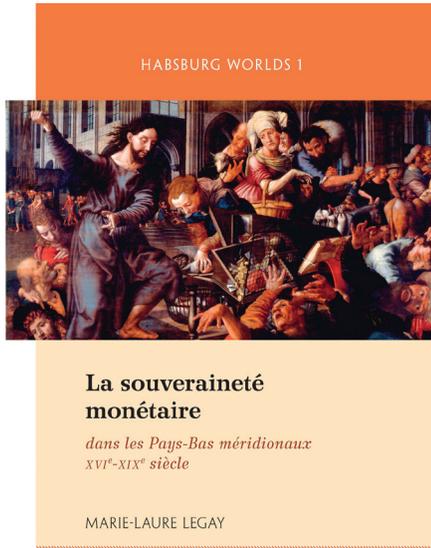


## Review

Marie-Laure Legay, *La souveraineté monétaire dans les Pays-Bas méridionaux, XVI<sup>e</sup>-XIX<sup>e</sup> siècle* (Habsburg Worlds 1), Turnhout, Brepols, 2016, xxiii + 271 pp. ISBN 978-2-503-56730-3.



BREPOLS

This book by Marie-Laure Legay is the first volume in the new series *Habsburg Worlds*. Published by Brepols Publishers, the series focuses on the myriad exchanges and networks, as well as the circulation of people and ideas in the various territories under Spanish and Austrian Habsburg rule. It is inspired by the re-reading of the vast Habsburg conglomerate state as a system of ‘polycentric monarchies’ in which many interrelated centres participated in the making of empire. For that purpose, the series aims ‘to foster an interdisciplinary and comparative approach necessary for studying the manifold languages, cultures, histories and traditions in Europe, the Americas, Africa and Asia once under Habsburg administration or overlordship’ (as is stated on the publisher’s website: <http://www.brepols.net/Pages/BrowseBySeries.aspx?TreeSeries=HW>).

The editors surely took a risk by launching this series with a study of monetary policy in one particular region, which is neither interdisciplinary nor comparative, and which, by the nature of its subject, is not easy to read for a non-expert public. Nevertheless, Legay’s book does in effect contribute to our understanding of the functioning of the Habsburg world. It highlights the structural failure of a government to establish its authority in the monetary domain. In this way, the issue of contested sovereignty gives evidence of how problematic it was for rulers to manage such a complex political entity, consisting of fragmented territories, which had to cope with increasing international pressure.

Many of the monetary problems the Habsburg rulers encountered were not new, however, as the Burgundian dukes fought their own *guerre monétaire* to win precious metal, to achieve monetary stability for the sake of commerce and seigniorial profit, and to protect

themselves from monetary mutations in competing states. But these problems took on a new dimension with the closure of the Scheldt in 1585 and the shift of the economic centre of gravity to the north. A region situated at the crossroads of European trade routes and money flows, the Southern Netherlands were subject to a vivid circulation of so-called 'bad money'. Under pressure of the United Provinces, debased Dutch patacons and ducats were rated at the same value of the Southern Netherlandish silver coins. As a consequence, the Southern Netherlandish coins hardly circulated and the inferior Dutch coins took over. In the seventeenth and early eighteenth centuries, the Southern Netherlands fell prey to Louis XIV's expansionist ambitions. The wars that were fought on the territory of the Spanish king brought with them monetary aggression. Persistent mint manipulations and the production of counterfeit money with the approval of *le roi très chrétien* caused serious economic damage and political instability. It is all the more ironic then that, during the occupation of the 1740s, the French themselves were most surprised to note that the Southern Netherlands represented monetary chaos.

Legay departs from a reflection on current debates of national monetary sovereignty to tackle the issue of monetary sovereignty in the past. The main question of this book is whether such sovereignty ever existed and, if so, how it was maintained and what it consisted of. Indeed, monetary sovereignty as a political-legal concept was never clearly defined in the early modern period. In its most restricted sense, it could be equated with *jus monetae*, the regal prerogative to issue money. The question becomes whether it entailed more than that and especially whether or not the king possessed the authority to alter the monetary system on his own initiative. A comprehensive treatment of this topic was first provided by Jean Bodin in his *Six Livres de la République* (1576). Based on the concept of a 'contract' or 'convention' between ruler and subjects, Bodin argued that royal monetary prerogatives were justified in so far as they respected the commitments made to the population. That these 'commitments' were easily reduced to the interests of a commercial and financial elite became evident from the discourses held by the Parliament of Paris in the early 1700s but also from the opposition of the Southern Netherlandish Provincial States and the Antwerp City Council against monetary reforms that threatened the position of merchants and bankers. In such circumstances a rhetoric based on *jus gentium* emerged in opposition to the royal sovereignty: given that the monetary transcended princely and even 'national' interests, any monetary intervention had to consider the interests of the market and the international commercial community.

Legay has to be credited for her vivid account of monarchs' difficulties to enforce their monetary sovereignty, especially when faced with international pressure and domestic opposition. While Charles V was still able to impose monetary authority in a broad sense, problems augmented under Philip II. During the Dutch Revolt, Philip's monetary sovereignty was merely a paper one. Even his royal *jus monetae* was openly questioned when, after the *Plakkaat van Verlatinghe* (1581), the rebellious provinces issued their own money as an expression of the sovereignty they claimed. Before that, the formation of the Union of Arras (1578) created a separate monetary zone. Moreover, a number of cities struck 'emergency coins' in order to finance the maintenance of the troops. Hence, in this period, the monetary unity established under Charles V disintegrated. Simultaneously, Philip II did not hesitate to debase his money himself in order to finance the government deficit, as a result of which the monetary system became structurally disrupted.

One of the fundamental insights of the book is that, in practice, monetary sovereignty was permanently negotiated or shared with other groups in society. In fact, that was already the case at the time of Charles V. It is one thing for the king to decide to strike coins, to have his image engraved on the pieces, and to determine its fineness and weight, but the exchange rate was primarily determined on the precious metal and exchange markets where merchants and bankers set the rules. The importance of the commercial and financial world as an arbiter in the monetary arena only continued to grow. At the beginning of the Austrian period, Antwerp bankers even committed an outright attack on the royal monetary authority when they commenced fabricating coins on their own initiative, in what may have been the largest clandestine operation in early modern monetary history. Being the *fine fleur* of Belgian finances, however, they were untouchable. In spite of heavy allegations of counterfeiting, these 'bosses' got away unscathed, well aware that a conviction would inevitably lead to the collapse of the economy.

Successive monarchs were faced with the difficulty of restoring their authority and adjusting the defective monetary system when the interests of merchants and bankers were at stake. All of this made the reforms of Maria Theresa a major challenge. Right from the start, the empress' monetary reform of 1749 was part of a broader political and institutional project. There was much at stake: the country was financially exhausted because of the recent Austrian War of Succession. Moreover, an optimised financial policy had to compensate for the loss of the rich Silesia. Maria Theresa carried out an administrative modernisation. The Mint houses were no longer leased to private entrepreneurs but were operated directly by government officials, and there was a gradual move to centralisation of coinage in the Brussels Mint. Coinage and other important monetary matters were settled in a newly created technical commission, the so-called *Jointe des monnaies*. At the same time, the team of mint masters-general was dissolved, having the appearance of being too conservative and passive.

A few difficult years later, these institutional adjustments were followed by a profound monetary reform. Priority was to stabilise the gold-silver ratio, considering this had been the main cause for the movement of silver abroad. The finishing touch of the reform was the issue of the single and double gold sovereign, a qualitative coin that showed little difference between its nominal value and its commodity value. This provided counterbalance to the circulation of foreign specie. Thanks, amongst other factors, to this 'good' coin, Maria Theresa was able to create monetary stability for the first time in a long period. That did not mean, however, that the eroded monetary sovereignty could be enforced again. Bullion shortage forced the empress to call upon the Provincial States, which in return were given control over the coinage process and could have their say in the distribution of the cost of the entire conversion operation. Further, the government's dependence on gold supplies from abroad led to an institutionalisation of relations with the financial world. In particular, the bank of widow Nettine developed into a kind of state bank which acted as the main supplier of precious metals, aside from its other business carrying out all the Austrian government's important financial transactions in the Netherlands.

When the French revolutionaries seized power in the closing years of the eighteenth century, the Southern Netherlands once more fell in the grasp of the French monetary system – a heritage from which William I, as king of the United Netherlands, was unable

to free himself. His ambition to forge a monetary union between north and south (1816) turned out to be neither feasible nor desirable. With Belgian independence, Leopold I obtained the right to strike coins but at the same time the constitution guaranteed each citizen protection against mint manipulation: in other words, a legally established monetary co-sovereignty. Growing national sentiment eventually fostered the desire for a national money. However, the introduction of the Belgian *frank* in 1832, was not met by a monetary system liberated from French influence. An important step forward in this project was the institution of the Belgian National Bank, which was granted the monopoly on the production of banknotes from the state and the function of state cashier. In so doing, the sovereignty issue may well have been decided in favour of the nation; soon however, the strongly desired monetary independence would once again prove to be an illusion.

Legay offers a fine synthesis of monetary policy in the Southern Netherlands, from the age of Charles v to the foundation of the National Bank, supplemented by new and invaluable material from archives in Brussels, Paris and Vienna. The subject is straightforwardly presented (although greater care could have been taken of the layout), and it is hard not to share the author's enthusiasm when she embarks on a detailed description of the machinations of the Antwerp counterfeiters or unfolds the case of widow Nettine, the strong lady of the Southern Netherlandish *haute finance*. In my opinion, the historical interpretation of the concept of monetary sovereignty deserved a more comprehensive treatment. The theoretical discussion now remains all too brief (pages 2-3, 71-72), which constrains the reader to join the pieces together himself. The reader is also not helped by the fact that parts 1 and 2 do have a conclusion, whereas parts 3 and 4 do not. However, the most important question that remains after reading is to what extent the defaulting enforcement of monetary sovereignty affected the overall exercise of power of the Habsburg monarchs. But answering this question is perhaps another book to write.

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