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Introduction: Why the lesser powers sought subsidies

During the long eighteenth century, subsidies constituted a necessary, albeit insufficient, method for lesser powers to achieve political and dynastic objectives. In the context of imperial and European politics, these subsidies were crucial for the ability of minor German states to defend themselves and act more proactively and offensively, in spite of their otherwise significantly limited financial, political, and military resources. According to Peter Wilson, 'only by capitalising on the military potential of their territory could the lesser princes hope to escape from their subordinate role in the grand drama of European politics'.[1] At this point, research on lesser powers within the Holy Roman Empire receiving subsidies is quite extensive.[2]

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1 Peter H. Wilson, *War, State and Society in Württemberg, 1677–1793* (Cambridge: Cambridge University Press, 1995), p. 77.

2 See, for instance, Peter Claus Hartmann, *Geld als Instrument europäischer Machtpolitik im Zeitalter des Merkantilismus* (Munich: Kommission für Bayerische Landesgeschichte, 1978); Alois Schmid, *Max III: Joseph und die europäischen Mächte: Die Außenpolitik des Kurfürstentums Bayern von 1745–1765* (Munich: Oldenbourg, 1987); Charles W. Ingrao, *The Hessian Mercenary State: Ideas, Institutions, and Reform under Frederick II, 1760–1785* (Cambridge: Cambridge University Press, 1987), ch. 5; Jeremy Black, 'The Problem of the Small State: Bavaria and Britain in the Second Quarter of the Eighteenth Century', *European History Quarterly* 19 (1989), 5–36; Wilson, *War*; Peter H. Wilson, *German Armies: War and*

However, subsidies were also strategically crucial for other lesser powers throughout Europe.

For the lesser signatory powers, the interstate subsidy treaties represented a political and dynastic means and should be seen as an aspect of international politics, rather than as a commercial enterprise.[3] The revenues stipulated and generated by the agreements were important; however, it was only rarely – such as in the case of Hesse-Cassel – that the subsidies covered the costs and resulted in a financial net profit.[4] Typically, the subsidy payments only covered a small portion of the costs; they were severely delayed, and they were given only after the receiver had carried out a costly mobilization. Often, the subsidies were reduced retroactively or cancelled altogether.[5]

Nevertheless, the subsidies constituted a means for the recipient to manage the rapidly increasing costs related to waging and preparing for war. The cost increase had to do with several different and interconnected factors. Suffice it to say that the long eighteenth century brought land and naval warfare on a new scale, which led to the fiscal-military state facing enormous challenges. This was particularly true for the smaller states, which were not in the same position as the great powers in terms of being able to extract ever more resources, either through borrowing or through territorial,

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German Politics 1648–1806 (London: UCL Press, 1998); Peter H. Wilson, 'Prussia as a Fiscal-Military State, 1640–1806', in *The Fiscal-military State in Eighteenth-century Europe: Essays in honour of P.G.M. Dickson*, ed. by Christopher Storrs (Farnham: Ashgate, 2009), pp. 95–124; Andrea Thiele, 'The Prince as Military Entrepreneur? Why Smaller Saxon Territories Sent "Holländische Regimenter" (Dutch Regiments) to the Dutch Republic', in *War, Entrepreneurs, and the State in Europe and the Mediterranean, 1300–1800*, ed. by Jeff Fynn-Paul (Brill: Leiden, 2014), pp. 170–192; as well as Andreas Flurschütz da Cruz, Chapter 7 below. For a very useful overview, see Peter H. Wilson, 'The German "Soldier Trade" of the Seventeenth and Eighteenth Centuries: A Reassessment', *The International History Review* XVIII.4 (November 1996), 757–792.

3 This relationship is clarified in Wilson, 'The German'.

4 Ingrao, *The Hessian Mercenary State*, pp. 127–128; Wilson, *War*, pp. 77–84, 89.

5 Christopher Storrs, *War, Diplomacy and the Rise of Savoy, 1690–1720* (Cambridge: Cambridge University Press, 2007), pp. 103–118; Wilson, 'The German', 771–773; Christopher Storrs, 'The Savoyard Fiscal-Military State in the Long Eighteenth Century', in *The Fiscal-military State in Eighteenth-century Europe: Essays in honour of P.G.M. Dickson*, ed. by Christopher Storrs (Farnham: Ashgate, 2009), pp. 215–216.

commercial, or colonial expansion.[6] Thus, the subsidies offered the lesser states and princes an opportunity – for many the only opportunity – to compensate for scarce fiscal resources and, albeit temporarily and on a shaky foundation, maintain large, standing, well-equipped, and well-disciplined troops ready for both defensive and aggressive action. As expressed by Christopher Storrs, the subsidies helped the princes bridge 'the gap between what their own states could support (economically and politically) and what successful war required'.[7] Without these external resources, the lesser powers would have been forced to assume the entire cost of the military, which would have necessitated cutbacks and in many cases drastic arms reductions. Some lesser powers, including Savoy-Piedmont and Brandenburg-Prussia, successfully exploited favourable developments in international politics and enticed the great powers to provide them with significant subsidies. This, in turn, enabled an increased military capability and territorial expansion at the expense of their neighbours.[8]

However, one cannot simply reduce the reception of subsidies by the lesser powers to a mere question of financial-military assistance. The political-diplomatic assistance in exchange for military service was just as important. This explains why the lesser powers did not exclusively court the highest bidder offering the most money, but also why some subsidizers – France in particular – were frequently forced to offer higher subsidies than others. Within the framework of the Holy Roman Empire, for example, many prospective subsidy recipients gravitated toward the emperor, who was typically in a better position than other actors when it came to assisting them in their political and dynastic ambitions. In the broader context, where money served as a means and not as an end in itself, the fact that the emperor regularly offered lower subsidies, was often late in his payments, and was more inclined to break agreements was less important.[9]

6 With regard to the increase in military costs and the fiscal-military state during this period, see, for example, *War, State and Development: Fiscal-military States in the Eighteenth Century*, ed. by Rafael Torres Sánchez (Pamplona: Eunsa, 2007); *The Fiscal-military State in Eighteenth-century Europe*, ed. by Christopher Storrs; *The British Fiscal-military States, 1660–c. 1783*, ed. by Aaron Graham and Patrick Walsh (London: Routledge, 2016).

7 Storrs, *War*, p. 119.

8 See, for instance, Wilson, 'Prussia'; Storrs, 'The Savoyard'.

9 Wilson, *War*, pp. 87–88; Wilson, 'The German', 774–787, 791–792; Wilson, *German Armies*, pp. 97–100.

During the latter part of the seventeenth century, for example, Brandenburg provided troops for the emperor in the wars against France and the Ottoman Empire in exchange for subsidies, but also in exchange for various forms of political, diplomatic, and legal assistance. To crown it all, so to speak, in November 1700, just before the outbreak of the War of the Spanish Succession (1701–1714), the electoral prince Friedrich I (1657–1713) concluded a subsidy agreement with the Habsburg emperor Leopold I (1640–1705), which in exchange for eight thousand troops provided him with a large yearly sum and, more importantly, the royal title of King in Prussia.[10] A similar dynamic may be observed outside the empire, as in the example of Savoy-Piedmont. Through shifting subsidy alliances with France, Great Britain, Spain, and the United Provinces during the period of 1690–1713, Vittorio Amedeo II (1666–1732) managed to break out of his diplomatic isolation and establish close contacts with a large number of royal courts around Europe. This corresponded with the duke's aim to raise his status and secure his dynastic ambitions, which he successfully achieved in the context of the peace negotiations in Utrecht 1712–1713 when he was elevated to king of Sicily.[11]

Political and diplomatic assistance, which quite frequently took the route of a subsidy alliance, almost always constituted a prerequisite for territorial expansion, in particular for the lesser powers. In the Holy Roman Empire, the emperor was in a position to settle territorial disputes and divisions of estates.[12] Even outside of this legal structure, however, actors frequently needed to ensure that they had the recognition and support of someone else, which was rarely afforded without any form of compensation. For a lesser power, a subsidy alliance with a politically and diplomatically influential great power frequently represented the crucial difference between being able to annex a painstakingly conquered piece of territory and reluctantly being forced to return it. In his peace with France in 1679, for example, the increasingly diplomatically isolated elector of Brandenburg, Friedrich Wilhelm (1620–1688), was forced to return almost all the German lands taken from Sweden, an ally

10 Wilson, 'Prussia', pp. 114–115.

11 Geoffrey Symcox, 'Britain and Victor Amadeus II: Or, The Use and Abuse of Allies', in *England's Rise to Greatness, 1660–1763*, ed. by Stephen B. Baxter (Berkeley: University of California Press, 1983), pp. 151–184; Storrs, *War*, pp. 122–170.

12 Wilson, 'The German', 774–787, 791–792.

of France. For Sweden, on the other hand, the political and diplomatic support from France in the extended peace process that ended the northern sideshow of the Dutch War (1672–1678) was probably more important than the significant French subsidies during these years.[13] An unusual, yet illustrative, example of how generously a powerful subsidizer might reward a loyal and useful junior partner is the aforementioned acquisition of Sicily by Vittorio Amedeo. This Spanish island was to all intents and purposes beyond the power and reach of Savoy-Piedmont and could have been conquered and secured only by means of British naval power.[14] Hence, there were good strategic reasons for the lesser powers to conclude subsidy agreements with more powerful states.

However, receiving subsidies was not risk-free. On the contrary, it included a variety of strategic problems, dilemmas, and challenges, which the lesser receiving powers – Hesse-Cassel, Denmark, Württemberg, Bavaria, Portugal, Brandenburg-Prussia, and Savoy-Piedmont among others – struggled to address. At the same time, these difficulties seem to have increased throughout the eighteenth century.[15]

This chapter explores the strategic challenges facing the lesser powers during the long eighteenth century. It also examines to what extent the emergence of a new European states system, the novel scale and intensity of warfare, and the growing strength of the fiscal-military state over time rendered the role of the lesser states as subsidy recipients more problematic, not only in the Holy Roman Empire but also in a more general European sense. This allows us to acquire a deeper understanding of the conditions under which the lesser powers acted, as well as of the reasons why the international system increasingly came to be dominated by the great powers.

Our point of departure is Sweden, one of the lesser powers receiving subsidies that have been studied to a relatively small extent in this regard, and we particularly focus on the fifty-year period following the major Swedish defeat in the Great Northern War

13 Georg Landberg, *Den svenska utrikespolitikens historia, I:3 1648–1697* (Stockholm: Norstedts, 1952), pp. 200–203; Derek McKay, 'Small-power Diplomacy in the Age of Louis XIV: The Foreign Policy of the Great Elector during the 1660's and 1670's', in *Royal and Republican Sovereignty in Early Modern Europe: Essays in Memory of Ragnhild Hatton*, ed. by Robert Oresko, G.C. Gibbs, and H.M. Scott (Cambridge: Cambridge University Press, 1997), pp. 209–213.

14 Symcox, 'Britain and Victor Amadeus II', pp. 166–171; Storrs, *War*, p. 4.

15 Wilson, 'The German'; Wilson, *German Armies*, ch. 7.

(1700–21).[16] The Swedish case is interesting in that it differs from many of the smaller, not least German, states whose receipt of subsidies has been in focus in previous research. First, Sweden was a territorially vast kingdom at the periphery of Europe and found itself in a very different geostrategic position compared to the lesser continental powers. Second, Sweden belonged to a part of Europe which was perhaps the most affected by the fundamental alterations in the states system during this period, primarily as a result of Russia and Prussia appearing as new great powers alongside France, Austria, and Great Britain.[17] Third, in spite of its lost Baltic provinces and serious military-fiscal problems, Sweden had a significant military capability, which included a standing army of about 45,000 men, several major fortresses, some twenty ships of the line – a force often underestimated by historians – and a large oared navy. In Sweden, too, unlike the situation in the majority of the other recipients, a considerable portion of the subsidies was also allocated towards these capital-intensive naval forces.[18] Fourth, and perhaps most importantly, during the period we focus on, Sweden was a

16 However, see Michael Roberts, *The Age of Liberty: Sweden 1719–1772* (Cambridge: Cambridge University Press, 1986), ch. 1; Patrik Winton, 'Denmark and Sweden in the European Great Power System, 1720–1765', *Revue d'histoire Nordique – Nordic Historical Review* 14.1 (2012), 39–62; Patrik Winton, 'Sweden and the Seven Years War, 1757–1762: War, Debt and Politics', *War in History* 19.1 (2012), 5–31; Peter Lindström and Svante Norrhem, *Flattering Alliances: Scandinavia, Diplomacy, and the Austrian–French Balance of Power, 1646–1740* (Lund: Nordic Academic Press, 2013); Erik Bodensten, 'Political Knowledge in Public Circulation: The Case of Subsidies in Eighteenth-century Sweden', in *Circulation of Knowledge: Explorations into the History of Knowledge*, ed. by Johan Östling, Erling Sandmo, David Larsson Heidenblad, Anna Nilsson Hammar, and Kari Nordberg (Lund: Nordic Academic Press, 2018), pp. 82–104, as well as Svante Norrhem, Chapter 4 above.

17 Hamish M. Scott, *The Emergence of the Eastern Powers, 1756–1775* (Cambridge: Cambridge University Press, 2001).

18 Jean Häggman, *Studier i frihetstidens försvarspolitik: Ett bidrag till Sveriges inre historia 1721–1727* (Stockholm: Uppsala universitet, 1922); Oscar Nikula, *Svenska skärgårdsflottan 1756–1791* (Helsingfors: K.F. Puromies boktryckeri, 1933); Leif Dannert, *Svensk försvarspolitik 1743–1757: I dess utrikespolitiska och inrikespolitiska sammanhang* (Uppsala: Appelberg, 1943); Gunnar Artéus, *Krigsmakt och samhälle i frihetstidens Sverige* (Stockholm: Militärhistoriska förlaget, 1982); Jan Glete, 'Den svenska linjeflottan 1721–1860: En översikt av dess struktur och storlek samt några synpunkter på behovet av ytterligare forskning', *Forum navale* 45 (1990), 9–68; Jan Glete, *Navies and Nations:*

constitutional monarchy, where the political decision-making process was entirely in the hands of the Council of the Realm and the Diet. This represents a clear difference compared to the other states receiving subsidies, states ruled by absolute monarchs. Among other things, this meant that increasing state revenues by means of extracting more resources became more or less politically impossible. Instead, Sweden was to an unusually high degree obliged to rely on foreign subsidies.[19]

The very fact that Sweden set itself apart in these respects provides us with a good opportunity for complementing our view of this phenomenon, but perhaps also to distinguish and understand the relevant set of problems generically: what strategic problems, dilemmas, and challenges united the lesser powers seeking and receiving subsidies from the major powers during this period?

The asymmetric Franco-Swedish subsidy alliance

Coming out of the Great Northern War, Sweden desperately needed the support of foreign subsidies. The strategy of avoiding subsidy alliances and treaty obligations, as they risked dragging Sweden into war – a strategy which had been in effect since around 1680 – was now considered a failure. In 1715, Sweden successfully concluded a three-year subsidy agreement with France. However, this treaty collapsed almost immediately as a result of a French policy reversal and an Anglo-French alliance.[20] New and growing tensions between the great powers following the War of the Spanish Succession offered Sweden the opportunity of joining the western power bloc. Having done so, Sweden received significant British and French subsidies in 1727–1729, as well as much-needed security

Warships, Navies and State Building in Europe and America, 1500–1860, vols I–II (Stockholm: Stockholms Universitet, 1993), vol. I, pp. 297–305; Jan Glete, 'Navies and Power Struggle in Northern and Eastern Europe, 1721–1814', in *Navies in Northern Waters, 1721–2000*, ed. by Rolf Hobson and Tom Kristiansen (London: Frank Cass, 2004), pp. 66–93.

19 Roberts, *The Age*, pp. 20–21.

20 Jerker Rosén, *Den svenska utrikespolitikens historia, II:1 1697–1721* (Stockholm: Norstedts, 1952), pp. 132, 137–138. In the final years of the war, Sweden also briefly came to receive some British subsidies, as well as a couple of smaller French payments; see Karl Åmark, *Sveriges statsfinanser 1719–1809*, parts I–III (Stockholm: Norstedts, 1961), pp. 571–572.

guarantees and British navy demonstrations in the Baltic Sea aimed at Russia.[21]

Nevertheless, the Anglo-French detente of 1716 and the Alliance of Hanover in 1725 did not constitute a long-term basis for Swedish foreign policy. By the early 1730s, it was clear that the previous sharing of interests between France and Great Britain no longer existed. After a long period of recovery and diplomatic restraint, France was now able to start regaining its position as the leading power in Europe. From a Swedish perspective, this new strategic situation included several historically familiar elements. It was once again possible to discern the outlines of a states system whereby France alone was confronted by a broad alliance under Austrian leadership. In this context, Sweden could assume its former role as a junior subsidy partner to France and one of the cornerstones of France's eastern system, no longer tasked with directly confronting the emperor but rather weakening and preventing Russia from assisting Austria and meddling in continental matters.[22]

Leaving important domestic and dynastic motives aside, Sweden had two major strategic ambitions related to Russia: on the one hand, territorial expansion and a revision of power; on the other, preserving the peace and maintaining Sweden's fragile security. These two ambitions were clearly difficult to reconcile. However, this duality was in no way unique to Sweden; it may be seen elsewhere as well, for example in Savoy-Piedmont and Bavaria. Both of these powers were squeezed tightly between neighbouring great powers and thus accustomed to living in fear and minimizing risk. Nevertheless, they were also always ready to play for high stakes and exploit opportunities for expansion. The decision to accept subsidies from a great power, directed against another, was

21 Bertil Boëthius, *Sveriges traktater med främmande magter: Jemte andra dit hörande handlingar, Åttonde delen 1723–1771* (Stockholm: Kungl. Boktryckeriet, P.A. Norstedt & Söner, 1922), pp. 69–83; Olof Jägerskiöld, *Den svenska utrikespolitikens historia, II:2 1721–1792* (Stockholm: Norstedts, 1957), pp. 66–82; Åmark, *Sveriges statsfinanser*, pp. 572, 587; Roberts, *The Age*, pp. 33–34.

22 Arthur M. Wilson, *French Foreign Policy during the Administration of Cardinal Fleury 1726–1743* (Cambridge, MA: Harvard University Press, 1936), *passim*; Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 92–99; Roberts, *The Age*, pp. 20, 34; Jeremy Black, *European International Relations, 1648–1815* (Basingstoke: Palgrave, 2002), pp. 145–157.

never easy, and it was typically preceded by considerable doubts and difficult discussions. The example of Bavaria illustrates the consequences of making an error of judgement: before the War of the Spanish Succession, France sought to restore its network of subsidy alliances within the Holy Roman Empire. Here, the Bavarian Wittelsbachs played a key role. In 1701, Elector Maximilian Emanuel II (1662–1726) accepted a secret Franco-Bavarian subsidy alliance, after repeatedly having failed to gain the support of the emperor for his ambitious political and dynastic objectives. Before the final and reluctant break with the emperor the following year, Maximilian Emanuel received a clear promise that significant French forces were to join him on the Upper Danube, which also materialized. After some great successes – followed by generous offers to defect to the Grand Alliance – his fate was none the less sealed when the Franco-Bavarian forces suffered a crushing military defeat in 1704. It would take more than ten years, and only after the war was over, before Maximilian Emanuel was able to return to a financially ruined and politically and militarily marginalized Bavaria. New Bavarian attempts were made in the 1730s and 1740s, with the same catastrophic result, after which France finally withdrew its support.[23] Savoy-Piedmont, in turn, abandoned its old strategy of joining forces with Bourbon France at about the same time. To a large extent as a result of Vittorio Amedeo's successful use of mainly British subsidies, the duke succeeded in the feat of simultaneously freeing his state from its powerful neighbour – without becoming dependent on Austria – as well as expanding its territory.[24]

As far as Sweden was concerned, a Franco-Swedish subsidy alliance was seen as the only viable option capable of assisting Sweden in both its offensive and its defensive ambitions. Pro-French debaters in Sweden liked to emphasize that France was the only power with an interest in strengthening Sweden that simultaneously possessed the means necessary for doing so and was prepared to prioritize and pay for this task. Subsequently, from a Swedish perspective,

23 Wilson, *French*; Peter C. Hartmann, 'Die Subsidien- und Finanzpolitik Kurfürst Max Emanuels von Bayern im Spanischen Erbfolgekrieg', *Zeitschrift für Bayerische Landesgeschichte* 32.1 (1969), 238–289; Reginald de Schryver, *Max II: Emanuel von Bayern und das spanische Erbe: Die europäischen Ambitionen des Hauses Wittelsbach 1665–1715* (Mainz: Verlag Philipp von Zabern, 1996); Wilson, *German Armies*, pp. 107, 113–119, 250–258.

24 Symcox, 'Britain and Victor Amadeus II'; Storrs, *War*.

France's recovered strength and re-established policy in northern Europe naturally constituted a most welcome development. Swedish decision-makers in the Council of the Realm and the Diet disagreed on how best to use France and the instrument of subsidies for achieving the Swedish objectives, as well as when this should occur, whereas it is hard to detect any type of fundamental disagreement. The fact that Sweden needed large subsidies for its underfunded army and navy was evident to every informed analyst. Refraining from accepting French subsidies was in other words tantamount to giving up on at least Sweden's offensive ambition. Before the Swedish defeat in the war against Russia in 1741–1743, few Swedish politicians were prepared to do so.[25]

The fact that it was not until 1738 that a Franco-Swedish subsidy alliance was finally concluded was mainly a result of France, at the time, not having a need for a Swedish intervention in northern Europe. France instead prioritized theatres of war in Germany and Italy where – in spite of its name – the War of the Polish Succession (1733–1735/39) was mainly fought. In June 1735, however, a Franco-Swedish subsidy agreement was concluded. Nevertheless, as the war came to an end shortly thereafter, France's interest in Sweden vanished and Versailles subsequently refused to ratify the treaty and pay out the money. This incident ended up becoming exceedingly important in Swedish domestic politics, representing a sobering reminder for those who might have forgotten that the interests of Sweden and France only partly coincided and that the relationship was highly asymmetrical.[26] The French 'betrayal' in 1735 – as well as in earlier similar incidents in 1633–1634, 1661–1662, and 1716–1717 – would assume a prominent place in the Swedish debate concerning the Franco-Swedish subsidy alliance and its value during the following decades. The same must be said about the arrogant behaviour of Louis XIV (1638–1715) in the 1679 peace negotiations, which was neither forgotten nor forgiven. As mentioned above, France had secured the recovery of Sweden's lost provinces; but the insult – one of many – of paying one of the

25 Roberts, *The Age*, pp. 16–26, 114; Oskar Sjöström, 'Sekreta bihangen 1741 och deras idépolitiska bakgrund', *Sjuttonhundratal* (2008), pp. 5–24; Bodensten, 'Political Knowledge'.

26 Boëthius, *Sveriges traktater,* pp. 203–212; Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 99–123; Erik Bodensten, *Politikens drivfjäder: Frihetstidens partiberättelser och den moralpolitiska logiken* (Lund: Lunds universitet, 2016), pp. 162–164.

Swedish commanders directly, thereby circumventing the Swedish king, deeply offended the Swedes.[27]

Less than a year after the 1738 subsidy treaty – where France agreed to assist Sweden with an amount corresponding to 900,000 *ds* annually for three years – the time had come for yet another such betrayal.[28] Emboldened by the Franco-Swedish subsidy alliance, the Swedish government transferred a fairly large troop contingent to Finland in order to negotiate, *armata manu*, with Russia concerning a revision of the last peace treaty and prepare for a Swedish attack. The Swedes hoped that the partial mobilization would also serve to strengthen the Swedish subsidy negotiations simultaneously taking place at several European courts. This endeavour proved to be an utter failure. The Swedish threat unintentionally contributed to the Ottoman Empire concluding a peace treaty with both Russia and Austria, thus ending a war which had been going on since 1736–1737 and which had been a fundamental element of the Swedish policy. Furthermore, it turned out that France had been the driving force in the negotiations – thus inflicting a harsh peace

27 See, for instance, *En Swensk Mans Tankar Om Dess Fädernes-lands Tilstånd, År 1675. Öfwersättning ifrån Latin. Med korta Anmärkningar, lämpade til närwarande tid* (Stockholm: Tryckt hos Carl Stolpe, 1769); Kungliga biblioteket (KB), Historia, D 351:8, *Samtal emellan Bonus och Cordatus*; KB, Historia, D 351:9, *Hyperborei Swar uppå Sin wän Austrasii bref*; D 351:9, *Reflexioner öfver Krigsdeclarationen år 1741*; KB, Historia, D 901, *Herr Gallipilei Bref till sin wän Severus*; *Partiers Ursprung och Wärkan I Swerige* (Stockholm: Tryckt i Kongl. Finska Boktryckeriet, hos Johan Arvid Carlbohm, 1769); 'Partistriden wid 1738–1739 års riksdag och dess orsaker', *Riksrådet grefve Gustaf Bonde: Anteckningar om Bonde-släkten, vol. 3*, Carl Trolle-Bonde (Lund: Gleerup, 1897–1899); *Swar, Uti Bref til Aristarchus, På Dess 12:te Nummer den 13 April 1769* (Stockholm: Tryckt i Kongl. Finska Boktryckeriet, 1769); *Sweriges Rikes Naturliga och Sanskyldiga Interesse uti Förbund med Kronan Frankrike, Granskat Uti Bref Ifrån En Wän i Stockholm til des Correspondent I anledning Af hans Swar På Des förra betydeliga Bref* (Stockholm: Tryckt i Kongl. Finska Boktryckeriet; Hos Johan Arvid Carlbohm, 1769); Uppsala universitetsbibliotek (UUB), Sveriges historia, F 275, *Bref til förswar af den med Ryssland förnyade Alliancen 1735*. For the 1679 incident in particular, see Ingemar Carlsson, *Olof Dalin och den politiska propagandan inför 'lilla ofreden': Sagan Om Hästen och Wår-Wisa i samtidspolitisk belysning* (Lund: CWK Gleerup, 1966), pp. 41–42; A.F. Upton, *Charles XI and Swedish Absolutism* (Cambridge: Cambridge University Press, 1998), pp. 27–28; Göran Rystad, *Karl XI: En biografi* (Lund: Historiska Media, 2001), pp. 116–118.

28 Boëthius, *Sveriges traktater,* pp. 270–276; Åmark, *Sveriges statsfinanser*, p. 573.

on the Habsburgs – apparently deceiving its northern ally for its own purposes. Now that Russia enjoyed peace and France had made it clear that it currently had no wish to see a Swedish attack, it was unthinkable for the Swedish government to proceed. Nor was it possible to withdraw its troops. Notwithstanding the political costs, this was out of the question from a military perspective, as Russia moved increasing numbers of troops to the border area. Needless to say, the detractors of the Franco-Swedish subsidy alliance had a field day.[29]

This event illustrates a general fact sooner or later experienced by every lesser recipient of subsidies: Whereas a subsidy alliance often served to create the *conditions* for more active and expansionist policies, it was far from certain that such policies could also be *realized*. The subsidy recipient had to take the interests and intentions of the giver into account, and, when a conflict of interest arose, the receiver generally had to stand down, at least if the subsidy alliance was to last, which these policies depended on. The support from the subsidizer came with conditions and the subsidies could always be withdrawn, reduced, or deliberately delayed. In 1684, for instance, Louis XIV made the limits for his support clear to his subsidy partner the Danish King Kristian V (1646–1699). French subsidies and diplomatic support had enabled the Danes to take possession over the duchy of Holstein-Gottorp, which was closely linked to Sweden. While the Danes were now preparing themselves for a direct attack on Sweden, the French king used his influence as subsidizer, forcing Denmark to back down and preventing a war he had no interest in.[30] Then again in 1743, Denmark was forced to abort its imminent invasion of Sweden, partly as a result of France holding back its subsidies, deemed essential to the Danish war-making capability.[31]

Defying the subsidizing great power in such situations represented significant risks for the lesser subsidized power. For instance, having

29 Wilson, *French*, pp. 318–326; Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 129–136. For the domestic political consequences, see Bodensten, *Politikens drivfjäder*, pp. 222–226.

30 Lars Christensen, 'I Solkongens Skygge: Dansk-franske relationer 1661–1693' (unpublished doctoral thesis, Syddansk Universitet, 2003), pp. 199–208; Lindström and Norrhem, *Flattering Alliances*, pp. 72–73.

31 Knud J.V. Jespersen and Ole Feldbæk, *Revanche og neutralitet, 1648–1814: Dansk udenrigspolitiks historie, 2* (Copenhagen: Gyldendal, 2002), pp. 288–289.

failed to win the support of France and Austria for peace negotiations between Sweden and Prussia, the Swedish government none the less decided to proceed and unilaterally initiate negotiations. This resulted in a separate peace in May 1762, *status quo ante bellum*, which concluded Sweden's participation in the Seven Years' War (1756–1763). France answered by recalling its ambassador and largely suspending its subsidy payments. This aggravated the already serious fiscal and monetary crisis in Sweden but also served to discredit the Swedish government domestically in the eyes of the electorate. During the difficult negotiations in the following years, France clearly communicated its dissatisfaction with its subsidy client but also emphasized the extent to which the Swedish government was politically dependent on a good relationship with France. In April 1764, the increasingly strained Swedish government once again tried to obtain the withheld subsidy payments, without success. It was not until November that same year that both parties were able to agree on a compromise – the estates were to meet in January 1765 and France had no interest in seeing the government fall, just to be replaced by one more orientated towards Great Britain.[32]

In spite of the renewed subsidy alliance, however, this was exactly what happened. In February 1766, the new government signed a friendship treaty with Great Britain but failed in its efforts to secure subsidies and defence guarantees. France now referred to the provisions in the Franco-Swedish treaty which stipulated that the parties were required to obtain the consent of the other party in all negotiations with third parties, and, as this had not been the case, France declared that the treaty was now null and void. In the autumn of that same year, France also formally broke off its relationship with Sweden and cancelled all subsidy payments.[33] The situation to a large extent resembled the failed attempts of the Swedish government in 1735 to conclude a Franco-Swedish subsidy alliance, while at the same time seeking to avoid becoming too dependent on France and being reduced to a French satellite. Simultaneously with these

32 Boëthius, *Sveriges traktater,* pp. 886–893; Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 212–216, 221–224; Åmark, *Sveriges statsfinanser*, pp. 574, 588, 592; Michael F. Metcalf, *Russia, England and Swedish Party Politics 1762–1766: The Interplay between Great Power Diplomacy and Domestic Politics during Sweden's Age of Liberty* (Stockholm: Stockholm University, 1977); Michael Roberts, *British Diplomacy and Swedish Politics, 1758–1773* (Minneapolis: University of Minnesota Press, 1980).

33 Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 224–227; Åmark, *Sveriges statsfinanser,* p. 588, 592; Metcalf, *Russia*; Roberts, *British*.

negotiations, in 1735, the Swedish government decided to renew a previous twelve-year defence alliance with Russia, which was about to expire, without first consulting France as stipulated in the treaty. As Versailles had not yet had time to ratify the subsidy alliance, it was able to use this loophole as a pretext for terminating the treaty, as mentioned earlier.[34] In both 1735 and 1766, France had good reasons for breaking off relations with Sweden. One was obviously not having to pay out extensive subsidies to an ally that did not appear to be particularly useful at the time. Another reason, however, was the opportunity to clarify the true nature of the relationship: France could hardly be seen as accepting its junior subsidy partner freeing itself and disloyally approaching France's antagonists without suffering some consequences.

The subsidy agreements were generally formulated as agreements between equal partners, as in this case between the French king and the Swedish king. It was, for instance, understood that the above-mentioned obligation to consult one's partner before entering into new agreements with third parties only concerned the subsidy recipient.[35] The complex and rapidly changing European cabinet politics resulted in major difficulties for the lesser subsidy-receiving powers when the great powers suddenly and unilaterally changed their priorities. A particularly dramatic example in this regard was the 1756 Franco-Austrian and Anglo-Prussian rapprochement that turned the entire European system of alliances on its head and placed states such as Hesse-Cassel in a very difficult position. By 1755, Landgrave Wilhelm VIII (1682–1760) had yet again concluded an Anglo-Hessian subsidy treaty. In the light of Great Britain's long-standing and close relationship with the Habsburgs – also a traditional British subsidy ally – and with a similarly good relationship with Prussia, this agreement seemed relatively risk-free. In the event of a new major war in Europe, Hesse-Cassel could just as previously be expected to confront France along the Rhine as a junior ally and subsidy partner of Great Britain and Austria. The diplomatic revolution – as it became known – completely changed the strategic position of Hesse-Cassel, which now instead found itself in a very exposed

34 Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 99–123. The Swedish and French motives have been the subject of some debate; see Göran Nilzén, *Studier i 1730-talets partiväsende* (Stockholm: Stockholms universitet, 1971), pp. 133–134, 160–164, and the literature cited there. See also Lindström and Norrhem, *Flattering Alliances*, pp. 152–161.

35 Roberts, *The Age*, pp. 26–27.

position and open to primarily French attacks, which it could not possibly face on its own regardless of how many subsidies it received.[36]

Unlike in 1735, the French reversal in 1739 did not result in Sweden losing its subsidies; however, as discussed above, it put the Swedish government in a precarious situation. In order to break the unsustainable deadlock, the Swedish government decided to convene the estates in August 1740. Before the Diet could assemble, however, the Habsburg Emperor Karl VI (1685–1740) passed away, shortly followed by the Russian ruler, Empress Anna Ioannovna (1693–1740). Faced with the prospect of a new major war of succession, France was once again willing to support a Swedish attack on Russia. In February 1741, the former Franco-Swedish subsidy treaty was renewed for another three years. As soon as the following month, the subsidies were increased somewhat in the event of Sweden attacking Russia, which it did in August.[37] Once again, it had become clear to what extent France, in its capacity as a great power and a subsidizer, laid out the framework for Swedish actions on the international scene.

Viable options and geostrategic realities

One indication of how well lesser powers managed to use the instrument of subsidies for achieving their political and dynastic objectives was the extent to which they possessed the strategic elements needed for being able to play off different givers against one another. Savoy-Piedmont, Denmark, and Brandenburg-Prussia belonged to the group of lesser powers that managed to establish themselves as attractive subsidy partners to many of the great powers in Europe. These powers regularly changed allies based on the promise of better conditions. Some princes, most notably Vittorio Amedeo and Friedrich Wilhelm, became known for their opportunism.[38]

36 Ingrao, *The Hessian Mercenary State*, p. 128; Wilson, *German Armies*, p. 266; Franz A.J. Szabo, *The Seven Years War in Europe, 1756–1763* (Harlow: Pearson, 2008), pp. 179–180, *passim*.

37 Wilson, *French*, pp. 330–338; Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 137–143; Åmark, *Sveriges statsfinanser,* p. 573; Bodensten, *Politikens drivfjäder*, pp. 222–227.

38 Symcox, 'Britain and Victor Amadeus II'; Storrs, *War*, pp. 122–170; McKay, 'Small-power Diplomacy'; Wilson, *German Armies*; Jespersen and Feldbæk, *Revanche og neutralitet*, pp. 102, 106, 114, 125, 159, 168, 267, 273–277, 282–296; Wilson, 'Prussia', pp. 114–115; Winton, 'Denmark', pp. 43–46, 50–52, 55–56, 59–61; Lindström and Norrhem, *Flattering Alliances*, pp. 68–69, 150–152.

However, success did not require such drastic reversals. For instance, Hesse-Cassel, which had great success as a recipient of subsidies, was very consistent in its subsidy alliance with Great Britain.[39] Instead, what was essential was that the lesser power – in addition to possessing military resources in demand – could make a prospective subsidy giver believe that it could also turn to another interested power, preferably one antagonistic to the former. This not only enabled the lesser power to obtain better conditions than would have been possible otherwise; it also strengthened the recipient's negotiating position once a subsidy treaty had been concluded, a position which might otherwise have been dangerously weak. The existence of alternative subsidy givers forced the dominant party to fulfil its commitments and also look after the interests of the junior party if the latter were to remain in the alliance and have it renewed once it expired.[40]

However, most of the lesser powers were unable to deal with the great powers in such a manner. In such a case, one alternative could be to turn to other lesser powers. For instance, the Republic of Venice was a significant giver of subsidies up until 1719; and, throughout the entire period, the United Provinces paid out large subsidies in peacetime as well as, in particular to the German states, providing them with troops. The lesser subsidizers represented lesser political risks. At the same time, however, the crucial political leverage that made subsidy treaties with the great powers attractive in the first place did not materialize. In these cases, subsidy agreements really turned into pure transactions, where the giver purchased military services in exchange for money. At any rate, this option ended up becoming less and less available throughout the period.[41]

It also became increasingly hard for the lesser powers to play off the great powers against one another. This was largely due to changes in the European states system during the period. Protracted conflicts between states such as France and Spain, and France and the United Provinces, ceased; these were conflicts which quite a few lesser powers had been able to exploit. The two new great powers of Prussia and Russia were both poor but had large military capabilities of their own. They themselves received subsidies, rather than offering them to others. From around 1760, Great Britain – arguably

39 Rodney Atwood, *The Hessians: Mercenaries from Hessen-Kassel in the American Revolution* (Cambridge: Cambridge University Press, 1980); Ingrao, *The Hessian Mercenary State*, ch. 5.

40 See, for instance, Storrs, *War*, pp. 122–170.

41 Wilson, 'The German', 782–787.

the largest subsidizer in the long eighteenth century – started to retreat from continental affairs and its previously very active involvement in imperial politics. The continental struggle with France and Spain came to the forefront, whereas the Hanoverian interest was played down. In the second half of the 1770s, several minor German states received British subsidies in exchange for assisting Great Britain in fighting the American rebellion; but it was only in the 1790s that Great Britain returned as a major subsidizer and participant in the continental power struggle.[42] Most importantly, however, the struggle between France and Austria – as well as the more general struggle between the Bourbons and the Habsburgs, which had dominated international relations in Europe for a long time – was put aside in the middle of the eighteenth century. For instance, following the mid-century Franco-Austrian rapprochement, and after Bourbon Spain had consolidated its position in Italy at about the same time, the strategic basis for Savoy-Piedmont's activist subsidy policy more or less evaporated.[43]

This became particularly evident with respect to the lesser German powers.[44] The difficulties of Hesse-Cassel during the Seven Years' War have already been mentioned. Another useful example is Württemberg, which at the same time failed to obtain good subsidy terms from the Franco-Austrian alliance in the absence of a credible alternative. The Württemberg duke Carl Eugen (1728–1793) vainly tried to strengthen his position, primarily in relation to the Habsburgs,

42 John M. Sherwig, *Guineas and Gunpowder: British Foreign Aid in the Wars with France, 1793–1815* (Cambridge, Mass.: Harvard University Press, 1969); Michael Roberts, *Splendid Isolation, 1763–1780: The Stenton Lecture 1969* (Reading: University of Reading, 1970); Ingrao, *The Hessian Mercenary State*, pp. 135–162; Jeremy Black, *A System of Ambition? British Foreign Policy 1660–1793* (Harlow: Longman, 1991), pp. 204ff; Wilson, 'The German', 786–787; Wilson, *German Armies*, pp. 311–312, 326; Scott, *The Birth*, pp. 146–147. Sweden received very substantial British subsidies in 1805–1816; Åmark, *Sveriges statsfinanser*, pp. 594, 852–856; Sherwig, *Guineas and Gunpowder*, pp. 366–368, *passim*; Jan Glete, 'The Swedish Fiscal-Military State in Transition and Decline, 1650–1815', in *War, State and Development: Fiscal-Military States in the Eighteenth Century*, ed. by Rafael Torres Sánchez (Pamplona: Eunsa, 2007), p. 108.

43 Storrs, 'The Savoyard', p. 203; Scott, *The Birth*, pp. 73–74, 81–92; Christopher Storrs, '"Große Erwartungen": Britische Subsidienzahlungen an Savoyen im 18. Jahrhundert', in *Das 'Blut des Staatskörpers': Forschungen zur Finanzgeschichte der Frühen Neuzeit*, ed. by Peter Rauscher, Andrea Serles, and Thomas Winkelbauer (Munich: Oldenbourg Verlag, 2012), pp. 87–126.

44 Wilson, 'The German', 778, 780–781, 786–787, 791–792.

by creating and providing very large forces, far larger than what was actually required in the subsidy agreements and far larger than his state finances allowed. In previous wars, Württemberg had been able to play off France and Austria against each other and even receive subsidies for remaining neutral. Now, however, Württemberg's interests were not looked after, despite its large troop contingent and despite the fact that Austria was engaged in a desperate military struggle and suffered from a chronic shortage of troops. The duke's politics contained an element of *sunk cost fallacy*, which was not unusual for subsidy recipients at this time: the more wholeheartedly he committed himself to the subsidy relationship and the larger his debts, the more difficult it was to cut his losses and give up the leverage he had worked so hard to attain, a leverage which might help him realize his territorial claims in a future peace negotiation. Well aware of this situation, the allies were in a position to make even more extensive demands.[45]

Württemberg's difficult position might have been avoided had it decided to limit its participation and withdrawn from the war at the first opportunity, or had it claimed to be neutral already from the outset. First, however, such a policy would not have resulted in any benefits for Württemberg. In relative terms, it would instead have weakened Württemberg's position in relation to its antagonistic neighbours, which chose to assist the allies. Second, a more cautious policy could very well have resulted in punishments, which happened to other German princes who tried to remain neutral at the same time. The Austro-Prussian dualism – which had increasingly come to characterize imperial politics – made it increasingly difficult for the German lesser powers to avoid having to take a clear side. The decision in 1761–1762 to finally start demobilizing and take Württemberg – now deeply in debt – out of the war was not unexpectedly followed by numerous unfavourable verdicts in the imperial courts.[46]

The Bavarian Wittelsbachs were faced with the same problem. Bavaria did not receive any subsidies between 1759 and 1800; this was not due to a lack of ambition, however, but rather to a lack of options. Just as in the case of Württemberg, the geostrategic location of Bavaria was the significant factor. Bavaria enjoyed few natural protective barriers and only had a few strong fortresses. In relation to the struggle between the Habsburgs and the Bourbons, this territory played a key strategic role; for both France and Austria,

45 Wilson, *War*, pp. 209–239.
46 Wilson, *War*, pp. 209–239; Schmid, *Max III*.

it constituted a defensive buffer zone as well as an offensive staging area. Bavaria thus represented an attractive subsidy partner for both of these great powers; but, as already mentioned, such alliances were also associated with great risks. Accepting subsidies from another power, directed at both Austria and France, was out of the question. At the outbreak of the Seven Years' War, Great Britain offered Bavaria subsidies in exchange for declaring itself neutral, which Bavaria reluctantly had to decline.[47]

The geostrategic position of the states in southern Germany may be contrasted with that of the states in the north, which generally faced a smaller risk of retaliation in their attempts to capitalize on the Franco-Austrian conflict. This also opened up for other possibilities in terms of alternative subsidizers, in particular the United Provinces and Great Britain. The position of Münster, for example, was very well suited to supplying the former with subsidy troops. The powers in southern Germany, on the other hand, and in particular those along the Rhine, were in a better position to offer direct access to strategic territories. The subsidizer's own troops could, for instance, be granted safe passage and the opportunity to receive supplies – winter quarters were particularly important in this regard. These military resources could be just as important as troops and explain why states such as Cologne, Trier, and Mainz, whose forces were small but which held several strategically important fortresses, were able to obtain subsidies.[48]

Sweden belonged to the group of lesser powers whose geostrategic position did not enable direct military co-operation with the forces of the subsidizer – at least not primarily – but could on the other hand be used for extending the latter's power projection far beyond what was possible in a direct sense. As part of the French eastern system, Sweden alone was able to directly threaten the exposed capital of Russia. That option was activated by France in 1741 by supporting the aforementioned Swedish attack on St Petersburg, which effectively deprived the Habsburgs of a potential ally during the War of the Austrian Succession (1740–1748).[49] Previously, the Swedish bridgehead in northern Germany had also indirectly extended

47 Black, 'The Problem', pp. 7, 24; Wilson, 'The German', 778.

48 Wilson, *War*, pp. 85–87; Wilson, 'The German', 779, 782–783; Wilson, *German Armies*, pp. 211–212.

49 Reed Browning, *The War of the Austrian Succession* (New York: St Martin's Griffin, 1993), pp. 65–66; M.S. Anderson, *The War of the Austrian Succession, 1740–1748* (London: Longman, 1995), pp. 79–80.

French power to this part of the empire and enabled France to attack the emperor and his allies here as well. The Austro-Prussian conflict, in combination with the Franco-Austrian alliance, once again made the remaining Swedish provinces in Germany strategically interesting and possible to capitalize on. Sweden could now side with both France and Austria and in exchange for subsidies attack Prussia from its exposed northern flank, which the two allies were unable to do by themselves.[50]

With the promise that major French subsidies would be forthcoming and that Sweden would regain its territories lost to Prussia 1720 in the coming peace negotiations, Sweden joined the strong anti-Prussian coalition in September 1757.[51] The Swedish intervention in the war has often been described as a military, political, and fiscal fiasco.[52] This is true in many ways. However, it should be noted that the Swedish generals were not trying to achieve a decisive military victory over the Prussians. Also, the subsidies represented a means rather than an end, and the actors knew that they would not cover the costs – the French subsidies to Sweden were significant, but still only covered around 20 per cent of all extraordinary wartime revenues.[53] Hence, they were close in size – in relative, not absolute, terms – to the extensive wartime subsidies received by Vittorio Amedeo, and fully comparable with the substantial British subsidies received by Friedrich II of Prussia (1712–1786) during the war.[54] Sweden's attack on Prussia in many ways represented a typical subsidiary war, where the lesser subsidized power hoped to make future political or diplomatic gains by providing assistance to the great power. Obviously, we do not know what these gains would have looked like; but there are good reasons for believing that the Swedish government, just as it had done in the subsidy

50 This strategic bridgehead also secured British subsidies during the Napoleonic Wars; see Sherwig, *Guineas and Gunpowder,* pp. 161–164.

51 Boëthius, *Sveriges traktater*, pp. 694–735; Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 199–208; Winton, 'Sweden', pp. 14–16.

52 Sten Carlsson and Jerker Rosén, *Svensk historia: II: Tiden efter 1718* (Stockholm: Svenska bokförlaget, 1961), pp. 156–167; Roberts, *The Age*, pp. 19–21, 43–45; Szabo, *The Seven Years War*, pp. 294–299, *passim*.

53 Winton, 'Sweden'.

54 Åmark, *Sveriges statsfinanser,* pp. 573–574, 588; Storrs, *War*, pp. 103–118; Hamish Scott, 'The Fiscal-military State and International Rivalry during the Long Eighteenth Century', in *The Fiscal-military State in Eighteenth-century Europe*, ed. by Christopher Storrs, p. 49; Storrs, 'The Savoyard', pp. 215–216; Winton, 'Sweden', pp. 22–24.

negotiations prior to the war, was particularly set on demanding territorial expansion in Pomerania. In the end, what was to solve the Swedish war equation was this type of traditional territorial expansion, at the expense of the neighbouring state, and not the French subsidies.[55] The risk taken by the Swedish government was primarily that, in the future peace settlement, France would not be able to or would not want to push for Swedish compensation. In 1757, however, this did not appear all that likely, as Prussia was confronted by a very strong and determined enemy coalition. Also, Sweden had been a loyal subsidy partner of France for a long time. A stronger Sweden in Germany, which was in a better position to counteract Prussia, was also in the interests of Austria and Russia. It was only after several years of very costly warfare, and when it was abundantly clear that France neither could nor had any desire to keep its earlier promise, that Sweden, just like Württemberg, chose to cut its losses.

From a Swedish perspective, the diplomatic revolution resulted in an unexpected and short-lived opportunity for expansion in the empire. However, throughout the entire period, Sweden had another primary interest, namely expansion and security vis-à-vis Russia. In this respect, Sweden belonged to the group of lesser powers that had difficulties in appealing to more than one potential subsidizer. Great Britain – Sweden's only real viable option apart from France – certainly wanted to see a restriction of Russian influence in the Baltic region, which is why it offered very active support to Sweden in the 1720s. Nevertheless, following a certain time lag, it became increasingly clear that British and Russian interests coincided in many respects, which resulted in a gradual improvement in Anglo-Russian relations. Above all, both states belonged to the anti-French camp, and they ended up becoming increasingly economically dependent on each other – a development which called the value

55 Cf. Winton, 'Sweden', p. 31. See also Sherwig, *Guineas and Gunpowder*, pp. 275–276, 284–286, 312, regarding the similar Swedish attempt in 1813–1814 to secure British subsidies and, more importantly, allied recognition of planned territorial acquisitions, this time in Norway.

56 Stewart P. Oakley, 'Trade, Peace and the Balance of Power: Britain and the Baltic, 1603–1802', in *In Quest of Trade and Security: The Baltic in Power Politics 1500–1990: Volume 1, 1500–1890*, ed. by Göran Rystad, Klaus-R. Böhme and Wilhelm M. Carlgren (Lund: Lund University Press, 1994), pp. 239ff.

of a potential Anglo-Swedish subsidy alliance into question.[56] In any case, compared to France, Great Britain had a significantly more restrictive approach with regard to subsidies. That approach more or less excluded peacetime subsidies, essentially a Swedish requirement.[57]

The fundamental problem facing Sweden was that France was really the only power that valued the military, geostrategic, and political resources Sweden could offer, a fact of which the French counterpart was certainly not unaware. [58] Conversely, Denmark – the other Scandinavian power – was frequently in a position to successfully play Great Britain, Austria, and France off against one another and even obtain subsidies simply by promising to remain neutral. Not least, Denmark was able to exploit its proximity to Hanover and provide subsidy troops either to protect or to threaten the Electorate, united in a personal union with Great Britain since 1714.[59] In this regard, Sweden's strategic position more resembled that of Portugal, which in its ambitions to counteract Bourbon Spain had no other option than to turn to its subsidy ally Great Britain, on which it grew increasingly dependent.[60]

Swedish attempts at playing France and Great Britain off against each other consistently failed.[61] Britain's interest in an Anglo-Swedish

57 C.W. Eldon, *England's Subsidy Policy towards the Continent during the Seven Years' War* (Philadelphia: University of Pennsylvania, 1938); Roberts, *British*, ch. 8; P.G.M. Dickson, *Finance and Government under Maria Theresia 1740–1780: Volume II, Finance and Credit* (Oxford: Clarendon Press, 1987), pp. 158–160; Jeremy Black, 'Parliament and Foreign Policy in the Age of Walpole: The Case of the Hessians', in *Knights Errant and True Englishmen: British Foreign Policy, 1660–1800*, ed. by Jeremy Black (Edinburgh: John Donald Publishers, 1989), pp. 41–54; Scott, 'The Fiscal-military', p. 49.

58 Cf. Winton, 'Denmark', pp. 45–46, 61–62, who does not consider the Swedish navy or geostrategic position – but only its army – as being an important asset in the subsidy negotiations.

59 See, for instance, Roberts, *British*, pp. 20, 28–29; Jespersen and Feldbæk, *Revanche og neutralitet*, pp. 102, 106, 114, 125, 159, 168, 267, 273–277, 282–296; Szabo, *The Seven Years War*, p. 132; Winton, 'Denmark', pp. 43–46, 50–52, 55–56, 59–61; Lindström and Norrhem, *Flattering Alliances*, pp. 68–69, 150–152.

60 David Francis, *The First Peninsular War, 1702–1713* (London and Tonbridge: Ernest Benn Limited, 1975); L.M.E. Shaw, *The Anglo-Portuguese Alliance and the English Merchants in Portugal, 1654–1810* (Aldershot: Ashgate, 1998).

61 See, for instance, Metcalf, *Russia*, pp. 18–19, 222–223.

subsidy alliance was always secondary at best, primarily focused on challenging its main opponent, France. This deprived France of an important ally, or at any rate created distrust between the two allies; strengthened Sweden's negotiating position, thus forcing France to increase its subsidies; and prevented a Swedish (and perhaps also a Danish) squadron from uniting with the French navy at a critical stage.[62]

The lack of other options than France constitutes an important reason why Sweden remained a French subsidy ally for so long and ended up being highly dependent on France. This became particularly evident during the fifteen-year period starting in the late 1740s, when Anglo-Swedish relations were very poor. However, it should be noted that Swedish behaviour on the international scene was never determined by France. For instance, the Swedish government *wanted* to attack Russia in 1741 and had sought to create favourable conditions for such an attack for a long time. This attack, just like the attack on Prussia, was not the result of an ultimatum from the subsidizer.[63]

Nor was Sweden in such a bad negotiating position that France looked likely to stop paying out very large sums of money. The 1738 subsidy treaty marked the beginning of an almost unbroken period of large French subsidy payments, which did not end until the mid-1790s.[64] These mainly peacetime subsidies enabled the Swedish government to compensate for its scarce fiscal resources, as well as to maintain and even strengthen its military capabilities. The importance of this factor is difficult to overestimate. This became particularly clear in the late 1740s, when France with a major effort, both diplomatically and financially, helped Sweden free itself from Russian dependency following the defeat in 1741–1743, while at the same time preventing Russia from interfering in the final phase of the War of the Austrian Succession.[65] The Franco-Swedish subsidy agreements concluded in 1747–1749 enabled a substantial expansion of both Swedish naval forces and fortresses. In the peak year of

62 Roberts, *British*, pp. xiii–xxv.

63 Roberts, *The Age*, pp. 26–27; Glete, 'The Swedish', p. 107. Cf. Winton, 'Denmark', pp. 50, 61–62.

64 Åmark, *Sveriges statsfinanser*, pp. 573–575, 585–586, 588, 591–594, 597.

65 Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 161–181; Jeremy Black, *From Louis XIV to Napoleon: The Fate of a Great Power* (London: UCL Press, 1999), pp. 96–100.

1750, the French subsidies amounted to approximately 17 per cent of the total Swedish state revenue.[66]

Concluding remarks: A new states system and falling demand for subsidy troops

By the end of the Seven Years' War, the European states system had become increasingly multipolar as a result of France's declining power, and Prussia's and Russia's assumption of the status of great powers. Instead of the previous balance of power between two nearly equally powerful blocs, the system disintegrated into a western and an eastern part, outside of which none of the five great powers retained much influence. Together, however, they came to dominate the system in a qualitatively new way. The role of the lesser powers was significantly reduced as a result. In particular, the last war – with warfare on a new scale and with a new intensity – had demonstrated the rather marginal relative fiscal-military importance of the lesser powers. These changes made it increasingly difficult for the lesser powers to form alliances with the great powers and to secure subsidies. As the demand for subsidy troops and lesser allies decreased – the Habsburg emperor, for instance, abandoned the instrument in the 1770s and 1780s – the lesser powers increasingly had to fall back on their own ever more limited financial, political, and military resources.[67]

For Sweden – located in the eastern part of the European states system and increasingly dependent on external financial and diplomatic support – this was a particularly disturbing development. The new strategic situation became evident in 1772 as the three eastern great powers were allowed to partition Poland without the two western great powers being able to prevent this from happening – a situation that may serve as an illustrative contrast to the powerful intervention of France and Great Britain in the Baltic region in the

66 Boëthius, *Sveriges traktater*, pp. 476–480, 507–512; Dannert, *Svensk försvarspolitik 1743–1757*, ch. 5–6; Nikula, *Svenska skärgårdsflottan*, pp. 21–25; Åmark, *Sveriges statsfinanser,* pp. 573, 588, 591; Patrik Winton, 'Parlimentary Control, Public Discussions and Royal Autonomy: Sweden, 1750–1780', *Histoire & Mesure* XXX.2 (2015), 59–60. See also Dickson, *Finance and Government*, pp. 394–396.

67 Wilson, 'The German', 784–787; Wilson, *German Armies*, ch. 7; Scott, *The Birth*, pp. 5–6, 35–38, 117–121, 143–150, *passim*; Hamish Scott, 'The Seven Years War and Europe's *Ancien Régime*', *War in History* 18.4 (2011), 435–437.

1720s. At the same time, the Swedish ambition to achieve a revision of power in the Baltic region and counteract Russia was being discarded, a process that had been ongoing ever since at least the 1740s. Instead, the ambition to secure peace led to more people putting their faith in Great Britain, a policy that in practice meant joining forces with Russia. In the view of an increasing number of Swedish decision-makers and opinion leaders, subsidies in general, and the Franco-Swedish subsidy alliance in particular, were seen as an overly risky and costly strategy. However, it should be pointed out that contemporaries found it hard to grasp just how much France's military, diplomatic, and financial influence and prestige had actually declined since the Seven Years' War and more or less evaporated in eastern Europe.[68]

Perhaps the most obvious expression of French weakness was its great difficulties in terms of living up to its subsidy commitments. For Sweden, this in many ways constituted a new experience, as France had always paid on time and frequently even in advance. The French payment problems not only affected Sweden; for instance, it was not until 1769 that Austria received its last wartime subsidies from France.[69] Following the Seven Years' War, all warring states were confronted with unprecedented financial difficulties, which in turn resulted in a period of international detente, as the great powers tried to avoid war and regain their strength. The same dynamics had previously appeared in the period following the War of the Spanish Succession and would once again become particularly clear following the Napoleonic Wars.[70] In these situations, the lesser powers experienced a significant weakening of their negotiating position, both with regard to obtaining new subsidies and with regard to receiving the ones already promised.[71] The very real inability to pay on the part of the subsidy givers here interacted with their much-reduced need to pay for allies.

Out of all the major subsidizers, it seems as if the war affected the French state finances the most; at the end of the 1760s, the

68 Roberts, *The Age*, pp. 48–58; Black, *From Louis*, pp. 114–127; Scott, *The Birth*, pp. 144–145; Bodensten, 'Political Knowledge', pp. 98–99.

69 Åmark, *Sveriges statsfinanser*, p. 574; Szabo, *The Seven Years War*, pp. 132–133, 299, *et passim*; Scott, 'The Fiscal-military', p. 49; Winton, 'Sweden', 22–24.

70 Scott, 'The Fiscal-military', pp. 38–40; Scott, 'The Seven', pp. 430–435.

71 See, for example, Ingrao, *The Hessian Mercenary State*, p. 128; Wilson, 'The German', 786–787; Wilson, *War*, p. 150.

money spent on interest represented almost two-thirds of governmental annual revenues.[72] This situation forced France to abandon, or at least suspend, its previous and generous subsidy policy. The French subsidies became smaller, were paid out to fewer receivers, and were more or less paid only in wartime. In this respect, France followed the British example.[73] However, this shift also reflected the altered strategic priorities of France. The colonial and naval struggle with Great Britain moved to centre stage, whereas the previous continental ambitions were downplayed. Nevertheless, it was only gradually and reluctantly that France was forced to abandon its influence, recognizing that many of its long-standing subsidy allies were no longer essential.[74]

The slowness with which France reluctantly carried out its strategic realignment seems to have saved Sweden from a very vulnerable position which it could otherwise have expected to find itself in, a position in which Poland and the Ottoman Empire – the two other powers that together with Sweden had formed the French *barrière de l'est* – increasingly found themselves. In 1771–1773, the new Swedish king, Gustav III (1746–1792), succeeded in reforging Sweden's ties with France and concluding a new Franco-Swedish subsidy alliance which enabled another extensive military expansion and modernization during the 1770s and 1780s, in particular with regard to the Swedish navy and oared flotilla.[75] There were good military and strategic reasons for the expansion of the Swedish

72 James C. Riley, *The Seven Years War and the Old Regime in France: The Economic and Financial Toll* (Princeton: Princeton University Press, 1986); James C. Riley, 'French Finances, 1727–1768', *Journal of Modern History* LIX (1987), 209–243; T.J.A. Le Goff, 'How to Finance an Eighteenth-century War', in *Crises, Revolutions and Self-sustained Growth: Essays in European Fiscal History, 1130–1830*, ed. by W.M. Ormrod, Margaret Bonney, and Richard Bonney (Stamford: Shaun Tyas, 1999), pp. 377–413; Scott, 'The Seven', pp. 432–434, 447–448.

73 Dickson, *Finance and Government*, pp. 180–183; Daniel A. Baugh, 'Withdrawing from Europe: Anglo-French Maritime Geopolitics, 1750–1800', *The International History Review* 20.1 (1998), 8–9; Wilson, *German Armies*, pp. 290–291; Scott, 'The Fiscal-military', p. 49.

74 Baugh, 'Withdrawing from Europe'; Scott, *The Birth*, pp. 143–146, 214–222. For Sweden, see Helle Stiegung, *Ludvig XV:s hemliga diplomati och Sverige 1752–1774* (Lund: CWK Gleerup, 1961); Metcalf, *Russia*; Roberts, *British*; Roberts, *The Age*, pp. 46–47.

75 Nikula, *Svenska skärgårdsflottan*, pp. 88–103; Jägerskiöld, *Den svenska utrikespolitikens historia*, pp. 237–238, 260–267; Åmark, *Sveriges statsfinanser*, pp. 574–575, 588, 593, 597; Glete, 'Den svenska', pp. 27–31, 36.

navy, even though this focus was also rational from a perspective of subsidy policy. In the naval arms race which involved Great Britain on the one hand and France and Spain on the other, and which became increasingly important in the decades following the Seven Years' War, relatively small auxiliary naval forces could turn the scales. Strengthening the navy, something both France and Great Britain valued the most at this time and something France encouraged its allies to do, thus strengthened Sweden's negotiating position, not least in relation to the other subsidy-seeking powers which did not possess this military resource.[76]

This was important, as Sweden's previously stellar military credibility had been increasingly challenged. Both in the war against Russia in 1741–1743 and in that against Prussia in 1757–1762, the Swedish army had tied down significant numbers of enemy troops but also exhibited a strikingly cautious behaviour. At least in the latter case, it was obvious that Sweden, for political reasons, had been very reluctant to risk its troops in battle and entirely prioritized the maintenance of these troops.[77]

The Swedish behaviour was understandable and not uncommon among subsidy recipients. Württemberg, for example, made the same call during the Seven Years' War, knowing full well that its negotiating position in relation to the subsidizer would collapse in the event of the loss of its army.[78] This behaviour, however, was fundamentally problematic in that the value of the subsidy receiver as an ally was based not only on its military capabilities but on its willingness to loyally deploy these. As shown by Patrik Winton in an illuminating analysis, the conflict between saving the troops of the subsidized power and providing military assistance to the subsidizer as agreed upon may explain the performance of the Swedish army during the war, characterized by recurring marches and countermarches into Prussian territory – seemingly offensive but without ever seriously facing the enemy on the battlefield. The Swedish behaviour was rational, as the Swedes never intended to recapture Pomerania – lost to Prussia in 1720 – on the battlefield

76 Baugh, 'Withdrawing from Europe', pp. 10, 14, 19.

77 Roberts, *The Age*, pp. 21–24; Szabo, *The Seven Years War*, pp. 158–159, 171–173, 224–225, 294–299, 332–333, 361–363; Winton, 'Sweden', pp. 14–16; Winton, 'Denmark', pp. 58. This militarily cautious and politically shrewd behaviour was successfully repeated by Sweden in 1813–1814; see Sherwig, *Guineas and Gunpowder*, pp. 292, 312.

78 Wilson, *War*, pp. 216, 225.

but rather to regain it at the negotiating table. This is also reflected in the exceedingly vague instructions from the Swedish government to its generals in the field.[79] In practice, Sweden addressed this conflict by trying to keep its army active on Prussian territory and in full numbers, as agreed upon, while at the same time as far as possible reducing costs and risks while waiting for the great-power struggle to come to a conclusion. Just as in the case of Württemberg, however, the subsidizer ended up becoming increasingly dissatisfied over time. Not only did this undermine Sweden's prospects in a future peace negotiation, it also risked the value of Sweden as a subsidy ally in the longer term.

Following the Seven Years' War, it seems as if Sweden found itself in the same kind of 'vicious circle' as Württemberg, outlined by Peter Wilson: 'Without such an established [military] reputation, it was difficult to attract adequate subsidies, but without these it was difficult to provide first-rate troops.'[80] After each military failure, it became increasingly hard to obtain subsidies and equip, train, and pay larger forces.[81] During the 1760s, the Swedish government, deprived of previous subsidies, was forced to implement extensive military cutbacks.[82] Unable to take military risks and behave aggressively during long campaigns and against a strong opponent as a result of fiscal-military factors, it proved difficult for the lesser powers to avoid such a dynamic in the long run.

79 Winton, 'Sweden', 15–21.
80 Wilson, *War*, p. 84.
81 *Ibid*., pp. 226–238.
82 Carlsson and Rosén, *Svensk historia*, p. 179.