (canonries, various prebends, etc.). In compensation, the pontiff maintained the right to appoint 52 benefices in thirty dioceses.

\textsuperscript{48} These coupons were a sort of mortgage on the incomes from benefices: as a matter of fact, Roman bankers used to grant to the holders of benefices advances on the incomes which they would receive in the first six years of ownership.

\textsuperscript{49} Significantly, the second concordat is linked with the important reform of the bank system (1748–1752), the Real Giro. See I. PULIDO BUENO, El Real Giro de España, Huelva 1994.

\textsuperscript{50} After the concordat, however, the administrative link between the Chamber of the Council of Castile and the Roman Agencia de preces became stronger. In 1778 the government managed to impose on the Curia a tariff of the individual preces (intercessions).


\textsuperscript{52} Zenón de Somodevilla, Marquis of the Ensenada, in his youth had collaborated with Patiño. Therefore, he had direct experience of the vices and virtues of the Catalan cadastre. During the thirties, Ensenada, as an officer in the military administration, had followed the future Charles III in his war campaigns through Italy and on this occasion he came to know the latest Italian cadastres, in particular that of Piedmont, which was based on categories of land use (1698–1716), the geometric and per-parcel one applied by Victor Amadeus II in the Duchy of Savoy (1728–1738) and the analogous Milanese project developed by the Giunta del cenimento (Census Board) between 1718 and 1733 on the basis of surveys and cartographic data. Philip V appointed him secretario de Hacienda in 1743. See J. L. GÓMEZ URDAÑEZ, El proyecto reformista de Ensenada, Lleida 1996.
personal) already provided for in the four tax systems launched in the former Crown of Aragon, and in particular in the Catalan catastro. In other words, Ensenada never proposed the abolishment of all indirect taxes (e.g. customs duties), but only the Castilian consumption taxes – alcabalas, cientos and millones – that were collected through the encauzamientos and the sisas. At the base of the project, however, there was the will to move the fiscal axis from indirect to direct collection: the path followed was that of taxing the gross product of all real estate, which meant not diverting from tax liability the investments made by owners or tenants (that shortly afterwards Physiocrats would define as avances foncières).

With regard to the criteria of the levy, Ensenada kept the old concept, applied in the former Crown of Aragon, of the minimum fixed quota that the Hacienda would have to collect. In order to avoid fiscal bankruptcy, initially this amount had to be at least equivalent to the profitability of the Rentas Provinciales, estimated at around 120 million reales de vellón. On the other hand, the rate to be applied to each taxpayer’s individual incomes from real estate and movable properties (which was actually the única contribución) could be set only after the end of the cadastral operations, when the total income of each taxpayer would be determined and capitalized from a maximum of 10 to a minimum of 5%. 53

Although the única contribución (which should have been calculated on the basis of the cadastre) remained unenforced, this attempt to reorganize the Castilian tax system on the basis of equal distribution was not forgotten and periodically revived until the first half of the nineteenth century. 54 Furthermore, cadastral operations caused an acceleration and, above all, a reset of the debate, since the many opponents of cadastre-based taxation were forced to propose alternative collecting models allowing the preservation of the guiding principle of the única contribución, namely tax proportionality and distributive fairness. 55 This meant that, since then, all

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53 In his famous Representación to Ferdinando VI of 1751, Ensenada reiterated the argument that the economic decline of the monarchy depended essentially on the rentas provinciales, no tanto por la cantidad que producen como por el método en su administración y excesivos gastos en su exacción, pues [...] las paga todo pobre y no todos los ricos. Thus, the only remedy would have been the passing of the única contribución en que se trabaxa ya que la experiencia de Francia y otras partes, no desmentida en Cataluña, ha acreditado que es el medio de hacer contribuir el vasallo a proporción de lo que tiene y gana, con justicia y claridad, fixando reglas para subir y baxar esta renta con proporcionada equidad. See D. OZANAM, Representación del marqués de la Ensenada a Fernando VI (1751), «Cuadernos de Investigación Histórica», 4 (1980), pp. 67–124, esp. p. 100.


55 Among the alternative proposals advanced in these years, it is worth mentioning the one that Martín de Loynay, then director of the renta de tabaco, addressed to Ensenada in May 1749 (see his Instrucción que para la subrogación de las rentas provinciales en una sola contribución [...] , in Miscelánea económico-política, pp. 181–216). Loynay recommended the application of a project, based on the Dutch model, presented in 1650 by José González, who was then a member of the Board of Finance: a «regalía de molienda de granos» . In short, the official suggested the replacement of all the Rentas provinciales (including royal monopolies) and the three tax systems of the Crown of Aragon with a flour-milling tax, to be collected in the mills or at the gates of the big cities (ibid., pp. 193–214). The tribute was to be
the Spanish ministers, officials and _proyectistas_ shared a common perspective (that only the latent bankruptcy of the nineties called into question): taxation no longer appeared as only one aspect of the governments’ policy (as expressed by the _proyectistas_ of the early eighteenth century), but had to be regarded as one of the drivers of economic development. Therefore, tax collection should not be limited to the ensuring of revenues, but in addition should help economic growth, by moving the levy from the manufacturing and producing classes to those who were unproductive and living on private incomes.\(^56\)

Within one month of communicating his proposal to the king (on 10 October 1749), Ensenada was able to convince him to sign the decree introducing the _única contribución_. The royal document included an _instrucción_ (or set of instructions) with forty-one items indicating the institutional instruments, the method and the criteria of the cadastral survey. Regarding the first point, operations were to be directed at central level by a _Junta de única contribución_ established for the occasion and presided over by the Minister of Finance himself; at the provincial level, the figure in charge of the operations was the _intendente_, a position introduced by the new dynasty on the French model: therefore, twenty-two _intendentes_ (one for province), answering directly to the Royal Central Commission, were appointed with the task of presiding over the provincial cadastral commissions.\(^57\) The local courts or _Audiencias_ would provide the necessary staff for data recording. The audit would be extended to two levels: individual and municipal. In the first case, every person, natural or legal, belonging to any class or social status, had to provide a sworn statement of one’s own assets: among natural persons, there were also included convents, monasteries, cathedral chapters, Episcopal seats, confraternities, hospitals and hermitages. Common goods were part of the same category, since they were collectively owned by each village. At the municipal level, the city councils were asked forty questions about the territory and its products, their prices, costs of production, the debts incurred by the municipalities themselves, religious holidays, etc. As in the

universal and without exemptions. The idea of taxing a single product, in particular flour, was not new, and had been re-proposed during the same period by Theodoro Ventura Argumosa y Gándara, one of Vauban’s many Spanish admirers and the skilful plagiarist of Melon’s _Essai_, in contrast to the hypothesis which suggested extending the Catalan cadastral experience to Castile. Argumosa had argued that it was possible to choose between salt and grains and had advised, as had Loynaz, the maintenance of the tobacco monopoly and customs duties on foreign trade. See T. VENTURA ARGUMOSA Y GÁNDARA, _Erudición política; despertador sobre el comercio, agricultura y manufacturas, con avisos de buena política y aumento del Real Erario_, Madrid, n. p., 1743.

\(^{56}\) According to Ensenada, the Catalan experience had demonstrated that the cadastral-based tax respected both distributive fairness and social equity better than the Castilian indirect taxes _encabezados_, because it allowed an attack on the wealth of the privileged classes, who, even when they did not enjoy tax immunity, evaded the payment of consumption taxes by consuming their own rent. On the political meaning of the cadastral option, see the observations of A. ALIMENTO, _Entre justice distributive et développement économique: la lutte pour la création des cadastres généraux au 18\(^{e}\) siècle_, in _Kataster und moderner Staat_, pp. 1–27.

\(^{57}\) While the _superintendentes de Hacienda_ created by the Marquis of Los Vélez in the last years of the seventeenth century had predominantly fiscal functions (apart from carrying out the task of supporting productive activities), these new Bourbon intendants also had military prerogatives in that they were responsible for supplying their district’s army and navy from 1718: the centralization of the administrative system during the reigns of Philip V and Ferdinand VI involved a kind of militarization of the most important offices. On intendants in Bourbon monarchies see F.-X. EMMANUELLI, _Un mythe de l’autolutisme bourbonien: l’intendance, du milieu du XVII\(^{e}\) siècle à la fin du XVIII\(^{e}\) siècle_ (France, Espagne, Amérique), Aix-en-Provence 1981.
Catalan *catastro*, the estimated wealth was organized into two branches: real (properties and «rights») and industrial or mercantile (profits and revenues deriving from artisanal, liberal and commercial professional activities).

Particular attention was dedicated to the Church assets. Ecclesiastical properties were surveyed separately from lay ones: beneficiated real estates (belonging to institutions and therefore subject to the constraint of mortmain) were distinguished from assets (or private properties). Later, an attempt was made to draw up a register, the book of the *mayor hazendado*, which was a record of the assets of the household that paid the greatest amount of tithes in each community (this did not coincide *ipso facto* with the richest household). The aim of this was to calculate the product of the *excusado* which was to be abolished with the introduction of the *única*, and so to find out how much the Church was actually paying to the State in the form of the old direct tax, thus producing evidence that the change in the taxation system had been justified.

However, the greatest difficulty that characterized all the procedures of the *única contribución* even after the cadastre was completed and that ultimately determined its final failure was the active and passive opposition coming not only from the oligarchies and privileged classes, but also from the common people who often were driven to physically attack and throw stones at the appointees. During the cadastral operations, this opposition materialized particularly in the deliberate underestimation of the incomes and in the concealment of assets: tax evasion or avoidance was facilitated by the fact that surveyors were usually recruited locally and that local oligarchies controlled town councils through their representatives. Making local authorities (mayors, parish priests, local magistrates) partly responsible for the estimation procedures was an obvious error, which arose not so much from the desire to avoid excessive conflict with individuals considered external to the community, but rather from the material impossibility on the part of the Bourbon administration to have at its disposal a qualified staff sufficient for such an undertaking. The intendant and the officials of the *Hacienda*, diligent and honest as they might be, were not able to control everything and everyone. Therefore, the unavoidable involvement of local authorities proved to be a fatal mistake, because landowners, oligarchies and the privileged classes, if not able to go as far as boycotting the estimation procedure, were at least able to falsify appraisals, as had happened in the previous Catalan experience. In Madrid, Ensenada and the *Junta* were so aware that this was the critical weak point of the whole procedure, that they acted with extreme determination to punish the most blatant cases of resistance to royal orders, as well as the incidents of corruption or underground solidarity (especially with clerics and titled nobles) that involved the *intendentes* or their delegates.\(^{58}\)

Yet, despite the many inaccuracies and attempts to resist, many successes were achieved. One of them was the concordat with the Holy See in 1753 and the brief *Exponi nobis super* issued by Benedict XIV on 6 September 1757, that authorized the inclusion of the secular and regular clergy into the Castilian *única contribución*,

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\(^{58}\) Cadastral operations, begun in March 1750, ended in 1757 after five years of hectic work, both in Madrid within the Board and at the provincial intendancies, and involved 1,200 cadastral teams, 3,000 technicians and 6,000 public administration employees of various kind. Seven million people then living in the Crown of Castile were sifted through and millions of plants and houses were scrupulously counted.
which de facto also ended up including the tenths paid to the state (that, as previously stated, were collected essentially through subsidio, excusado and tercias reales\(^5\)). This diplomatic success, reached thanks to the contribution of the Jesuit Francisco Rávago, Ferdinand VI’s confessor, was actually essential to the success of the entire project of reform, because the clergy absorbed almost a quarter of the land rents of the time and, thanks to the mortmain, benefitted from large tax-exempt properties\(^6\). However, in subsequent years, this solution proved to be an ineffective victory, because the resentment and opposition of the clergy increased, due to the fact that the project of fiscal reform focusing on the direct taxation of real estate brought ecclesiastical immunity into question. Only the expulsion of the Jesuits, which was decreed by Charles III in 1767 and in actuality became a first partial act of ecclesiastical desamortización through the confiscation of the land assets of the Society of Jesus in the Spanish Assistancy, allowed the government to discipline the clergy, in particular the regulars. At that moment, however, it was clear that the cadastral project, which had initially fascinated the reforming party, had stopped arousing the interest of the Bourbon government.

The passing away of Ferdinand VI in 1759, along with the political misfortune that overwhelmed Ensenada, decisively contributed to the decision to halt the implementation of the Castilian geometric appraisal of land. In fact, during the long reign of Charles III (1759–1788), the cadastral reform was frozen, although the legislative process continued as a result of administrative inertia until 1776.\(^6\) Apart from the doubts of the individual officials and ministers of Charles III,\(^6\) the real

\(^5\) In the same brief it was stated beforehand that the “Three Graces” would become a perpetual right of the crown, no longer subject to periodic renewals by the Holy See.

\(^6\) The same strategy had been followed a decade before by Don Carlos in Naples. Concurrently with the launch of the Neapolitan ounce-based cadastral, Charles III signed a concordat with the Holy See, which provided that all assets confiscated by the ecclesiastical authorities after 1741 (with the exception of the assets held by parishes, hospitals and seminaries) would be subject to the “real” tax. See R. ZANGHERI, Catasti e storia della proprietà terriera, Torino 1980, p. 102; A. BULGARELLI LUKACS, Alla ricerca del contribuente. Fisco, catasto, gruppi di potere, ceti emergenti nel Regno di Napoli del XVIII secolo, Napoli 2004.

\(^6\) D. MATEOS DORADO, La Única Contribución y el catastro durante la época carolina, «Hacienda Pública Española», 2 (1990), pp. 47–58. On 20 June, 1760, Charles III established a second Junta de única contribución, presided over by the new Minister of Finance, the Marquis of Squillace. However, among the first acts of the new board, there was the launch of an overall audit of the estimates carried out in the previous five years: this proposal was tantamount to leading the reform into a blind alley. Later on a decree signed on 4 July 1770 by Charles III – which established a sala de única contribución within the Consejo de Hacienda in lieu of the Junta (which was dissolved) – provided for the assignment of a pre-established fixed quota to each of the twenty-two Castilian provinces. The operation of apportionment was carried out in 1774, but, despite the presence of local and provincial personnel, the sovereign, frightened by the deluge of appeals by taxpayers (in particular by landowners), did not want to apply the reform. Therefore, on 23 July 1776, the Minister of Finance Múzquiz decided to postpone indefinitely the implementation of the reform in order to examine the complaints and make the appropriate adjustments. After a final discussion in the Consejo de Hacienda, between October 1778 and March 1779, the project of única contribución was abandoned. See the summary of this political and administrative process in ARTOLA, La Hacienda, pp. 267–279; C. CAMARERO BULLÓN, Informe del Consejo de Hacienda a Carlos III sobre el catastro de Ensenada, «Catastro», 51 (2004), pp. 67–107.

\(^6\) Among the officials opposed to the Castilian cadastral there was Pedro Rodríguez de Campomanes. Already between 1757 and 1759, when he had not yet taken on governmental responsibilities, he proposed to replace the alcabalas with a general encabezamiento based on the model of the Equivalente, that is, based on the apportionment of an annual fixed quota to each Castilian province. Clearly he did not trust the coeval cadastral operations, which he considered to be defective and expensive.
reason for the definitive shelving of the project must be sought in the mobilization against it by a broad social bloc, which, as previously indicated, brought together local oligarchies, the clergy (in particular the regulars) and the nobility, both *hidalgos* and titled; in other words, almost all of the Spanish ruling classes.

The very existence of this opposition, strengthened by the awareness that the reorganization of the economic and fiscal policy required the consent of at least the most “enlightened” sector of the privileged orders, convinced the majority of the reformers of the late eighteenth century that the cadastre was not the only means to achieve fiscal equity, and that, instead it was necessary to tackle the root of the problem, that is to correct the imbalances and inequities in the primary sector. Certainly, the gradual penetration of the European enlightened and reformist ideas into Spain (the foundation of the *Sociedades Económicas* was one of its most obvious manifestations) helped to reshape the debate on economic issues and to recalibrate the priorities of reformism. Thus, apart from the circulation of the theses and texts of the Physiocrats, what developed was an eclectic agrarist and agronomic consciousness which was already evident in the generation of the *mantuésistas* reformers led by the Asturian fiscal Pedro Rodríguez de Campomanes and which would characterize especially the so-called *Ilustración tardía*. One of the theoretical axes of this thinking was certainly regalism, which was now no longer exclusively wielded in defense of the legitimate rights of the Crown, but used as a means to open the way for the twofold reform – fiscal and agricultural – longed for by the heterogeneous reforming group gathered by Charles III on his arrival in Madrid from Naples.

4. Fiscal reform during Charles III’s reign (1759–1788)

The third “moment” of the Spanish fiscal reformism can be dated to the first decade of the new king’s reign, which was characterized by a strikingly regalist reforming vitality. Although the new minister of Finance, Marquis of Squillace, followed the main directives of Ensenada’s fiscal policy (starting from the will to apply the Castilian cadastre), his reforming activism was more radical compared to the previous years, as demonstrated by the outbreak of the political crisis of 1766–

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According to Campomanes, the approximation of measurements – clear in the case of Asturias – depended upon the still primitive state of political arithmetic in the Spanish context, which made it necessary to translate the works by Petty, Child and Davenant. See V. Llombart, *A propósito de los intentos de reforma de la Hacienda castellana en el siglo XVIII: Campomanes frente al proyecto de Única Contribución, «Hacienda Pública Española», 38 (1976), pp. 123–132; Id., *Campomanes, economista y político de Carlos III*, Madrid 1992, pp. 78–83. It should be noted that some of the arguments to which Campomanes and the opponents of Ensenada’s cadastre resorted closely followed those developed in the Kingdom of Naples by the critics of the Neapolitan ounce based cadastre, in particular by C. A. Broggia and A. Genovesi: see Zangheri, *Cadastri*, pp. 102–106.


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1767, which was mainly due to the reforms implemented in the fiscal sector. The foregoing debts contracted during Philip V's reign, the expenses of the war against England and Portugal in 1762–1763, the cost of the weddings of Maria Luisa and the Prince of Asturias (future Charles IV) and the compensation owed for the acquisition of the territory of Piacenza to the Duchy of Parma, drove Squillace to increase the tax burden (for instance, by asking the three Basque provinces for a voluntary donation) in the first place, but, above all, led to a series of measures that overturned centuries-old practices and socio-economic balances: the financial reform of the Castilian municipalities, the assumption of the direct administration of the excusado by the Royal Hacienda and the beginning of the debate on the need to reduce the regime of mortmain (which granted the clergy immunity from real estate taxes) were among the most important ones.

Although this debate, which was born from the need to enforce the concordat of 1737, did not culminate in a limitative law (in contrast to what happened in the Kingdom of Naples and in the Duchy of Parma), it certainly influenced the subsequent decision to confiscate the Jesuits temporalidades after their expulsion in 1767, for at least three good reasons. Firstly, because the political protagonist of all these events is the same, namely the fiscal of the Consejo de Castilla, Pedro Rodríguez de Campomanes, author of the famous regalist text Tratado de la regalía de amortización, published in 1765 with the explicit aim of conditioning the governmental debate through a direct appeal to the Spanish «civil society». Secondly, because in both cases regalism, properly revitalized through the Febronianist and Pombaline theses, represented the essential core of the reforming action and of the ideology of the mantiéistas (i.e. anti-Jesuit) officials who maintained the need to tax (or, in extreme cases, expropriate) the clergy. Finally, because among the hidden causes of the exile of the Ignatian order, there is the successful attempt on the part of the Jesuits most influential at court (and, at the same time, in Rome) to boycott the law

64 On this point, see the exhaustive analysis by J. ANDRÉS-GALLEGO, El motín de Esquilache, América y Europa, Madrid 2005, pp. 91–197.
65 On 30 July 1760, Charles III issued a decree providing for the creation of a specific contaduría general de Propios y Arbitrios dependent on the Council of Castile and the Department of Finance, which was intended to exercise control over the budgets of each municipality. Ibid., pp. 163–166 and 329–331.
66 This last measure, which interrupted the practice of the quinquennial concordas or agreements that had lasted for two hundred years, determined that public officials were to calculate the productivity of tithes in each diocese and, subsequently, to carry out the collection. Despite the episcopate’s angry reaction, the new king did not back out of his decision, although the difficulty of establishing an ad hoc administration for tax collection (as had happened in 1571) persuaded Squillace to opt for farming during the sixties, the right of collection was assigned to a company linked to the Cinco gremios mayores. See ARTOLA, La Hacienda, pp. 295–299; ANDRÉS-GALLEGO, El motín de Esquilache pp. 119–126.
limiting the mortmain demanded by Campomanes. Therefore, despite the defeat represented by the interruption of this law’s legislative process due to the revolt that led to Squillace’s fall (for which Campomanes blamed the Jesuits), the confiscation of the assets of the Spanish branch of the Society of Jesus into a specific fund of the Hacienda was a far-reaching political result. Ultimately, the non-publication in 1770 of the bull *In Coena Domini* by Clement XIV (since the seventeenth century, the most important juridical document produced by the papacy in order to justify the defense of the inalienability of the ecclesiastical properties) must also be ascribed to the actions of Charles III's government. In fact, after the crisis of 1768 caused by the so-called Monitorio of Parma and in the middle of the negotiations for the canonical suppression of the Society of Jesus started as a result of Spanish diplomacy, the pontiff nourished the hope (which later faded) to barter his measure for the survival of the Order. When it was suppressed in 1773 thanks to the diplomatic intervention of José Moñino (former fiscal de lo criminal of the Council of Castile, Campomanes’ colleague and future Count of Floridablanca), Spanish regalism seemed to have achieved its most significant victory.

It is therefore necessary to stress the political importance of the expulsion of the Jesuits from the kingdom of Charles III, since it represented not only a measure of partial desamortización, but also a stimulus for the subsequent reform policy. At the basis of the regalism of Campomanes and the manteístas officials of Charles III’s government, there was the Muratorian idea that the clergy had to contribute to public happiness. By emphasizing the utilitarianist outlook already shared by the early

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70 It is known that on 30 January 1768, Clement XIII condemned the jurisdictionalist policy followed by the Prime Minister of the Duchy of Parma, Du Tillot, because it infringed the provisions of the bull *In Coena*: see C. Maddalena, *Le regole del Principe. Visco, clero, riforme a Parma e Piacenza (1756–1771)*, Milan 2008. All Bourbon governments, along with the Portuguese, Austrian and Venetian ones, had immediately re-established the *exequatur* and promoted restrictive laws on mortmain. This crisis prompted the fiscal Campomanes to write and publish in the same year the *Juicio Imparcial […]*, probably the most radical regalist text of the Spanish eighteenth century.

eighteenth century projectistas and regalist officials, the fiscal argued the need to bring the ecclesiastical lands onto the market (as had happened in the case of those taken away from the Ignatians, whose 70% was put up for auction by 1784) and, at the same time, to reduce the number of monasteries and convents. The ideal society envisaged by Campomanes and his colleagues was that of the ancient Roman Republic based on small property and tenant farming, where the figure of the virtuous and frugal pater familias was harmoniously welded to that of the patriotic citizen. The main way to achieve this social project (which was still organicist) was by reducing the privileges and immunities of the clergy and, to a lesser extent, of the nobles, as well as by ensuring a higher economic freedom: thus, the liberalization of the wheat trade decreed in July 1765 and the confiscation of the Jesuit assets were regarded as the starting point of a complex reform of the Iberian rank-based society, aimed at making it more dynamic and fair. Consequently, in the years immediately following 1767, Campomanes promoted a series of debates and reforms which became indelibly associated with the years of Charles III’s reign: the restoration of the royal exequatur for pontifical documents, the repopulation of the Sierra Morena carried out by the intendant Pablo de Olavide (when former Jesuit assets were used to repopulate some Andalusian villages), the discussion on the agrarian law based on the Roman model (which ended in 1795 with the famous Informe by Jovellanos), the progressive reduction in the number of the monasteries of the religious orders (achieved through a series of complicated negotiations with the various local ecclesiastical authorities). All the discussions in government circles – some of which resulted in precise legislative measures – were accompanied by continuous appeals to the Iberian (and Creole) ruling classes to redefine their role in accordance with a patriotic perspective. In addition, there was a desire to elevate the study of civil and political economy to the status of a science and to rank it as an academic subject. Campomanes and the reformers of his generation identified the Sociedades Económicas de Amigos del País as the place where these ambitions merged.

72 On this point, see the observations of R. Herr, Rural change and royal finances in Spain at the end of the old regime, Berkeley 1989, Spanish transl. La Hacienda Real y los cambios rurales en la España de fines del Antiguo Regimen, Madrid 1991, pp. 79–91.
73 G. Anes, La Ley Agraria, Madrid 1995; C. de Castro, Campomanes. Estado y reformismo ilustrado, Madrid 1996; Herr, La Hacienda Real, pp. 91–110; Llobart, Campomanes, economista, pp. 191–233. At that time, the ilustrado who developed the most radical criticism of the society of the Old Regime (starting from an analysis of the Iberian economic and fiscal situation, as well as from the usual condemnation of the Rentas provinciales) was certainly León Arroyal. See his Cartas económico-políticas, Oviedo 1971. Not surprisingly, his work remained unpublished until 1841, although it was written between 1786 and 1790.
In conclusion, during the middle of Charles III’s reign – from 1766-67 until the mid-eighties – there was a reversal of the reform policy, which was unlike what had happened during Ensenada’s long administration. The issue of the re-launch of agriculture (and trade with the American colonies) overshadowed that of the tax reform, although the debate on reform continued along the guidelines set forth in the first decades of the eighteenth century.\footnote{55}

The fourth phase of the Spanish fiscal reformism, which can be dated to the end of Charles III’s reign, had as its protagonist the Secretary of State Floridablanca, who was the real promoter of the reform of the frutos civiles implemented between June 1785 and July 1787\footnote{56}. In these years, under the pressure of the increase in deficit caused by the Spanish intervention in the American War of Independence and by the reorganization of the public debt,\footnote{57} the urgent need for a general tax reform – in particular of the Castilian taxation system – arose again. The tax on «frutos naturales e industriales» – which, not by chance, sprang from an idea of the French-born officer Francisco Cabarrús, founder of the Banco de San Carlos in 1780 and inventor of the vales reales\footnote{58} – was imposed mainly on land incomes and rents and should have replaced the Castilian Rentas Provinciales and the ecclesiastical subsidio. To prevent owners from shifting the tax onto their tenants by raising the rent, Floridablanca initially proposed corrective measures, before imposing a ceiling on the practice by law. The collection would be entrusted to the administrators of the ecclesiastical tithes. The final version, summarized in an instrucción reservada attached to the decree of 8 July 1787, provided for the division of taxpayers into six classes. The first was composed of the owners of real estates and public debt bonds, who had to pay the 5\% on revenues. The second was formed from the tenants. Given the impossibility to use the by-then discredited cadastral tool to calculate the settlers’ income, the most reliable measure was the rental itself, because, according to Floridablanca, it represented a part of the land product. In this case, the quota to be collected had to be between 2 and 3\% of the rental value. The other categories of taxpayers – merchants, artisans, wage-earners, civil servants – would pay to the State only indirect taxes, while the clergy were exempt from the direct tax. In conclusion, Floridablanca’s reform, which was accompanied by the creation of provincial councils on Necker’s model, certainly was the most significant and pragmatic of


\footnote{57} R. TORRES SÁNCHEZ, El precio de la guerra. El Estado fiscal-militar de Carlos III (1779–1783), Madrid 2013.

Charles III’s reign. For the first time in the history of the Castilian taxation system, it tried to bring together and integrate a direct tax on incomes from land (rather than on land property, as originally suggested by Cabarrús) with indirect taxes. The refusal to employ any cadastral tool was the axiom and premise from which Charles III’s minister had started.

However, the absence of a cadastre did not facilitate the imposition of the reform. Also, the tax reliefs provided for on the direct taxes paid by the artisans were not enough to erase the uneven approach to the taxation. Therefore, the opposition to the contribución de frutos civiles was immediately very strong, especially on the part of the landed nobility. But, in the long run, what decided the fate of the tax was the inflation of the paper securities issued by the Banco de San Carlos and the increase in the budget deficit due to the war against republican France. Thus, in September 1794, the tax on frutos civiles was replaced by a 6% tax on all the agricultural rentals and a 4% tax on house rentals, with the exception of the great majority of the ecclesiastical properties. Before being fired in 1792, Floridablanca tried at least to impose the principle already established by Uztáriz at the beginning of the century according to which at the base of any fiscal reform there was the need for a prior survey of the taxpayers’ means. This was the reason for the population census of 1787 (which was then followed by the censo de frutos y manufacturas de España e islas adyacentes published in 1803) and the review of the Castilian encabezamientos started in June 1785.

5. TOWARDS THE CÁDIZ CORTES

The fifth and final season of the Spanish fiscal policy can be seen to range from the mid-nineties to the development of a fiscal reform (which was never implemented) by the Cádiz constituents in 1813. It is a convulsive phase in which, as part of the attempt to re-establish the Spanish monarchy on constitutional grounds, the projects and attempts of the previous decades were re-elaborated in order to reorganize taxation (in particular the Castilian system) on the grounds of fairness. Undoubtedly, before the tax debate that took place within the Cádiz Cortes, the most relevant fiscal measure was the so-called desamortización of 1798, which had been proposed since 1794 by one of the senior officials of the Ministry of Finance, Cayetano Soler. As Richard Herr has rightly argued, the origin of this measure – which was revolutionary to a certain extent – must be found in the sudden growth of

81 By means of the Real cédula of 8 September 1794, it was replaced with an extraordinary tax of 6% on all land rentals aimed at amortizing the vales reales, which remained in force until 1817.
83 HERR, La Hacienda Real, pp. 111–157. It needs to be remembered that between the second half of the nineties and 1800 the clergy paid to the Hacienda three extraordinary taxes (a total of 102 million reales), used among other things to finance the “crusade” against the French Republic and the war against Great Britain.
the deficit and in the inflation suffered by the vales reales, the new titles of public debt (usable as paper money) issued since 1780. However, the reforming ideology at its base dated back to the reform projects (especially in the field of agriculture) shared by the group of officials led by Campomanes. It was not by chance that, while the arguments put forward by Charles IV in his decrees of 1798 echoed the theses of the Tratado de la regalía and of Jovellanos’ informe on the agrarian law, the practical mechanism chosen to expropriate and sell ecclesiastical lands closely conformed with the previous plan of 1767 – ideated by Campomanes – to confiscate the properties of the Jesuits (and of the Colegios mayores). Thus, although the measure of 1798 was applied during Charles IV’s reign, it can be regarded as a late outcome of the reforming culture of Charles III’s time.84

In his decrees, the king distinguished two types of ecclesiastical assets: those fully owned by parishes, chapters and regular orders; and those which had been originally donated by public authorities and private citizens in order to allow the clergy to carry out their spiritual and charitable service. The sovereign, following Campomanes’ jurisdictionalist theses, considered the latter ones as public assets – they included the lands of charitable institutions, chaplaincies and the so-called obras pías managed by confraternities, hospitals and hospices85 – and therefore under the Crown’s jurisdiction. In a time of trouble, the monarchy, committed to defend the Church against the danger of the Revolution, recovered the full possession of these assets, which were later sold at auction. Sales proceeds were intended for a special Sinking Fund with a threefold task: to ensure an interest rate of 3% to public debt securities (since real estate held in mortmain had been formally associated with securities intended to guarantee an income to their former owners), to finish paying the debts incurred during the previous years with certain Dutch bankers and progressively redeem the vales reales issued in excessive amounts in the nineties.86 Apart from the financial urgency of the moment, the desamortización was part of a precise logic of reform. On the one hand, the jurisdictionalist frame, which, by forcing a solution to the age-old problem of the taxability of mortmain tenures which had arisen with Article 8 of the concordat of 1737, associated immovable property with the “public” services (essentially charitable assistance) offered by the secular and regular clergy. On the other hand, the hope was revived that this measure might stimulate the take-off of agriculture thanks to the placing on the market of large amounts of land. Furthermore, the king explicitly reiterated the social fairness of the measure, since it excluded productive classes from the levy and hit only the privileged classes. It was not by chance that his fourth and final decree provided for an initial measure of alienation (always by public auction) of the mayorazgos properties. Therefore, apart from presenting itself as a fiscal reform focused on the alienation of part of the ecclesiastical properties, the desamortización of 1798 was the first step toward

84 Ibid., pp. 91–110, 849–871.
85 Alienable real estate properties included also those of the three Castilian military-chivalric orders.
86 In addition, it was stated that the owners of the vales reales could use the full nominal value of the securities to purchase the properties offered for sale.
overcoming the Old Regime in Spain, a process that ended on 1 May 1855 with the law signed by Pascual Madoz.

Not surprisingly, the clergy tried to fight the expropriation of their properties in various ways, usually by registering them in the name of private citizens or mortgaging them before the implementation of the decrees. There was also a libelous invective, not only because the desamortización seemed to be reminiscent of the alienation of the French national assets related to the issue of the assignats and the Civil Constitution of the Clergy, but also because it was followed by the so-called “Urquijo’s schism”. Ironically, this press campaign superimposed itself on the other anti-revolutionary and anti-Napoleonic one. However, on the whole, the operation of alienation proceeded without too many hitches mainly because the government had made provision for some cash incentives in favour of the judges supervising public auctions. In addition, between 1805 and 1807, Pope Pius VII pandered to the Spanish government by endorsing the decrees of 1798 with a series of briefs. As a consequence, in 1808 at the beginning of the reign of Joseph Bonaparte, the Sinking Fund had managed to redeem 14% of the circulating vales reales thanks to the sales made until then. So in these years the foundations for a radical change of the taxation system were laid. In fact, while the Napoleonic government continued the activity of desamortización to attack its political opponents, on 7 August 1809 the Junta central decreed the abolition of the Castilian Rentas Provinciales by resurrecting the project of the única contribución.

For this reason, practically everyone who engaged in the economic and fiscal debates during the Cádiz Cortes continued to slavishly criticize the Rentas Provinciales. Indeed, José Canga Argüelles and the members of the commission in charge of discussing the fiscal reform of 1810 continued to debate themes and reform projects put forward in the eighteenth century. It is not surprising that the vast majority of the constituents – even among those proposing a

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87 For a summary of the legislative measures that characterized the three main elements which would support the creation of a free land market (namely, the complete alienation of ecclesiastical property, the abolition of majorats and fee tails, and the sale of municipal common lands) from the Restoration of 1814 until 1855, ibid. pp. 830–833.

88 The proclamation of the Roman Republic, the collapse of the Curia and the death of Pius VI (20 August 1799) led the Minister of Justice, Mariano Luis de Urquijo, to decree the administrative independence of the Spanish Church from Rome. This was the fulfilment of the dream of generations of Iberian regalist thinkers, since the jurisdiction of the nuncio was abolished and the granting of matrimonial dispensations was returned to the bishops. But the election of Pius VII in Venice (14th March, 1800) created the conditions for the end of the “schism”, although the Iberian Ordinaries kept the right to grant dispensations to intermarry until the third and fourth degree of affinity (a common occurrence in rural Spain).

89 By way of example, see J. DE LA REGUERA VALDEOMAR, Peticiones sobre reparo de agravios causados en el fatal Reinado de Carlos IV. Dirigidas a la Nación española en Cortes Generales, Madrid, Oficina de Collado, 1810.

90 On 15 April 1817 the Pope confirmed the taxability of ecclesiastical real estate properties with a brief, in view of a contribución general decreed by Ferdinand VII. On the attempts of a tax reform during the first phase of the restoration of the Bourbon regime, see FONTANA, La quiebra de la Monarquía absoluta, pp. 136–171.

single tax – disapproved the idea of a new cadastre: suffice to mention the case of the Memoria of 9 September 1811 written by Canga Argüelles himself. Even though the important tax reform of 13 September 1813 (never implemented, due to the restoration of Ferdinand VII) provided for the creation of a universal direct tax on real estate, it resorted to the system of the provincial apportioned quota managed by the single municipalities and was not subject to general survey audits promoted by the central government. Although it had been renewed, this was still effectively the old system, because calculations were based on the data collected through the censo of 1799. Thus, after a century, the debate had returned to the starting point, that is, to the same principles that – following the example of Vauban's Dîme Royale – Patiño had initially tried to apply through the Catalan catastro, and that Zavala had defended in his Representación of 1732. Clearly, Ensenada's cadastral experience continued to be a cumbersome obstacle for everyone who wanted to introduce the direct taxation of real estate. In addition to the accusations that the operation was slow and expensive, two arguments that had been already put forward by the council in charge of overseeing the cadastral procedure in 1749 ended up taking root. The first one concerned the inaccuracy of the survey, which should have been periodically corrected or adjusted; the second concerned the disparity in determining the tax base between agricultural products and movable wealth: on the one hand, the real tax weighing on land was calculated according to the gross product without diverting the costs of production; on the other, incomes from rents, mortgage loans, commercial profits, wages etc. were calculated on the basis of their net yield. The attempt to revise this specific aspect of the reform – made without much conviction in the early seventies of the eighteenth century – was in fact nullified by the decision to calculate tax discounts in an intuitive manner, without any impartial back-up provided by surveyors.

Yet the negative myth that caused the rejection of the hypothesis in favour of a general geometric parcel-based cadastre did not affect the myth of a single tax as the supreme panacea for the ills of Spanish taxation; nor, oddly enough, did it prevent the use of the cadastral procedures promoted by Ensenada for statistical purposes. Not only the very opponents of the Castilian cadastre (such as Campomanes) several times used the quantitative figures and estimates collected between 1750 and 1757 for the daily practice of government, but from a doctrinal point of view the catastro gained unexpected posthumous fame. Once again, we are faced with a paradox (one the many featuring the fascinating history of eighteenth

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92 J. CANGA ARGÜELLES, Memoria sobre las Rentas Provinciales de Castilla y León, leída en las Cortes Generales y Extraordinarias el día 21 de septiembre de 1811, ibid., pp. 79–119. Canga was in favour of a direct tax on land value, but proposed to delegate the estimating operations to the taxpayers themselves, thus following the predominant opinion of the elite ilustrada from 1759 onwards.


century Spain), because although the first general geometric and parcel-based cadastre of the Spanish territory was carried out only in 1909, Ensenada’s *única contribución* represented, for more than a century and a half, the banner of the supporters of the modern cadastre seen as a means of tax fairness (although, in truth, their number was limited).

In conclusion, it is worth underlining that the red thread connecting the different moments of Spanish fiscal reformism was the will to make the tax system fairer and more equal by shifting the levy from the consumption of subsistence goods to the taxpayers’ real income. The measures taken by various governments and ministers during the eighteenth century were often inconsistent and were faced with the successful resistance of the privileged classes, as in the case of the ambitious *única contribución*. Anyway, the vitality of the debates on the fiscal reform shows that a sector of the Spanish ruling classes tried to change the Old Regime society from the top, keenly aware of the link between the reform of the agrarian world and the shift of the levy from indirect taxes (excise taxes and customs duties) to direct ones weighing on real estate and incomes in general. If eventually the last generation of *ilustrados* (including the pro-Bonapartist *afrancesados*) and the first generation of Spanish liberals failed in the objective of strengthening the class of small landowners and tenants to whom they wanted to entrust the re-launch of the Iberian economy,95 this was the result not of supposed and unproven theoretical aporias (symbolized by the poor fortune of the physiocratic economic doctrine), but rather of the capacity for resistance of the privileged classes, who proved to be refractory to change. Therefore, it was up to the later Iberian politicians to try to untangle the knotty issue that the eighteenth century *proyectistas*, reformers and *ilustrados* had so sharply identified.

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95 Herr points out that the long process of *desamortización eclesiástica* (1798–1833), along with the alienation of common lands and the abolition of fee tails and majorats, essentially favoured the aristocratic landlords and the provincial middle class, namely the only groups with huge amounts of capital, who bought up ecclesiastical, municipal and noble properties at public auctions. This led to the decline of the idea – shared by the *ilustrados* of Charles III’s time – that agricultural development required an agrarian law based on small property/tenant farming. However, the creation of a real land market (a process started with the measures of 1798) represented a dynamic element in Iberian society. Herr, *La Hacienda Real*, pp. 863–871.