Paths to Fiscal Transparency

Control, Knowledge and Communication in Early-Modern Politics

Les chemins de la transparence fiscale. Contrôle, savoir et communication dans l'Europe moderne

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Electronic version

URL: <https://journals.openedition.org/histoiremesure/5203>

DOI: 10.4000/histoiremesure.5203

ISSN: 1957-7745

Publisher

Éditions de l'EHESS

Printed version

Date of publication: 30 December 2015

Number of pages: 3-22

ISBN: 978-2-7132-2474-4

ISSN: 0982-1783

Electronic reference

Joël Félix, "Paths to Fiscal Transparency", *Histoire & mesure* [Online], XXX-2 | 2015, Online since 30 December 2018, connection on 03 June 2022. URL: <http://journals.openedition.org/histoiremesure/5203> ; DOI: <https://doi.org/10.4000/histoiremesure.5203>

Introduction

Paths to Fiscal Transparency: Control, Knowledge and Communication in Early-Modern Politics

Paradoxically, it is at a time when transparency is hailed as a key to good governance and economic efficiency, and when national states and transnational agencies are implementing new laws to allow citizens broader access to information, that a series of crises and scandals, sometimes revealed by whistle-blowers, have revealed the extent to which use of the concept can be problematic and, perhaps, even fraught. Before the global financial crisis of 2008, academic literature had already started questioning the rationale behind the adoption of the word ‘transparency’ by the world of corporate finance. In the wake of freedom of information acts, various authors had also started to refine analytical approaches in order to examine what was at stake behind the rapid spread of the concept.¹

In the aftermath of the global financial crisis of 2008, which has shaken the banking sector and rocked citizens confidence in institutions, interest in transparency has grown substantially. Since Jeremy Bentham’s first introduction of the word into the language in 1789, few societal debates have sparked so much concern across a variety of disciplines, beyond the traditional remit of economics and politics, and using new approaches and methodologies. As the debate is still developing, it is too early to identify major new directions or draw preliminary conclusions. It is likely, however, that the current developments in critical analysis and reappraisals of the concept of transparency — and others like accountability, openness or privacy — will be instrumental in providing an effective response to the new

1. See for instance J. BEST, 2005; C. HOOD & D. HEALD, 2006; R. M. BUSHMAN, J. D. PIOTROSKI & A. J. SMITH, 2004.

challenges brought about by globalisation and pave the way to a more robust relationship between nations, markets and citizens.²

One striking fact has emerged from the current debates: the lack of historical reflection about the development of the concept of transparency, both as a principle and as a practice.³ True, the example of the French Revolution of 1789, which saw a so-called absolute monarchy transformed overnight into a fully-fledged constitutional regime, with public political debates, parliamentary commissions and published reports, and a declaration of the rights of the man that introduced the principle of national sovereignty, government accountability and freedom of expression, may give the impression that the transition from *Ancien Régime* to the Modern World was very simple, and that the experience was easily transferable to other countries. In this respect, implementation of efficient and sustainable modern institutions does not appear to be the product of specific historical experiences. Rather, at a level of development, or under certain circumstances, it would seem the inevitable outcome of a conflict-in-waiting between a ruler and self-perpetuating elites, and the people, and which could be solved by applying an available roadmap. In both cases, the question remains whether the origins of societal and political change among European polities were endogenous or exogenous, or, as seems more plausible, a mix of both.

Neo-institutionalist literature, with its emphasis on the Glorious Revolution, has highlighted the role of politics in the development of efficient institutions conducive to efficient financial markets and economic growth. In the last two decades, however, the trend has been to challenge this 'big-bang theory'. Historians have emphasized the extent to which the English experience was essentially exceptional and, to an extent, the results of fortuitous events.⁴ New research on the Fiscal-Military state has suggested that polities across Europe were confronted by with problems of a similar nature.⁵ In the case of England, new work has also demonstrated that the success of the political, fiscal and religious settlement of 1688 was dependent on prior changes that had already occurred during the English Civil Wars.⁶

2. The number of articles published on transparency is growing fast. For this introduction we did not conduct a full review of new work as they are not all fully relevant to our purpose which is mainly historical.

3. See, however, T. C. IRWIN, 2013; S. BAUME, 2015.

4. P. O'BRIEN, 2011.

5. R. TORRES SÁNCHEZ, 2007, 2015.

6. D. COFFMAN, 2013.

In other words, if various models of institutions or agencies did exist and circulated in early-modern Europe, unlike goods they could not or would not be simply exported and adopted by polities. While Jacques Necker sought to emulate the English model of government he admired so much, especially the link between publishing of accounts and public credit, most revolutionaries remained deeply critical of the British constitution. For Britain had recently had experienced military defeat, was seriously in debt and exposed to radical criticism at home. The French sought to establish a universal model of society and government, which the Revolutionary and Napoleonic armies soon imposed upon the monarchies they toppled. While it has been argued that the political modernisation of nineteenth-century Europe was a consequence of exogenous factors, one can also observe that if the seed for future developments was planted, the transition to Modernity was far from linear, and the path to transparency a bumpy one, and may not be over yet.⁷

Accordingly, the aim of this special issue of *Histoire & Mesure* is to contribute to historicising the concept of transparency. Long before Bentham coined the term ‘transparency’ in his *Introduction to the principles of morals and legislation* (1789), Old Regime states and agencies encountered problems of governance and institutional efficiency. In the context of the international warfare which was characteristic of the long eighteenth century, the rise of the Fiscal-Military state and the emergence of indebtedness generated deep anxieties about the stability of existing polities and sustainability of economic systems. In response to the fiscal demands of their respective Leviathans, the subjects of European monarchies called on the concept of light — in the form of the Enlightenment, *les Lumières*, *die Aufklärung*, *l'Illuminismo*, etc. — to dissipate the veil of darkness which hid government policy from scrutiny, in order to check corruption, fight inequality and promote growth.

The articles published in this special issue proceed from a workshop which took place at the University of Reading in April 2014, funded by the *Economic and Social Research Centre* (ESRC, UK), with the support of the *Centre de Recherches Historiques* at the *cole des Hautes tudes en Sciences Sociales* (CRH-EHESS).⁸ A total of nine experts on six Old Regime European polities (France, Spain, the United Kingdom, the Dutch Provinces, the Kingdom of Naples and Sweden) debated the theme ‘The Excesses of

7. M. DİNCECCO, 2013.

8. I thank both these institutions for their financial help. Support from The *Economic and Social Research Council* is part of a 3-year professorial fellowship (ES/K010654).

the State: administrative control or political transparency in seventeenth to nineteenth century Europe?’ The result is a fascinating voyage through time and space which explores the issues of control and communication in various early-modern European polities. The purpose of this introduction is not to summarize the content of each contribution — as they speak for themselves — but to open a brief discussion on the terminology and the methodology deployed, as well as to propose some historical reflection about fiscal control and accountability before the events in France in 1789.

1. A question of vocabulary

Transparency is a catch-all-phrase that has spread like wildfire in the past two decades. As a substantive, it describes a moral value — like happiness — which seems highly desirable, in contrast to opacity or secrecy. In this respect, transparency can be considered a political principle and, even, a natural human right.⁹ Although the word transparency was not to be found in the vocabulary of moral and political philosophy prior to 1789, the very idea pervaded early-modern society, alongside the development of the state itself, in particular the power to levy tax. At the height of a major financial crisis in France which brought about the collapse of the Absolute monarchy, the principle of fiscal accountability took its place in the Declaration of the rights of the man and the citizen of 1789. Article 14 empowered the newly-created citizen to ‘decide either personally or by their representative, as to the necessity of the public contribution; to grant this freely; to know to what uses it is put; and to fix the proportion, the mode of assessment and of collection and the duration of the taxes’.

Article 15 added that ‘Society has the right to require of every public agent an account of his administration’. While discussion of these penultimate articles in the French National Assembly in the summer of 1789 was relatively short, reports at the time indicate that deputies disagreed about the need to include them in the famous declaration. Several deputies believed that these articles were not rights *per se* but constitutional prescriptions not worthy of inclusion in a universal statement of the very principles of natural law. In other words, the principles (political philosophy) and the practices (institutions) could be separated, and their relationship determined by policy (the rule of law). In practice, the declaration of rights became the yardstick against which citizens measured the efficiency of revolutionary institutions and compliance with its principles. Adoption by radical groups,

9. P. BIRKINSHAW, 2006.

like the Jacobins Clubs and Sans-Culottes movements, of the symbolic figure of an eye radiating rays of light exemplifies the potential gap between principle and practice.

As we will see below, it is important to recognise these distinctions to avoid confusion when using concepts such as representation, accountability, publicity, control, transparency, and also for analysing their discursive relationship with antonyms like secrecy, opacity, mystery. This can be exemplified by the exchanges between the *Parlement of Paris* and the French king. In the numerous fiscal *remonstrances* they addressed to Louis XV during the dramatic Seven Years War (1756-1763), the Parisian magistrates drew upon the judicial vocabulary of the time to articulate requests for the government to justify the necessity and destination of new revenue.¹⁰ Of course, it is questionable whether the introduction of formal procedures to legitimate fiscal policy without openly challenging royal authority was workable within absolute monarchies. On the other hand, it may seem simplistic to assume that a change of paradigm as radical as the French Revolution could be spontaneous and its principles abolish societal tensions arising from the administration of human affairs.

Well into the nineteenth century, these questions still remained unresolved and they continued to preoccupy many, like the marquis d'Audiffret (1787-1878) in his brochure *On Public Accountability and the Court of Accounts of France* (1850). Interestingly, the father of modern public accounting in France never used the word 'transparency' in his works. He still referred to the vocabulary of the Enlightenment and its concept of light. In the same way as Louis Brandeis, later, famously wrote about America that 'sunlight is said to be the best disinfectant', d'Audiffret considered the concept of 'light' as one of the cornerstones of social harmony and political freedom. 'Order and light', he wrote, 'are the primary laws of that eternal harmony which we admire in Divine creation... Political systems in the present day have to accomplish that twofold condition required by the times, which brings the prerogative of sovereign power into harmony with the guarantees of rational freedom. These are the main pillars of every state which is established on the basis of national representation'.¹¹

10. J. SWANN & J. FÉLIX, 2008.

11. G. D'AUDIFFRET, 1850, p. 7. This is a translation of *De la Comptabilité publique et de la Cour des Comptes*, Paris, 1847, which was first published in volume VII of the *Encyclopédie du droit*, thus under the regime of the constitutional monarchy introduced by the Charter of 1814 and reformed in 1830. The book was translated into English in 1850, after the Revolution of 1848 which saw the establishment of the Second Republic.

Half a century after the fall of the Bastille, the problem for d'Audiffret (he started his career as a civil servant under the Bourbon Restoration and became *président de la Cour des Comptes*) was not to make a plea in favour of individual and political rights. They were *de facto* granted by the Charter of the Constitutional monarchy (1814), although with qualifications. His main purpose was to ensure that the modern world could deliver on its promises, in particular by introducing a technique capable of implementing accountability. D'Audiffret argued that what he called 'public accountability' should be envisaged as 'a method and an analytical arrangement' to throw light on fiscal and political systems, and claimed that this concept, envisaged as a tool for good governance, was 'novel in our own country, and till now almost unknown in Europe'.¹² Indeed, when d'Audiffret published the first edition of his book, the model of absolute monarchies dominated in continental Europe and accountability in newly-established parliamentary regimes remained problematic.

2. Modelling transparency

The distinction between principle and practice is a central argument of the important volume co-ordinated by Christopher Hood and David Heald entitled *Transparency: the key to better governance?* As the question mark indicates, both authors manifest a cautious attitude towards the usage, and potential misuse, in contemporary parlance of the concept of transparency, which they consider an all-purpose tool. Their main objective was to rationalise the meaning of a word which, in the context of the forthcoming implementation of the Freedom of Information Act (2000), had attained, according to Hood, 'quasi-religious significance in debate over governance and institutional design' in the United Kingdom. One will note the religious analogy used both by Hood and d'Audiffret. Not unlike the latter, Heald also proposed to distinguish between transparency considered intrinsically, as a core concept, and instrumentally, as a building block or a technique, among others, that can be harnessed to generate trust between government and society.

With this distinction in mind, Heald has mobilised the theory of public choice to refine the concept of transparency. He has proposed a useful analytical model that identifies four varieties of transparency, or types of dynamic relationships between societal actors. They can be grouped in two pairs. The first pair of actors are organised in a vertical relationship where

12. G. D'AUDIFFRET, 1850, p. 8.

transparency can be either upwards (*i.e.*, a population, as the principal, looking up at the activity of an agent) or downwards (for instance, when government seek to acquire knowledge about what is happening below). The second pair of actors is organised in a horizontal relationship where transparency can be inwards (*i.e.*, the opportunity for outsiders to look at the activities of an organisation) or outwards (*i.e.*, a subordinate or agent can observe what is happening outside the organisation). Finally, Heald's model introduces a crucial element — timing — which adds another important distinction in the forms of transparency or accountability, depending on whether information is disclosed in real time or in retrospect.¹³

The historian can certainly apply this model to ascertain what type of transparency — or accountability — is at stake when examining issues of administrative control and communication in early-modern polities. Daniel Baugh's article on the question of the discrepancies between effective naval expenditure and Parliament's votes, or Mathieu Marraud's analysis of the Parisian guilds' debt and scrutiny of their finances by royal commissioners illustrates the broad question of who was accountable to whom. Patrik Winton's study of the relationship between the subsidies paid by France to Sweden, the social structure of politics in Sweden and the monetary policy of the Bank of Sweden suggests that systemic change implied making a political choice between secrecy and market economy. Anne Murphy's study of the internal audit conducted by the Bank of England, which coincided with the movement for 'Economical Reform', also indicates that financial systems, if they were to function efficiently, relied on agencies adopting similar attitude towards publicity and accountability. Altogether, these contributions reveal that although one can identify various forms of accountability, they were part and parcel of the broader questions of control, publicity and communication within specific polities.

3. The politics of communication

Drawing a distinction between transparency as a right and an instrument makes it possible to separate the political dimension of accountability, which is rooted in the philosophy of natural rights, and tools for accountability which may have existed in various forms at different times in the early-modern era. In this respect, transparency can be studied as a historical object which transcends the traditional divide between periods and polities. Indeed, as Feenstra's and Loiseau's contributions respectively on the

13. D. HEALD, 2006.

province of Groenigen in the Dutch provinces and the French provincial estates remind us, absolute and limited polities were often composite and decentralised states before 1789. Contrasting principle and practice also fits well with recent developments in the history of intellectual ideas. In his work on the Enlightenment, Jonathan Israel has demonstrated the existence of a radical strand within the Enlightenment.¹⁴ Inevitably, this has raised renewed interest in the more moderate philosophers, the likes of Voltaire for instance, and the policies conducted by familiar figures such as Frederick the Great, Gustav III, or Joseph II, usually associated with domestic reform and enlightened despotism. The distinction between accountability in principle and in practice makes even greater sense in the context of revisionist approaches to the concept of absolutism, which a majority of historians reject as not applicable in practice once policies are properly investigated.¹⁵

In trying to identify the historical origins of contemporary transparency, Christopher Hood reminds us that publishing information — and one could add the potential for endogenous developments — can be situated in the traditional doctrine that government should operate according to fixed and predictable rules. Fiscal historians have long mentioned the importance of sir George Downing's introduction of the payment 'in course' in the late seventeenth century, whereby the state's expenditures were disbursed according to a clear calendar. By contrast, at the same time France used to pay its expenditure through assignments on its fiscal agents, a costly system prone to undue delays, favouritism, and distrust and, in the end, default. C. Hood adds that if traditional forms of publicity are usually associated with representative regimes, they can also be found in less liberal regimes, as part of a broader logic of organisational and political power within the executive government. With its reliance on patronage to promote his policy and use of his network of clients to gather vital information, Colbert is certainly the archetype of the minister capable of playing the rules of the game and managing the system, within its limits, to its best.¹⁶

A century later, in another context, the political works of Count Friedrich von Hertzberg (1725-1795), who was one of Frederick II's principal advisers, shows the extent to which issues of publicity mattered in absolute regimes. In his annual address to the Berlin Academy to celebrate his master's birthday (26 January), Hertzberg always included a *Table of the great sums*

14. J. ISRAEL, 2008.

15. N. HENSHALL, 1992.

16. J. SOLL, 2011. On administrative and accountability see also J. F. BOSHER, 1970 and M.-L. LEGAY, 2011.

that His Majesty has distributed freely during the course of this year...for the advancement of agriculture and manufactures, and in general for the well-being of his subjects. Interestingly enough, Hertzberg felt compelled to justify such disclosure of the *arcana imperii*. He confessed: 'I do not think I am causing any harm to the State, nor betraying its secrets, by publishing facts notorious at home, and by making better known its goodness, strength, and vigour. It is more and more admitted that great policy does not consist in the mystery with which government covered itself, but that those who act openly, with publicity and frankness, win a lot more the confidence of its subjects and neighbours'.¹⁷

Of course, publicity of this kind can be misleading. It falls into a category that has been labelled 'policy of admiration' and considered typical of the ceremonies of communication orchestrated by governments in absolute regimes, by contrast to the more effective publicity and accountability of limited monarchies.¹⁸ Such contrasts are exemplified in Rafael Torres Sánchez's analysis of king Carlos III's paternalistic discourse to justify the need to levy new taxes to fund the American War, a communication strategy which was nullified by the inability of the Spanish administration to actually monitor the sums outstanding in the hands of local tax receivers. In the case of France, a similar tension arose when Jacques Necker published his famous *Compte rendu au roi* (1781), arguably a public justification of the need to levy taxes to service loans, while Louis XVI's paternalist fiscal discourse alluded to the rise of taxation on social grounds and fear of political opposition from the elites.¹⁹

Like many administrators in the aftermath of Montesquieu's influential *Spirit of the Laws* (1748), one of Hertzberg's avowed aims was also to contribute to the wider debate about the relative and respective strengths, characteristics and benefits of European polities. For Hertzberg argued that official publications of Frederic II's use of monies gave 'new proofs that a monarchical government is and can be excellent, and can make for the public good arrangements which are far superior to those entailed in the nature of republican governments'. Curiously, Hertzberg's ideas on publicising government policy did not lead him to support the introduction of a modern political order in Prussia, which he considered not workable in the sort of monarchy he had in mind. In his view, publicity was essentially a superior technique of government. In his condemnation of 'absolute secrecy', he

17. F. VON HERTZBERG, 1786, p. 72.

18. M. FOGEL, 1989.

19. J. FÉLIX, 2013.

attacked less a principle than the consequences of an ill-conceived method of administration which had the potential for introducing new laws based on uncertain or dubious grounds.²⁰ A similar argument was used by French reformers in the early eighteenth century who called on the king's finance ministers to stop adopting secret advice and harmful projects submitted by interested parties. Instead, they asked for the establishment of new institutions to scrutinize manuscript memoirs relating to matters of the state's administration by the means of publication. In this model, the ultimate decision on the memoranda would belong to specific institutions, which would advise the minister, or would be simply left to public opinion via the mechanics of the public sphere.

The problem with Hertzberg's views is that communication between the king and the public was deemed useful as long as it could generate confidence and make the sovereign's decisions legitimate. For this reason, he considered the publication of Necker's *Compte rendu*, the first official publication in real time of France's financial situation, the most important service a minister had rendered to the nation and the king. The fact remains that in Hertzberg's mind the direction of publicity was unilateral and, as a result, opposition both impossible and unthinkable. Nonetheless, he considered that a variety of channels facilitated exchange between the king and his subjects, and varied according to the nature of the polity. He believed the King's speech at the opening of the Parliamentary session was one of the great strengths of the English constitution. In other polities, communication existed too but in the form of royal declarations and edicts, or harangues and discussions in assemblies of royal councils or national assemblies.

4. Knowledge and information

When it comes to fiscal issues, which were, with religion, a central source of contention in the early-modern period, assessing the level of actual and effective accountability among the various European polities is not a straightforward exercise. At this point, it is important to observe that for a long period of time access to a coherent body of knowledge about state finances was simply impossible for the multitude. The first financial histories which were meant for the instruction of the public appeared only in the 1750s, with the respective work of Postlethwayth in England and Forbonnais in France.²¹ This does not mean that information on this important

20. F. VON HERTZBERG, 1786, p. 61.

21. POSTLETHWAYT, 1759; F. FORBONNAIS, 1758; J. HOPPIT, 2002; J. FÉLIX, 1999.

issue was absolutely existent. In the tradition of William Petty's political arithmetic, Charles Davenant published macro-economic data about the revenue, wealth and population of England, the Netherlands and France in the late seventeenth century.²² In 1715, French finance minister Desmaretz published a very detailed account of his fiscal policy under the late Louis XIV and in 1720, as John Law's system was starting to fall apart, the government made public an account of the state of the debts and their progressive reduction under the Regency.²³

True, unlike in Britain, public disclosure in France of fiscal documents was the exception rather than the norm. Yet, catalogues of national libraries and special collections reveal that French fiscal documents were printed from time to time, and sometimes leaked by the government, probably with political intent. For instance, a relatively accurate French budget was published in the Netherlands in 1749 and an account from finance minister Terray to Louis XVI in 1774 was immediately published, although not with the fiscal administration blueprint.²⁴ It seems, however, that such in-roads in the secrecy of fiscal matters were opportunist responses to circumstances rather than a proper reflexion on the role of publicity and a real commitment to introduce it within royal institutions. In 1787, at the height of a major fiscal and political crisis, and six years after Necker's official publication, discussion within the Royal Council opposed ministers on the necessity of disclosing financial accounts and debated whether accounts ought to be made public every three or five years.

The increase in the volume of, and access to, information profoundly transformed the environment in which government traditionally operated across Europe. From the 1740s onwards, most countries experienced a sudden and significant surge in the number of books and printed material. In Germany, for instance, between 1764 and 1800, the number of new books published annually tripled and the number of newspapers grew from 411 in the 1750s to 1,225 in the 1780s. As in France, the audience for these publications grew thanks to the growth of literacy and readership increased through masonic lodges and political clubs, scientific institutions and reading societies. Given its economic impact, the vitality of the book trade was a real challenge to pre-publication censorship which was either abolished,

22. C. DAVENANT, 1695; his figures were reproduced and discussed by F. VÉRON DE FORBONNAIS, 1758.

23. N. DESMARETZ, n.p., n.d.

24. J.-M. TERRAY, n.p., n.d [1775]; J. FÉLIX, 2013.

as in Denmark under Struensee (1770), or considerably relaxed, as was the case in France, although with bouts of repression.

Even in Britain, where the king's subjects traditionally enjoyed freedom of the press, a right confirmed in the Bill of Rights (1689), the increase in the volume of information, also noticeable in the eighteenth century, was a cause for some concern. In the 1730s and 1740s, ministers were concerned by the reporting — or rather the misreporting with political intent — of speeches in the Commons which, at the time, were not available to the wider public. In 1742, a publication venture offered to publish the speeches of the Commons from Queen Anne's accession in the form of books, and not magazines, and also promised to bring them up to the present. The printer ended up in prison while a variety of measures were taken to limit freedom of the press on reporting parliamentary speeches. It must be said that repression found little political support and was loosely implemented.²⁵ In the mid-1750s, Edmund Burke's take-over of the *Annual Register* certainly filled a vacuum and responded to a public demand for news and information which, in Britain as in France, was traditionally accessible only to a relatively small elite.

As Hertzberg rightly pointed out, declarations and edicts were the traditional method for governments to disclose information to the public. According to the famous German geographer Gottfried Achenwall, Britain and France stood out in Europe in terms of the amount of fiscal information they made available by such means. The true problem, observed Achenwall, was the sheer difficulty of making sense of the existing information. Indeed, to meet its objectives, fiscal publicity had to present information or data in a credible and convenient way that fostered inferability.²⁶ In the same way as recent debates have queried the readability of the balance sheets of contemporary central banks, the information disclosed in the eighteenth century was not always easy to interpret. For instance, in Burke's issues of the *Annual Register*, Parliamentary budgetary decisions (ways and means) are reported as a list of figures. Since volumes appeared only once a year, publicity was in retrospect, particularly during the Seven Years War when the publication of annual issues was systematically delayed. In effect, it would take almost another half-century, up until 1802, before the Treasury submitted a full and legible budget to the House of Commons.

25. J. BLACK, 1987.

26. G. MICHENER & K. BERSCH, 2013.

The case of France was different but not dissimilar. Here too fiscal information was available. Decisions on fiscal and credit policy were officially published in royal edicts which were registered by courts of justice. In 1768, the finance minister L'Averdy warned Louis XV that the public had learnt to count so well that it predicted default as inevitable.²⁷ But information remained so unprecise that experts called upon by government for their advice on fiscal strategy could not rely on accurate data to defend their views or, worse, proposed policies were simply not viable once figures were added. As a matter of fact, published information was not easy to understand either. It was certainly impenetrable to potential foreign investors in the French funds who could not read the language. With this in mind, Achenwall set himself the task of writing for his German compatriots a commentary of abbé Terray's edict of November 1771, an official document in which the *contrôleur général* clarified the situation of French finances after his famous 1770's default. Making sense of the state of French finances, as set out at length in the edict, was truly impossible as only specialists could decipher its technical vocabulary. Incidentally, this is an indication that Terray's purpose was to establish a line of communication with professional financiers and not trying to appeal to a wider audience of investors. In any case, the relatively clear articles of the volumes of the *Encyclopédie méthodique* specifically devoted to finances only appeared in 1783.²⁸ In the meantime, the average German reader would find no help in current language dictionaries which offered neither translation nor explanation of financial vocabulary. Achenwall argued, however, that once the meaning of the vocabulary was clarified the edict gave a fairly good idea about the actual resources of France.²⁹

Recent analyses of transparency which draw upon theories of communication emphasize the need to go beyond the question of the quality of the information disclosed to examine publicity in relation to the strategies of the provider, the recipient's reactions and the role of the media.³⁰ One of the problems with Necker's publication on the state of French finance in 1781 was certainly the scarcity of fiscal data. This made his fiscal policy and his *Compte rendu* the subject of vicious attacks about his abilities and hidden agenda. As his successor and arch-enemy Calonne realised when he attacked Necker's figures in an opening speech to the Assembly of Notables (1787), disagreement over figures could not properly be addressed and

27. J. FÉLIX, 1999.

28. J.-P. ROUSSELOT DE SURGY, 1783-1784.

29. G. ACHENWALL, 1774.

30. M. FENSTER, 2015.

reputation ascertained without disclosing more information in the public sphere.³¹ This suggests — as Necker argued in 1781 — that once forms of publicity are part of government policy on communication with the public, there is no easy way-out. To an extent, this explains why the history of transparency is not a linear one.

5. Public credit

On both sides of the Channel, the development of public credit was one key factor in promoting fiscal publicity. Regular quotation of British funds in the press went hand in hand with the rapid development of the financial market from the Glorious Revolution onwards. Although France also had an early financial market, no documents have survived to prove or disprove existence of regular and accessible quotation of state bonds and other assets circulated by financiers. It seems that quotation of financial assets was the preserve of *agents de change* and merchants until the 1740s when they made their appearance in newspapers. By that time, the state of semi-permanent warfare between France and Britain had resumed and was a cause of considerable stress in both monarchies. David Hume perhaps best qualified the fundamental tension when he warned that ‘either the nation must destroy public credit, or public credit will destroy the nation’. Although history proved Hume wrong, debt remained a central issue for the major powers, a concern which was soon to be shared by all European powers as loans, paper-money and other credit facilities were relentlessly issued to pay for the Revolutionary and Napoleonic Wars.

To sustain confidence, sovereigns were compelled to reassure creditors and attract potential investors. A variety of fiscal techniques or institutions could be used to maintain the public appetite for investment in the state funds. The creation of the Sinking fund in England and *Caisse d’amortissement* in France was meant to provide a sound basis for servicing the interest and redeeming the capital on bonds. These new establishments were aimed at maximum publicity. In France, each year a public ceremony would take place in Paris during which, like the drawing of the lottery today, royal bonds to be refunded were drawn from a revolving drum. The activities of the *Caisse d’amortissement* were advertised and details about its resources, payments to be made and outstanding capital publicised in official documents.

31. Between 1787 and 1789 Calonne and Necker attacked each other in a series of publications where they discussed at length data and policy.

In addition to these institutional developments, civil society contributed to a number of publications which increased public awareness. One can hardly avoid mention of the development of statistics, which can be traced back to the late seventeenth century. They were associated with the state's desire to acquire tools for governing, as is evidenced in the case of German Cameralism. As Loiseau's and Marraud's paper show, debt policy and the development of public credit in France ran hand-in-hand with the introduction of new administrative documents to scrutinize the finances of corporate bodies which lend their credit to the king. New administrative documents were meant to monitor fiscal revenue more accurately, plan debt policy and assist discussion between Versailles and the provincial estates about the feasibility of the latter raising taxes or issuing new loans on behalf of the king.

There also existed outside of the state apparatus a market for private consumption of fiscal information. A variety of publishing initiatives appeared in response to questions about the resources and relative strengths of states. From the 1760s, the German geographer Anton Bsching started gathering data about populations, size of the armies and navies, and revenue of European states, which he published and revised in successive editions of his *Magazin*. The scientific revolution assisted the invention of non-verbal ways for communicating and comparing quantitative data. Between 1786 and 1789, French ministers started assembling large tables with data that provided a detailed and synoptic view of the French population, the king's expenditure and revenue, colonial trade, etc. In 1789, the deputies of the French assembled to deal with the deficit and the debt were given the opportunity to access a large table containing data about twenty-three European states.³² At the same time, William Playfair, the inventor of graphs, starting using new methods to represent and compare the relative fiscal power of European polities. All of these authors vied with each other in their determination to publish accurate and up-to-date information. Like Achenwall in the 1760s, Playfair travelled Europe and relied on patronage and networks in the Republic of Letters to access official documents normally kept secret by government.³³ Inevitably, as D. Ciolella's article suggest, such contacts allowed exchanges and transfers, making publicity and accountability possible, as well as creating a demand for information and transparency.

32. British Library, Additionnai Manuscripts 74100, *Aperçu de la Balance du Commerce de la France, Année 1789. Ensemble le relevé de la Population, des Finances et Forces Militaires des Principales Puissances de l'Europe*. See also J. FÉLIX, 2011, and an on-line publication of this document http://www.reading.ac.uk/history/about/staff/Historical_Finance_Fiscal_History.aspx

33. W. PLAYFAIR, 2005.

6. Stages in publicity

If publicity and accountability have a history, it is a staggered one which does not really comply with a linear model of development. For instance, the famous Swedish Freedom of Information Act of 1766 was soon the victim of Gustav III's coup against the Diet (1772), and was only re-introduced in 1809. The history of fiscal publicity is full of paradoxes. Publication by the Imprimerie Royale of Jacques Necker's *Compte rendu*, which became, with his *Treatise on the Administration of Finances* (1783), the European best-seller of the last decades of the Old Regime, backfired. The Swiss banker who had been appointed finance minister of the Bourbon monarchy was accused of massaging the figures and misleading the public. Critics inevitably queried the rationale behind the king's benevolence and the capability of fiscal administration to provide accurate figures. In other words, if publicity was meant to assist government policy, it had also the potential to create problems. The intense political debate that the publication of Necker's *Compte rendu* generated in France, and in Europe more broadly, highlights the public's appetite for information about finances and their political impact. It also indicates that one key problem for government was not to accept only publicity as a principle but to learn how to anticipate and react to the ways in which the public would receive, interpret and comment upon information, especially in the absence of institutions authorised to represent the public voice and effectively limit executive power. This question is perhaps best expressed by Calonne's powerlessness when he faced resistance from the Assembly of Notables he had convened to obtain support for his tax policy and replied: 'The power to vote tax is not the power to refuse it'.

The road to fiscal transparency in Europe was a long journey because the various polities that made the early modern society were unequally equipped to respond to fiscal crises — that periodically led to questioning of the very fabric of society. Wars, with their impact on the distribution of wealth and the routes they opened for personal enrichment, inevitably led to demands from society on their government. In Britain, such demands were usually met — and defused — by the creation of a Parliamentary Commission entitled to look into Public Accounts.³⁴ In France, up until 1715, monarchs used to set up royal commissions in the form of *chambres de justice* to investigate the fortune of financiers and issue fines that were never paid.³⁵ Overall, peace was the most efficient tool to balance budgets and avoid popular demands for accountability and punishment. In the context of

34. J. HOPPIT, 2002.

35. D. DESSERT, 1984; J. F. BOSHER, 1973.

renewed warfare which raised deep concerns about political stability and financial profit, the traditional elites saw the foundations of their domination challenged by the philosophy of the Enlightenment and the constitution of a critical public sphere which did not fit well with traditional channels of communication and legitimation. Powers of second rank were not immune but were partly protected as they were not involved in the American War of Independence which was a major burden on the two main competitors, in particular France, a country which was making quick progress on the road to publicity. The Revolution, however, suddenly opened a new chapter in the history of accountability as it became a principle which had to be implemented in practice. Although the French Revolution's impact on Europe was arguably considerable, it would take time and more crises before fiscal publicity and political accountability would make their contribution to a faire society.

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