In recent decades the statist portrayal of Louis XIV’s war machine as bureaucratic, centralized and tightly controlled has been eroded to a considerable extent. It is now appreciated just how much financial management was devolved down to the colonels, majors and captains of regiments in the French army, not just in the German forces that absorbed the lion’s share of Fritz Redlich’s attention. Furthermore, we now have a much clearer idea of how the myriad private material and cultural interests of officers shaped the institutional arrangements of the army and the finances of regiments. But the pervasive entrepreneurialism that continued to support and supply the French armed forces still remains rather murky. Certainly, the very limited control the state had over the businessmen who provided services to the army has not received anything like the attention it requires. The purpose of this chapter is therefore to show just how little control the ‘absolute monarchy’ had over its financial servants by exploring one small but emblematic and prestigious aspect of the French logistical arrangements: a group of military paymasters, men about whom very little is known for any European army in the early modern period. However, before tackling these people with their networks and personal ties this chapter will begin with a brief consideration of the different and risky ways in which the ‘private sector’ can support the state, followed by a necessarily superficial explanation of entrepreneurial involvement across the whole gamut of French finances.

The purest form of state service delivery is when civil servants employed by a department carry out tasks allotted to them by ministers, but today, as well as in much of the past, delivery is often contracted out. Here, the picture that usually comes to mind is of ministers signing agreements with entrepreneurs who are non-state actors. The entrepreneurs usually bear some or all of the risk of a deal, and undertake in a legally binding manner to use their own organizations.

---

to carry out some agreed tasks for a finite period of time. There is, though, a halfway house between departmental officials directly delivering the business of government, and services being put out to private contractors. In recent decades in the Western world there has been an explosion in the number of agencies performing specific tasks on behalf of the state. Government agencies are generally answerable to specific departments and ministries, and perform designated roles where it is deemed that some sort of arm's length delivery of a service is better than using civil servants or other functionaries embedded within the ministry concerned.² For the most part these agencies are autonomously managed, and obtain their funds (at least in part) through allocations from a government. There may be a service delivery contract between a ministry and an agency but it is primarily a devolved executive relationship and not a legal contractual arrangement.

With agency government – unlike entrepreneurial contracting out – financial risk is largely or entirely borne by the state that stands behind the organization in question. The reason for the state assuming far more of the risk is that agencies remain directly and permanently tied to the government, and are not just private organizations called in to take on a particular task in the short term. The reputation, credibility and honour of the sovereign state itself remain important where an agency’s activities are concerned. For such devolved arrangements to work effectively the state, therefore, needs to have a robust set of methods for monitoring an agency, directing its activity and auditing its books. However, as public choice theory pointed out decades ago, the more government functions are devolved to non-state or para-state actors, the more a pre-existing ‘principal–agent’ issue of accountability between master and servant is likely to be exacerbated. And the more an agent or contractor has superior knowledge of the field in which they are operating – compared to ministers – the greater the danger that such ‘informational asymmetry’ will lead to complaisance for vested interests, ‘rent-seeking’ by the agents/contractors and plain corruption. As we shall see, it was extremely difficult to control those men running agencies in the era before not only vigilant ‘big government’ and impersonal state career structures but before the widespread introduction of double-entry bookkeeping and reliable communications.³

This was a considerable problem in ancien régime France, which was riddled with entrepreneurial and para-state agency activity carried out on behalf of the

² E.g. the United Kingdom’s Identity and Passport Service.