

Fiscal modernisation? The introduction of the Cadastre in Catalonia

LLORENÇ FERRER ALÓS
Universitat de Barcelona

One of the great contradictions of the Spanish Crown up to the seventeenth century was the lack of uniformity in the tax system of its various territories, the consequence of a different historical evolution of each of them. In Castile, the revenue of the royal estate had been increased by a number of taxes which, though created as a temporary, extraordinary measure, had become ordinary payments, like the sales tax and the *millones*. At the same time, there had been some confusion between royal revenue and the kingdom's revenue: the two were mixed, depriving the Crown's own institutions of autonomy. In the territories under the Crown of Aragón, the royal estate was at the king's disposal, but any other income had to derive from a pact between the Crown and the *Cortes*. In the course of the seventeenth century, the *Cortes* met on rare occasions, leaving the territorial institutions and municipalities with lots of leeway in terms of fiscal and financial autonomy. During this period, the *Generalitat's* income (between 80,000 and 184,000 *libras*) was higher than that of the Crown itself (37,000 *libras*) and was even used to finance wars like that of *dels Segadors*, waged against the Crown, or the War of Succession.

The upshot of this was that the need to endow the kingdoms with fiscal uniformity and to find a way of increasing the Crown's revenue became a matter of priority attention for the monarchy. This question had been approached long before the rise to power of Felipe II and had run up against the opposition of an institutional network which had been carefully woven by the more independent territories as a way of defending the privileges they enjoyed. The War of Succession and subsequent defeat of the territories under the Crown of Aragón was the political event which would put an end to their institutions and pave the way towards equality in all senses, including fiscal matters. Although, in itself, the idea was not new, the tax rate applied did constitute a novelty in that it was born of a philosophy that had not been seen before in Spain.

It was the king's counsellor, Jean Orry (1702-1706 and 1713-1715) who designed the new revenue policy for the vanquished territories and it was he who coined the term, *Equivalente*, for the new fiscal burdens. The word has the political significance of the ends in view: the Crown, and not the local institutions, were to be paid the *equivalent* of what was paid in Castile so as to establish fiscal equality all over the territory. Some authors have pointed out that three aims were pursued: a) that the collection of taxes in these territories should no longer depend on the decisions of the *Cortes* or similar bodies; b) guarantee the availability of funds for the maintenance of the armies stationed in the territory and

ensure that the troops received their pay on time; and c) seek equality and a proportional tax system for all the state territories. Accordingly, between September 1714 and February 1715, the *Single Tax* was set under way in Aragón; on March 4 1715, the *Equivalente* was introduced in Valencia; on December 9 1715, the first legislation on the cadastre was enacted; and on October 6 1717, the *Talla General*, to be applied in Majorca, was passed.

José Patiño Rosales, the driving force behind the cadastre in Catalonia

Patiño provided Felipe V with invaluable assistance and did a great deal to push his policies forward. Born in Milan in 1666, he was actually of Galician origin. His father was *vehedor general* of the army in the *Milanesado*. The first Bourbon met him after the Battle of Luzzara (1702) and took him to the Court, where he embarked on an administrative career which he would pursue for the rest of his days. During the War of Succession, as a result of the restructuring of the Administration then in progress, he was appointed quartermaster in Extremadura and, on March 21 1713, he was appointed Superintendent of Catalonia. When the war came to an end with the fall of Barcelona, he took over government of the principality and started work on the reorganisation of its Administration: he took charge of the revenue of the royal estate and of the resources confiscated from the Diputació del General and the Consell de Cent; he administered the property seized from the pro-Austrians; he took part in the management of the common deposit coffer and prepared the regulations for the future cadastre (analysed below) and the enactment of the decree known as the *Decreto de Nueva Planta*, whereby traditional Catalonian institutions were removed for good.

In 1717, his concern about military matters took him to Cádiz, where he directed the squadrons whose job it was to recover the Italian possessions lost under the Treaty of Rastadt (1714). He became Secretary of State of the Navy, the Americas and Finance in 1726; in 1730, he was appointed War Secretary and, in 1734, he was given the post of First Secretary of State. He tried to recover Gibraltar and Menorca (1727) and played an active role in the conquest of Naples in 1734. In 1736, he received the title of *xxxx*, thus entering the ranks of Spanish nobility, and he died the same year in Granja de San Ildefonso.

Here we have an example of the new public servants who would work in the new Administration. His stay in Catalonia was short but coincided in time with two major events: the recovery from military defeat and the appearance of the new institutions, including the *Real Catastro* (Royal Cadastre), an entirely new way of raising taxes as far as Spain was concerned.

The cadastre in Catalonia (1715-1845)

As we have seen, on March 21 1713, José Patiño was appointed Superintendent of Catalonia by Felipe V. Prior to the enactment on January 16 1716 of the *Decreto de Nueva Planta*, whereby a new system of government and administration was brought in to replace the old Catalonian institu-

tions, the decree establishing the cadastre in Catalonia had been passed on December 9 1715, although the General Regulations resulting from it were not published until October 15 1716.

What made the new tax different was that it was based on the idea of collecting revenue in accordance with the financial resources of the citizens as opposed to through indirect taxes which did not take individual income into account. To carry this out, it was necessary to verify how much those resources amounted to. This entailed a great deal of research, which resulted in the Census of the Wealth and Population of Catalonia, in turn prepared from the General Answers, a survey on the population's financial resources, to be completed by each municipality. In 1716, this documentation was used to establish the target quota for collection. That year, it was set at 1,500,000 *pesos*, an astronomical amount which, after a huge outcry, was gradually decreased, standing at 800,000 *pesos* in 1717. This figure would remain unchanged throughout the eighteenth century, which, on the one hand, gives room for thinking that, as time went by, a degree of stagnation set in and, on the other, triggers the debate as to whether or not there was a rise in tax burden in Catalonia during that century.

The idea of the quota to fix the collection of revenue on the basis of the cadastre reveals the tax's weaknesses. The Crown did not trust the idea of raising revenue in accordance with the taxation of the wealth of the municipalities and preferred to set a quota; that is, establish a target amount and share liability for payment out among the municipalities in accordance with the wealth which, according to the cadastre, each municipality possessed. This gave the municipalities a lot of leeway in the sense that, while they paid what was asked of them, they were subject to few requirements when it came to distributing the burden.

In actual fact, the cadastre introduced in 1715 comprised three taxes, which corresponded to three different assessments of wealth: the *catastro real* (the real (estate) cadastre), the *catastro ganancial* (the income cadastre) and the *catastro personal* (the personal cadastre), and each taxpayer was liable for any one or the other in accordance with the source of his income.

Catastro real

The *catastro real* taxed real estate (land, houses, mills, ovens ...) and any income which was in no way connected to the professional activity, such as *censos* and *censales* (a common type of loan in Catalonia). It was therefore a universal tax from which only Church members and institutions were exempt, though solely as regards land acquired before 1716. The Catalan tradition of considering the Church as exempt put the Administration in an ambiguous position. Separate distributions were made for the Church's lands and an exemption rate ranging between 33 percent and 75 percent was declared. This led many private individuals to ask a relative belonging to the Church to declare their land as his so as to evade to the tax. When Felipe V became aware of this fraudulent action, he decreed that all land acquired by members of the Church after 1716 would be liable for the tax. The bishops made their disagreement known to Felipe V and, on September 26 1730, Quartermaster Sartine dictated the final resolution: land acquired after 1716 would be subject to tax and Church members had to share the tax burden like any other inhabitant. The land would be taxed in accordance with type and quality, while other real estate (houses and mills,

along with *censos* and *censales*) would be taxed at 10 percent of the earnings it produced.

Theoretically, the approach of the cadastre was very clear but the question was: How to apply it? How to verify the country's wealth? With regard to its application, Patiño came up against two prior difficulties. First of all, he had to clarify the complex land measures used in Catalonia and, to achieve this, he announced a precise definition of what was to be understood in each area by the terms *jornal* or *cuartera* (*Veguerío de Manresa. One jornal is 45 canas or 90 paces in the case of surface areas*). Secondly, he had to define and value the various kinds of crop and the qualities of each. These questions were settled under the General Rules: the land measurements of each territory were defined and 32 types of land were established. A minimum of 37 *reales* was to be paid on the most productive on that of the lowest quality.

For the purpose of valuing the country's wealth, a questionnaire was sent to all the parishes. This documentation constituted the General Answers, which, on account of the detailed information they contained, were used as the basis from which to gain an insight into the financial position of the country and perhaps to establish the quota to be paid by Catalonia as a whole and by each municipality and parish in particular. But it was not the distribution of wealth among the inhabitants which brought the need to appoint Commissions of Experts at the local level to establish how the burden should be shared. These documents could not be made out properly unless *recanaciones*, or detailed descriptions of plots, were prepared, complete with information about the size and qualities of the land. Depending on who monopolised the commissions, the important part played at the local level opened up the possibility of selective concealment and the incorrect valuation of qualities so as to favour certain collectives. Despite Patiño's efforts, the first cadastre went ahead with difficulty and the local administration distributed the burden on the basis of a documentation which left much to be desired as the procedures to be followed were not clearly defined.

The legislators did all they could to try and improve this state of affairs. We are familiar with the decrees of José de Pedrajas, dated November 12 1722, and Andrés Pérez Bracho, dated August 1724, whose purpose was to overcome the problems of opposition and concealment detected in the tax's management. Nonetheless, the reform which would make a true difference to the cadastre was the one carried out by Antonio de Sartine in 1735. Superintendent of Catalonia since 1726, Sartine launched a profound reform that clarified the tax liability of members of the Church and the administrative mechanisms of the tax itself, endowing the system with a degree of quality and reliability which it had previously lacked.

The administration of the cadastre provided for the preparation by experts of a basic document, known as the *recanación*, which had to contain a description of all the estates, including size, crops, borders, location and the owner's name. Then a document concerning the division or distribution of the burden had to be drawn up, stating the names of all the owners, grouped into guilds, with a list of their plots, numbered in accordance with the *recanación*, the fiscal value, any houses, mills, *censos* and other taxable items, such as those subject to the personal or income cadastres. A percentage was applied to the total wealth of each owner and the result was the amount he had to pay for the purposes of the cadastre. In the same books, any changes of ownership were annotated, cancelling some and registering others, until the annotations were so many that it became necessary to

prepare a new division. The last document produced in the process was the *libreta de reparto anual* (annual distribution ledger), which was prepared by the tax collectors and contained the names of all the taxpayers. It was valuable as a way of overseeing and controlling the payments to be met by the citizens every four months. In the town of Manresa, for instance, from 1716 to 1735, the administration of the cadastre was based on the General Answers and the distributions were extremely imprecise. After the reform, there appeared a lengthy *recanación*, which was prepared in 1735 and would be used until the mid-nineteenth century. Containing a detailed description of plots and houses, this document was used as the basis for the distributions established in 1737, 1764, 1789, 1816 and 1832. Thereafter, the annual ledgers were used in the collection of the tax. Sartine's reform seems to have accomplished its targets: *Among the main duties I was commended on joining this ministry, it was made particularly clear to me that I should devote the greatest care and effort to ensuring that the payment of the Royal Tax established in this principality under the name of cadastre be distributed and demanded with the justification and equity so sagaciously provided for in the original rules of its introduction.*

Until 1845, when Mon introduced his reform, Sartine's reform would remain in force, with a few small modifications to cases of exemption, brought in during José de Contamina's term of office as quartermaster (June 12 1748), not forgetting the attempted reform of Martín de Garay, who, in 1817, tried unsuccessfully to substitute the *Rentas Provinciales* (Provincial Revenue), including the cadastre, by a single tax. Mon's reform introduced a property tax applicable to the entire country and consisting of *amillaramientos*, a tax system which bore a strong similarity to the Catalanian cadastre.

Catastro personal

The *catastro personal* taxed work, another of the sources of personal wealth. It was applied in the main to the common man as the nobles and those enjoying military privileges were exempt. Moreover, a distinction was drawn between industry and trade. The first cadastre established a number of formulae for the calculation of the tax, making the whole business extremely complex: the wage was multiplied by the number of days worked and a figure of 8.5 percent was applied to total earnings. Those engaged in professions relating to trade or business had to pay 10 percent of their earnings.

Altogether, the tax was a muddle, too vague and difficult to apply. This prompted Sartine to simplify the matter: *With regard to the way in which the tax burden of the common people is to be shared, the bailiffs and aldermen should act with discernment but after the cadastre real has been applied to land and other estates, stating the forenames and surnames and occupation of each individual (...) charging specifically heads of households or masters of any of the arts and crafts the amount of 45 reales de arditas, while those who are labourers or were born of commoners and are more than 14 years old shall be charged 25 reales de arditas per annum.* This did away with the complicated calculation based on days worked at a fixed rate, in which the only distinction made was between wage-earners and the self-employed.

Catastro ganancial

The *catastro ganancial* sought to collect 10 percent of income deriving from commercial and speculative activities relating to investments of an individual's capital. Who was liable to pay this tax? *All persons dealing in bills of exchange and currency exchange; all those dealing and trading with any amount of funds drawn from their own capital; all those receiv-*

ing commission for the management of the funds of other traders through correspondence; all those who buy and sell and have funds involved in purchasing and selling operations; shopkeepers selling silk, cloth and linen; apothecaries, brokers and similar, lessors and suppliers engaged in any form of public trading involving their own capital and, with regard to craftsmen and skilled workers, each and every one who, on account of his craft or skill or for whatsoever other reason, has separate or mixed capital deriving from his activity. Here too, it was Sartine who organised the way in which the tax burden should be shared, how collections should be made, how the collectors had to write out the accounts; in a word, an administrative system which, taking into account that it remained in force until the mid-nineteenth century, must have been effective.

Quota and cadastre

The three types of tax making up the cadastre (real estate, personal and income) give us some idea as to the innovative nature of the approach used. The long list of indirect taxes was replaced by one tax whose purpose was to put an end to the unfairness of the tax system and move towards a tax rate calculated in accordance with the wealth of each individual, whether it came from the land, the work of craftsmen or commercial activities. The problem, however, was how to apply it, as the Administration realised when it brought the *quota* system into operation; i.e., the establishment of the amount to be collected and the distribution of the resulting burden among the towns and villages in accordance with their declarations. This system ousted the idea that the amount collected should match the principality's income and that it evolve in accordance with the increase in wealth as was the case in the eighteenth century.

The problem lay in the first stage of the process. How could the wealth of the municipalities be valued? How could the amount to be paid by each one be broken down? The village priests and mayors knew that, when a higher administrative level requested information, it was advisable to be economical with the truth for, in all likelihood, the intention was to take possession of local resources via taxes or on account of the upkeep of soldiers. There was no reason to tell the true story. Thus, the quota system was the most effective. A certain amount was established for a given municipality and, if the latter considered it excessive, it would draw up a report to justify the grievance. The quota to be paid became a matter of political negotiation and, although it depended on the skillfulness of each party involved, it was probably the best system the Administration could have chosen to come anywhere near to obtaining a true and fair view of the situation.

Once the quota had been set, the problems surrounding the preparation of the cadastre moved to the local level and the ways of dealing with them varied from one municipality to another. The mayors and aldermen appointed Commissions of Experts to perform the tasks of gathering information and drafting the *recanaciones*. The appointment of commission members was directly related to the degree of power held by leading members of the community, although, more often than not, it was the major owners who controlled and directed the collection of data in accordance with their own interests. In large cities, the guilds, of which most of heads of households were members, ensured that the distribution of the burden was relatively fair, or at least, that it was not too biased. However, where this type of control did not exist, internal concealments were a common occurrence.

In practice, there were two types of concealment. The one known as *absolute concealment* consisted of not declaring land

or declaring a surface area much smaller than the real one. If we look at the *recanación* of 1735, it would appear that the district of Manresa measured 24.54 km², whereas the real measurement is 42 km². This would mean a concealment of 42 percent. Nevertheless, it should be pointed out that the *recanación* did not take account of the area occupied by the town itself or the paths, rivers and torrents, and some parishes, now in the district of Manresa, had their own cadastre. Even if we corrected the data by the inclusion of these items, the degree of absolute concealment would still be extremely high. The problem was even greater in small villages. In the Historical Archive of Ciutat de Manresa, the cadastral documents of 57 parishes (83.8 percent of the total) are stored. An examination of these papers gives grounds for thinking that, in the majority of parishes, no *recanación* whatsoever was prepared; that the quality of the documents diminishes as time passes; that there is no recording of changes in crops; that, in many instances, the information recorded for one year is just a copy of the previous year's, and that, even in the case of parishes formed by farmsteads, they all pay the same and are accordingly attributed the same quantity and quality of land. In actual fact, it came down to distributing the tax burden among the inhabitants in such a way that internal conflicts within the community would be avoided. In these cases, the degree of concealment is quite astonishing: in Artés, where a *recanación* was prepared, only 41 percent of the parish was included in the cadastre; in Calders, the figure was 21.5 percent; in Castelladral, 10.4 percent; in Navarcles, 34 percent; in Rajadell, 23.8 percent; and in Rocafort, seven percent.

Relative concealment was subtler in the sense that it consisted of declaring types and qualities inferior to the actual ones, favouring above all the big owners, who had a wider range of possessions. In the course of time, this form of concealment tended to increase as, in the absence of new *recanaciones*, any improvements in crops were not reflected in the cadastral distributions while cultivation spread to the barren land of the better-off owners.

If we take into account that, in addition to this, the cadastre personnel, its organisation and cost did not vary during the period and that the income cadastre was a fixed distribution among those engaged in a commercial activity, then we have the impression that the tax remained static throughout the eighteenth century and that, in reality, the Crown rejected the idea of updating it in accordance with the principality's increase in wealth. This constitutes the starting point of a debate about the cadastre and taxation.

The cadastre and the tax burden

There is no analysis available as to the evolution of collections via the cadastre in the eighteenth century. There is only some information at the local level and a few scattered facts and figures of a general nature. When it was introduced, the Administration intended to collect 1,500,000 *pesos*. This target was probably set on account of the image people had of Catalonia as a prosperous country at the end of the seventeenth century. However, the war and the post-war period had stripped the territory of resources and, in view of the complaints and the real state of affairs, in 1717, the quota was reduced to 1,200,000 *pesos*. In the end, collections amounted to only 14,223,759 *reales de ardite*, equivalent to just over 800,000 *pesos*. In 1718, the quota was set at 900,000 *pesos*, an amount which would be maintained throughout the tax's introductory period. In 1765, as in 1786, the figure of 900,000 *pesos* was still the target. Antoni Segura has pointed out that, by the year 1817, the overall figure for the real

estate, personal and income cadastres stood at 14,332,463 *reales de ardite*; i.e., practically the same figure as the one targeted in 1717.

The Treasury book-keeper in office in 1787 admitted that the cadastre had hardly been set under way when stagnation set in: *the new additions (noticias), both old and recent, in the possession of the Cadastre Office are incorrect... One can see at a glance that there are great irregularities in the value of the crops and the present profits made on land, houses, censos, industry, trade and enjoyed by the population. It is clear that, after 70 years, all these items have been entered in accordance with the original regulations, albeit with some variations, and a degree of deterioration is noticeable.* The same book-keeper estimated that, in Barcelona, only 21 percent of heads of households paid the personal cadastre and, taking the example of his own home, showed that the amount in tax paid was 16.4 percent of what would be due if the taxable base were derived from the real estate cadastre. The fact of the matter is that the economic reality of Catalonia had changed greatly as the eighteenth century went by: the growth of the population, the expansion of cultivation in all areas, the rise in post-industrial activities related to wool and cotton, the conquest of new markets both in the Americas and on the peninsula, and so on. The cadastre could not keep up with the growth of wealth and the corresponding tax burden was reduced at the per capita level: from 30 *reales* to 16 *reales* in the course of the eighteenth century, according to Antonio Segura. Then again, the reduction is far greater if we bear in mind that, in the same century, prices tripled in Catalonia.

Nevertheless, local data shed new light onto the widespread idea that the tax burden was diminished in the eighteenth century. In the *corregimientos* of Tàrragona, Lleida and Cervera, it has been observed that the tax burden rose by 70 percent in the period from 1731 to 1783 and, in the region of Bages, the average increase between 1721 and 1817 was 34 percent. Supposing this were true, the increases do not offset the rise in population, greater production and higher prices. In view of this, it may be concluded that the cadastre as such had slipped into a state of inertia and, in practice, became a tax with a fixed quota subject to only minor modifications from the start of the century to the end. If, at the time of its introduction, it was beset by problems, it is also true that, by the end of the century, its settlement was made without too much difficulty.

The cadastre was not the only tax collected in Catalonia by the Crown and, therefore, any reflection on the tax system must include other taxes. Apart from the estate taxes due to the monarch, there were taxes on tobacco and salt, customs duties, harbour duties, official stamped paper and, from 1769 onwards, an indirect tax on the consumption of colonial produce like sugar, cocoa, cinnamon, woollen and silk fabrics, hats and so on, in addition to taxes on foreign trade. In 1756, revenue from the cadastre accounted for 45 percent of the collection; estate taxes, five percent; billet duties, 15 percent; and indirect taxes (tobacco, salt, etc.), 35 percent. It would appear that, towards the end of the eighteenth century, the latter exceeded revenue drawn from the cadastre. This is understandable, bearing in mind that indirect taxes took account of the rise in economic activity, whereas the cadastre was limited to collecting the same each year.

Conclusion

It might be thought that, when it was designed, Patiño's cadastre was an innovation from the fiscal point of view in that, for the purposes of its introduction, it used the criteri-

on of individual wealth as opposed to the extremely unfair indirect tax system. Its application produced a vast amount of documentary information of an economic nature, which, when taken in the context in which it was created, is of great help to historians concerned with the eighteenth century. However, despite Sartine's reforms of 1735, which brought improvements as regards both preparation and collection, in practice, it became a fixed tax and, as such, failed to take account of the changes occurring in all the areas of the productive system. The quota or amount that the Public Treasury expected to receive from the municipalities remained unchanged as the years elapsed and the same amount collected in 1717 was collected in 1817, that is, one hundred years later.

If we consider the opposition shown at the local level and the administrative problems involved, it is easy to imag-

ine how difficult it must have been for the Treasury to form a clear idea of what was going on in the outside world. However, it proves harder to understand the abandonment of the idea of raising the quota when production increased and the rise in prices triggered the devaluation of the funds collected. There are only two possible explanations for this: either the increase in revenue coming from indirect taxes, offsetting the inertia of the cadastre; or the unwelcome opposition of a society which succeeded in preventing even the slightest increase of the tax. In 1787, the army book-keeper requested that local people should not be placed in charge of the cadastral registers: *there can be no hope of making any headway while the cadastre is subject to the instructions of the local authorities, managed by their regidores and handled by Catalanian clerks, because all these people are of one and the same mind.* ■

