

The Fiscal-Military State
in Eighteenth-Century Europe
Essays in honour of P.G.M. Dickson

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Chapter 5

The French Experience, 1661–1815

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Sociologists, political scientists, historians and others interested in the state have long been drawn to a study of the early modern period, not least because the seventeenth and eighteenth centuries appeared formative in the creation of 'modern' institutions. And most have posited a connection between military change and developments in the early modern state. Michael Roberts, in his inaugural lecture to the University of Belfast in 1955, proffered a particular view of this connection, with his thesis of a military revolution.¹ Subsequently, Peter Dickson explored the development of public credit in England after 1688 and formulated the view that England experienced a Financial Revolution.² John Brewer, in a seminal work published in 1989, took these concepts of military change and Financial Revolution a stage further. Noting that increased military power and improvements in fiscal policy went hand-in-hand, he argued for the emergence of a significantly novel type of polity which he termed the fiscal-military state.³ His analysis, supported by the studies of Patrick O'Brien, pointed to the growth in the long eighteenth century of a large, professional central state apparatus, capable of engrossing a very significant proportion of the nation's gross domestic product and employing this revenue to conduct lengthy and extensive wars.⁴ The concept of the fiscal-military state has since been deployed as part of a more general framework that seeks to explain the success and failure of European polities since the Middle Ages. The use of the concept in the early modern period was welcomed, especially since it helped to explain the rise of the Great Powers – Britain, Prussia, Russia, Austria, France and Spain – who were defined precisely by their ability to wage long wars of attrition. Together with the associated concept of the 'public sphere',⁵ which scholars have used to understand political and cultural developments, the notion of the fiscal-military state is now regarded by many as the key to comprehending the transition from old regime to modernity.⁶

1 Michael Roberts, *The Military Revolution, 1560–1660* (Belfast, 1956) reprinted in an amended form in his *Essays in Swedish History* (London, 1967), pp. 195–225.

2 Peter G.M. Dickson, *The Financial Revolution in England: A Study in the Development of Public Credit, 1688–1756* (London, 1967).

3 John Brewer, *The Sinews of Power: War, Money and the English State, 1688–1783* (London, 1989).

4 Patrick O'Brien, 'The Political Economy of British Taxation, 1660–1815', *Economic History Review*, 2nd series, 1 (1988), pp. 1–32.

5 Jürgen Habermas, *The Structural Transformation of the Public Sphere: An Enquiry into a Category of Bourgeois Society* (Cambridge, 1989).

As a result of the work of Dickson, Brewer and others, our understanding of the nature and development of the British state has been enormously enriched, and the topic remains the subject of significant scholarly attention. Yet one problem with the concept of the fiscal-military state lies in its genesis, in that it was based on a study of Britain. One of the features of British history is its peculiarities. In the same way that the search for the origins of the Industrial Revolution has shown that there were many paths to economic modernization,⁷ so too any study of the fiscal-military state in the European context is likely to emphasize both the diversity of state responses to common problems based on their individual circumstances, traditions and aspirations, together with the uneven and often unpredictable results. Nothing illustrates this better than the case of France which is the subject of this chapter. Our purpose in what follows is not to take issue with the concept of the fiscal-military state, but rather to explain the changing fortunes of France in its long eighteenth century which stretched from 1661 (the start of Louis XIV's personal rule) to 1815 (the defeat of Napoleonic France). However, France's record in the wars of her long eighteenth-century is a chequered one, so any explanation must be a complex one since it needs to make sense of the greatness of France under the Sun King, the challenges faced by the monarchy in the eighteenth century, the collapse of the *ancien régime* in 1789 and the re-emergence of France in the 1790s as the dominant military power within Europe.

France was at war for most of her long eighteenth century. In the 111 years between 1672 and 1783 there were just over 50 years of war, with six major conflicts. While the eighteenth century is often regarded as less bellicose than the preceding *grand siècle*, nevertheless contemporary statesmen believed in the inevitability of war and the necessity to make ready for the next round of conflict. Vergennes, Louis XVI's secretary of state for foreign affairs between 1774 and 1787, coined a famous aphorism, 'Si vis pacem, para bellum' ('If you wish for peace, prepare for war'). This expressed the paradox, only too obvious in a state which had just achieved victory in a major conflict, that peace would not be permanent and should be regarded as no more nor less than an interlude in which to recuperate and make ready for the next round of fighting.

The reasons for war were many and varied. Dynastic claims had always underpinned succession disputes, and the successful pursuit of these had allowed the French monarchy to establish the territorial integrity of the state, notably during the Hundred Years War. Dynastic claims continued to be a cause of international instability in the later seventeenth and eighteenth centuries, but there was an important difference with earlier periods. Claims were no longer pursued just because they

Fiscal-Military States, 1500–1660 (London, 2002).

⁷ Most recently Jeff Horn in his *The Path Not Taken. French Industrialization in the Age of Revolution, 1750–1830* (Cambridge, MA, 2006), has argued that French industrialization was not a failed imitation of the *laissez-faire* British model but the product of a distinctive industrial policy which can be explained by particular political circumstances – in particular, those of the French Revolution. Horn's approach is a healthy antidote to the Anglocentric model which compares economic development in France unfavourably with that in Britain. See also François Crouzet, *Britain, Apprentices, Commerce and the Industrial Revolution* (London, 1997).

existed; rather, monarchs now had an eye for the strategic and economic value of the territories concerned. Moreover, where claims to land did not exist, then they would be invented as a justification for conflict, the most outstanding examples being the *réunions* claims of Louis XIV, made to vindicate his seizure of territories on the frontiers of France including Luxembourg, Strasbourg and parts of Alsace and Frederick the Great's completely contrived claims to Silesia. In short, territory rather than rights *per se* became the focus of interest.⁸

By the mid-seventeenth century, religion was no longer a sufficient cause for war – even if it ever had been – but it did continue to embitter conflicts and could still give an emotional edge to wars. Louis XIV's assistance to James II and Louis XV's support for the Pretender – France contemplated invasion of Britain in 1745 – exacerbated hostility between Britain and France and was both a cause and justification for their second Hundred Years War. Louis XIV's attacks on the Huguenots, and the brutal manner of their expulsion, helped rouse Protestant Europe against him and the brand of Catholic 'absolutism' he appeared to embody. His refusal to assist the emperor against the Turks and his alliance with the latter generated fears that he aimed for a universal monarchy – fears reinforced by the projection of the king's image of *grandeur* and his disregard for the normal rules of conflict seen in his devastation of the Palatinate.⁹

If religion provided some additional incentive for war, so too did trade. With the growth of colonies and the Atlantic trade, economic matters began to figure more prominently as part of the calculations of statesmen when deciding on issues of war and peace.¹⁰ Although dynastic issues lay at the heart of the War of the Spanish Succession, the hope of gaining control of the *asiento* (the monopoly of the slave trade with the Spanish colonies) and Spain's overseas possessions was not absent from the calculations of the French. From the 1740s onwards, the king and his ministers showed an increased concern with colonial matters.¹¹ There was also a significant economic aspect to intervention in the American War of Independence, since the French expected to have access to American markets after the conflict and enjoy a free hand in the Caribbean. Yet we should not overstate the case. Monarchs were not especially concerned with trade *per se*, although they were well aware of the importance of markets abroad as a source of the revenues needed for the conduct of foreign policy; this was one reason why they sought to establish a monopoly of trade with their overseas territories. Certainly, merchants, companies and other vested interests might combine to form pressure groups, such as local and national chambers of commerce, to push the government into action. But, although some ministers such as Maurepas and Choiseul might lend an ear to their concerns, governments as a whole were not easily swayed by their pleading unless this happened to fit in with a policy decided on for other reasons. However, if trade did not provide an irresistible

⁸ Kalevi Jaako Holsti in *The State, War, and the State of War* (Cambridge, 1996), pp. 49–50, 54–57, 88 notes the decline of dynastic and succession disputes. See also Frank Tallett, *War and Society in Early Modern Europe, 1495–1715* (London, 1992), pp. 17–20.

⁹ John A. Lynn, *The Wars of Louis XIV, 1667–1714* (London, 1999), pp. 129–31.

¹⁰ Holsti, *The State, War, and the State of War*, pp. 91–92.

¹¹ Daniel Baugh, *Washington from Peacemaker to War Hero* (Ithaca, 1989), p. 10.

drive towards war, conflicts would be fought through economic means as well as on the battlefield. Colbert, in particular, was aware that Dutch influence was built on its economic strength which had to be diminished if France was to overcome her rival. Schaeper suggests that the decision by the king's council in August 1703 to end all commerce with France's enemies was a turning point in this regard. After this, 'every major war would include attempts to destroy not merely the armies of an enemy prince but entire national economies as well'.¹²

Yet, however significant trade, religion, dynasticism and territory were as causes of war, this should not blind us to the fact that *gloire*, best translated as prestige or reputation, for the ruler, his house and for his realm lay at the heart of the decision to move to war. Prestige was inseparable from war, for war, along with the administration of justice and preservation of the realm from heresy, was the *métier du roi*. Not for nothing has Joël Cornette referred to the concept of the 'roi de guerre' to describe Bourbon kingship.¹³ Prestige also embodied a belief in the superiority of French cultural and political norms. By the middle decades of the seventeenth century, France had started to eclipse Spain as the leading power within Europe. Her dominance was not merely military, but was reflected in the fact that France's culture and civilization became a model for the rest of Europe, either to be aped or rejected. The key importance of *gloire* most obviously applies in the case of Louis XIV, whose military *grandeur* was both celebrated and used as a propaganda tool in numerous depictions of the monarch.¹⁴ Louis XV, by contrast, disliked having himself depicted in military guise and was certainly less aggressive in his conduct of foreign policy. But, like his predecessor, he commanded his troops in battle, and both he and Louis XVI were acutely conscious of the need to defend and enhance the reputation of France, by military means if necessary. In 1776 Louis XVI fiercely defended the reputation of his Bourbon predecessors from Enlightenment attacks, claiming that 'Europe will hardly be persuaded that these three reigns were times of barbarism and ignorance; Europe is more likely to be persuaded that these three monarchs were responsible for much of the civilisation that it presently enjoys'.¹⁵ France's vision of itself was mainly focused against Britain as the other most advanced political, financial and cultural state in the eighteenth century. French awareness of British power became particularly acute after the debacle of the Seven Years War.¹⁶ Yet a concern with French *gloire* did not always make it easy for France's rulers and ministers to accept the rise of other great powers to the east, notably Austria and Russia, with their expansionist ambitions. There were voices raised in favour of universal peace, the Abbé de Saint Pierre being the most obvious example at the

12 Thomas J. Schaeper, *The French Council of Commerce, 1700–1715: A Study of Mercantilism after Colbert* (Columbus, OH, 1983), p. 117.

13 Joël Cornette, *Le roi de guerre: essai sur la souveraineté dans la France du grand siècle* (Paris, 1993).

14 French propaganda was, of course, matched by propaganda from France's rivals. See, for instance, Peter Burke, *The Fabrication of Louis XIV* (New Haven, CT, 1992).

15 Jean-Louis Soulavie, *Mémoires historiques et politiques du règne de Louis XVI, depuis son mariage jusqu'à sa mort*, 6 vols (Paris, 1801), vol. 3, pp. 147–48.

16 Edmond Dziembowski, *Le nouveau nationalisme français, 1750–1770: la France*

death of Louis XIV. Others argued that free trade promoted peace and deplored the bellicose consequences that followed from an insistence on mercantile notions of self-sufficiency.¹⁷ However, governments and the ruling elite, together with a significant, if unknowable, section of public opinion, accepted that France's prestige demanded both pre-emptive and reactive military action. For example, there were strong demands for a demonstration of military force in the Scheldt crisis of 1785 and for military action to prevent Prussia intervening against the Dutch patriots in 1787. War ultimately provided the most telling verdict on national worthiness and the ruler's qualities of leadership.¹⁸

With the Revolutionary Wars, it was national, rather than royal, prestige that was at stake throughout most of the 1790s. Inflamed by the nationalist rhetoric generated by the Revolution, France sought to spread its vision of civilization to the rest of Europe, bringing the blessings of liberty, equality and fraternity to the oppressed peoples who, it was imagined, would rise up to assist in the overthrow of their despotic regimes. This messianic zeal rapidly subsided and, as the tide turned in France's favour, the war became one for the conquest of territory even though the National Constituent Assembly had specifically renounced such old-style conflicts in 1790.

It has accordingly been suggested that the revolutionaries and Napoleon were little different from the *ancien régime* monarchs in their desire for territorial aggrandizement.¹⁹ And it is true that rulers had frequently plotted, and sometimes managed, to dismember other states before the Revolution. In 1742 France and others planned to partition Austria; Prussia was almost partitioned at the start of the Seven Years War; Sweden's empire was marked out for dismemberment in 1772–73; and Poland, first divided in 1772, was completely eliminated as an independent state in 1795. However, the scale of the territorial aggrandizement and the French willingness to redraw the map of Europe after 1793 were quite out of kilter with the more restrained ambitions of *ancien régime* monarchs. Napoleon's territorial changes were of a completely different order to anything previously seen and were made possible, as we shall see, by the societal and political changes inaugurated by the Revolution, which transformed the war-making potential of the French state.

France was always likely to be a leading, if not the leading, continental land power. Fundamental to her success as a fiscal-military state were her demographic resources. By the last decades of the seventeenth century, France's rulers had successfully secured the territorial integrity of their state and exercised control over a country which was unmatched in terms of its population resources. The eighteenth century demographic revolution, which saw the French population rise from 21 million to 28 million between 1715 and 1789, was not as dramatic as that of other European states, such as Britain whose population increased by almost a third from 7 million to about 10 million, and France's share of the European population consequently decreased. Nevertheless, apart from Russia which overtook France in

17 Jean Chagniot, *Guerre et société à l'époque moderne* (Paris, 2001), pp. 161–65.

18 See, for instance, Jeremy J. Whiteman, *Reform, Revolution and French Global Policy: 1787–1791* (Aldershot, 2002), who insists on the loss of face felt by the army at the failure to provide help to the Dutch patriots in 1787.

the 1790s, its population was still greater in absolute terms than any other state. This meant that France always had the manpower reserves at her disposal to sustain high levels of military activity, even during the most bellicose periods of Louis XIV and Napoleon. Moreover, as Jean Meyer has shown, France was able to produce more revenues than any of her rivals, including Britain. At the beginning of the Seven Years War, her tax revenues reached 285 million *livres tournois* compared to 229 for Britain, 140 for both the United Provinces and Spain, 92 for the Habsburg territories and a mere 48.6 for Prussia.²⁰

Whether France could be the hegemonic European power was more doubtful. Its very size, its position, the values it embodied, including its absolute form of government and Catholicism under the *ancien régime* and its revolutionary principles after 1789, would always generate enmity and ensure that there were plenty of rivals who might combine to contain French power. Only Napoleon came close to establishing such dominance, helped by the inability of the other European states to respond in a unified manner to his regime until very late in the day. A second handicap for France was that she not only had extensive land frontiers to defend, but also two coastlines: the Mediterranean and the Atlantic.²¹ To be sure, the Dutch link in the era of William III and, later on, the possession of Hanover always meant that the English kings had an interest in European events, but Britain could afford to concentrate its energies on developing as a great maritime power. Austria, Prussia and Russia were constructing land empires. France alone had to carry the double burden of supporting an army and a navy.²²

As a fiscal-military state, France, throughout her long eighteenth century, was in a position to engage in conflict with confidence that she would emerge victorious. This belief was based on the existence of large military forces, revenues to sustain them and a diplomatic infrastructure. French military fortunes were largely dependent on the way in which these different elements functioned, both individually and together. It is worth exploring the interplay of these components of the fiscal-military state in the three main periods during which warfare was particularly intense: the wars of Louis XIV; a round of conflicts lasting from 1740 to 1783 (the War of the Austrian Succession, the Seven Years War and the War of American Independence); and the Revolutionary and Napoleonic Wars which lasted more or less uninterruptedly from 1792 to 1815.

Of course, a fiscal-military state existed before Louis XIV's personal reign. A permanent army and a system of permanent taxation had been in place since the Hundred Years War. Fiscal and administrative initiatives by the last of the Valois

20 Jean Meyer, *Le poids de l'Etat* (Paris, 1983), p. 80. See also the figures provided by Richard Bonney, 'Towards the Comparative Fiscal History of Britain and France during the 'Long' Eighteenth Century', in Leandro Prados de la Escosura, ed., *Exceptionalism and Industrialisation: Britain and its European Rivals, 1688–1815* (Cambridge, 2004), pp. 194–95.

21 The significance of the Mediterranean is often neglected, but see Guy Rowlands, 'The King's Two Arms: French Amphibious Warfare in the Mediterranean under Louis XIV, 1664–1697', in David Trim and Mark Fissel, eds, *Amphibious Warfare 1000–1700: Commerce, State Formation and European Expansion* (Leiden, 2006), pp. 263–314.

22 The Continental System (1806) was the French attempt to cripple the overseas dominance of Britain and its empire. See François Crouzet, *L'économie britannique et la*

monarchs, including the levying of a military tax (*taillon*) and the creation of the first commissioned intendants to supervise the military effort, were launched in order to challenge Habsburg hegemony. These initiatives were picked up and expanded in the seventeenth century, notably by Richelieu and Mazarin, not as the result of a planned strategy but, as Parrot and Parker have suggested, in response to the collapse of France's Protestant allies after the battle of Nördlingen.²³ Yet, although France would ultimately be victorious in this war, victory was not easily won. Internally, fiscal demands and the unpopularity of the war resulted in a series of uprisings culminating in the Frondes which threatened to return France to the anarchy of the sixteenth-century Wars of Religion. Against this background of domestic unrest, financial crisis, challenges to royal authority and the seeming inability of French forces to end the war by landing a knockout blow, the transformation which occurred under Louis XIV is remarkable. By the death of the Sun King, France had replaced Spain as the dominant European power, both in military and cultural spheres, had put a Bourbon ruler on the Spanish throne, and appeared to many as a model of strength and stability. This achievement was facilitated in no small part by the character of the king and his determination to increase both the size and quality of the French military establishment. To this end, the king and his ministers implemented a series of changes which, though small in themselves, were incremental in their results. The length of Louis XIV's reign ensured that the new practices had become well embedded by 1715.

A foremost example of such changes would be the composition of the officer class in the army. During the Thirty Years War, despite the employment of military entrepreneurs such as Bernard of Saxe-Weimar, France had made relatively little use of contract forces – bodies of men who were hired off the shelf, as it were – a practice which was otherwise widespread.²⁴ Instead, France chose to raise forces by playing on the desire of the nobility for a whiff of military glory. It connived at the sale of commissions to officers who, having little security of tenure, were anxious to recoup their investment as quickly as possible. All too often absentees, these officers fleeced their men, resulting in an army that was riddled with corruption, ill-discipline and desertion. Under Louis XIV this system, in which venality was banned in theory but tolerated in practice, was significantly modified so that the sale of offices was now acknowledged and regulated. This gave officers an incentive to invest their money in the king's army since they would be more likely to get a return over a longer period, although, as Hervé Drévilion has shown, they were all too frequently disappointed: they got honour but little monetary profit.²⁵ Nevertheless, the symbiosis that venality promoted between state and noble interests helped to take some of the burden off the royal treasury, allowed the use of the army as an instrument of social control, while tenure of office fostered professional expertise and inculcated amongst the officer

23 David Parrott, *Richelieu's Army: War, Government, and Society in France, 1624–1642* (Cambridge, 2001); and David Parker, *The Making of French Absolutism* (London, 1983).

24 Fritz Redlich, *The German Military Enterpriser and his Workforce, 13th–17th*

class a sense of duty which replaced the lust for individual glory. An additional benefit of regularized military venality for the state was that the Crown could undercut the patronage power of the great nobility, thus restricting their traditional autonomy in military matters. As Rowlands has demonstrated, the influence of the *Grands* remained considerable in military affairs, but there was no repeat of the challenge to the Crown similar to that posed by the Prince de Condé in 1652 when he had taken 'his' army into Spanish service.²⁶

The institutionalization of military venality was linked to the growth of permanent forces which were kept in being throughout the year and not disbanded at the end of the campaign. This was significant for two reasons. It meant that the army had at its core experienced soldiers both among the officer class and among the NCOs and rank-and-file. Such veteran troops determined the army's military qualities on the battlefield. Other things being equal, a force composed of veterans would always triumph against raw recruits and could hold its own against a force of superior numbers. Moreover, this core of veterans made it easier to incorporate new recruits and expand the army dramatically in time of war. The creation of the Hôtel des Invalides in 1670 to care for ex-soldiers best symbolizes the significance attached by the regime to its veteran soldiers.

These changes accompanied the development of the central military administration. A crude but tangible indicator of the regime's willingness to foster change and assert control over all aspects of its military machine is reflected in the statistics of the letters sent by the secretary of state for war: they exceeded 10,000 per annum under the ministry of Louvois (1667–91) compared to a mere 1,100 under Sublet des Noyers (1635–43).²⁷ This burgeoning administrative correspondence reflected the expanded numbers of civilian administrators answering to the War Office – including *commissaires des guerres* and *intendants d'armée* – who undertook a wider range of responsibilities than ever before, including reviews of the troops, billeting, recruitment, food supply and even some oversight of strategy. In short, the military was becoming more professional and being placed under greater central control.

Growth in the size of the forces was another feature of the Sun King's reign. Military statistics are notoriously unreliable, but the main outlines are clear. Wartime highs reached 50–80,000 under the Valois kings, and under Louis XIII they hovered at around 125,000 men. Figures under the Sun King reached 253,000 in the Dutch War (1672–78) and peaked at 340,000 during the War of the League of Augsburg (1688–97). During the War of the Spanish Succession (1701–14) the number of troops reached 255,000.²⁸ This growth in army size is all the more remarkable as Colbert commenced the building of a giant battle fleet which, by 1695, had peaked at 93 battleships larger than 1,000 tons and which possibly matched English and Dutch rivals

26 Guy Rowlands, *The Dynastic State and the Army under Louis XIV: Royal Service and Private Interest, 1661–1701* (Cambridge, 2002).

27 Philippe Contamine, ed., *Histoire militaire de la France*, vol. 1: *Des Origines à 1715* (Paris, 1992), pp. 391–92.

in combat quality, if not in quantity.²⁹ For a continental power like France, this was a major achievement that required considerable investment in dockyard infrastructure and logistics – for instance, the building of the navy required the felling of nearly 2 million trees.³⁰ The construction of vessels was accompanied by a reorganization of the officer corps and the creation of a system of recruitment (*classes*).

Military forces of such size demanded an unprecedented level of resources. Historians have pointed to the tightening of the fiscal screw under Richelieu, as a result of which ordinary revenues soared from about 25 million livres in the 1620s to around 60 million in the 1640s. However, this was dwarfed by the increases under the Sun King. The arrest and prosecution of *surintendant des finances* Fouquet in 1661 and other *financiers* brought to trial in a *Chambre de justice* was an opportunity for the regime to wipe out part of the debt from the Thirty Years War, regain control of the *financiers* and put the budget on a more stable peacetime footing. The onset of the Dutch War immediately required the input of large resources, and these would be forthcoming, both for this war and for the other conflicts of the reign. Military expenditure drawn from ordinary revenues averaged 58 million livres per year, with peaks up to 68 million in the Dutch War, and 100 million, with peaks up to 113 million, in the War of the League of Augsburg.³¹

Colbert's economic and fiscal reforms meant that it was relatively easy to fund the Dutch War, but crop failure in the late seventeenth century and the growing pressures of repeated wars put severe strains on the fiscal-military state. By the end of the seventeenth century the proportion of ordinary revenues spent on the military had climbed from about 54–60 per cent in the Dutch War to over 70 per cent. Easily the largest single item of expenditure was pay and equipment for the army and the navy. In both the Dutch War and the War of the League of Augsburg, the ordinary expenses of the troops show a two- to threefold increase compared to times of peace. The already high figure of 22 million in 1671 (and 15 million in 1670) stood at 52 million in 1677 and reached 72 million in 1692. In peacetime, the costs of pay, supply and equipment for the army accounted for about 25 per cent of ordinary military expenses whereas it rose dramatically to 75 per cent in wartime. Hence the potential fiscal and strategic importance of opportunities to take some of the burden off the country by living off contributions levied from enemy territories.³² Despite

29 Jan Glete, *Navies and Nations: Warships, Navies and State Building in Europe and America, 1500–1860*, 2 vols (Stockholm, 1993), vol. 1, pp. 192, 221. At the same time, the English had 75 such vessels and the Dutch 55 (total 125).

30 Daniel Dessert, *La Royale: vaisseaux et marins du Roi-Soleil* (Paris, 1996).

31 Figures for revenues of the French monarchy are notoriously difficult to gather. There are no serial statistics which permit easy comparison over time. The figures above are taken from the European State Finance Database which records data published in the seventeenth and eighteenth centuries by Jean Roland Malet, first assistant to controller-general Desmarets, and François Véron de Forbonnais, *inspecteur général des monnaies* and economic adviser to controller-general, Silhouette. For the War of Spanish Succession (1701–14), military expenses drawn from ordinary and extraordinary revenues yielded 136 million livres, with highs of up to 170 million.

Vauban's construction of substantial fortresses around the French borders (Louis XIV asked him if he had not made the walls of Besançon from gold), expenditure on fortifications was nevertheless much lower than has been commonly suggested, and in fact declined in the second part of the reign as the nature of the conflicts changed. The costs of fortifications peaked at around 12 million livres per annum in the 1680s, reflecting initial construction costs, but fell thereafter.

With the arrival of Colbert, the navy figured much more prominently in war expenses and was the second largest major item of military expenditure. In the early 1690s the navy remained, as mentioned above, at the heart of French military expansion, its cost constituting in 1693 about one-third (31 million livres) of the military expenses drawn from ordinary expenses. The famine of 1694–95, the lack of naval success against the English and the Dutch and the need to focus resources on land warfare led to a shift in the allocation of resources, and the sums spent on the navy declined accordingly.

These figures, substantial though they are, do not give a full picture of the burdens imposed by the fiscal-military state on its population. While ordinary revenues – that is, money from direct and indirect taxation – grew considerably in periods of war, many of the wartime expenses were met by extraordinary revenues comprising things such as proceeds from the sale of offices and privileges, forced loans and free gifts paid by the clergy and provincial estates, the extensive use of credit from financiers and bankers, corporate bodies and the public, currency devaluations and new taxes (*capitation*, 1695 and *dixième*, 1710), some of which were levied for the duration of the war. No potential source of revenue was untapped. While extracting cheap credit through the sale of offices, the regime was also obliged to accept conditions from creditors that were extremely disadvantageous but unavoidable if the liquidity of the complex credit system underpinning military financing was to be maintained. The demands of war overrode every other consideration.

Louis XIV was able to achieve higher levels of revenue by working with the elites in society who saw that there was more to be gained by co-operating with his regime than by opposing it.³³ As a result, levels of unrest and resistance towards taxes were reduced. At the same time, there were attempts to protect the population from the ravages of troops by imposing control of billeting and by seeking to ensure that the taxpayers were not so heavily burdened that they would be unable to pay in future. Colbert, for example, initially cancelled some arrears of the *taille* and ordered that peasants should not have their seed and agricultural equipment confiscated lest this jeopardize their ability to furnish taxes in the future. But a long period of war inevitably brought great hardship in its wake; and the fiscal demands of successive conflicts meant that central control of the system, which Colbert had dreamed of, collapsed, with financiers, local officials and army commanders all too often resorting

the substantial input made by contributions.

33 See, for instance, Daniel Dessert, *Argent, pouvoir et société au Grand Siècle* (Paris, 1984); William Beik, *Absolutism and Society in Seventeenth-Century France: State Power and Provincial Aristocracy in Languedoc* (Cambridge, 1985); James C. Collins, *Classes, Estates and the Crown: Financial Politics in France, 1600–1700* (Cambridge, 1992).

to whatever expedients they deemed best. The impact of war led Boisguilbert and Vauban to call for a restructuring of the tax system in order to preserve the economic potential of the taxpayers against the rapacity of the financiers.³⁴

Given the size and expertise of the French army and navy, and the level of resources devoted to their upkeep, together with French preparedness for war in 1667 (the start of the devolution conflicts) which contrasts markedly with its lack of readiness in 1635, it might be asked why French forces were not more successful, particularly before 1701. The answer is that all too often campaigns were undertaken without regard for the army's organizational capability. Campaigns were micro-managed from Versailles and too little initiative was left to local commanders. The armies were bogged down in sieges, and strategic priorities were distorted as resources were thrown into campaigns in which the king was personally involved. Moreover, the conflicts were poorly prepared diplomatically. France rapidly lost its English ally in the Dutch War, alienated Europe with her Turkish alliance and stood alone during the War of the League of Augsburg.

If Louis XIV and his ministers had striven to develop a fiscal-military state that would support the Sun King's thirst for *grandeur*, the real marker of their success came not with the wars of the seventeenth century, but with the era of the conflict over the Spanish Succession in which French forces, with limited assistance from Spain and Bavaria, were able to resist a coalition of European forces, maintain the integrity of the French state and still not be overwhelmed. Yet the price of victory was high. France was undoubtedly the paramount military state in Europe by 1714, but the king had alienated most of western Europe and had left the state with a crippling legacy in respect of debt and the burden of venality. No wonder that he lamented on his deathbed that 'I have loved war too much'.

The Treaty of Utrecht marked a long period of peace which provided all the European powers with the opportunity to recuperate. As Count Maffei, the Sardinian envoy to Versailles, acutely observed in 1728, France 'wanted to obtain one way or another a general peace for Europe and a long peace for herself'.³⁵ She did so in alliance with Britain after 1716. On both sides of the Channel, the leading ministers, Walpole and Fleury, saw eye-to-eye on the need to maintain peace. This period of stability started to unravel in the early 1730s as European powers began to adjust their foreign policies to anticipate the impact of the death of the Austrian emperor without a male heir. Britain and France were driven apart on the issue, opening a new era of rivalry which came to open conflict in 1740 with the emperor's death and the start of the War of the Austrian Succession. In France, the eclipse of Fleury's influence and his death in 1743 strengthened the war party led by Belle-Isle who received a receptive ear from Louis XV who was now effectively in charge of foreign policy. French successes in the War of the Austrian Succession, typified by the battle of Fontenoy (1745), did not eventuate in a peace treaty which would maintain permanent peace. In the subsequent Seven Years War (1756–63), initial

34 See Lionel Rothkrug, *Opposition to Louis XIV: The Political and Social Origins of the French Enlightenment* (Princeton, NJ, 1965).

French victories were followed by a series of military reverses characterized by the defeat at Rossbach in 1757. Despite these demoralizing defeats, French victory in the land campaign was only prevented by the withdrawal of Russia from the anti-Prussian alliance following the death of tsarina Elizabeth and the accession of the Prussophile Paul III. Overseas, however, French defeat was a result of poor strategy and an inability to match Britain's superior naval power.

French reverses in the Seven Years War, which had never been popular anyway, demonstrated that times had changed since the glory days of Louis XIV and provoked widespread calls for reforms. These originated not just from outside the government, but also from the heart of the establishment itself, many of whose members – in particular, Choiseul – appreciated the need to reform the monarchy and adjust its military and fiscal capabilities to new challenges in the European balance of power and in the context of a growing economy which was increasingly consumer-led.³⁶

As a major continental power, France needed to deal with defects in the army. The result was a series of reforms under successive secretaries of state for war: Belle-Isle (1757–60) and Choiseul (1761–70) under Louis XV, followed by Saint-Germain (1775–77) and Ségur (1780–87) under Louis XVI. No aspect of military practice was left untouched. New military regulations were introduced with regard to discipline, drill, military hospitals and barracks, and the regimental system. Under the talented Gribeauval, appointed inspector of the artillery in 1776, the French artillery became lighter, faster, more mobile and precise, enabling it to feature at the core of French battlefield tactics under the Revolution. The best illustration of the impact of such changes was Napoleon Bonaparte, a student of Gribeauval, who appreciated the battle-winning potential of the developing science of artillery. Scarcely less important was the standardization and increased production of new muskets encouraged by the gunsmith Honoré Blanc, whose steel dies were used to produce identical pieces for the new flintlock mechanism.³⁷

Criticisms, often stemming from the officer class itself, were also directed towards the system of military venality which did much to influence the composition and the quality of the officer corps. It was widely acknowledged that the system of military venality no longer produced the benefits originally obtained under Louis XIV. The army was top-heavy with officers. By 1750 there were as many pensioned officers as on active commission, and the pay of the 60,000 officers in the Seven Years War totalled more than the expenses of the rest of the army put together (that is, 47 million versus 44 million livres).³⁸ Although France had competent officers, too many lacked commitment and professional expertise. The duc de Broglie referred to the 'total ignorance, from the sous-lieutenant to the lieutenant general, of the duties of their post and all the details that concern it.'³⁹ Provincial nobles were disgusted with the sale of commissions to sons of financiers or to clients among the court nobility. Saint-Germain

36 Daniel Roche, *The Culture of Clothing: Dress and Fashion in the Ancien Régime* (Cambridge, 1994).

37 See *Histoire militaire de la France*, ed. Jean Delmas, vol. 2 (Paris, 1992).

38 John Childs, *Armies and Warfare in Europe, 1648–1789* (New York, 1982), p. 81.

39 *Œuvres complètes de Louis de Broglie*, ed. Louis de Broglie, vol. 1 (Paris, 1904), p. 100.

commented that there were actually two classes of nobles: those who did not work to succeed but got everything as by right; and those who did not work because all striving would bring no rewards.⁴⁰ By the mid-century, the system of venality meant that many officers were absentees, or left their regiments at the end of the season, making it difficult for army commanders to seize the initiative.⁴¹ Although officers expected to foot the bill for at least some of the soldiers' expenses, they showed little interest in their welfare; discipline was poor and desertion rife. To rectify these failings, the *Ecole Militaire* was founded in 1751 to accommodate 500 poor nobles, and Belle-Isle subsequently set up provincial military training schools and suppressed the proprietary colonelships of colonels too young to command. But it is the comte de Ségur, Saint-Germain's successor, who is best known for his 1781 ordinance which limited entry to the officer corps to those with four generations of nobility, in an attempt to help the provincial nobility who would undertake a military career as a long-term profession. Efforts to put genealogical restraints on entry to the army were meant to create an efficient and committed corps dedicated to military professionalism.

The improvements to the army resulting from these reforms would only be fully revealed during the course of the French Revolution. However, a new French naval and diplomatic policy emerged under Choiseul and Vergennes which allowed France to turn the tables on her old rival, Britain, well before 1789, in the American War of Independence. From the 1750s onwards, the Austrian alliance, first developed in response to Prussia's change of allegiance to Britain, offered the apparent opportunity for France to shift some of its continental burden to others and to concentrate on fighting Britain at sea. The policy was not initially successful during the Seven Years War. The French navy proved unready to take on the British fleet. The French order of battle numbered only 33 and 27 in June 1756 and June 1762 respectively, whereas the English increased their ships from 88 to 110.⁴² The addition of 47 ships from her new Spanish ally in 1762 was therefore crucial in shoring up the French position, and showed the way forward in the next major round of conflict. The Family Compact with Bourbon Spain in 1761, the substantial French naval building programme under Louis XVI which saw the number of new vessels more than double from 58 in 1761–65 to 120 in 1776–80, and the alliance with the Dutch allowed France and her allies to muster a fleet which challenged British naval dominance. Lord Sandwich, First Lord of the Admiralty, privately acknowledged in 1777 that Britain's navy could not match the Bourbon combination.⁴³ At the same time, Louis XVI and Vergennes successfully worked to present Britain as the overweening, hegemonic power that needed to be thwarted, not least of all by playing on British habits of acting as the *gendarme de la mer*.⁴⁴ The diplomatic revolution, which brought France together

40 Rafe Blaufarb, *The French Army, 1750–1820: Careers, Talent, Merit* (Manchester, 2002), p. 19.

41 Childs, *Armies and Warfare in Europe*, pp. 96–98.

42 Jonathan R. Dull, *The French Navy and the Seven Years War* (Lincoln, 2005), pp. 263–84.

43 Clive Wilkinson, *The British Navy and the State in the Eighteenth Century* (Woodbridge, 2004), p. vi.

44 *Œuvres complètes de Louis de Broglie*, ed. Louis de Broglie, vol. 1 (Paris, 1904), p. 100.

with her old enemy Austria, and agreements with Prussia, the United Provinces and Russia meant that, for the first time, Britain was isolated diplomatically. Skilful diplomacy by Vergennes prevented Britain from opening a second front against France on the continent as she had done in the past. To be sure, Britain was able to defend the West Indies, Gibraltar and India, but she lost America. With her naval forces stretched she was unable to supply her American forces with all they needed from 3,000 miles away. The British surrender at Yorktown in 1781 was the result of the co-operation between Franco-American land forces and French naval power, the French vessels for the first time being able to operate effectively in the local American theatre. In 1783 France once again emerged as the effective arbiter of Europe. This achievement, which left Britain humiliated, diplomatically isolated, hugely indebted and domestically unstable, made it hard for informed contemporaries to comprehend the collapse of the old regime a mere six years later.

As with all previous conflicts, the American War of Independence, which cost 1,300 million *livres tournois* (compared to 1,200 million in the Seven Years War), made heavy financial demands upon the French state. In 1782 Joly de Fleury informed the king that each successive year of war would require additional revenue amounting to 230 million (approximately £10 million), the equivalent of the unpledged net revenues of the state. As under Louis XIV, France in the middle decades of the eighteenth century was always able to find the revenues needed to sustain the war effort, even if there were periods of intense difficulty typified by the suspension in 1759 of promissory notes issued by the financiers. However, the intensity of the fiscal pressures of war and the inelasticity of the system meant that conflict was always followed by a peacetime budgetary crisis. When the fighting ended, wartime taxation was expected to cease and the extraordinary revenues could no longer be gathered. In addition, interest on wartime debts still had to be paid, promissory notes to cover military expenditures had to be met, while revenues had been anticipated to secure loans from financiers. The best-known post-war crisis was the collapse in 1720 of John Law's scheme to consolidate the unfunded wartime debt into shares of the *Compagnie des Indes* and to encourage economic growth by the issue of paper money through a bank which would also help the government to smoothly mobilize cheap credit.⁴⁵ Fiscal crises also followed the Seven Years War and the American War of Independence, but new solutions had to be found since they had been financed extensively through public credit.

It is often assumed that the budgetary imbalance in 1770 and 1787 resulted from the failure of the French state, unlike the British, to raise the overall level of taxes and to tax the privileged classes in particular.⁴⁶ In fact, neither assumption is wholly correct. As under Louis XIV, the privileged elements were brought increasingly into

Antoinette. *Un couple en politique* (Paris, 2006).

45 Antoin E. Murphy, *John Law: Economic Theorist and Policy-maker* (Oxford, 1997).

46 See the seminal article by Peter Mathias and Patrick O'Brien, 'Taxation in Great Britain and France, 1715–1810. A Comparison of the Social and Economic Incidence of Taxes Collected for the Central Governments', *Journal of European Economic History*, 15 (1974),

the tax net by the use of indirect taxes and through the imposition of the *vingtième* in 1749, the first time a new tax had been introduced in peacetime.⁴⁷ Moreover, studies on Louis XV's wars show that there was a significant increase in the levels of taxation, both direct and indirect, which meant that on average the per capita burden rose from 9 to 13 *livres tournois* between 1735 and 1763.⁴⁸ Higher taxes and the failure to win victories in the Seven Years War in the context of an economy suffocated by British mastery of the seas produced increasing resentment against the government in general and the financiers in particular. The call for a reform of French finances, including demands for a fairer system of taxation through a land survey and liberalization of the economy, together with the government's need to consolidate its wartime debts, led to the initiation of a reform programme under the aegis of L'Averdy in the 1760s. In particular, this programme planned the establishment of a bank to replace the credit of a single individual, the *banquier de la cour*, as lender of the last resort. At the same time, a strengthened *caisse d'amortissement* (sinking fund) would have allowed L'Averdy to squeeze the Crown's creditors into accepting either repayment of their debt or significant reduction in the interest rate. The economic crisis of the late 1760s and political tensions within the body politic put a halt to these initiatives in 1770 when Terray, pressed by the unwillingness of the financiers to renew *rescriptions* (short-term credit instruments), staged a partial bankruptcy and seized the funds allocated to the *caisse d'amortissement*.⁴⁹

It is too easily assumed that Jacques Necker was personally responsible for the next round of financial difficulties in 1787 as he had financed the American War of Independence by relying heavily on expensive credit rather than increasing taxation. Yet such a view ignores the restraints under which Necker operated. To have raised taxes in peacetime would have alerted the British to the fact that France was indeed preparing for war in 1776 and might have provoked the conflict for which France was not yet ready. Borrowing inevitably meant accepting the high interest rates which had predominated following the partial bankruptcy of Terray. Moreover, credit was readily available from the Swiss and the Dutch, who had previously offered cheap loans to the British in the Seven Years War but who were now allied to the French and

47 The debate on the issue of *privilegiés* and taxation is well covered in Michael Kwass, *Privilege and the Politics of Taxation in Eighteenth-Century France: Liberté, Égalité, Fiscalité* (Cambridge, 2000).

48 The ongoing debate on the level of taxes raised by the French state is summarized by R. Bonney, 'Towards the Comparative Fiscal History of Britain and France during the 'Long' Eighteenth Century' in Leandro Prados de la Escosura, ed., *British Exceptionalism and Industrialisation: Britain and its European Rivals, 1688–1715* (Cambridge, 2004), pp. 191–215 on the basis of research by James C. Riley, *The Seven Years War and the Old Regime in France: The Economic and Financial Toll* (Princeton, NJ, 1986); Joël Félix, *Finances et politique au siècle des Lumières. Le ministère L'Averdy* (Paris, 1999); and Tim Le Goff, 'How to Finance an Eighteenth-Century War', in W.M. Ormrod, M. Bonney and R. Bonney, *Crises, Revolutions and Self-Sustained Growth: Essays in European Fiscal History, 1130–1830*

were ready to switch their lending accordingly.⁵⁰ The French government therefore had no problem raising credit until 1787 and was surreptitiously able to increase its tax revenues from 1782 by doubling the *vingtième* and augmenting the take from indirect taxes.⁵¹ However, as in Britain in 1783, some permanent new revenues had to be found at the conclusion of the conflict to balance the budget, and to consolidate or pay off the wartime debt. There is no doubt that the buoyant French economy was quite capable of sustaining much higher levels of taxation, especially if these were more equally distributed among the beneficiaries of the economic growth, including both nobles and the bourgeoisie.

Yet the government played its hand badly. Necker's *Compte-rendu au Roi* of 1781, which led many to believe that his savings would meet the interest on the debt, followed by Calonne's assertive economic policy of lavish expenditure, was confusing and made it all too easy for the public to blame the huge deficit on the regime's fiscal mismanagement. Dealing with fiscal problems thus became a matter of practical politics. What was needed was a political forum within which the monarchy and the elites in society could negotiate an agreed consensus on the way forward. It was no longer possible for the monarchy to handle its relations with the elites and society in the way which Louis XIV had done, through a system of venality. What was being pressed upon the monarchy in the 1780s was the demand for some share of power. This would have fundamentally altered the nature of the *ancien régime* monarchy, something that Louis XVI and his chief advisers were unprepared to concede.⁵² The king had been formally educated in the belief that any devolution of power must necessarily lead to disorder – a belief which was reinforced at the time by the emergence of radical movements within much of the rest of Europe. Moreover, he had been stung by criticisms of the royal family and angered by attacks on his wife from within the establishment over the Affair of the Diamond Necklace. The convening of the Assembly of Notables (1787) showed that Louis XVI was willing to move outside the traditional system of judicial politics involving the registration of fiscal edicts by parliaments. Yet his handling of the Assembly and of the subsequent Estates-General (1789) also demonstrated that he was not prepared to concede any substantial change. In particular, he would not yield to the challenge from the Third Estate to the privileged orders on the issues of social equality and political control of state finances.

The Revolution, which would ensue from the king's failure to manage the Estates-General, would give France new political and social structures – albeit ones building on initiatives in the eighteenth century – and would fuse these with military changes. The war-making potential of the French state would be transformed in

50 James C. Riley, *International Government Finance and the Amsterdam Capital Market* (Cambridge, 1980); Jan de Vries and A.M. van der Woude, *The First Modern Economy: Success, Failure, and Perseverance of the Dutch Economy, 1500–1815* (Cambridge, 1997). Credit was also available from the Swiss, as shown by Herbert Lüthy, *La banque protestante en France de la Révocation de l'Édit de Nantes à la Révolution*, 2 vols (Paris, 1959).

51 Joël Félix, 'The Financial Origins of the French Revolution', in Peter Campbell, ed., *The Origins of the French Revolution* (Basingstoke, 2005), pp. 48–55.

three ways. First, the new concept of citizenship established an original relationship between the individual and the state. Each citizen now had a duty to defend the nation, whether by taking up arms or serving on the home front. As the decree of 23 August 1793 noted, 'The young men will go to fight; married men will forge arms and transport food and supplies; women will make tents and uniforms and work in hospitals; children will find old rags for bandages; old men will present themselves in public places to excite the courage of warriors, the hatred of kings, and the unity of the Republic'.⁵³ The military obligations of citizenship allowed the recruitment of armies of unprecedented size: a decree in February 1793 raised 300,000 men; the *levée en masse* in August of the same year conscripted even greater numbers; while the Jourdan-Delbrel law of 1798 formalized the system by establishing a series of classes of recruits who could be called upon as needed. The result was that France was able to find 2–3 million men, supplemented by the levies from the occupied territories. Napoleon was able to boast that he could afford to lose 30,000 men per month while on campaign.⁵⁴ Certainly there was resistance to conscription, mainly from within the peasant class, but the administrative reforms set in place by the Revolution and by Napoleon ensured that larger numbers were mobilized than had ever been possible under the *ancien régime*. Second, the rhetoric of nationalism and defence of the *patrie* created within the armies what Clausewitz was later to call 'a degree of energy in war which was otherwise inconceivable'.⁵⁵ Third, the ending of privilege and the emigration of so many of the officer class inevitably meant that careers were opened up to talent. This, together with the skilful amalgamation of the old line regiments and new volunteers in 1793, gave French armies an unprecedented level of competence and military professionalism which was further honed by the experience of more or less continuous warfare and victories after 1793.

In purely military terms the Revolutionary and Napoleonic Wars are best seen as evolutionary rather than revolutionary.⁵⁶ Building on the reforms implemented in the second half of the eighteenth century, drill and tactics included the use of columns and the *ordre mince*, both of which made effective use of large numbers of soldiers on the battlefield.⁵⁷ Skirmishers, already used so effectively at Fontenoy,

53 James M. Thompson, *French Revolution Documents, 1789–94* (Oxford, 1933), p. 255.

54 Hugh Smith, *On Clausewitz: A Study of Political and Military Ideas* (Basingstoke, 2004), p. 29.

55 Quoted by Peter Paret, *Clausewitz and the State: The Man, his Theories and his Times* (Princeton, NJ, 1985), p. 33.

56 For much of what follows see Alan Forrest, *The Soldiers of the French Revolution* (Durham, NC, 1990); Samuel F. Scott, *The Response of the Army to the French Revolution: The Role and Development of the Line Army, 1787–93* (Oxford, 1978); Jean-Paul Bertaud, *La révolution armée: les soldats-citoyens et la Révolution française* (Paris, 1979).

57 On the development of revolutionary tactics from those of the old regime, especially the use of columns for manoeuvre and attack and the employment of the bayonet, see Chevalier Folard, *Traité des colonnes* (Paris, 1724); Maréchal de Saxe, *Mes rêveries ou réflexions sur l'art de la guerre* (Paris, 1757); *Règlement concernant l'exercice et les manoeuvres de*

were well suited to the revolutionary style of warfare which placed heavy emphasis on individual initiative and bravery. In addition, by 1789 the French army had been restructured into self-contained divisions, and subsequently Napoleon would build on this to develop a system of army corps, each of which was self-sufficient in terms of infantry, artillery and cavalry, and was capable of engaging the enemy on its own. Taken together, the political and societal changes and the military innovations introduced by the Revolution allowed for a new style of warfare which was highly mobile, which sought battle as the decisive event, and which could be fought without regard to losses and on an unprecedented geographical scale.⁵⁸

The ability of the French armies to sustain themselves in the early years of the Revolutionary Wars is the more remarkable given that the *ancien régime* system of taxation had to be totally rebuilt as a result of the abolition of privileges in August 1789. Not until the Directory did the new taxes produce levels of revenue comparable to those of Louis XVI. In the meantime, a solution to the problem of the debt and the deficit was initially found by the issue of assignats, paper money representing the value of nationalized Church lands.⁵⁹ When war broke out, the revolutionaries yielded to temptation and financed military costs by inflating the numbers of assignats beyond the value of the *biens nationaux*. Consequently the assignats started to lose much of their face value from 1793, after the king was guillotined and France had to face a European coalition. In response, a new form of government was introduced, known as the Terror, which aimed to mobilize the resources of the French state under central command and direct them towards the war effort. There is little doubt that this system of government, typified by the committees of surveillance and *représentants en mission* sent to the armies and the departments, was successful in turning the tide of war. By the spring of 1794, French military fortunes had been transformed. The whole of the United Provinces were occupied by late 1794–95 – an achievement that neither Louis XIV nor his successors had been able to realize. However, at the same time, the dismantling of the controlled economy caused hyperinflation, and, as a result, the real value of the assignats fell yet again. By June 1795 they were worth a mere 3 per cent of their face value.⁶⁰

Under the much maligned Directory (1795–99) finances were progressively put on a sounder footing. Eventually, paper money and other financial instruments issued by the government to finance the war effort were withdrawn. The debt was consolidated after the 1797 bankruptcy whereby the state accepted responsibility for one-third of its debts only. This meant writing off 2.6 billion livres owed to the government's creditors, by far the largest default France had experienced. If many lost money, in particular private lenders, others benefited from the ability to swap

58 It is reckoned that 1.4 million Frenchmen became casualties during the wars, 900,000 of them after 1800; and of the cohort born between 1790 and 1795, 38 per cent became victims, a proportionately higher death rate than during the First World War. See Peter Browning, *The Changing Nature of Warfare: The Development of Land Warfare from 1792 to 1945* (Cambridge, 2002), pp. 45–46; also David Gates, *Warfare in the Nineteenth Century* (Basingstoke, 2001), p. 55.

59 Seymour E. Harris, *The Assignats* (New York, 1969).

their debt for land.⁶¹ Despite continuing threats to internal stability, taxes were now starting to be collected at higher levels and with greater efficiency. All this took time, and in the meanwhile the regime lived off the plunder from its conquests in the Low Countries, where the deposits held in the Bank of Amsterdam were seized, and in Italy where Napoleon ruthlessly stripped the country of its wealth and treasures.

A more comprehensive fiscal system was only established by Napoleon who, as his political power base grew stronger, was able to re-create a system of indirect taxation that had been so detested before 1789 and rejected throughout the Revolution. A central *Banque de France* was set up – something which had eluded John Law, Turgot and others – allowing the government to control and regulate the money supply. One further defining characteristic of Napoleonic finances was the reluctance to use credit – something which the emperor's experience of the *ancien régime* had led him to dread. Instead, he made war pay for war by taking levies of money and men from the occupied territories to meet France's war effort. 'You must ensure, as a matter of principle, that war feeds war,' he told Marshall Soult in 1810.⁶² That same year, he formalized the establishment of the *Domaine extraordinaire de la couronne*, a kind of war chest made up of different types of revenue acquired by conquest or treaties that was outside public scrutiny. The most lucrative wars proved to be the campaigns against Austria (1805), Prussia and Poland (1806–07) and Austria again (1809). Between 1803 and 1814, 1,743 million francs were raised from taxes, contributions and levies of all kinds imposed on defeated territories, leaving the French taxpayers to pay only 60 per cent of the total war cost of 4,259 million.⁶³ This system of military financing crumbled with the campaigns of 1813–15 as France itself became the battlefield and war ceased to yield financial benefits. Nevertheless, the Napoleonic regime never faced bankruptcy, and France in 1815 did not experience a fiscal crisis of the kind which had confronted every Bourbon monarch at the conclusion of each round of conflict.⁶⁴ In this context, it became possible firmly to establish, under the restored monarchy, the parliamentary regime first created by the deputies elected to the Estates-General.

As this chapter suggests, France always had the size, population, wealth and know-how to be a Great Power. What were also needed were the will-to-greatness and the capacity to mobilize resources efficiently and without generating internal discord. To do this, France needed a political system which permitted a degree of consensual change in response to new circumstances and international competition. Under the Sun King, the regime proved capable of achieving Great Power status by working with and through the elites in society. However, French ascendancy

61 For a recent survey see Bernard Bodinier and Eric Teyssier, *L'événement le plus important de la Révolution: la vente des biens nationaux (1789–1867)* (Paris, 2000).

62 Quoted by Pierre Branda, 'La guerre a-t-elle payé la guerre?', in Thierry Lentz, ed., *Napoléon et l'Europe: regards sur une politique* (Paris, 2005), p. 258.

63 Branda, 'La guerre a-t-elle payé la guerre?', pp. 270–71. See also idem, *Le prix de la gloire: Napoléon et l'argent* (Paris, 2007).

64 The budget for 1815 allocated 100 million francs – or 16 per cent of total expenses of 618 million – towards servicing the debt. By comparison, in 1788 debt service required almost 50 per cent of annual revenues. See Michel Brunière, *La première Restauration et son budget*

generated opposition from other European states, jealous of France's dominance, and internally it created a political culture that would become the yardstick against which French *grandeur* would subsequently be measured. Louis XIV's successes hid the need for reform and, when this was belatedly attempted from the mid-eighteenth century in the face of military defeat and ensuing fiscal difficulties, France was drawn into a long political crisis. Paradoxically, attempts to reform would eventuate in both the French victory over Britain and the collapse of the *ancien régime*.

It is easy to read this collapse as a sign of weakness and the ineluctable failure of a sclerotic absolute monarchy. In fact, the revolutionaries in 1789 were merely attempting to set in place reforms which had long been canvassed and often experimented with. Although the excesses of the Revolution often blur its achievements, nevertheless it set in train a series of social and political changes that would result in the establishment of a state capable of military endeavour and achievement on a scale undreamed of by the *ancien régime* monarchs. Napoleon enjoyed an authority which would have been the envy of Louis XV or Louis XVI, and many of his continental opponents would hasten to emulate and adopt his techniques of government. Ultimately, he overreached himself and was defeated by the armies of the counter-revolutionary rulers who eventually realized that only by combining together could the hegemonic power of France be checked. At the Treaty of Vienna, the victorious allies neither wished nor were able to dismember or humiliate France which remained a Great Power. Instead, the Allies integrated France into a balance-of-power system designed to contain the expansionist impulses unleashed by the Revolution. In this they were successful, but the revolutionary ideals proved harder to bottle up, and, for many progressives, France remained a model of inspiration throughout the nineteenth century.

Chapter 6

The Triumph and Denouement of the British Fiscal State: Taxation for the Wars against Revolutionary and Napoleonic France, 1793–1815

Patrick Karl O'Brien

Sources of Taxation for War

The Macro Picture

At the start of the long wars against Revolutionary and Napoleonic France, the taxes available to the British state fell mainly on outlays made by its citizens on domestically produced commodities and services. Smaller proportions came from import duties and direct taxes on their incomes and wealth. Since total tax revenues depended on rates of tax levied on the volume of goods and services assessed to tax, economic forces which effected private expenditures in general, or the demand and supply for taxed goods in particular, influenced the level of exchequer receipts. Most tax revenue came from commodities consumed either by the mass of the population or from goods and services preferred by more affluent groups in society. Really productive taxes fell on commodities with inelastic demands regarded as necessities by the poor or as essential for their lifestyles by the rich and where the elevation of tax rates did not lead to any permanent loss of revenues. However, specific tax rates (which at that time were the norm) implied that the state's real income would fall in periods of inflation.¹

During the eighteenth century, governments exercised nothing resembling absolute power in matters of taxation policy. Even in wartime they continued to be responsible to parliament, subjected to pressures from powerful interest groups and constrained by the moral canons of the age in relation to fiscal policy. Furthermore, and to a degree unheard of in modern times, they found themselves circumscribed in the collection of revenue by the deep antipathy found among all classes of society towards the payment of taxes and by the low quality of administrations at their disposal for the enforcement of the law.²

1 S. Dowell, *A History of Taxes and Taxation in England*, 4 vols (London, reprint 1965) *passim*; P.K. O'Brien, 'The Political Economy of British Taxation, 1660–1815', *Economic History Review*, 41, 1 (1988) pp. 1–32.

2 J. Hoppit, 'Checking the Leviathan, 1688–1832', in D. Winch and P.K. O'Brien,