

**Bureaucratization, Institutional Reform and Changing Ethics of Public Office: A case  
study on 18th Century Dutch Tax Collecting**

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*Abstract*

Ideas and attitudes concerning correct and incorrect behavior by public officials change over time. It remains largely unknown just how, when and why this happens. In this article I show how these issues can be approached from the perspective of bureaucratization, by means of a study on the changes in the system of tax collecting in the province of Holland around 1748. The case - widespread revolt against corruption and abuse of office and subsequent changes in organization - provides a clearer picture of the dynamics of institutional reform and changing ethics in public administration. It shows how ideas concerning (in) correct public official behaviour emerged in the process of a changing system of tax collecting and thus addresses the issue of whether new institutions change existing practices or whether it is actually the other way around. Other contemporary issues in public management, such as a public – private distinction or the legitimacy of public administration, can also be traced back to the debates and developments following the Dutch tax riots of 1748.

*Introduction*

To understand contemporary ideas on public management and conceptions of correct ethical conduct for public officials we should take a look at the dynamics of changing ethics of and in public administration from a historical perspective (Hood 2000, 16; cf. Caldwell 1955, 458; Raadschelders et al. 2000). Such an approach is able to raise and answer important questions such as why particular values of public administration are changed or added, or how existing practices changed to become what they are today. When and why, for instance, did private gain

become unacceptable in the execution of a public office? When did 'doing it public or private' become an issue in debates on reform in (public) administration? When and why did it become unacceptable for public officials to sell or give away their office(s) to friends or family?

In this article I provide a historical study on bureaucratization in the system of tax collecting in the Dutch province of Holland around 1748 to get a better understanding of such dynamics. I will use Weberian ideal-typical characteristics of bureaucratization to describe changes in the way tax collecting was organized before and after 1748. These changes allow us to view changing conceptions towards the new public officials and the kind of ethical conduct that was expected of them. The case and applied method suit the purpose of this article for three reasons.

First, tax riots in 1748 largely ended an old (and corrupted) system of privatised tax farming in favour of tax collecting by public government officials. As in various other early modern European states, protest was directed against the immoral behaviour of the tax officials and local magistrates and the corrupted system of tax collecting, rather than against a high burden of taxation or taxation in general (Ma 2003, 448; Dekker 1987). The conduct of private tax farmers (and parts of the local elite) became a matter of debate and ultimately conflict. Second, the case offers extensive evidence of early modern bureaucratization. Holland's tax organization underwent severe centralization and institutional reform from 1748 onwards (cf. Wagenaar 2003, 129). After 1748, taxation became one of the first predominantly public governmental tasks in the Dutch Republic (Raadschelders 1990, 16-17). Finally, the case provides a historical perspective on the relationship between institutional change or reform and changing ethical practices in (public) administration. Current problems of corruption in institutions such as the World Bank or the International Monetary Fund have sparked heated

debates over the effect of institutional change on improving norms and values of administration. I argue that the case of early modern bureaucratization in tax collecting shows how institutional change often goes *hand in hand* with a renewed focus on public official ethics and values of public administration.

*Taxes and the System of Tax Farming in the Province of Holland*

The 18<sup>th</sup> century Dutch Republic consisted of a relatively weak central government (*States General*), comprised of delegates from seven provinces which were autonomous in all matters besides some forms of taxation, defence and foreign policy. Of the seven, the province of Holland dominated the central government due to its considerable economic power (Israel 1995, 276-277; Price 1994). However, with great power comes great responsibility. As a result, Holland's contribution to the overall taxes of the Republic was by far the largest. Accordingly, this province had the highest number and greatest variety of taxes. By the 18<sup>th</sup> century, taxes had already become so manifold, according to one English emissary, "that everything in Holland was taxed, apart from the air you breathe." In Holland, he continued, "one has to pay to get married and it's not even allowed to die without paying a fine" (op. cit. Vrankrijker and Elias 2005, 37). A high burden of taxation as well as many cases of corruption and fraud by those involved in levying, led to much protest in the Low Countries between the 14<sup>th</sup> and 18<sup>th</sup> century (De Vries 1976, 202; Dekker 1987). Indirect excises on popular consumer items such as bread, beer, peat or meat made up the biggest part of the taxes. Ever since 1583, these taxes on the *common means* had been collected by private tax farmers in collaboration with local authorities. Private businessmen would buy the right to collect taxes during annual auctions in cities organized by

the authorities. With a sharp bid, the businessmen could become tax farmers by earning the right to collect (Engels 1862, 42; Groot plaacet-boeck [GPB]. Collection of ordinances and regulations by the States General and the States of Holland and West-Friesland 1658 – 1796, Volume [vol.] I, folio [f.] 1626, [original date of ordinance] 10/01/1583; Wagenaar 2003, 110). The tax farmers would have to collect rigorously to recover deposits paid in advance and monthly sums they were supposed to hand over to the authorities. Tax farmers were allowed to keep the difference between estimated and collected amount, as an extra incentive to collect as much as possible (Dekker 1982, 134; Heringa 1983, 83). In essence, similar systems had been around since antiquity (Weber 1978, 557; compare Kiser 2007) and were common in other early modern European states such as France (Matthews 1958; White 2004), Prussia (Kiser and Schneider 1994) and Britain (Kiser and Kane 2001), as well as in the Ottoman Empire (Salzmann 1995) and several Southeast Asian states (Reid 1993). The idea behind the system in the Dutch Republic was basically the same as elsewhere - although different patterns have been discerned (Ma 2003, 440). The system, in short, ensured that the authorities would receive a steady flow of tax revenues, partly even in advance, without having to establish or operate an elaborate, risky and expensive organization for tax collecting (Ma 2003, 441). It was widely accepted that tax collecting could perfectly well be left to private businessmen whose self-interest made levying efficient and reliable.

### *Tax Riots in Holland in 1748*

Abuse of the system of private tax farming was found wherever it was introduced (Ma 2003, 441-442, 445-448; Kiser and Schneider 1994). Holland's tax farmers and supervising public tax

officials from local (provincial and city) authorities were no exception to the rule. Tax farmers often smuggled goods, bribed officials or fixed prices to increase profits. Public officials in charge of supervision and collecting on behalf of the authorities often turned a blind eye to smuggling and other illegal practices in return for rewards. They would also, for example, re-sell illegal confiscated goods either to their original owners (!) or other interested parties (Engels 1862, 39-41, for a wide variety of offenses regarding the common means cf. National Archives [NA], 3.01.05: 4076-4080). Certain specific institutional arrangements and social circumstances in Holland even facilitated and/or exacerbated corruption and abuse of office regarding taxes. Private tax farmers as well as public law enforcement officials were, for instance, awarded a part of people's fine as part of their income. Furthermore, power with regard to levying taxes was in the hands of a group of people who belonged to or had ties with the ruling class (magistrates) in the cities. As a result, members of the elite were often illegally exempted from paying taxes (Engels 1862, 41-42; Vrankrijker and Elias 2005, 44).

Corruption and abuses by tax officials and associated magistrates made them, as elsewhere in Europe (cf. Ma 2003, 448), highly unpopular. They were so unpopular, in fact, that the Provincial States of Holland had enormous difficulties recruiting collectors when they eventually changed the system (Heringa 1983, 96-99). The aversion towards tax collectors in Holland reached its peak in the final days of June 1748 when crowds entered the stately homes of the wealthy tax farmers and began destroying homes and possessions (De Voogd 1914, 101). Despite of the violence a distinction was apparently made between good and bad tax farmers. The good ones were those who stuck to the rules without extorting the population through fraud and corruption and who did not flaunt their wealth. One group of rioters in the city of Leiden even started retrieving a tax farmer's furniture from a canal which had been thrown in the day

before, apparently out of remorse for targeting one of the good tax farmers (Noordam 1980, 90-93). The bad ones were however targeted because of their particularly cruel and malicious behaviour.

The motives for the riots were thus considerably morally charged. Tax collecting as such was not condemned. The corrupted system and misconduct of tax farmers and magistrates sparked most of the protest (Dekker 1982, 135; 1987; Ma 2003, 448). This observation seems to be supported by wider social-political context of protest and feelings of dissatisfaction of which the tax riots were but a part, having to do with the failure of promised administrative reforms (Israel 1995, 1069, 1073-1078). Furthermore, the obvious wealth and corruption of the tax officials became increasingly intolerable in an age when commerce dwindled and people started to feel the decline of the Republic as an economic superpower (Blom and Lamberts 1993, 173-178; Israel 1995, 959-1121; Pfeil 1998, 44-49). A contemporary writer remarked that tax farmers who “manage to acquire a carriage and twenty to thirty horses in the first two years of their office”, obviously achieved this through “avarice, usury, greed, haughtiness and general lack of decency”.<sup>1</sup> Discontent with the general socio-economic and political state of the Republic was, in other words, expressed in the tax riots as well (De Voogd 1914, 95). Similar trends can be seen elsewhere as well. In France, for example, tax farming was only abolished as a result of severe riots during the period of the French Revolution in 1794 (Matthews 1958).

#### *1.4. The End of Tax Farming*

Although there had been earlier (often half-hearted) attempts to curb abuses by tax officials, the tax riots of 1748 prompted the States of Holland to really start changing things. On 26 June 1748

the States gave in to popular demand (GPB, vol. VII, 06/26/1748, f. 1204-1205). Tax farming was ended to “free people from the vexation that has so often accompanied the collection of the common means.” Furthermore, the States of Holland hoped to see to it that from now on “all taxes will be levied on an equal footing for the entire province [...] to put an end to all pernicious machineries employed by those who want to do wrong and commit fraud.” After careful deliberation the States replaced the system of tax farming in July and August 1749 by reintroducing a system of indirect tax levying on the common means by public tax collectors (GPB, vol. VII, 07-04-1749, f.1214-1215; GPB, vol. VII, 08-28-1749, f.1119).

From an institutional or formal-legal perspective many things changed or started to change from 1748 onwards to meet the demands of rioters and reformers. The private nature of tax collecting was, for instance, increasingly rejected. Newly instated tax officials would now be public officials who were apparently believed to do a better job, in part undoubtedly because of increasing possibilities for control (cf. Ma 2003, 441-442). The institutional framework was also changed considerably as new administrative levels were devised and implemented. Finally, there was an increasing reliance on a legal foundation and a clearer structure of command and authority.

It is important to realize and emphasize here that efficiency (as in receiving more excises while reducing costs) was initially not the reason for devising the new public system of tax collecting. In the first years of the new system, it remained a highly debated issue whether or not 'making it public' would also make it more efficient. Public tax collecting, instead of outsourcing it, only gradually turned out to be considerably cheaper and more efficient (Ma 2003, 441-444; cf. Heringa 1983, 83-89, 100-101). In 1748 this was far from apparent. Only in hindsight did people realise that revenues did in fact go up considerably when the system was changed in 1748

and even now historians are divided on just how much more money the states actually received (Vrankrijker and Elias 2005, 42-44; Heringa 1983, 83-84; cf. Diederiks 1977, 501). Ending abuse of office and corruption and gaining more control over the States' finances and its employees was the most important motive for the States to act as rigorous as they did.

*Bureaucratization and changing conceptions of correct public official behavior*

Previous research using Weberian ideal-type characteristics of bureaucratization has proven to be useful to determine and analyze the nature and position of early modern public administration (cf. Raadschelders 1990; Wagenaar 1997; Raadschelders and Rutgers 1989). This article follows up on this tradition and will take a close detailed look at different characteristics of bureaucratization related to taxation and tax officials. To assess changes in ethics of public, characteristics of bureaucratization (as described by Max Weber and expanded by van Braam) are used in a comparison of tax collecting in Holland before and after 1748 (see figure 1). These characteristics have been traced in primary source material, such as instructions for officials, oaths of office and ordinances and regulations from local and provincial authorities.

Due to obvious constraints not all twenty dimensions can be discussed. Only some of the most important ones will be discussed using such documents as official ordinances, legal texts and regulations and official instructions of office. This approach, firstly, helps to better assess whether, and if so why, we can call certain tax officials 'public' at all and what distinguishes them from the private tax farmers. Second, it help us to understand what (if anything) exactly changed in 1748. Third, and most important, a closer look at the (new) requirements of office

helps us to investigate ethical conceptions of proper public (tax) official conduct and the interaction between institutional and ethical change

**Figure 1: Weber on characteristics of bureaucratic organization (expanded by Van Braam)**  
(cf. Raadschelders and Rutgers 1996, 97; cf. Wagenaar 1997, 200-218; Van Braam 1977, 459)

<i>Characteristics of functioning</i>	<i>Characteristics of officials</i>
i. continuous administrative activity; ii. formal rules and procedures; iii. clear and specialized offices; iv. hierarchical organization; v. use of written documents; vi. adequate supply of means; vii. nonownership of office; viii. procedures of rational discipline and control;	ix. office held by individual officials; x. who are subordinate, and; xi. appointed, and; xii. knowledgeable, who have expertise, and are; xiii. assigned by contractual agreement; xiv. in a tenured (secure) position, and; xv. who fulfil their office as their main or only job, and; xvi. work in a career system; xvii. rewarded with a regular salary and pension in money; xviii. rewarded according to rank and; xix. promoted according to seniority; xx. and work under formal protection of their office.

*Characteristics of bureaucratization applied to early modern tax collecting in Holland*

Both private tax farmers and public tax officials (i.e. before and after 1748) were bound by *continuous administrative activity* (i).<sup>1</sup> Tax farmers worked the whole year round. Tax farmers before 1748 had to collect on a daily basis using special papers they would buy from public officials and which they would sell to traders, craftsmen and farmers who had to use them to declare their wares. The tax farmers had to pay public city or regional collectors every week and have their books inspected by the latter on a monthly basis (GPB, vol. VI, f. 1036-1039, article [art.] xviii-xix). The city or regional public collectors would, in turn, send the money to provincial officials (Engels 1862, 41). The city or regional public collector also had to deal with

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<sup>1</sup> Numbers in between brackets refer to the Roman numerals in Figure 1.

precisely set times when he was expected to be in his office (which was in fact his home): from 8 to 12am and from 2 to 5pm, from March until September. In the cold winter months, from October until February they only had to be present from 2 to 5pm (GPB, vol. VI, f. 1036-1039, art. ix). Should they not be present in their office at these hours they would have to pay a fine of 25 guilders (GPB, vol. VI, f. 1036-1039, art.vii). Any collector who was not present for a whole day would be fired immediately, after which the States would “hire a capable person instead” (GPB, vol. VI, f. 1036-1039, art.xi; cf. GPB, vol. VIII, June 1748: f. 999, art.xiii). After 1748 the States of Holland came up with more elaborate guidelines regarding the regularity of the work of public tax officials. Two provincial inspectors from a new office of the common means were required to supervise the chief and subordinate collectors, who had replaced the tax farmers, in three annual rounds from 1750 onwards. Furthermore, instructions show how local inspectors were to continuously supervise the chief and subordinate collectors.<sup>ii</sup> The chief and subordinate collectors would have to deal with stricter regulations regarding their administration as well. Every year they were, for instance, to receive two books. One was meant as a rough book or daily journal, the other as official ledger. The collector was obligated to update his journal every day and would have to produce a balance sheet in his ledger at the end of each month. For every day he would not update his books, he would be fined ten guilders (GPB, vol. VIII, September 1748, art.ix). Lower law enforcement officials in charge of stopping or preventing other illegal activities after 1748 were also bound to stricter rules regarding their continuous administrative activity. They would have to inspect the different tollbooths and weighing houses “at least once a day at irregular hours, to see or hear whether the people working there did so properly, in a sober and capable way.” 'Policemen' would have to provide the local inspectors with a detailed account of their daily rounds every month.<sup>iii</sup> These are but a few examples that show (at least in a formal

sense) that local and provincial authorities were convinced of the importance of continuous administrative activity regarding the collecting of, and supervision on, taxes. Apart from the fact that running a well organized tax system demands such institutional arrangements as regular office hours and inspection, this can also be considered an ethical stance. Good public officials were those who maintained their books in an orderly and regular fashion, who were present at their office at least a few hours a day, who would regularly supervise and inspect their subordinates and would regularly present their own books to their superiors. Values such as continuity, systematization and uniformity come to mind. Although these values were required prior to 1748 as well, they certainly gained importance after 1748.

Tax officials had a lot to do with *formal rules and procedures* (ii), as already became clear from the aforementioned. Before 1748 these rules would sometimes be written down in instructions as well (Wagenaar 1997, 202). One instruction from 14 March 1701 obligated collectors to show their books to each other (note the desirability of peer supervision) and to the provincial officers (GPB, vol. V, f. 1036). Non compliance would result in a fine of six hundred guilders, which was steep as this could amount to as much as half a tax collectors yearly income (GPB, vol. VI: f.1036-1039, art.ii-v; GPB, vol. VII, 8 October 1749, f.1228, art.xiv-xv). The instruction from 1701 also stated that neither public collectors nor private tax farmers should collect while “conniving, pardoning or collecting less than what was rightfully theirs to levy, punishable with a fine of two hundred [in case of the tax farmer one hundred] guilders (GPB, vol. V, f. 1036-1039).” The collectors were, furthermore, obligated to collect taxes from the tax farmers themselves. Only collectors of large means like wine or beer in the largest cities in Holland could hand over some of their business to other “loyal and capable persons.” Family members were however explicitly barred from this arrangement (GPB, vol. VI, 17 March 1701,

f.1036-1039, art.x). After 1748 the number of rules and procedures, as written down in actual instructions, rapidly increased. In part this was a direct result of growing (ethical) demands and the need to target fraud and corruption which were now an internal ‘government’ affair. To solve some of the problems inherent in the old system and to get the new rules and regulations out to its officials, the States required new officials on multiple levels to take an oath of office when accepting their position. For this the States used and revived an oath of purification in 1748 that had been devised by the States General as early as 1656. The oath required officials to promise not to have received any gifts in exchange for their office. In it, tax officials had to promise to work in a “pure and incorruptible manner [...] without being corrupted by gifts, presents or any other direct or indirect interest” (GPB, vol. III, 24 February 1656, f.102. Repeated in: GPB, vol. V, 10 December 1715, f.686 and GPB, vol. IX, 2 Mai 1777, f. 400). In the oath one would promise to behave “punctual and to act in accordance with instructions and ordinances” (GPB, vol. VII, 22 July 1749, f.1006, art.vi; cf. GPB, vol. VII, 28 August 1749, f.1119, art.1). Successors of tax officials who had passed away should take the oath within eight days upon receiving their new job. For every following day they would neglect to take the oath they were fined ten guilders, to be paid to the poorhouse (GPB IV, f.1068-1069). Abovementioned examples tell us that, even before 1748, a good official should be neutral with regard to his client (i.e. citizens). Personal feelings and use of discretion (conniving, pardoning, and collecting less than what people should pay) were explicitly denounced. Furthermore, a good public official should be loyal and capable (whatever that specifically may have meant) and should not use or appoint family members to do his work. Also, a good administrator should remain pure and incorruptible by following his instructions and his oath.

Changing conceptions of correct public official behaviour can also be derived from looking at the *hierarchical organization of offices* (iv). After 1748 hierarchical structures became more elaborate and formal. The new organization got new administrative levels in a clearer hierarchical line.<sup>iv</sup> Every district got, for instance, its own office with its own supervisor from July 1750 onwards. Furthermore a new “office for the common means” was installed in The Hague. This office was home to two inspectors who would make yearly rounds visiting the collectors and headed by a chief administrative officer or supervisor.<sup>v</sup> Increased supervision and expanded procedures also point to an increased importance of formal hierarchy. More and more good public officials were supposed to be obedient to their superiors and their instructions. Also, combating corruption became more important to the authorities as responsibilities were formulated more clearly in instructions and oaths of office.

The characteristic of *adequate supply of means* (vi) relates directly to some kind of public-private distinction and the different things expected of public and private officials. Although important, this characteristic is somewhat problematic since tax collecting, even after 1748, was largely a mix of public and private elements. Offices where taxes were collected (apart from small tollbooths at bridges, markets and city-gates) seem not to have existed prior to 1748. Services provided by ‘policemen’ and subordinate collectors would, furthermore, have to be paid by the tax officials themselves. We can also safely assume that at least the tax farmers had to buy things like ‘office equipment’ with their own money. From 1748 onwards, there was a move towards supplying public tax officials with books and other materials. An ordinance in 1760, for instance, asked inspectors to provide the necessary equipment.<sup>vi</sup> Since the new officials were expected to maintain their administration in a thorough fashion, the States ordered the use of a very specific kind of books. To prevent fraud collectors should only “use those books that

have previously been given by [the office of] finances, which shall be inspected and improved by [the office of] finances.” On the first page a clerk of the office of the common means would write down the exact number of folios in the book and sign off with his initials. The thread used to bind the book was sealed at both ends with the coat of arms of the Province of Holland.<sup>vii</sup> The States thus hoped to make it more difficult for tax collectors to take out pages, insert new ones or otherwise withhold or alter information. This could imply an important turn in the attitude of the States since it shows they were serious about control and supervision. It also shows they accepted responsibility and regarded tax collecting as a provincial instead of a local matter.

After 1748 some old (private) remnants still remained though. Tax collectors would still have to use their own private means to pay for certain things, such as notary costs when accepting their office. Collectors would, as said, still use their own house as an office, even though they sometimes received a lump sum of around 600 guilders for any furniture or other things they might need. Compensation for peat and candles (i.e. heating and light) would often, but not always, be included in their salary (Heringa 1983, 89). After 1748 it was however no longer needed to pay for services of local law enforcement or administrative subordinates. Even though this saved the collectors quite some money, it also meant that they were “no longer allowed to use government officials for private purposes.”<sup>viii</sup> Furthermore, all tax officials now received a salary from the authorities (to be discussed below). A further ‘sub-dimension’ of this sixth characteristic is the fact that (as we have seen) tax officials would have their own commercial risks before 1748. It would be wrong to assume that these commercial risks were completely over after 1748. For instance, in the event of a search for property or an arrest, *public* law enforcement officers would have to pay twice the amount of any (unnecessary) damages with *private* money. Also, tax officials would be held financially responsible in case of accepting

false money, whether doing so knowingly or not (GPB, vol. VII, f.1119, art.xxi). Tax collectors would, furthermore, still be responsible for the “integrity of their cash registers.” Deficits at the end of the month which were the result of citizens refusing to pay or of negligence on the part of the collector, would still have to be paid by the collectors themselves (GPB, vol. VII, f.1010, art.xxv-xxviii; GPB, vol. VIII, 10-02-1748, f.995, art.i).<sup>ix</sup> Sometimes, deposits still had to be paid in case of any deficits near the end of their term. Even family members and wives could still be held financially accountable for any wrongdoings should the tax collector himself have passed away (GPB, vol. VII, f.1005-1010; cf. F.P. Wagenaar, 1997, pp. 209-210). The apparent mix of public and private elements is exemplified in other ways as well. A number of public officials initially still received parts of fines and prosecutors after 1748 could choose between prosecuting at their own risk or ask the States of Holland for financial backing in case of failure (GPB, vol. VII, 07-22-1749, f.1005-1010, art. xxii-xxiii).<sup>x</sup>

Good public officials were (when interpreting the aforementioned) expected to work just as well at home and to take good care of their books and administration, both before and after 1748. Although we currently lack the evidence for a decent comparison, at least after 1748 good public officials were expected to make use of official materials supplied by the authorities. Public tax officials should, furthermore, no longer pay law enforcement officials themselves, although some payment out of their own pockets would still be considered normal. Own commercial risk was not completely abolished, showing how the authorities expected to ensure prudence, caution and responsibility from their employees. Some private gain for public tax officials was only gradually stamped out as a motivator.

We have already seen how the authorities tried to remedy abuses and lack of control and discipline in a number of institutional ways. Obviously, *procedures of rational discipline and*

*control* (viii) also have an important part to play here. The latter was mainly exercised through the Provincial Court of Holland which would try all cases involving tax officials. Prior to 1748 there appears to have also been considerable regulations that prohibited hole-and-corner arrangements between, for example, tax farmers and officials or between tax farmers and taxpayers (GPB, vol. IV, f.732, art. xvi). If corrupt officials were caught, discipline was tough and often consisted of banishment from the province for up to ten years and a lifelong ban on working as a (tax) official. Failure to report fraud or misconduct of a colleague to the city or regional collector would result in a fine of 600 guilders (GPB, vol. VI, 03-14-1701, f.1037-1039, art.xx). If you did notify the proper authorities you could however actually *receive* 600 guilders and, in case of being accessory to the fact, would even be exempted from any punishment (GPB, vol. IV, 06-20-1699, f.732-734, art. xvi). After 1748, composition (illegitimately settling disputes among parties instead of going to court) became one of the main targets for public authorities. Although it was still possible in specific circumstances. One ordinance stated that “collectors shall not levy any less than stated in the general ordinances on the taxes” (GPB VII, 07-22-1749, f.1005-1010, art.vii ). Another ordinance from 1759 however added: “nor should they compose in any way, other than in ways stated in specific ordinances”.<sup>xi</sup> The authorities however considerably intensified their attempts to reduce fraud and abuse of office (at least on paper!) after 1748 (cf. Heringa 1983, 89). In several ordinances public whipping, jail time, confiscation of possessions, banishment and a permanent ban on working in public office were again stated as punishment (cf. GPB, vol. VII, 08-28-1749, f.1119, art. iv-vi, x). The possibility to (anonymously) spill the beans on someone in return for money was maintained and explicitly encouraged in 1760, and repeated in 1797, which increased discipline and punishment (GPB, vol. VIII, f.991, art. iii).<sup>xii</sup>

Again we should briefly restate some of the views on the good public official implicit in these official formal-legal changes and bureaucratization. Both before and after 1748, a good public official would not make use of composition, conniving or other kinds of hole-and-corner arrangements, except in some extraordinary agreed upon instances. Also, a good public official was expected to be loyal towards the authorities. Furthermore, it is worth emphasizing that there were fines for active as well as passive official misconduct. In general it became increasingly unacceptable (in theory) for tax officials to abuse their money, rank, and standing and influence to bully or extort taxpayers.

Obviously, the new explicit standards of conduct officials inside the new system had to live up to can be derived from other (Weberian) characteristics as well. We could, for instance, think of the characteristic of *being appointed* (xi). Tax farmers were chosen based on the height of their bid. You could say they more or less bought their function, or rather their right to collect. Public tax officials before 1748 were usually appointed by the Provincial authorities although city magistrates often had an important say in the matter. After 1748, *all* tax officials would be appointed by the daily administration of the province, based on recommendations from supervisors and/or the town council. Either way, local magistrates still had a lot of influence in these matters (Heringa 1983, 85). The States made a clear ethical stand though in their attempt to limit this influence of local magistrates after 1748. The first article of the first ordinance concerning the system of collection stated that “magistrates, regents or other persons can not denounce [as in appeal, protest, disapprove] decisions regarding the levying of the common means.” Furthermore, it stated that regents “can not give their own interpretation or hinder [the process] or even interfere in such matters, on penalty of being suspended for a year” (GPB, vol.

VII, 07-22-1749, f. 1005). A good public tax official should apparently be as independent from local magistrates as possible.

*Being knowledgeable and/or having expertise* (xii) can be interpreted as capability, in the sense of essential qualities, characteristics, background or skills public officials were supposed to possess. Tax officials until the first half of the 17<sup>th</sup> century were mainly recruited from the petty bourgeoisie (Heringa 1983, 86). Larger common means in the cities would however require more capital and thus a higher social status. Continuous professionalization and expansion of the system since 1748 also led to the need for wealthier tax officials and therefore a higher number of upper bourgeois tax officials. Tax officials and tax farmers alike should preferably be debt-free and frugal Calvinist protestants (Wagenaar 1997, 90; Scholten 1999, 313) Further requirements (before and after 1748) often had to deal with reducing any possible conflicts of interest and limiting as much as possible any single large concentration of power. Provincial inspectors should for instance not be an interested party in any of the common means (GPB, vol. VI, 03-14-1701, f.1036, art.1).<sup>xiii</sup> Tax officials were also not allowed to occupy the post of bailiff, sheriff, mayor, minister or any other kind of legal magistrate (GPB, vol. VII, 07-22-1749, f.1005ff, art. iv; GPB, vol. I, f.1806; GPB, vol. IV, f.728). Most tax officials and tax farmers had to be able to read, write and calculate properly (Heringa 1983, 100). All officials were tacitly assumed to know the different ordinances and instructions regarding the common means and higher officials were often explicitly supposed to have legal expertise. Knowledge of the local community was also considered to be a good quality for tax officials. It is interesting to note how the obvious collision between having strong roots in the community and the desire to avoid conflicts of interest seems not to have bothered anyone. This is a strong indicator of how old and

new ideas concerning correct public official behaviour were still very much at odds with each other. It also shows how seemingly radical changes are often incremental and slow in reality.

Instructions for tax officials display a wide variety of capabilities these people were supposed to possess, especially after 1748. The instruction for the first fiscal attorney after 1748 states that he “should be an able and diligent person, a Calvinist protestant, a born Dutchman, a legal expert of good reputation with expertise in the countries’ finances and taxes” (GPB, vol. VIII, 06-11-1750, f.1007, art.1). The instructions for the collectors often state that “they should be sober and capable men of honest behaviour and reputation” (Cf. GPB, vol. VIII, 10-02-1748, art.1). One instruction even states that public inspectors of weights and measures were to be “decent people, over twenty five years old”, who should “treat everyone with kindness, help people as quickly as possible and, above all, make sure citizens would not be delayed any longer than strictly necessary”.<sup>xiv</sup> Other expressed values were: being of good disposition; being flexible and amiable (GPB, vol. VII, 07-22-1749, f.1006, art. iii) or being vigilant, honest, loyal and cautious (GPB, vol. VII, 07-22-1749, f.1119, art. xii).<sup>xv</sup>

As the 18<sup>th</sup> century progressed authorities seem to have increasingly acknowledged the importance of *being rewarded with a regular salary and pension in money* (xvii). Before 1748, tax farmers and their staff obviously did not receive any salary. After 1748, salaries would become the norm although these did differ from city to city (compare Diederiks 1977, 492) and clearly did not happen overnight. Chief and subordinate collectors for instance appear to have been in some kind of transitional period after 1748, since a part of their income was still derived from fines. Furthermore their salary would be based on a percentage of the proceeds, which would differ from city to city as well (Heringa 1983, 86-90). It is important to emphasize here that, according to several instructions for various types of official, the idea behind fixed salaries

was most of all that it would keep officials from accepting gifts.<sup>xvi</sup> Standard public salaries, instead of diverse emoluments or ad-hoc rewards, were thus increasingly regarded as a means to curb corruption and bribery and keep officials in check.

With regard to pensions one can be brief. These were almost non-existent. Only very high public officials like the Grand Pensionary of the States would receive a lump sum when retiring (GPB, vol. VII, 07-05-1749, f.128). Lower officials seem not to have had such benefits and should instead rely on savings or family. Having said that, there have been cases in which successors of tax officials would have to yield a certain amount of their income to their predecessor (Diederiks 1977, 499). A blurred boundary between old and new, or between public and private elements is also shown by the fact that the office of tax official was at least partly considered to be personal. Having invested your own money in your office apparently entitled one to a pension, to be paid by any successor. Also, a good public tax official should, for instance, often still be driven by personal gain since their payment by percentage of the proceeds was still very much a remnant of the old system. The matter of paying salaries *at all* does however tell us that the States gradually came to have a different perception of their officials. In ordinances they emphasize how a salary (instead of emoluments or premiums) means you are really a public official. They explicitly state that “now everyone is rewarded based on their qualities in a reasonable fashion”, and that this is “a far more reasonable and suitable way of payment than receiving a part of the fines” (GPB, vol. VII, f.1020, art. xxii-xxiii). They also remind officials that receiving a salary (fixed or not) entails not accepting any gifts!<sup>xvii</sup>

As a final characteristic to be discussed here, we should note how tax officials increasingly came to *work under formal protection of their office* (xx) after 1748. Before 1748, the authorities did their best to emphasize the public nature of the work of tax officials. During

many protests and riots the States explicitly stated that all these officials were under the formal protection of the Provincial authorities. When rioters targeted a tax farmer in Oostsaardam in 1727, the States wrote that “all tax farmers, collectors and their staff are within our sovereign protection [...] we forbid anyone to harass, threaten or physically harm them or their belongings in any way” (cf. GPB, vol. VI, 05-14-1727, f.879; GPB, vol. I, f.2250; GPB, vol. IV, f.723, 1169; GPB, vol. VI, f.606, 743, 874-879, 888). Such warnings would however become more explicit in 1748 as the riots got more serious (Compare GPB, vol. VII, 06-21-1747, f.825; GPB, vol. VII, 06-12-1748, f. 830; GPB, vol. VII, 06-22-1748, f.835). The authorities would react more severely to violence directed against ‘their’ officials as the riots of 1748 progressed (cf. GPB, vol. VII, f.1221, art. xv; GPB, vol. VIII, f.575). The fact that the States increasingly considered tax officials as ‘one of their own’ and as an extension of their power, was, I believe, essentially an early modern problem of legitimacy of public administration. The States no longer accepted a, now fairly obvious, conflict between private businessmen making personal profit while their duties were based upon public authority and their office was protected by the States. Having public officials would place the legitimacy of tax collecting beyond any doubt.

*Concluding remarks: Institutional reform and changing conceptions of correct public official behaviour*

What lessons can be learned with regard to the development of public sector values and ethics? Together with sentiments of a wider social-political nature, the riots and popular protest regarding tax collecting were a powerful catalyst for a number of important changes in conceptions of correct ethical behaviour of early modern public officials. The overwhelming

inherent normative component of the riots prompted the authorities to respond, (re)consider and (re)formulate their own ethical stance. The overall importance of moral over economic motives underlying public indignation, furthermore, appears to be a consistent theme throughout history. Even now, criticism of high salaries in the public sector is mostly morally instead of financially motivated.

It is interesting to note how we are now able to put certain often heard assumptions into perspective. The privatized systems of tax farming have, for instance, been portrayed as a kind of New Public Management *avant la lettre* (Ma 2003). In a way, however, this turns out to be somewhat of an anachronism. Several basic assumptions and distinctions of classic New Public Management were simply not present. As we have seen, efficiency (as in increasing revenues) was, for instance, not a factor at all in the decision to take taxation in completely public hands. After all, how could the authorities (or the public for that matter!) know that by going public they would collect more money, having no experience with this whatsoever? The main arguments for 'going public' were of a different, much more normative kind. It increased control on tax officials and was thought to better ensure the new standards of ethical conduct. The idea that public authorities are better equipped or more suitable to protect public interests is a very modern idea which only started to gain ground in the Dutch Republic in the decades *following* 1748.

The Weberian characteristics have been useful to analyse this process of changing conceptions of correct public official behaviour. We have seen how many (attempts at) institutional (re)arrangements after 1748 were made to construct and organize a new public system of tax collecting. New administrative layers were designed, new officials instated and new rules and regulations announced and written down to ensure a better system. Interpreting motives behind bureaucratization has allowed us to see which (often implicit rather than explicit)

conceptions of correct public official behaviour the authorities actually had. Many of the institutional and organizational changes and rearrangements either directly tackled ethical issues or indirectly reflected conceptions of correct public official behaviour. Correct public official ethical conduct clearly (re)emerged as an important issue for the authorities. Values such as loyalty, caution, independence, prudence, continuity, regularity, uniformity, honesty, integrity, neutrality and responsibility were continuously stressed (implicitly and explicitly) when stating the new rules and regulations for various tax officials.

We can conclude that there have been significant (attempts at) changes after 1748, both from an institutional/organizational and normative perspective. Even issues regarding the public – private distinction or the specific legitimacy of *public* administration became a matter of debate from then on. Still, changes in 1748 and the emergence of a new system have not been as abrupt, sudden or final as they are often perceived by historians of public administration. Many rules, regulations and institutional arrangements had already been in effect for a long time and most were merely restated or reinforced (though not always as vigorously as one would expect). Furthermore, in the decades following 1748, many things were still changed or adjusted (some things, like tax fraud, tax corruption or a highly complex system of tax collecting, never went away at all!). Despite of this, the simple fact remains that regulations were expanded and better observed and enforced afterwards, through increased institutional control, supervision and punishment. Of course, such large scale institutional rearrangements, let alone the construction of new value frameworks, do not happen overnight.

It may be called a small miracle that a relatively small group of administrators managed to change as much as they did in such a short period of time. Our case however offers an explanation. It provides an historical background for a classical "chicken or the egg problem" in

public administration: is there institutional change first and changing practical conceptions of correct public official behaviour second, or is it the other way around? As usual in such dilemmas, our case tells us the answer lies somewhere in the middle. Without changing 'internal' conceptions of correct public official conduct - expressed in the tax riots of 1748 - new 'external' institutional arrangements would most likely not have been possible or even considered. However, without new institutional arrangements and the bold actions of a few administrators, the new ideas could not have provided a base for the new and lasting perspectives on correct public official behavior in the decades following 1748.

We should note, finally, how formal institutional changes only tell a part of the story. Although instructions, legal texts and official ordinances are a valuable and informative source for understanding changes in ethical conceptions, we should look at wider developments as well. What about the effects of, for instance, increasing centralization, the Enlightenment or a clearer distinction between socio-economic classes? Furthermore, whether new formal official conceptions of correct public official behaviour were upheld, enforced and/or accepted in (informal) practice requires additional research. We should not limit ourselves to purely official institutional regulations (as we have done here) but rather compare these findings with other sources of social values (shop-floor practice, public opinion, moral philosophy etc). We could benefit much from further research into changing values of public administration which is guided in this direction.

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#### Archives

##### Nationaal Archief [NA], Den Haag (*National Archives, The Hague*)

*Archives of the daily administration of the provinces of Holland and West-Friesland 1621 - 1795*,  
accessnumber 3.01.05: Inventory numbers 4076 – 4080: Court procedures and sentences related to  
criminal offences regarding the common means 1738 – 1807

##### Bibliotheek Fiscale Geschiedenis, Douane & Belastingmuseum Rotterdam [D&B] (*Library of Fiscal History, Customs & Taxes Museum, Rotterdam*)

Collection of instructions for officials of the common means in Holland en West-Friesland, 1751 – 1797,  
access number K1; 164. Folder with unmarked pages and files.

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<sup>i</sup> Burgerlyke oplettendheid nopens de Vaderlyke Vermaaningen, In: *Verzameling van Nieuw uitgekomenë Mengel-Poëzy (A collection of mixed poetry and rhyme)* 1748. Library of Fiscal History, Customs & Taxes Museum, Rotterdam [D&B], pp. 4-9.

- <sup>ii</sup> "Instructie voor de inspecteurs, van en over de comptioren der 's lands middelen en regten dewelke by collecte werden geheeven in het Zuider quartier" (Instruction for the inspectors in the Southern Quarter), In: *Collection of instructions for officials of the common means in Holland en West-Friesland, 1751 – 1797*, D&B, 23 March 1751, art.iv; Cf. "Instructie voor de opsienders van 's lands recht op de gezeegelde en ongezeegelde billietten, als meede over de leverantie van de boeken en schryfbehoeftens voor de gaarders binnen de provincie van Holland" (Instruction for inspectors on delivery of books and writing equipment for the collectors in Holland), In: idem, 4 April 1760, art.xxv.
- <sup>iii</sup> "Instructie voor de hoofdchergers of opzigers" (Instruction for chief investigating officials in holland), In: idem, 17 April 1760, art.iv, xiv-xv.
- <sup>iv</sup> Cf. "Instructie voor de hoofd- en ondergaarders van 's lands collectieve middelen" (Instruction for chief and subordinate collectors), in: idem, April 1759, art.li-iii; "Instruction for chief investigating officials", in: idem, 17 April 1760, art. x,xi,xiii.
- <sup>v</sup> "Instruction for inspectors on delivery of books and writing equipment for the collectors in Holland", in: idem, 4 April 1760, art.xxxv.
- <sup>vi</sup> Idem.
- <sup>vii</sup> "Instruction for the collectors in towns and villages", in: idem, 7 August 1748, art.viii.
- <sup>viii</sup> "Instructie voor de hoofd- en ondergaarders van 's lands collectieve middelen" (Instruction for chief and subordinate collectors), in: idem, April 1759, art. xliii.
- <sup>ix</sup> Idem, art. xxix.
- <sup>x</sup> "Instructie voor de hoofdchergers of opzigers" (Instruction for chief investigating officials in holland), in: idem, 17 April 1760, art.xii-xiii.
- <sup>xi</sup> "Instruction for chief and subordinate collectors", April 1759, art.xiii.
- <sup>xii</sup> "Instructie voor 's lands bedienden, tot weering van de sluykeryen en contraventien in de gemeene middelen binnen de provincie Holland" (Instruction for officials countering smuggling in Holland), in: idem, 13 Januari 1797, art.vi.
- <sup>xiii</sup> "Instruction for the inspectors in the Southern quarter", 23 March 1751, art.i-ii.
- <sup>xiv</sup> "Instructie en eed voor de ykers" (Instruction for the inspectors on weights and measurers), in: *Collection of instructions for officials of the common means in Holland en West-Friesland, 1751 – 1797*, D&B, 3 July 1797, art.vii.
- <sup>xv</sup> National Archives [NA], Gecommitteerde Raden [GR], *Extract uit de resolutien van Gecommitteerde Raden*, 20 Mei 1763, f. 9.
- <sup>xvi</sup> "Instruction for inspectors on delivery of books and writing equipment for the collectors in Holland", 4 April 1760, art. lxv.
- <sup>xvii</sup> Idem, art. xliv.