

Campillo, however, who had passed through all the offices of administration, and who possessed firmness and extensive knowledge, had frequently asked the Spanish farmers-general what they gained by their farms: according to their own accounts, they were constantly losers. Campillo, determined to learn the truth, suddenly put six of the twenty-two provinces, of which Castile is composed, into commission. The marquis de la Ensenada extended this measure to fourteen others, in 1747, and since that time all the finances of Spain, with a few exceptions, have been managed by commissioners.

Two years afterwards Ferdinand VI. adopted a project which had often been agitated in Spain, that of reducing all the imposts to one, or at least of converting into one contribution those which form what are called provincial rents, and produce about thirty-four or thirty-five millions of livres (or about a million and a half sterling). In 1749,

an order appeared, which established a particular commission for this purpose, and provided that all researches, declarations and verifications should be made at the king's expence. The commission took the name of *Sala de la Unica Contribucion*. It employs thirty thousand persons, and its annual expence is upwards of three millions of livres (125000l). It must be allowed, not always to make comparisons to our disadvantage, that the reveries of our œconomists upon a single impost have not been so expensive.

Until the operations of this chamber, of which the public has no great opinion, shall have answered the purpose for which so much care and money have been applied, the defective form of the chamber of finances will remain; the people suffer by it, and good citizens loudly complain; but the sovereigns of the present family, although at different times assisted by able ministers, have not yet been able to find a remedy.

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The finances of Spain are divided into two classes, which compose almost all the revenues of the king; *General Rents* and *Provincial Rents*.

The first arise from duties paid at the frontiers upon merchandize entering or going out of the kingdom. The duties are different with respect to name and rate in different provinces. In those where the Moors longest resided, they have preserved the Arabian name *Almojarifazgo*, first given to a custom-house duty that has been successively increased, and upon which the Spaniards have speculated more or less advantageously with commercial nations. It is still known by the same name in the Canary islands, where it produces to the king six per cent. upon all merchandize.

In most of the other provinces it has been increased by degrees to fifteen per cent. upon every article of importation or exportation.

In Catalonia, the duties of exportation and importation, received by the king, are not four per cent. *ad valorem*.

Although the frontier of Navarre, on the side of France, be free, a duty is nevertheless paid there of five per cent. upon every commodity which has passed it to enter, and three and a half for whatever is to go beyond it.

There is another species of duty upon the frontiers of Portugal, which are called *Puertos secos*, dry ports. According to a tariff made out in 1668, a duty of twelve and three-fourths per cent. is there required upon all kinds of merchandize.

Hence it already appears, that the finances of France are not the only ones which are complicated, different in different places, full of exceptions, and exposed to the caprice of those who collect the imposts. What I have mentioned

is but a slight sketch of the complication of those of Spain.

Besides these general laws which extend to the greatest part of merchandize, there are several articles, such as cacao, chocolate, sugar and paper, which pay particular duties.

The whole produce of the general rents when they were farmed did not amount to six millions and a half of livres (about 270000*l.*) A few years after they were put into commission they produced ten millions (above 400000*l.*) and have since increased. In 1776, they produced about thirteen millions (580000), and something more than eleven (450000*l.*) in 1777.

There are some other duties which may be included in the general rents, although differently collected, and their produce enters not the same chest; such are

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The duties of the *office of health*, first established at Cadiz, and since extended to the other sea ports of the kingdom.

The duties of the *grand admiral*, which were appropriated to the treasury by Ferdinand V. in 1748.

Two other duties, one under the name of *Lanzas*, the other of *Medias Annatas*. Demi annates or half first fruits. The first is an annual contribution paid by all the grandees of Spain, and every citizen honoured with a title of Castile. For these it was fixed at nine hundred livres (37l. 10s.) The duty of *Medias Annatas* is paid at each descent of the dignity of grandee or title of Castile, and may be estimated at five thousand five hundred livres (230l.) once paid. It is also levied upon all employments on entering upon which oaths are taken, and consists in half the salary of one year. I know not the exact amount of these two duties united. The *rent of wools*,

wools, which is the duty paid upon their going out of the kingdom in proportion to their quality and the nature of the district in which they are produced ; and which since the year 1558, when it was first levied, has been at various times augmented. The farmers did not give three millions of livres for it ; but at present it produces almost six.

The produce from the sale of salt, which is exclusively sold for the king's account, in the provinces of the crown of Arragon, as well as in those of Castile at twenty-two rials a *fanegue*, taken at the salt-pits, about five sols and a half ($2\frac{1}{4}$ d.) a measure, which weighs from sixty to eighty pounds, makes a separate article in the finances of Spain. The price of salt is uniform throughout the kingdom, some drawback however is granted in the sea-ports in favour of salting provisions. The dry salt-pits, and those of Andalusia, are not sufficient for the national consumption, on which account great quantities of salt are brought

brought from Portugal. This is distributed to the people every six months, and the first quantity is not paid for until the delivery of the second. Seizures and executions are rare in Spain with respect to salt; and the un pitying avidity of the treasury does not there oppose the design of nature which has given to the inhabitants of the earth this article of first necessity in abundance, and intended not that they should find in it one of the sources of oppression under which they groan. For these reasons, the revenue from salt is not considerable; it scarcely exceeds four millions, which is not the tenth part of what it produces in France, notwithstanding the population of this kingdom is not more than double that of Spain.

There is still a greater difference between the profits arising to these two kingdoms from the exclusive sale of tobacco for the account of the sovereign. According to the calculations of Mr. Necker, they amount in France to one hundred

hundred and twenty-fix millions of livres (5250000l.) In Spain they scarcely produce twenty millions, (830000 l.) yet in the article of smoaking tobacco, the consumption must be more considerable there than in France. All this tobacco is furnished by the Portuguese, who procure it from Brasil, and the Spaniards prefer it to every other. By virtue of the last lease from the court of Spain, the Portuguese give it at less than ten sols (five pence) a pound, and the king sells it at six livres (five shillings). At the expiration of the lease, if the Americans offer it at a lower price, it is said they may have the preference.

All the tobacco made into snuff which is legally consumed in Spain, comes from the Island of Cuba. The king pays rather dearer for it than for that from Brasil, and sells it at six livres a pound also. However, all is not clear profit to the treasury, the salaries of persons employed, the expence of snuff
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manufactories, &c. which amount to forty sols a pound, must be deducted.

It will easily be imagined that all tobacco not sold on the king's account, is severely prohibited; but it will scarcely be imagined that the prohibitory law, the publication of which is from time to time repeated, makes the punishment for selling it, in certain cases, *death*. The law is as seldom executed as all others which are too severe, and where there is frequent temptation to violate them. Great quantities of tobacco are smuggled into Spain: and the sellers of it, by taking a guinea a pound for the risks they run to gratify the inclination which men always have for whatever is forbidden them, are considerable gainers by its prohibition.

There is besides a particular tribunal which, under the name of *Junta del tabaco*, determines all the causes relative to the duty upon that article, and enforces the law

law which prohibits the *rasped* (rapé) tobacco, the name by which that not manufactured in Spain is known. This is reduced to a very fine powder and afterwards mixed with a species of fine earth of a reddish hue which gives it its colour and oiliness.

When I left Madrid, it was in agitation to permit the Spaniards the use of rasped tobacco. It was calculated that the treasury would be a gainer by this measure, and that it would be a considerable saving to the snuff-takers, now exposed to the impositions of smugglers. I know not what became of the project. Spain would have no need of recurring to other nations to carry it into execution. She is perhaps the richest of any in the article of tobacco, as well as in several other respects. The cultivation of this plant has perfectly succeeded in most of her colonies, as in Mexico, upon the coast of Caracas, and more especially in Louisiana and Trinidad, two colonies of which the tobacco will perhaps one day

day be preferred to that of every other country. The cultivation of it in Mexico was not begun before the year 1765. In 1778, the sale of it on the king's account in that colony alone produced four millions of piaftres, about twenty millions of livres (above 800000l.) In 1784, it produced upwards of six millions of piaftres; whence, however, must be deducted the expences of cultivation and those of collecting the duty. But the minister of the Indies, whose vigilance and activity, successfully attacks all abuses, expects the most favourable effects from the reforms of this kind which he has undertaken. He also proposes to supply Mexico with the tobacco of Louisiana, which is better and less dear, and to extend to the rest of Spanish America, this source of revenues to the royal treasury, which during so long a time has received nothing from these extensive colonies.

There are also other articles in *estanco*, that is, exclusively sold for the king's account.

account. These are, brandy*, lead, gunpowder, cards, Spanish wax and stamped paper. I omit other little local duties, the particulars of which would carry me beyond the limits I have prescribed myself in this work.

But the most reprehensible part of the taxes of Spain is the second of the classes, into which we at first divided them, the *provincial rents*: a species of impost which chiefly falling upon the consumption of the most necessary articles, burdens the people, and is one of the greatest obstacles to industry.

Government is indeed convinced of the impropriety; but it proceeds from

* Brandy and other spirituous liquors are not properly in *estanco*. The sale of them has been free throughout the kingdom since 1746; but the following year the council proposed to establish a magazine for the king's account, and most people prefer purchasing there because the liquors are better and cheaper.

circumstances which it would be necessary to change at the same time that it was removed; the continual urgency of state necessities, has never permitted government to risk the safety of its revenues by experiments which might create confusion, or be of doubtful success. To produce such revolutions, favourable conjunctures would be necessary, and a sovereign and ministers who should not be alarmed at the clamours ever excited by innovations, and who, after having chosen from different systems that best adapted to the happiness of the people, and the least offensive to received prejudices, should have sufficient resolution and constancy to introduce it slowly, without violent efforts; and finally, who not too eager to enjoy the fruits of their labour, would not sacrifice to the vain pleasure of producing a great revolution, the advantage of effecting one both durable and solid. But this union of circumstances cannot
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but be very rare in Spain as well as in other countries.

In the mean time the subjects of the Spanish monarchy are exposed to a most destructive system of taxation. The provincial rents are, First, the produce of a duty upon wine, oil, meat, vinegar, candles, &c. The first time this was levied was in the year 1590. Philip II. overwhelmed by the weight of the ruinous enterprizes to which he was impelled by his ambition, proposed it to the Cortes, who consented upon conditions, most of which have been violated. This grant, which has since been renewed every six years, has had different augmentations, called the services of the *Millones*, because it was for a certain number of millions of ducats that they were made. This impost is collected in two modes, either immediately by the commissioners of finance, or by way of subscription; *encabezamientos*.

The second method has only the advantage of diminishing the number of persons employed by the treasury ; but it is in reality more oppressive to the people. The distribution of the sum for which many cities, boroughs, and communities have subscribed is arbitrarily made by the magistracy of each, who establish a public magazine or warehouse (*abaſto*) where individuals are obliged to purchase by retail the articles subject to the duty. The lower classes of people who cannot, like persons in easy circumstances, lay in a stock, feel all the weight of this odious policy. Their houses are searched to see that they consume nothing but what they purchase from the *abaſto* ; hence arise oppressive prosecutions, which sometimes double to those least able to afford it their proportion of the sum the city or community to which they belong has subscribed ; so true it is, that the powerful are every where favoured at the expence of the weak,

weak, whilst the state gains nothing by the oppression of the latter.

Secondly. The *provincial rents* also consist of the *alcabale*, a duty paid upon the sale of all moveables and immoveables.

This was first granted by the Cortes, in 1342. It was then but a twentieth of the thing sold. In 1349, it was increased to a tenth, and rendered perpetual. In the sixteenth century it received four additions, each an hundredth part; whence they received the name of *Cientos*.

These two duties united, and collected together under the common denominations of *alcabale y cientos*, ought therefore, strictly speaking, to amount to fourteen per cent. but they vary in different cities and provinces according to the privileges granted by the sovereign, which in some places have entirely superseded them; and they are no where levied to their utmost extent, which

however does not prevent their being burthenfome to commerce and induftry.

Thirdly. The *tercias reales* are another impoft jointly collected with the provincial rents; they are the two-ninths which the court of Rome, in 1274, permitted the kings of Spain to receive upon all the tenths of their kingdom. They are received in kind from the produce of the earth, and afterwards fold for the king's account. This impoft fcarcely produces fifteen hundred thousand livres, (62500l.) and would be fufceptible of a confiderable augmentation, did not government, in collecting it, truft to the unfaithful ftatements of the ecclefiaftical offices.

Fourthly. The *ordinary and extraordinary fervice, and its fifteenth in the thoufand*, is a fpecies of tax paid by the ignoble only, who in Spain are known by the denomination of *eftado general*. It is collected with the *alcabale y cientos*, according to an affeffment made by the
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tribunals, in proportion to the known property of each of the contributors.

Fifthly. There is an impost upon the sale of fouda and barilla, with some other particular taxes, which cannot be enumerated in this general account.

Lastly. The duties of entry into Madrid form another source of revenue for the king; they are at present farmed out to the community of *Gremios*, at seven millions and a half of reals. All the interior contributions of the provinces of the crown of Castile produce about thirty-four or thirty-five millions of livres Tournois (or somewhat above one million four hundred thousand pounds sterling). The provinces of the crown of Arragon have another form of taxation, and have no provincial rents, such as those of which we have spoken.

They are happily exempt from the *alcabale*, the place of which is there supplied by equivalent duties; they pay one general contribution, which each city, borough, and community assesses proportionately on its inhabitants. As some of these provinces were the last to acknowledge the authority of Philip V. that monarch, to punish their obstinacy, deprived them of a part of their privileges, and established a form of taxation different from that of the crown of Castile. But his intention was evaded; and, in fact, they are better treated in this respect than the rest of the kingdom.

Catalonia, which more than any other province, had provoked the monarch's resentment, was subjected to a register in which all the lands were undervalued and taxed at eight per cent. upon the rents arising from them; but they scarcely pay more than one per cent. upon the real amount. To this register

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was added, a tax upon industry, which not being arbitrarily assessed, is not burthenfome, and this double taxation is not prejudicial either to agriculture or industry in Catalonia.

The provinces of the crown of Arragon are besides subject, like those of Castile, to the impost called *tercias reales*, and obliged to take, at a fixed price, the articles salt, tobacco, lead, &c. which are sold for the king's account.

They are also equally subject to the bull of the crusade. The primitive object of this bull was to grant indulgencies to those Spaniards who should contribute, either by personal service or subscription, to support the war against the infidels. The produce of the bull is still employed in the same manner, since the Spanish monarchs who receive it are obliged to apply it to the support of their fortresses and garrisons upon the coast of Africa. Until the reign of Ferdinand VI. this grant of the court of Rome

was to be renewed every five years; a subjection of the inconvenience of which Philip V. was sufficiently sensible, on three different occasions, when his quarrels with the holy see prevented him from obtaining a renewal of the bull. It was not until the compact of 1753, that it was made perpetual: since that time it has become a constant source of revenue to the treasury; and if Spain, influenced by motives of policy and humanity, should become reconciled to every infidel nation, as she has been under the present reign to the Ottoman Port, the emperor of Morocco, and more recently to the regency of Algiers, this tax, though incapable of being applied to the purpose for which it was originally established, would not the less continue to be levied.

The price of the bull is fixed at twenty-one quartos, about fourteen or fifteen sols (7d. or 7½d.) No Catholic in Spain can dispense with buying it
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without having his orthodoxy suspected. Provided with this bull, besides the indulgences annexed to it, he has the liberty of eating meat with the consent of his physician and confessor, as also to eat eggs and milk, on fast days, and during Lent.

This species of voluntary taxation is received by a magistrate who bears the title of *Commissary-general of the Cruzada*; it produces to the king something more than four millions and a half of livres (187500l.).

The clergy are not exempt from it, nor is this the only tax they pay.

In the first place, they are in part subject to that of *millones*; but to this it is necessary the pope should consent every six years by a brief. As there are many places where separate accounts are not kept for ecclesiastics, they pay the whole tax in common with the laity; but the consumption which each ecclesiastic

fiastic makes in wine, oil and other articles subject to the *millones*, is carefully estimated and always in their favour. In this manner a calculation is made of what they ought to pay of the tax, and they are reimbursed whatever they have paid above this estimation.

But as, in most cases, fact always differs a little from right, the clergy pay next to nothing of the *millones*, in the smaller districts where they easily acquire a pre-eminence, and the weight of the tax naturally falls upon the body of the people.

There is another impost called *Subsidio*, to which ecclesiastics are also subject.

But the greatest contribution levied upon them is the *escusado*, which is also denominated *casa dezmera*, tenthed house, because it consists in the right granted by the holy see to the kings of Spain, to appropriate to themselves the most
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advantageous tenth of each parish, as well of the crown of Castile as that of Arragon.

This contribution, were it exactly levied and collected, would bring a very considerable sum to the Spanish treasury, but it has been made an object of speculation and subscription, which has considerably diminished its produce. Under the reign of Ferdinand VI. a resolution was taken to discover what it really would produce, and for this purpose it was for some years managed by commissioners. But before sufficient information was obtained, the marquis of Squilace, coming to the administration of finances almost at the same time that Charles III. ascended the throne, was too much in haste to farm it. The *Junto* charged with the plan of one only impost, had proved in a memoir presented in 1756, that for the crown of Castile it might be stated at four millions of livres Tournois; nevertheless the minister of finances farmed out, at three millions

lions, the whole of the *escusado*, to the corporation of merchants at Madrid, commonly called the *Gremios*; and since then a part of the clergy have obtained a power of managing it on their own account, with which privilege they were allowed an abatement of one-third.

Notwithstanding these restrictions, if we observe that the *tercias reales* are still an impost, and at the same time recollect, that the kings of Spain have the power of granting pensions upon all benefices, even to a third of their produce, we shall find there is little foundation for the assertion, that the Spanish clergy do not contribute to the expences of government.

It may be imagined, that Spanish America is one great source of revenue to the royal treasury, but hitherto its produce has been but trifling.

For a long time the expences of the administration of these immense colonies

nies were not defrayed by the revenues they produced; and it is only since the administration of M. de Galvez that Mexico has yielded a surplus by the establishment of the farm of tobacco.

All the duties and contributions, of which I have given a summary account, produced in 1776, no more than one hundred and ten millions of livres (upwards of four millions and a half sterling) and not even that sum the following years; and it is said, the national expence constantly exceeds the receipt. The minister is endeavouring to find the most sure and least burthensome means of supplying the deficiency, and of creating a sinking fund for the debts of Spain.

For although the debt of this kingdom be not so great as those of France or England, it yet amounts to a very considerable sum.

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In the first place, the fovereigns of the Bourbon family inherited from those of the house of Austria, the debts called *Juros*, which, however, bear but a moderate interest. This is a charge to the state of about five millions of livres (208000 l.) the payment of which is made from different branches of the revenue.

Philip V. left, as we have observed, debts to the amount of forty-five millions of piastres, or upwards of a hundred and sixty millions of livres Tournois (above six million and a half sterling).

At his death, Ferdinand VI. his son and successor, an equitable and a pious prince, terrified at so enormous a burden, and hesitating between the fear of making the state support it, and the scruple of depriving the creditors of their right, assembled a junto, composed of bishops, ministers and lawyers, and proposed to them the following question; *Is a king obliged to discharge the debts of his predecessor?* Will it be believed, that it

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was decided in the negative, under the pretence that the state was a patrimony of which the sovereign had but the temporary use, and that he was answerable for no engagements but his own? This decision, equally contrary to reason, justice and policy, quieted the conscience of the monarch, and legalized in his eyes that which was a real bankruptcy. The payments of the debts of Spain were entirely suspended.

Ferdinand VI. carried his inconsiderate œconomy still further. His determination had given a mortal blow to the credit of the nation. Wholly employed in making savings, he suffered every branch of administration to languish; the army, fortresses and colonies were neglected. When Charles III. ascended the throne in 1759, he found in the royal coffers upwards of a hundred and sixty-five millions of livres tournois. The new sovereign, more delicate in his scruples than his predecessor, thought it incumbent on him to repair the fatal omission of Ferdinand VI.

In 1761, he paid six per cent. of the capital due from Philip V. but beginning with his own subjects, who were creditors, he put off foreigners until all the Spanish debts should be discharged. This was treating his subjects as a good father of a family would his children; but it was, perhaps, at the same time destroying all the sources of foreign credit in future. In modern times, when war costs more money than men, when great enterprizes frequently require prodigious sums, what state can supply its own wants? Spain continued for five years to pay six per cent. in diminution of her capital debt.

In 1767, the dividend was reduced to four per cent. The following year fifteen millions of livres were distributed among the home creditors; and in 1769, the expences of the state were so increased as to necessitate a suspension of further dividends; an interruption which gave the finishing stroke to the credit of government. Whilst I was in Spain, people were glad to sell their claims

claims at a loss of eighty per cent. However, there are some opportunities of disposing of them to greater advantage. Foreigners or subjects, treating with government upon any enterprize it meant to favour, have passed a certain portion of them at par. They are, moreover, received in payment of the *medias annatas*; but, except in these particular cases, the claims upon Philip V. are almost of no value; they bear no interest, and the entire liquidation of them, if ever it should take place, can only be considered as very distant. This is a truth, of which those of my countrymen who have or may have any concern with them; cannot be too much convinced. During my abode in Spain, I had sufficient proof of this by several unsuccessful attempts, and was witness to the unfavourable issue of those made by others. A circumstance related to me by persons worthy of credit will be sufficient to prove what I have asserted. One of the valets de chambre of Louis XV. was a holder of one of these securities,