



OXFORD JOURNALS
OXFORD UNIVERSITY PRESS

The Past and Present Society

Progressive Taxation and Social Justice in Eighteenth-Century France

Author(s): Jean-Pierre Gross

Source: *Past & Present*, No. 140 (Aug., 1993), pp. 79-126

Published by: Oxford University Press on behalf of The Past and Present Society

Stable URL: <http://www.jstor.org/stable/651214>

Accessed: 19-07-2018 13:33 UTC

REFERENCES

Linked references are available on JSTOR for this article:

http://www.jstor.org/stable/651214?seq=1&cid=pdf-reference#references_tab_contents

You may need to log in to JSTOR to access the linked references.

JSTOR is a not-for-profit service that helps scholars, researchers, and students discover, use, and build upon a wide range of content in a trusted digital archive. We use information technology and tools to increase productivity and facilitate new forms of scholarship. For more information about JSTOR, please contact support@jstor.org.

Your use of the JSTOR archive indicates your acceptance of the Terms & Conditions of Use, available at <http://about.jstor.org/terms>



JSTOR

Oxford University Press, The Past and Present Society are collaborating with JSTOR to digitize, preserve and extend access to *Past & Present*

PROGRESSIVE TAXATION AND SOCIAL JUSTICE IN EIGHTEENTH-CENTURY FRANCE*

Progressive taxation became the subject of passionate debate in France at the turn of this century. For several years, between 1890 and 1914, as income-tax legislation was being prepared, public interest centred not just on its theoretical base but on its historical origins and, inevitably, attention turned to the eighteenth century as the cradle of fiscal reform. Politicians, historians and tax experts all felt compelled to comment on the experience of the past: Godefroy Cavaignac, Jean Jaurès, André Lichtenberger defended the radical or socialist view; Just Haristoy the case for the opposition; the economist Charles Gomel chronicled vivid examples from the parliamentary records of the first national assemblies, while the archivist Camille Bloch published over a thousand pages of documentary evidence from the revolutionary period; students of fiscal law, such as René Stourm, Jules Dufay and Louis Suret, endeavoured to weigh the advantages and drawbacks of graded systems; and many others found themselves involved in the discussion, not least Columbia professor Edwin Seligman, whose comprehensive historical surveys were translated into French and read with avidity; while the architect of the modern French income-tax system, the Finance minister Joseph Caillaux, put the government's case in his cool and professional manner.¹

It was then that progressive taxation acquired an aura of

* I would like to record my profound debt to the late Jacques Godechot for his inspiration and expert guidance in the early days of this research project.

¹ J. Chailley-Bert, *L'impôt sur le revenu: législation comparée et économie politique* (Paris, 1892); R. Stourm, *Systèmes généraux d'impôts: impôt sur le capital, impôt sur le revenu, impôt unique, en nature, capitation* (Paris, 1893); G. Cavaignac, *Pour l'impôt progressif* (Paris, 1895); A. Lichtenberger, *Le socialisme au XVIIIe siècle: étude sur les idées sociales dans les écrivains français du XVIIIe siècle avant la Révolution* (Paris, 1895); A. Lichtenberger, *Le socialisme utopique* (Paris, 1898); C. Gomel, *Histoire financière de l'Assemblée constituante*, 2 vols. (Paris, 1896-7); C. Gomel, *Histoire financière de la Législative et de la Convention*, 2 vols. (Paris, 1902-5); J. Jaurès, *Histoire socialiste de la Révolution française*, 4 vols. (Paris, 1900-4); A. Retz de Servies, *De l'impôt progressif dans l'histoire en France de 1789 à 1870* (Paris, 1904); J. Dufay, *L'impôt progressif en France* (Paris, 1904); J. Roche, *L'impôt sur le revenu* (Paris, 1909); R. Moreau, *L'impôt global et progressif sur le revenu* (Poitiers, 1910); E. R. A. Seligman, *L'impôt progressif en théorie et en pratique*, trans. A. Marcaggi (Paris, 1909); E. R. A.

(cont. on p. 80)

respectability. Although some continued to see it as an instrument of social reform through the redistribution of income, others, indeed the majority, endorsed Caillaux's view and understood it to be a concession by the haves to the have-nots, a democratic "corrective" or "rectifier" of extreme socio-economic disparities and the irregular distribution of the burden of taxation, a means of achieving a measure of social justice without destroying private wealth. The compensation theory effectively laid to rest the fears which progressive taxation had evoked and prevented it from being portrayed as confiscation, spoliation or expropriation in disguise. Moreover, as it began to be assimilated into the fabric of modern capitalism, another topic of burning interest occupied the public stage: the Bolshevik revolution and the prospect of collectivism on a massive scale. Compared to what Léon Blum called the "total transformation" of property from "an economic system based on private ownership into a system based on collective or common ownership",² timid attempts at "rectification" paled to insignificance. Since that time progressive taxation in its historical perspective has remained only of marginal interest to French scholars,³ and this has tended to blur the genesis of an idea which commanded the attention of Enlightenment thinkers, especially those who advocated both greater economic freedom and greater economic equality, and which became an important issue during the Revolution, when carefully orchestrated progressive schemes were actually put into effect.

(n. 1 cont.)

Seligman, *L'impôt sur le revenu*, trans. W. Oualid (Paris, 1913); L. Suret, *Théorie de l'impôt progressif* (Paris, 1910); J. Caillaux, *L'impôt sur le revenu* (Paris, 1910); J. Caillaux, *Les impôts en France*, 2 vols. (Paris, 1911); J. Haristoy, *L'impôt sur le revenu* (Paris, 1910); G. Mallet, *La politique financière des jacobins* (Paris, 1913); C. Bloch, *Les contributions directes: documents relatifs à la vie économique de la Révolution* (Paris, 1914).

² Léon Blum's speech to the socialist congress at Tours, 27 Dec. 1920: *Pour la vieille maison* (Paris, 1921), cited in J. Colton, *Léon Blum*, trans. M. Matignon (Paris, 1966), pp. 64-7. With the enactment in France of "schedular" income tax and the complementary general progressive income tax (laws of 1 April, 15 July 1914, 30 December 1916, 31 July 1917, 25 June 1920), the subject was exhaustively reviewed and effectively defused by (among others): L. Bocquet, *L'impôt sur le revenu cédulaire et général* (Paris, 1921); T. Battaglini, *L'impôt général sur le revenu: son principe et son application en France* (Paris, 1923); D. Bacot, *L'impôt sur le revenu et les impôts cédulaires* (Paris, 1925).

³ Thus Albert Soboul devotes half a page each to the abbé de Saint-Pierre and Louis Graslin, but twelve pages to the curé Meslier and eight pages to Morelly, in "Lumières, critique sociale et utopie pendant le XVIIIe siècle français", in J. Droz (ed.), *Histoire générale du socialisme*, 3 vols. (Paris, 1972-7), i, pp. 111-23, 127-35, 166.

Progressive taxation is an ambiguous notion because it can mean all things to all men. As a dry fiscal mechanism redolent of income brackets, tax returns, sliding scales and banding, it does little to fire the imagination and satisfy the deep humanitarian aspirations of social reformers. Its appeal to taxpayers and tax-gatherers alike is minimal because it is of necessity mathematically complex and untidy. By the same token, however, progressive taxation is inherently flexible, allowing as it does an infinite number of permutations. Depending on the graduation and the degree of discrimination with which it is applied, it can vary between the intolerable (tantamount to an attack on capital), the drastic (painful but fair) and the innocuous (acceptable even to die-hard liberals).

John Stuart Mill, it is true, dismissed the idea as “a mild form of robbery”.⁴ Adam Smith, for his part, was more circumspect. Though naturally suspicious of “variable poll-taxes”, such as the French *capitation*, because they were bound to be either arbitrary and uncertain or else inquisitorial and tyrannical, Smith’s first maxim in respect of taxation was that the subjects should contribute towards the support of government “as nearly as possible in proportion to their respective abilities”, that is in terms of “the revenue they enjoy”.⁵ That canon, which enshrines the cardinal principle of fiscal justice, lies also at the very heart of the progressive equation, which attempts to provide an answer to the delicate question: how can income be taxed fairly? A question, at the outset, in no sense incompatible with liberal economic thinking.

It is worth noting in this respect that the tax-reform proposals put forward in France under the *ancien régime* were sumptuary in inspiration rather than socialistic. In a universal tradition reaching back to antiquity, self-indulgence was deemed reprehensible not in itself, but in relation to the plight of others. The Christian dialectic of rich and poor, or the sworn obligation binding feudal lord to his vassal (“the strong supporting the weak”), found fiscal expression, intermittently, not just in curbs on luxuries, but in a range of differential personal taxes, such as the medieval French *fouages* and the *cinquantième* on property and revenue, the gradu-

⁴ J. S. Mill, *Principles of Political Economy, with Some of Their Applications to Social Philosophy*, 2nd edn., 2 vols. (London, 1849), ii, p. 355.

⁵ A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R. H. Campbell, A. S. Skinner and W. B. Todd, 2 vols. (Bicentenary Glasgow edn., Oxford, 1976), ii, Section v.ii.b., p. 826; Seligman, *Impôt progressif*, pp. 159–60, 207; G. Jorland, “Le problème Adam Smith”, *Annales E.S.C.*, xxxix (1984), pp. 831–48.

ated poll-tax tentatively introduced in fourteenth-century England, the Florentine *gracioza* and *decima scalata*, the *Reichsabschied* of the Holy Roman Empire.⁶ While financial expediency made it necessary to secure the consent of those taxed, especially the wealthy and influential, to require the rich to pay more than the poor (and to spare the very poor) also made sound financial sense and, what is more, injected into the assessment process an element of social justice.

In the lean years, when hardship was widespread, taxes which failed to take heed of extreme disparities of fortune were bound to yield meagre results and quickly became intolerable. Such a threshold of tolerance was reached in France during the last two decades of the reign of Louis XIV, a time of recurring famine and lingering economic depression, when ostentatious wealth and fiscal privilege sat ill beside the distress of the rural community and bred fierce resentment.⁷ Would-be reformers such as Boisguilbert, the maréchal de Vauban and the abbé de Saint-Pierre pointed to the glaring inequalities of wealth in their society and denounced the arbitrary and irrational distribution of the burden of taxation which perpetuated or exacerbated these inequalities. They focused their attention on tax reform because it appeared to them a prerequisite for curing all the other ills besetting the French economy. Direct taxes, essentially the *taille* (both *taille personnelle* and *taille réelle*) and the *capitation*,⁸ were condemned

⁶ J. J. Clamageran, *Histoire de l'impôt en France*, 3 vols. (Paris, 1867-76), i, pp. 313, 402; S. Dowell, *A History of Taxation and Taxes in England from the Earliest Times to the Present Day*, 4 vols. (London, 1888), i, p. 94; Seligman, *Impôt progressif*, pp. 12-21; M. McKisack, *The Fourteenth Century, 1307-1399* (Oxford, 1959), pp. 191-2, 405-6.

⁷ J. P. Gutton, *La société et les pauvres en Europe (XVIe-XVIIIe siècles)* (Paris, 1974); J. Meuret, *Le problème des subsistances à l'époque de Louis XIV: la production des céréales dans la France du XVIIIe siècle*, 2 vols. (Paris and The Hague, 1977); S. L. Kaplan, *Bread, Politics and Political Economy in the Reign of Louis XV*, 2 vols. (The Hague, 1978); M. Lachiver, *Les années de misère: la famine au temps du Grand Roi, 1680-1720* (Paris, 1991).

⁸ For accounts of direct taxation under the French monarchy, see M. Marion, *Les impôts directs sous l'Ancien Régime, principalement au XVIIIe siècle* (Paris, 1910), pp. 1-112; F. Mosser, *Les intendants des Finances au XVIIIe siècle: les Lefèvre d'Ormesson et le "Département des impositions", 1715-1777* (Geneva and Paris, 1978), pp. 129-50. Differing accounts of the levying of the *taille* and its distribution are given by Clamageran, *Histoire de l'impôt en France*; R. Bonney, *The King's Debts: Finance and Politics in France, 1589-1661* (Oxford, 1981); W. Beik, "Etat et société en France au XVIIe siècle", *Annales E.S.C.*, xxxix (1984), pp. 1270-98. On sumptuary prescriptions: M. Lériget, *Des lois et impôts somptuaires* (Montpellier, 1919); on indirect taxes: G. T. Matthews, *The Royal General Farms in Eighteenth-Century France* (New York, 1958).

as scandalously unfair, penalizing those least able to pay and sparing those who could claim immunity by virtue of their social rank. It was the application of the spirit of sumptuary prescriptions to direct taxation which gave rise to the progressive theory. Any attempt to make these taxes equitable implied, if not a commitment to "distributive justice", at least a recognition of the need for levels of tax that varied from one income group to another, in keeping with the precept "from each according to his abilities".

I

THE CASE FOR TAX REFORM

Far from building utopias, the reformers based their schemes on the practical consideration that the monarch, by removing barriers to trade and releasing the taxpayers from their strait-jacket, could directly contribute to the nation's prosperity and make tax flow. Public revenue could be generated by making tax acceptable to those who could pay it and by refraining from overtaxing those who could not. Boisguilbert, the economist who in 1702 coined the term "*laissez-faire*",⁹ believed in free roads and just taxes, the common heritage of mankind until evil days had fallen on France (the crisis of 1693-4). If domestic customs and excise duties (*aides* and *douanes*) were removed within the kingdom, production and trade, instead of being hemmed in, would flourish. Taxes, whether based on a land-register or an assessment of personal means, were a recurring debt owed by the people to their sovereign and consequently they could not be paid out of capital, but must be paid out of revenue, out of what was sold and consumed. In order not to impoverish his subjects, the king should see to it that his taxes were certain and not arbitrary ("*la taille arbitraire*" was soon to become a familiar cliché), that they were proportionate to the ability to pay, convenient in their manner of collection, and that they passed cheaply and directly

⁹ "There was but to let nature run her course (*laissez faire la nature*), as in everything else, and liberty, which is the handmaid (*la commissionnaire*) of the selfsame nature, would not have failed to make profitable amends, and thus have formed a very great good out of two very great afflictions (*un très grand bien de deux très grandes misères*)": Pierre Le Pesant de Boisguilbert, "Factum de la France" (written 1702-3), in his *Le détail de la France sous le règne présent*, 2 vols. (n. pl., 1707), ii, p. 286; J. Molinier, *Les métamorphoses d'une théorie économique: le revenu national chez Boisguilbert, Quesnay et J.-B. Say* (Paris, 1958), p. 19.

from people to prince.¹⁰ In a language not unlike Adam Smith's seventy years later, Boisguilbert, in proposing a fundamental reform of the *taille*, declared that certainty or predictability was an important ingredient of direct taxation: the rural taxpayer needed to know in advance how much he would be paying and not fear a sudden and disproportionate rise if he prospered. A fair assessment presupposed the abolition of the principle of "solidarity" which confused rich and poor. He further proposed that all persons should file with the office of their *élection* a true declaration of all their freehold and leasehold property, family status, occupation or trade, in town and country, and that none should be exempt from this obligation.¹¹

In asking for such tax returns, Boisguilbert was already thinking in progressive terms. He wrote that, for the *taille* to be distributed fairly, the "rich must pay as rich, the poor as poor"; and further: "Taxes are excessive or moderate not in relation to the absolute amount of the sums demanded, but in their relation to the value of the property from which they are exacted".¹² He condemned the new *capitation* tax, introduced in 1695, because it failed to implement "the rule of proportion which obliges each individual to pay according to his means" and was thus cruel to the poor. None the less, in his advice to the Controller General Chamillart in 1702, he seriously considered reforming the *capitation* along with the *taille* in order to put an end to the disgraceful immunity of the rich, privileged and influential. Sums varying between one-twentieth and one-tenth of revenue, paid in cash, could easily be borne and quickly made up, for it was never a real sacrifice to contribute a fair percentage of one's earnings. Boisguilbert promised to raise 80 million *livres* in revenue by judicious use of the *capitation* on a sliding scale, four or five times higher on the very rich, but levied on income (*meubles*) not on capital (*immeubles* or *sommes immobilières*).¹³

It is evident that Boisguilbert's scheme was forward-looking inasmuch as it predicated a certain complexity as essential to

¹⁰ Boisguilbert, *Détail de la France*, i, pp. 88-110; H. Van Dyke Roberts, *Boisguilbert: Economist of the Reign of Louis XIV* (New York, 1935), pp. 148-64.

¹¹ Boisguilbert, *Détail de la France*, i, pp. 96-7; Van Dyke Roberts, *Boisguilbert*, p. 150.

¹² Boisguilbert, *Détail de la France*, i, pp. 93-7; "Supplément au détail", *ibid.*, ii, pp. 275-302.

¹³ Van Dyke Roberts, *Boisguilbert*, pp. 40-3; F. Bluche, *La véritable hiérarchie de l'ancienne France: le tarif de la capitation de 1695* (Geneva, 1983).

achieving flexibility and fairness. In comparison, Vauban's *Projet d'une dixme royale* (1707) was less fair because it was too simple. Boisguilbert, who had supplied Vauban with most of his statistics, dismissed the *dixme royale* as unworkable: a single tax or tithe of one-tenth of the product in kind was "utterly impracticable", a truly "astonishing novelty".¹⁴ Smith was later to endorse Boisguilbert's view that taxes such as tithe, proportionate not to the rent but to the produce of the land "under the appearance of perfect equality", were in reality "very unequal taxes" whether levied in cash or kind.¹⁵ Despite his stern criticism, Boisguilbert, in his *Testament politique de M. de Vauban* (1707), paid tribute to the grand old marshal for his devotion to the welfare of the French people. In fairness to Vauban, it must be conceded that his proportional scheme divided the French taxpayers into ten classes and subjected them to a scale rising from one-twentieth to one-tenth of their output (not unlike Boisguilbert's own revamped *capitation*) and that his final goal was to achieve a system in which "impositions would be proportionate to each person's capabilities", middle-men would disappear (the hated *traitants* and their hapless subcontractors) together with unnecessary overheads, and care would be taken to husband economically the sole ongoing source of royal wealth, namely the working people.¹⁶

The abbé de Saint-Pierre, in turn, set out to establish a truly "proportional distribution" of the burden of taxation. His *Taille proportionnelle* (1717), soon to become *Projet de taille tarifée* (1723), comprises five classes of income-earners and flows from the principle that different categories of income command different rates of tax: in the same way as a leasehold house is taxed at a higher rate than a piece of arable land, and a flour mill a third less than farmland, so too a notary is taxed at a different rate from a sharecropper, and a day labourer less than a blacksmith. Exemptions are subject to a sliding scale too: thus, a beggar automatically qualifies; a widower belonging to the other classes needs to have responsibility for a child below ten years of age to

¹⁴ Van Dyke Roberts, *Boisguilbert*, p. 35.

¹⁵ Smith, *Wealth of Nations*, ii, Section v.ii.d., pp. 836-40.

¹⁶ Maréchal de Vauban, *Projet d'une dixme royale* (n. pl., 1707), pp. 4, 10, 119, 166, 236-7; F. K. Mann, *Der Marschall Vauban und die Volkswirtschaftslehre des Absolutismus* (Munich and Leipzig, 1914), pp. 187-245; A. Rebelliau, *Vauban* (Paris, 1962), pp. 251-91.

qualify, while a married farm-hand must have two young children, a tradesman or craftsman three children, and so on.¹⁷

Saint-Pierre adopts a much clearer position on tax exemptions than Boisguilbert, who tends to fudge the issue, and this in itself is a significant development. As soon as tax relief is postulated for the poorer sections of the working population to enable them to purchase the basic necessities; likewise, as soon as tax allowances are assumed to be desirable (and Saint-Pierre considers it only fair to grant such allowances for agricultural inputs, the cost of maintaining implements or tools, or the cost of servicing debts incurred in the management of a business); then it follows that different rates of tax should also apply to the higher income-earners to offset their increased scope for superfluities, and to make up for the reduced liabilities of the disadvantaged sections of society.¹⁸ Saint-Pierre claimed that his *taille tarifée* was no more than an attempt to implement a proportional scheme of taxation fairly, and for this reason both Voltaire and Rousseau were to commend the good abbé for having done much to deliver the kingdom from arbitrary taxes.¹⁹ But as he moves along his graduated scale, from exemptions to allowances and from basic rate to higher rates, Saint-Pierre jettisons both the rule of equality and the arithmetic notion of a constant ratio or proportion and is implicitly advocating a compound progression based on the ability to pay.

The other main feature of the *taille tarifée* as it relates to income and without which it would prove unworkable, is the mechanism of the voluntary annual tax return. Like Boisguilbert, but unlike Adam Smith, who was later to dismiss any form of investigation

¹⁷ Charles Irénée Castel, abbé de Saint-Pierre, *Mémoire pour l'établissement de la taille proportionnelle* (n. pl., 1717); Saint-Pierre, *Projet de taille tarifée*, 2 vols. (Paris, 1723); J. Drouet, *L'abbé de Saint-Pierre: l'homme et l'oeuvre* (Paris, 1912), pp. 64, 184.

¹⁸ Saint-Pierre, *Taille tarifée* (Rotterdam, 1737 edn.), pp. 74-114; Bocquet, *Impôt sur le revenu*, p. 464; M. L. Perkins, *The Moral and Political Philosophy of the Abbé de Saint-Pierre* (Geneva, 1959), pp. 63-72.

¹⁹ Voltaire, "Siècle de Louis XIV", in *Oeuvres complètes de Voltaire*, ed. L. Moland, 52 vols. (Paris, 1877-85), xiv, pp. 529-32; J.-J. Rousseau, "Fragments et notes sur l'abbé de Saint-Pierre", in *Oeuvres complètes*, ed. J. Fabre and M. Launay, 3 vols. (Paris, 1967-71), ii, p. 374; cf. J. Auber, *Mémoire concernant les tailles* (Paris, 1721); H. de Boulainvillers, "Mémoire touchant la taille réelle et proportionnelle", in his *Mémoires présentés à Monseigneur le duc d'Orléans, régent de France* (The Hague and Amsterdam, 1727). The *taille tarifée* was actually implemented in certain *généralités*, for example in Limousin by Aubert de Tourny, Turgot's predecessor as *intendant*, and in Picardy by Chauvelin: Marion, *Impôts directs sous l'Ancien Régime*, p. 36.

into the circumstances of private persons as “intolerable”,²⁰ Saint-Pierre contended that the very reason for arbitrariness in the levying of the *taille* was the tax-collector’s total ignorance of the real earnings of the *taillobles* in his district. “Now, who is more likely to know the total income of a taxpayer than the taxpayer himself?” And he went on from this premise to lay down the ground-rule of modern income tax, namely the requirement that citizens declare annually their revenue over the previous fiscal year. Such a declaration would be to income tax what a land or property register was to the rates. In conjunction with these tax returns, backed up by fines in the case of false statements not exceeding four times the tax liability, and assessments by respectable citizens of the incomes of those failing to declare, it would be necessary to keep a ledger of all declarations filed and record therein the different tax rates, the amounts levied, the allowances granted, the fluctuations in income or situation year by year, including any additional assets from outside the area of collection. All this in turn required the establishment of a professional body of tax-gatherers, “permanent collectors” as opposed to the “occasional collectors” of former times, revenue officers trained in their duties and mindful of the need to recover tax fairly and regularly, without ruining the taxpayers or deterring them from earning more money.²¹

II

THE IMPROPRIETY OF WEALTH

The tangible impact of these reforming ideas was barely perceptible during the first thirty years of the century. Financial expediency dictated to the royal advisers sweeping provisional levies in wartime that were to endure in times of peace. Hard on the heels of the *capitation* came the *dixième*, introduced by Louis XIV in 1710 as an exceptional proportional tax on revenue, inspired by the clerical *dîme* levied on produce, and which turned out to be another crippling tax on labour. Nevertheless these circumstantial taxes were not entirely impervious to the notion of graduation. The *capitation*, as it developed, while ignoring the exact financial circumstances of the taxpayers, managed to circumvent the

²⁰ Smith, *Wealth of Nations*, ii, Sections v.ii.f., v.ii.j., pp. 847-52, 867-9.

²¹ Saint-Pierre, *Taille tarifée* (1737 edn.), pp. 7-8, 77-84, 98, 104; *Supplément* (Rotterdam, 1737), pp. 85-92; Drouet, *Saint-Pierre*, p. 190.

regressive nature of a flat-rate poll-tax (in other words, the higher the income, the smaller the portion of that income paid in tax) by exempting those at the bottom of the *taille* ladder and dividing the others into twenty-two fiscal classes, with different rates applicable to each class. The *dixième*, which so kindled the wrath of the duc de Saint-Simon,²² was by design an “egalitarian” tax, sponsored by the king in person and intended for all his subjects, nobles and clergy included, thus assimilating the privileged orders into the throng of ordinary taxpayers. It proved flexible enough to be transformed by the mid-century into a *vingtième*, a proportional tax on most categories of earned and unearned revenue, which was to find favour with Smith because he considered it the least burdensome to “the inferior ranks of the people”.²³

Intrinsic to both these timid practical measures and the bold theories which inspired them is a calling into question of the propriety of wealth. Society, as it came under the influence of bourgeois values, in the first instance the profit motive, began to question the accumulation of riches for riches’ sake, especially where wealth appeared to be generated at the expense of the poor. The critique of luxury spans the age and is inseparable from the spirit of the Enlightenment. In France, it was a product of the classical revival, the humanist ethos exemplified by Montaigne and the austere *dévo*t inhibitions imposed by the Counter-Reformation.²⁴ The church resorted to sumptuary exhortations and portrayed mediocrity and frugality as spiritually rewarding. In so doing, the clergy were simply repeating the lessons of antiquity. Had not Nicolas Poussin in 1648 composed one of his finest paintings around the theme of Diogenes the Cynic throwing away his bowl on seeing a shepherd-boy drinking from a stream with cupped hands? And did not Fénelon develop this idea into a system of government in his mythical picture of Crete and Ithaca, whose inhabitants make do with only those commodities

²² Saint-Simon, “Dixième denier”, in *Mémoires*, ed. G. Truc and Y. Coirault, 8 vols. (Paris, 1947-88), iii, pp. 1016-24; Clamageran, *Histoire de l’impôt en France*, iii, pp. 92-100, 303-13; Marion, *Impôts directs sous l’Ancien Régime*, pp. 49-50, 62.

²³ Smith, *Wealth of Nations*, ii, Section v.ii.k., pp. 903-5. Smith is here echoing the opinion of Turgot, who proposed a territorial *vingtième* to replace the *corvée*: G. Weulersse, *La physiocratie sous les ministères de Turgot et de Necker (1774-1781)* (Paris, 1950), p. 71; J. Cathelineau, “Les idées fiscales de Turgot”, in C. Bordes and J. Morange (eds.), *Turgot, économiste et administrateur* (Paris, 1982), pp. 178-87.

²⁴ J. Orcibal, *Les origines du jansénisme*, 5 vols. (Paris, 1947-62), ii, *Jean Duvergier de Hauranne, abbé de Saint-Cyran et son temps, 1581-1638*, pp. 17-35; B. Groethuysen, *Origines de l’esprit bourgeois en France: i, L’église et la bourgeoisie* (Paris, 1927), p. 236.

“truly necessary to life”?²⁵ His is an archaic form of subsistence economy in which self-denial is a substitute for taxation. As Voltaire was to put it with his usual irony in his poem *Le Mondain* (1736), the poor wretches depicted in *Télémaque* “deprive themselves of everything in order to have abundance”; and, pointing out that Poussin’s idyllic paintings were always exhibited in beautiful gilt frames, concluded that perhaps superfluity was one of the necessities of life.²⁶

But social theory was no laughing matter and Voltaire’s jesting jarred with the mood of the day which held the classical models in veneration. Plutarch’s *Lives*, newly translated into “bourgeois” prose by the *académicien* and royal librarian André Dacier, though bereft of Jacques Amyot’s poetic fantasy, gained in plausibility what they lost in heroic flavour. Dacier was likened to a “fat packmule laden with all the baggage of antiquity” who had assimilated everything the classics had to offer apart from grace and finesse, but his plodding, mundane style aptly contributed to the book’s contemporary relevance.²⁷ Lycurgus, the legendary king of Sparta, thus took on the appearance of an enlightened eighteenth-century monarch whose every economic gesture was exemplary: the basic necessities for all (barley, olive oil and wine in ample measure); luxuries shunned, decorative crafts made redundant; coins minted from iron instead of gold and silver; shelter provided by log shacks crudely fashioned with saw and hatchet . . . “In a city where there was neither poverty nor opulence, equality drove out want, and abundance was always equally assured by frugality.” And Solon the Athenian lawgiver enacted a code in keeping with modern social ethics: while admitting his inability to close the gap entirely between rich and poor, he proposed to redefine wealth as self-sufficiency and thereby make inequality perfectly respectable.²⁸ Dacier’s Plutarch was to

²⁵ Fénelon, *Les aventures de Télémaque* (1699), ed. A. Cahen, 2 vols. (Paris, 1920), i, pp. xciv-cix; N. Poussin, Diogène jette son écuelle (oil on canvas), Rome, 1648, Cat. no. 741, in P. Marcel and C. Terrasse, “L’école française du XVII^e siècle”, in J. Guiffrey (ed.), *La peinture du musée du Louvre*, 2 vols. (Paris, 1934), i, pp. 51, 55-6.

²⁶ Voltaire, “L’homme du monde: ou Défense du mondain”, in Voltaire, *Oeuvres*, 4 vols. (Amsterdam, 1739), iv, pp. 113-19.

²⁷ Plutarch, *Les vies des hommes illustres*, 8 vols. (Amsterdam, 1721); M. W. Howard, *The Influence of Plutarch on the Major European Literatures of the Eighteenth Century* (Chapel Hill, 1970), pp. 21-2.

²⁸ Plutarch, *Vies des hommes illustres* (Amsterdam, 1735 edn.), i, pp. 221-4, 232, 266 (Lycurgus); pp. 412, 445 (Solon).

nurture the civic awareness of many a *philosophe* and many a revolutionary.²⁹

Among Dacier's faithful readers was Montesquieu, the author of arguably the other most influential book of the century. Running through the entire length of *De l'esprit des lois* (1748) is the leitmotiv of the frugal imperative and the fiscal challenge this presents to the legislator. Montesquieu equated love of frugality with love of equality, both essential in a democracy, where all aspire to the same degree of happiness, share the same expectations and deserve to enjoy the same benefits. Love of frugality, in Book V, is said to consist in keeping "the necessities for one's family" and giving all "the superfluities to one's country".³⁰ Ancient Greece and Rome as portrayed by Plutarch provided Montesquieu with the rationale for this self-imposed version of supertax. Luxury, where it was allowed to thrive, did so always in inverse proportion to equality of wealth, and conversely, where riches were equally divided, luxury would tend to disappear. Immoderate accumulation of private riches was achieved only at the expense of some other citizen's basic wherewithal and this needed to be restituted. Plato had devised a rating system in his *Republic* comprising four degrees: the first being the poverty threshold, the second double that threshold, the third triple, the fourth quadruple the first amount, with the corresponding scope for luxuries following an arithmetic progression of 0 in the first case, 1 in the second, 2 in the third, and 3 in the fourth.³¹ Another example of graduation was the four-class system established by Solon: first, those living from their manual labour, secondly, those

²⁹ The cult of Plutarch numbered many adherents, among them the abbé de Saint-Pierre, who included a "Life of Lycurgus" and a "Life of Solon" in his *Ouvrages de politique et de morale*, 16 vols. (Rotterdam, 1741), xvi, pp. 283, 321; Drouet, *Saint-Pierre*, pp. 232-5; Montesquieu and Rousseau (see nn. 32, 40-1 below); Mably, whose *Parallèle des Romains et des Français* appeared in 1740, *Observations sur les Grecs* in 1749 and *Entretiens de Phocion* in 1763. Brissot burned to resemble Phocion: *Mémoires de Brissot*, ed. A. Brissot, 4 vols. (Paris, 1830-2), i, p. 42. Madame Roland as a girl took Dacier's Plutarch to read in church: *Mémoires*, ed. P. de Roux (Paris, 1986), pp. 212-13; Gensonné and Condorcet refer to him frequently, while Robespierre and Saint-Just pay tribute to Lycurgus or Sparta in nearly every speech; it was Couthon's bedside book on the eve of his execution; but Brissot and Desmoulins quote Plutarch the most: H. T. Parker, *The Cult of Antiquity and the French Revolutionaries* (New York, 1965), pp. 18-19, 38, 72, 78, 87-9, 144; Howard, *Influence of Plutarch*, pp. 54, 106, 114-15, 182-7.

³⁰ Montesquieu, *De l'esprit des lois*, ed. R. Derathé, 2 vols. (Paris, 1973), i, p. 49; Seligman, *Impôt progressif*, p. 245.

³¹ Montesquieu, *Esprit des lois*, i, pp. 105-6.

having an income of 200 *minae* in grain or wine, thirdly, those with 300 *minae* and the ability to keep a horse, and fourthly, those with at least 500 *minae*.³²

Dividing the Athenians into four classes of taxpayers was fair, in Montesquieu's view, because the state could thereby equate public revenue with private fortune and avoid encroachment. All citizens were deemed to have the same physical needs and the resources necessary to meet those needs could not be taxed; next came the useful resources which were taxed, but taxed more lightly than the surplus; the size of the tax on the surplus was variable and might ultimately mop up the surplus altogether.³³ Montesquieu toyed with the idea of drawing up a "luxury scale" which has all the makings of a progressive income tax scheme, 0 being equal to the basic necessities of life, 1 being the luxury index equal to double the necessities, the man with double this amount enjoying luxury equal to 3 and so on up the scale, doubling the previous number and adding one, thus: 0, 1, 3, 7, 15, 31, 63, 127 . . .³⁴ But he left the reader to draw his own conclusions as to the propriety of luxury at the top end of the scale and as to what measures might be fiscally desirable to deter it.

Although in the first seven books of his major work Montesquieu appears to favour a republican and hence an egalitarian form of government, he does not propose any extreme form of levelling but advocates the "spirit of equality", that is the desirability of a shift towards equality, or expressed more meaningfully the other way round, the reduction of inequality. Thus he gives examples of sumptuary laws in Rome, Venice, thirteenth-century Spain and contemporary Sweden, the object of such legislation being to suppress luxury and achieve as equal a distribution as possible of basic commodities and benefits.³⁵ Constitutional monarchy ultimately found favour in his eyes because it provided a means of avoiding too much inequality *and* too much equality. As both Shackleton and Derathé have shown, Montesquieu's liberal convictions and his preference for moderate, safe or minimal government led him to conclude that freedom was more

³² Plutarch, "Vie de Solon", in *Vies des hommes illustres*, i, pp. 446-7; Montesquieu, *Esprit des lois*, i, p. 53; Howard, *Influence of Plutarch*, pp. 48-52, 127.

³³ Montesquieu, *Esprit des lois*, i, p. 232; see Lichtenberger, *Socialisme au XVIIIe siècle*, p. 90.

³⁴ Montesquieu, *Esprit des lois*, i, p. 106.

³⁵ *Ibid.*, pp. 107-11, 122-4.

desirable than equality, and inequality a lesser evil than despotism. He shied away from personal taxation because it was intrinsically intrusive, bureaucratic and tyrannical, whereas indirect taxes and duties on consumable commodities, especially on luxury goods, were a voluntary form of taxation, subscribed to by the consumer and which he could avoid by exercising a self-denying ordinance. Wisely managed and applied with restraint, such taxes could prove lucrative and need not act as a disincentive, a conclusion with which Adam Smith was to voice his complete accord.³⁶

Jean-Jacques Rousseau, on the other hand, could not hide his misgivings. His sombre view of man's degeneration led him, somewhat reluctantly, to place taxation at the forefront of his vision of a reformed society. This was because the subject of his *Discours sur l'origine de l'inégalité* (composed 1753-5), brought him face to face with the problem of the distribution of wealth. Man's natural equality, he claimed, had disappeared with the advent of social relations and private ownership. The acquisition of property resulted in superfluity for some and insufficiency for most, and property was therefore always subject to misuse and tantamount to usurpation. Over time, the evil grew steadily worse. It was this "progression of oppression", in Rousseau's interesting choice of words, which had created the "need for taxes". For if inequality was not reduced, if the gap between rich and poor kept growing, the alternative could only be tyranny and subservience or the violent overthrow of the ruler. This argument begs the question as to whether it was not urgent, before things got out of hand, to consider how wealth might be reapportioned. But Rousseau is content to suggest at this stage that disparities of fortune, though contrary to Nature's law, may just be tolerable if all physical needs are satisfied and everyone has enough to eat.³⁷

That Rousseau felt unable to eschew the thorny issue of personal taxation is evident from his article on political economy, composed significantly at the very same period as his musings on inequality and published in Diderot's *Encyclopédie* in 1755. Here

³⁶ *Ibid.*, i, pp. 234-8; ii, pp. 4-8; cf. *ibid.*, i, pp. iv-v, Introduction by Derathé; R. Shackleton, *Montesquieu: une biographie critique*, trans. J. Loiseau (Grenoble, 1977), pp. 208-16; cf. Smith, *Wealth of Nations*, ii, Section v.ii.k., pp. 869-906.

³⁷ J.-J. Rousseau, "Discours sur l'origine et les fondements de l'inégalité parmi les hommes", in *Oeuvres complètes*, ii, pp. 232-3, 243, 246; R. Derathé, "La place et l'importance de la notion d'égalité dans la doctrine politique de Jean-Jacques Rousseau", in R. A. Leigh (ed.), *Rousseau after Two Hundred Years* (Cambridge Bicentennial Colloquium, Cambridge, 1982), pp. 55-63.

he discusses at some length the inescapable fiscal consequences of what to him is primarily a problem of ethics, and replaces the anguished tone of righteous indignation by the voice of common sense. One of the tasks of wise government, he now claims, is to prevent extreme disparities of wealth and protect the poor from the encroachments and tyranny of the rich, but without attacking property, which is sacrosanct. Personal taxation may well be considered legitimate in that it entails an erosion of private ownership, rather than expropriation as such. But there are two important provisos: there can be no taxation without representation, and taxation must never be arbitrary (as in the case of a uniform poll-tax which, though equal for all, overtaxes the poor and undertaxes the rich). Thus, although Rousseau is very hesitant about the desirability of instituting direct taxes and like Montesquieu remains convinced that indirect taxes on luxury commodities and services are less intrusive, he cannot escape the conclusion that the only really fair form of taxation, compatible with liberty, is one which is "exactly proportionate" to the taxpayers' means: it stands to reason that "he who has ten times more than another should pay ten times more" in tax.³⁸

It flows from this that he who has only the necessaries should not have to pay anything at all, while he who has revenue in excess may *in extremis* be asked to pay in tax everything that exceeds his subsistence needs. The proper "relation between quantities" must be observed. "In order to distribute the burden of taxation in an equitable and truly proportional manner, the imposition must not only be based on what the taxpayers own, but follow in compound ratio the differences in their circumstances and the surpluses they acquire."³⁹ A discriminatory tax on the rich, though hefty, is reparable since wealth generates wealth. Clearly, what Rousseau has in mind in referring to a "compound ratio" (*en raison composée* in French) is a fully fledged progressive income tax.

In his later writings Rousseau was never quite so explicit as in his article on political economy, although in his draft constitution for Corsica in 1765 he returned to the theme of taxing luxury and living in blessed poverty. The levies he now favoured were

³⁸ Rousseau, "Economie ou oeconomie (morale et politique)", in *Encyclopédie: ou Dictionnaire raisonné des sciences, des arts et des métiers*, 28 vols. (Paris, 1751-72), v, pp. 337-49; Rousseau, *Oeuvres complètes*, ii, p. 290.

³⁹ Rousseau, *Oeuvres complètes*, p. 291. Cf. Seligman, *Impôt progressif*, pp. 191-3.

levies in kind, public grain stores taking the place of the tax office and labour service being presented as an attractive alternative to contributions in cash: those very *corvées* which Adam Smith considered cruel and oppressive under the administration of the *intendants* and which he labelled one of “the principal instruments of tyranny”!⁴⁰ In an egalitarian vision reminiscent of Fénelon and Dacier’s Plutarch, Rousseau conjured up a land where every citizen is assured of a smallholding, a plough, a team of bullocks and some rudimentary furniture, but nothing much else. In his advice to the Poles in 1771-2, Rousseau at sixty had become more cautious still as far as taxation was concerned. Like Lycurgus, he would have liked to do away with money altogether. Although a capitation tax was the easiest tax to raise, it was also the most unfair: so a proportional harvest levy based on a land register is what he recommends, not so very different from the reforms proposed by Vauban in his *Dixme royale*, a return to the tithe of old but graduated in line with Saint-Pierre’s notion of *taille tarifée*, and in keeping with prevailing physiocratic economic theories.⁴¹

Nevertheless, despite the obvious reservations of his maturity, Rousseau had in 1755 taken the egalitarian argument to its logical conclusion in actually recommending the institution of progressive income tax and had thus effectively opened up a Pandora’s box.

III

GEOMETRIC PROGRESSION AND THE RULE OF EQUITY

The lid was kept firmly open by the editors of the *Encyclopédie* themselves and all the exciting possibilities of the scheme laid bare a few years later when the many obstacles to publication were finally overcome. This was the decade (1757-65) when the venture was forced underground and during which the indefatigable chevalier de Jaucourt replaced the mathematician d’Alembert as Diderot’s principal collaborator, contributing in the process several thousand scholarly articles. Indeed, among the socially

⁴⁰ Rousseau, “Projet de constitution pour la Corse”, in *Oeuvres complètes*, iii, pp. 502-10; Smith, *Wealth of Nations*, ii, Section v.i.d., p. 731. Turgot, the *intendant* who abolished labour service in Limousin, escaped Smith’s strictures: Weulersse, *Physiocratie*, pp. 63-5.

⁴¹ Rousseau, “Considérations sur le gouvernement de Pologne”, in *Oeuvres complètes*, iii, pp. 533-4, 549-54; Howard, *Influence of Plutarch*, pp. 54-5, 100, 132-4, 170-7.

committed, Jaucourt the Protestant reformer emerges as a writer of major stature.⁴² When volume VIII (H-IT) of the *Encyclopédie* appeared in 1765, the first of the clandestine volumes bearing the false Neufchastel imprint, it contained the long-awaited entry “Impôt”,⁴³ a carefully balanced piece by Jaucourt which reflected both the worldly wisdom of Montesquieu and the social strictures of Rousseau. While his object was to review all kinds of fiscal practice without taking sides, Jaucourt began with personal taxation, which he considered the most convenient form of taxation, albeit the least popular on account of its arbitrary nature. Such a tax was perfectly “admissible”, he wrote, “provided it is proportional and charges the well-to-do in a higher proportion while not bearing at all on the last class of the people. Although all subjects enjoy equally the protection of the government and the security it procures them, the inequality of their fortune and of the benefits they derive from it requires impositions consistent with that inequality, and requires that these impositions be, so to speak, in geometric progression (two, four, eight, sixteen) on the well-to-do; for this tax must not extend onto the necessaries”.

Jaucourt made it clear that the principle of geometric progression could be applied to all forms of taxation, including levies on commodities, luxuries and landed property. In the absence of a tax-to-wealth ratio, a handful of the king’s subjects would continue to live in opulence and consume in a single meal the food of a hundred poorer families. It would suffice to remove each year “five, ten, thirty, fifty *louis*” from a rich family’s “frivolous expenditure”, according to their circumstances, while a duty confined to the cities on mirrors, silverware, coachmen, lackeys, carriages, sedan chairs, hand-printed fabrics from India and the like, would help redress the balance in favour of the rural poor. The land-tax, meanwhile, should always leave the people enough to secure them an honest subsistence. In a moderate monarchy (*une monarchie mitigée*), taxes can rise as wealth rises, the prince’s task being “to distribute them in proportion to faculties”. The

⁴² R. N. Schwab, “The chevalier de Jaucourt”, *Mod. Lang. Forum*, xlii (1957), p. 48; J. Proust, *Diderot et l’Encyclopédie* (Paris, 1962), pp. 133-4, 507. See also Diderot’s commendation in the *Avertissement* to volume viii of the *Encyclopédie*, reproduced in *Oeuvres complètes*, ed. J. Assézat and M. Tourneux, 20 vols. (Paris, 1875-7), xiii, pp. 172-3.

⁴³ *Encyclopédie*, viii, pp. 601-4; R. N. Schwab, W. E. Rex and J. Lough, “Inventory of Diderot’s *Encyclopédie*”, *Studies on Voltaire and the Eighteenth Century*, lxxx (1971), pp. 62-3, 74; lxxxiii (1971), p. 12; lxxxv (1972), p. 537.

yardstick must be not how much the people can pay, but what they can pay equitably. Taxes must always be assessed “according to the principles of distributive justice, that justice by virtue of which kings are the representatives of God on earth”.

The biblical flourish of Jaucourt’s concluding sentence was an indication that the *encyclopédistes* were not prepared to sacrifice social justice on the altar of fashionable economic theory. But some in Diderot’s entourage no doubt felt they had gone too far along the egalitarian road and desired to present the fiscal alternatives more objectively. The very last article of the final volume of text, volume XVII (VENERIEN–Z), ostensibly written by the respected, deceased and therefore safe M. Boullanger,⁴⁴ was a rambling forty-five page essay in double columns entitled “*Vingt-ième — impôt*”, but in fact devoted to refuting Montesquieu and Rousseau and trumpeting the physiocrats’ hobby-horse of a single land-tax.

Quesnay and his disciples were convinced that, since land was the only sure value and basic source of wealth, landowners alone finally bore the full burden of taxation, directly or indirectly, whatever form it might take. There was no point, therefore, in taxing economic activities other than farming. What mattered was to assess actual farm production, on the basis of annual tax returns supplied by the farmers themselves, and then make generous allowances for the cost of farm inputs and that margin of profits which preferably should be ploughed back. The only proper form of taxation was a proportional levy on net agricultural profit, it being understood that the levy would keep pace with any increase in output.⁴⁵

The self-appointed maverick spokesman of the *économistes* was the marquis de Mirabeau, who in 1755 and 1760 used the modish critique of luxury to focus on agriculture, the purveyor of all the primary necessities, and brand commerce and industry as “sterile” and hence “immune” or “tax-exempt”: “That is the great secret of fiscal science”.⁴⁶ Mirabeau claimed it was a waste of time to tax a pair of boots, or a leather-bound book, let alone a

⁴⁴ *Ibid.*, lxxx (1971), p. 35.

⁴⁵ F. Quesnay, “Grains” and “Fermiers” (1756), in *Oeuvres économiques et philosophiques*, ed. A. Oncken (Frankfurt and Paris, 1888), pp. 191, 220-9.

⁴⁶ V. Riqueti, marquis de Mirabeau, *L’ami des hommes: ou Traité de population*, 2nd edn., 3 vols. (Avignon, 1756), i, pp. 26-8; ii, pp. 273, 324; Mirabeau, *Théorie de l’impôt* (Paris, 1760), pp. 59-60, 80, 104-8, 118-19, 126. Cf. E. Pesselier, *Doutes proposés à l’auteur de la théorie de l’impôt* (Paris, 1761).

tanned hide, since the basic raw material — livestock — ultimately bore the brunt of the tax. Dupont de Nemours added a word of caution: while exempting all processing trades, and taxing net farm profits, the taxman should take care not to overtax the land, lest he deplete that fountain of the Nation's prosperity and deter the farmers from reinvesting their profits in agriculture. He considered a variable land-tax which was not "disproportionate", that is which varied according to rent, yields and improvements in cultivation, to be the most equitable tax.⁴⁷

Although Adam Smith was to think this a "shallow view",⁴⁸ the idea of a single tax was appealing and was to find favour at court where it appeared to promise a miracle financial cure. It is of interest to note that Turgot, who was to become its spearhead during his brief term of office as Controller General (1774-6) and whose influence was to outlive his abortive reforms, recognized that whatever the nature of the tax, especially one based on the value and quality of land, the abilities of the taxpayer could not be ignored. In a memo passed on to his successor, Necker, he wrote: "Tax must be partitioned among the contributors in proportion to their revenue".⁴⁹ This was a sign that the advocates of progressive taxation were beginning to get their message across. Another was that personal taxes, far from disappearing, actually increased in scope as the century progressed. The *capitation* had extended its reach into the cities exempt from the *taille*, where assessment came to be based on the least imperfect of yardsticks, namely rental values and the occupancy of buildings. No tax was ever the subject of so much debate and tentative reform and none ever stirred up so much argument and discussion in the *parlements*, the guardians of fiscal privilege, as the *vingtièmes*, which in time developed into a fairly comprehensive "schedular" tax system, covering more and more sources of revenue, rents from land and houses, official stipends and pensions, profits from business enter-

⁴⁷ P. S. Dupont de Nemours, "Notice abrégée", in Quesnay, *Oeuvres*, pp. 145-58; Dupont de Nemours, "Maximes générales du gouvernement économique d'un royaume agricole", in *Physiocratie: ou Constitution naturelle du gouvernement le plus avantageux au genre humain* (Leiden and Paris, 1768), pp. 105-9; Weulersse, *Physiocratie*, p. 73.

⁴⁸ Smith, *Wealth of Nations*, ii, Section v.ii.b., p. 832.

⁴⁹ "Instruction du Contrôleur général", used by Necker in preparing the Decree in Council of 2 Nov. 1777: R. D. Harris, *Necker, Reform Statesman of the Ancien Régime* (Berkeley, 1979), p. 178. Necker's friendship with the chevalier de Jaucourt was doubtless instrumental in turning his attention to the potentially lucrative resources of business and finance.

prises, and thus made inroads into the tax exemptions previously enjoyed by the property-owning and commercial bourgeoisie.⁵⁰

It is fitting that the man who saw through the fallacy of the physiocrats' doctrine, and who took them to task for clouding the issue of income tax, was himself a royal tax-farmer and successful entrepreneur, Jean-Louis Graslin. Graslin belonged to the much-vilified class of *gens d'affaires*, grown rich in dealing with public finance and engaged in lucrative private business on the side, who were to become the target of fiscal attention during the Revolution.⁵¹ He had amassed a fortune as an ordinary receiver at Saint-Quentin and as a receiver general at Nantes, where he established a thriving enterprise manufacturing printed furnishings in the fashionable oriental taste of the day (the very *indiennes* criticized as wanton luxuries by Jaucourt). But Graslin was also a would-be *philosophe*, trained as a lawyer with the Paris *parlement*, articulate in voicing both the heady convictions of those bent on economic progress and the grave concerns of those engaged in building a better society. He invested his money in housing, contributed an entirely new quarter to the city of Nantes, founded a playhouse, embarked on land-reclamation schemes in the disadvantaged rural areas of the Loire estuary and the Dol marshes, and obtained the runner-up's prize in the 1768 essay contest sponsored by the Academy of St Petersburg for his treatise on peasant land tenure.⁵² More relevantly still, this business man with a conscience turned public benefactor focused his attention on fiscal inequalities and subjected them to the kind of mathematical analysis recommended by Jaucourt. For Graslin, writing in 1766-7, was at home with orders of magnitude, compound ratios

⁵⁰ Marion, *Impôts directs sous l'Ancien Régime*, pp. 62-109; M. Marion, *Histoire financière de la France depuis 1715*, 6 vols. (Paris, 1914-31), i, pp. 170-414. Cf. Necker's modified *vingtième des biens-fonds*, Calonne's projected *imposition territoriale en nature* and Loménie de Brienne's *subvention territoriale* aimed at replacing the *vingtièmes*: Weulersse, *Physiocratie*, pp. 67-72, 282-5; J. Egret, *La prérévolution française (1787-1788)* (Paris, 1962), pp. 20-30, 98-100; B. Behrens, "Nobles, Privileges and Taxes in France at the End of the Ancien Régime", *Econ. Hist. Rev.*, 2nd ser., xv (1962-3), pp. 451-75; G. V. Taylor, "Types of Capitalism in Eighteenth-Century France", *Eng. Hist. Rev.*, lxxix (1964), pp. 478-97; G. V. Taylor, *The Ancien Régime* (London, 1967), pp. 46-62; G. J. Cavanaugh, "Nobles, Privileges and Taxes in France: A Revision Reviewed", *French Hist. Studies*, viii (1974), pp. 681-92.

⁵¹ J. F. Boshier, *French Finances, 1770-1795: From Business to Bureaucracy* (Cambridge, 1970), pp. 8-10, 97, 312.

⁵² J. Desmars, *Un précurseur d'A. Smith en France: J. J. L. Graslin (1727-1790)* (Paris, 1900), pp. 9-10; J. J. L. Graslin, *Essai analytique sur la richesse et sur l'impôt* (London, 1767), ed. A. Dubois (Paris, 1911), pp. v-xxx.

and geometric progression: indeed he was the first to use the term *progressif* in relation to tax: “*une taxe à caractère progressif*”, defined as “a constantly increasing proportion” or a “progressively increasing ratio”.⁵³ But he was also an eminently practical man like Boisguilbert, who understood from experience that manufacturing and trade generated wealth, and that once capital was constituted it too generated further wealth. To limit taxation to the landowners (*la taxe réelle*) was to exclude the greater part of the nation’s revenue-earners and to claim, as did the author of “*Vingtième*”, that personal taxes on workers in industry were “indirect taxes” was manifestly absurd. If taxation was to encompass all those whose productivity resulted in profit, all those who grew rich and promoted prosperity, it was necessary to come to terms with the issue of income tax, *la taxe personnelle* or *capitale* (in the *per capita* sense).⁵⁴

A proportional tax, or uniform percentage of income, was normally considered fair, because everyone paid an equal share, for example a quarter or twenty-five per cent: thus an income of 100,000 *livres* could be taxed at 25,000 *livres*; and an income of 200 *livres* at 50 *livres*. But even if the rich man’s necessities are assessed at 10,000 or even 20,000 *livres*, he still has a surplus of 80,000 *livres*, and a single levy of 25,000 *livres* would not remove a third of his superfluity; whereas the 50-*livres* levy on the man earning 200 *livres*, a sum barely adequate to live on, would remove a quarter of his necessities.⁵⁵ Proportional taxation was therefore intrinsically unfair.

Referring to Montesquieu’s comments on the ancient Greeks, Graslin pointed out that the only just fiscal ratio was that based not on a subject’s income, but on his needs. Thus Solon’s four Athenian classes were justly divided and it might well be necessary to have many more such classes. While the rich man might pay a quarter of his revenue in tax, the lower classes would pay a lesser portion of theirs, such as one-fifth, one-eighth, one-twentieth, and so on downwards, until the last class was reached of those who would pay nothing because all they had were the

⁵³ Graslin, *Essai analytique*, pp. 160, 164.

⁵⁴ *Ibid.* pp. v, xv, 6-120, 147; Lichtenberger, *Socialisme au XVIIIe siècle*, p. 318; Seligman, *Impôt progressif*, pp. 193-5, 246-8.

⁵⁵ Graslin, *Essai analytique*, pp. 149-62.

TABLE 1

RADICAL THEORY IN THE MAKING: LOUIS GRASLIN'S PERSONAL TAX SCHEME 1767 (EXTRAPOLATION)*

| Taxable income (<i>livres</i>) | Progression (in fractions) | Tax payable (<i>livres</i>) | Income after tax (<i>livres</i>) |
|-------------------------------------|-------------------------------|----------------------------------|---------------------------------------|
| 400 | 1/20 | 20 | 380 |
| 750 | 1/15 | 50 | 700 |
| 1,000 | 1/10 | 100 | 900 |
| 4,000 | 1/8 | 500 | 3,500 |
| 6,000 | 1/6 | 1,000 | 5,000 |
| 10,000 | 1/4 | 2,000 | 7,500 |
| 30,000 | 1/3 | 10,000 | 20,000 |
| 60,000 | 1/2 | 30,000 | 30,000 |
| 180,000 | 2/3 | 120,000 | 60,000 |
| 400,000 | 3/4 | 300,000 | 100,000 |

*Source: J. J. L. Graslin, *Essai analytique sur la richesse et l'impôt* (London, 1767), pp. 284-308.

physical necessities: "That, without doubt, is the rule of equity".⁵⁶

Viewed in this light, personal taxation might well appear alarming ("*sous une face effrayante*") to the very rich, for if a man with an income of 1,000 *livres* were to pay 100, it might follow that the man with an income of 400,000 *livres* should contribute 300,000! (See Table 1.) Clearly a cash payment of 300,000 *livres* would be a terrible blow and such a proportion was hard to contemplate. Nevertheless so compelling was the idea to Graslin that, for reasons of natural and social justice, he could not discard it. It would, indeed, be a great service to mankind so to apportion taxes that a man with an income of 400,000 *livres* should be made to contribute "without violence and without tyranny" three-quarters of his surplus income, with which he is "as it were overburdened", to the benefit of ten thousand wretches who, lacking even the bare essentials, are each obliged to pay 30 *livres* in tax.⁵⁷

With these words, Graslin gave meaningful fiscal expression to the social conscience of his age, already forcefully but emotionally stated by Rousseau in the last sentence of his discourse on inequality: "It is manifestly contrary to the law of nature . . . that a handful of people should be replete with superfluities whilst the

⁵⁶ *Ibid.*, p. 150.

⁵⁷ *Ibid.*, p. 154.

famished multitude lack the necessaries".⁵⁸ Ethics and geometric logic thus combined to provide the French Enlightenment with the basic social message it was to pass on to the Revolution of 1789. The explicit reference was to revenue, not capital (a point previously emphasized by Boisguilbert). It implied, over time, a gradual process of "levelling", but not a direct attack on property as such.⁵⁹

Of course it is only fair to add that, having been "carried away" by the prospect of social justice, Graslin then pulled himself together and concluded that such a progressive income tax was unworkable. Assessment of earnings would entail an inquisition, concealment and deception would make the tax arbitrary, keeping pace with rises in income would make it destructive of wealth in the longer term. But while paying lip-service to the liberal panacea of indirect taxation, in line with Montesquieu before him, Graslin did not deviate from the "rule of equity", according to which taxation should continue to rise progressively "the further it moves away from the first necessities", so that the rich are obliged "to support as much of the public burden as possible". The rule of equity dictated the "general law of taxation", namely that tax "must rise in a steadily increasing proportion to the means of the taxpayer, that is to say it should be double, if his fortune is double".⁶⁰

The distinction between proportional and progressive systems was now clear. Although a *per capita* tax might be levied proportionally on certain occupational classes, such as tenant-farming or a specific trade or craft, progressive taxation alone could be tailored to the actual size of a man's income and meet the challenge set by commerce, business or finance. The problem, as Jérôme Tifaut de La Noue noted in 1775,⁶¹ was not taxing visible earnings such as cash crops, but invisibles such as banking. Tax avoidance was endemic among "capitalists" who had no reason to reveal the extent of their portfolios. Indeed any form of tax return was bound to foster deceitfulness and asking people voluntarily to declare their profits was like saying "Lie to me" ("*mens-moi*").⁶²

⁵⁸ Rousseau, *Oeuvres complètes*, ii, p. 247.

⁵⁹ H. C. Payne, "Pauvreté, misère and the Aim of Enlightened Economics", *Studies on Voltaire and the Eighteenth Century*, cliv (1976), p. 1581.

⁶⁰ Graslin, *Essai analytique*, pp. 159, 164-5, 170.

⁶¹ J. Tifaut de La Noue, *Réflexions philosophiques sur l'impôt* (London and Paris, 1775), p. 3.

⁶² *Ibid.*, p. 35.

Thus, although the *taille* needed to be abolished, its replacement, “progressive capitation”, was bound to be a risky and uncertain exercise.

The answer, in Tifaut’s view, was to organize a comprehensive mix of progressive tariffs and duties to replace the *aides*. These would be imposed on consumer goods and luxuries, exempting basic necessities such as grain and flour, which would be zero-rated, and penalizing superfluities. The progressive duty upon commodities would be determined by their “proximity to need or to luxury”: thus table wine would be taxed at 2 *sols* per pint, while quality wines would be taxed progressively up to 15 or even 20 *sols* per pint; carriages would be taxed according to their use, their number of axles and the horses needed to pull them.⁶³ Tifaut, like Graslin, felt strongly that the aim of both direct and indirect taxation should be to milk the rich in order to spare the poor, in accordance with the rule of “moral equity” to be found in the “heart of man”. While money paid in tax might be considered a “loss” by the rich merchant, was it really any different from profits in a risky venture which fail to materialize likewise being considered a “loss”? Was not a merchant’s gain a loss for the poor? If those who could afford it did not contribute more, how could the poor ever be relieved?

It is worthy of note that, while the principles and machinery of graduation had by 1775 been carefully thought out, in practice the French monarchy remained resolutely opposed to anything approaching a truly progressive formula. Elsewhere in Europe, graduated schemes had already been discreetly put to the test with varying degrees of success and in some cases (Geneva, Holland, Saxony) linked to personal incomes.⁶⁴ In England, the charge on inhabited dwellings established by Lord North in 1778

⁶³ *Ibid.*, pp. 75, 98. On the eve of revolution, graduation was also defended by C. A. Gosselin, *Réflexions d’un citoyen adressées aux notables sur la question proposée par un grand roi* (Paris, 1787); L. P. Dufourny de Villiers, *Cahiers du quatrième ordre, celui des pauvres journaliers, des infirmes, des indigens, &c.* (n. pl., 25 Apr. 1789).

⁶⁴ Cf. the sentinel tax levied on the citizens of Geneva in 1709 of $\frac{1}{2}$ per cent on the first 10,000 *écus* and 1 per cent on the surplus; the Dutch progressive tax on revenue of 1 and 2 $\frac{1}{2}$ per cent introduced in 1748; and the six classes of income with rates ranging from 1 to 8 per cent established by the Elector Frederick Augustus between 1742 and 1746: G. von Schanz, *Die Steuer der Schweiz in ihrer Entwicklung seit Beginn des 19. Jahrhunderts*, 5 vols. (Stuttgart, 1890), iv, pp. 195-6; F. N. Sickenga, *Geschiedenis der Nederlandsche Belastingen sedert het Jaar 1810*, 2 vols. (Utrecht, 1883), i, pp. 5-20; A. Judeich, *Die Rentensteuer im Königreich Sachsen* (Dresden, 1857), p. 12; Seligman, *Impôt progressif*, pp. 23-4.

was assessed upon means, the initial rates being sixpence per pound for annual rental values below £50, and one shilling per pound for those above £50; while a year later three categories were introduced, sixpence, ninepence and one shilling.⁶⁵

Paradoxically British economic theory ran counter to such schemes, with the *Wealth of Nations*, in March 1776, making a clear liberal statement in favour of moderate indirect taxation. Smith's ideas were to have a considerable impact across the Channel, both in their original version and in the three French translations which appeared between 1778 and 1790.⁶⁶ Yet one must recognize that, while Smith the economist was opposed to institutions that impeded the system of natural liberty, Smith the moral philosopher was strongly motivated by a sense of natural justice. He conceded that the state had an obligation towards the welfare and education of the poor. He condemned any tax, such as turnpike toll, that supplied an exigency of the state "at the expense of the poor, not the rich, at the expense of those who are least able to supply it, not of those who are most able". He thought it right to tax more heavily luxury carriages, coaches and post-chaises and thus "make the indolence and vanity of the rich contribute in a very easy manner to the relief of the poor". Although he was not opposed to taxing certain commodities, he ruled out any tax on the necessities of life (including beer and wine) which acted like a tax on labour, occasioning a rise in wages. Any form of levy on the wages of labour was "absurd and destructive": the "necessary expense of the inferior ranks of the people" ought never to be taxed.⁶⁷ Adam Smith subscribed in

⁶⁵ In 1808 the rates were to become 1s. 6d., 2s. 3d. and 2s. 10d. per pound. This tax was abolished in 1834 and reinstated in 1850, but no longer graduated according to rental value and classified instead according to the use of buildings: Dowell, *History of Taxation and Taxes*, iii, pp. 178-92.

⁶⁶ A. Smith, *Recherches sur la nature et les causes de la richesse des nations*, trans. M*** [abbé André Morellet?], 4 vols. (The Hague, 1778-9); *idem*, trans. abbé J. L. Blavet, 6 vols. (Yverdon, 1779-81); *idem*, trans. J. A. Roucher, 4 vols. (Paris, 1788-90). Smith's reputation, like Hume's, Gibbon's, Sterne's and Smollett's, was enhanced by the French anglomania: see L. Bongie, *David Hume: Prophet of the Counter-Revolution* (Oxford, 1965), pp. 5-10; V. G. Wexler, *David Hume and His History of England* (Philadelphia, 1979), p. 94.

⁶⁷ Smith, *Wealth of Nations*, iii, Sections v.i.b., c, d, e, f, pp. 708, 723-51, 758-88; v.ii.b., pp. 825-6; v.ii.i., pp. 864-7; v.ii.k., pp. 871, 886, 901-6. Smith's belief in the virtue of altruism (*Theory of Moral Sentiments*, 1759) is matched (in the *Wealth of Nations*) by his belief in the virtue of self-control in the selfish acquisition of wealth; his view of the division of labour is a moral, not just an economic, view; moreover Smith had read Rousseau: Jorland, "Problème Adam Smith", pp. 833, 839.

his fashion to the rule of equity and the lesson was not lost on those who now set about dismantling the *ancien régime*.

IV

THE FISCAL REVOLUTION

The 1789 Declaration of the Rights of Man described property as “an inviolable and sacred right of which no one can be deprived”. It also claimed that the burden of contributing to the public revenue “should be equally distributed among all citizens in proportion to their faculties”.⁶⁸ With the first affirmation, it gave substance to the abstract notion of liberty, understood as self-promotion and the freedom to acquire and possess;⁶⁹ with the second, it brandished the spectre of equality and opened wide the door to progressive taxation. The vexed and uncertain course of tax reform during the eventful years 1789-94 hinged on these two poles of liberty and equality, and no new fiscal scheme that aimed at reaching the statute-book could afford to deviate from the uneasy compromise between possessive individualism and the promise of a fair society.

The Revolution of 1789, as the books of grievances record and the eruptions of violence demonstrate, was very much a fiscal revolution, in which the abolition of the hated “arbitrary” taxes of the past played a key role. *Taille*, *capitation* and *vingtièmes* ceased to be paid overnight, while excise and customs duties (*gabelles*, *aides*, *traites*, the *domaine* and the farm of tobacco) came tumbling down. That the tax farms were, as Smith had remarked, the “ruin of the people”, was sorely felt by the people themselves as they looted the salt stores, tore down the barriers, burned the tax registers and jeered as the customs clerks took to their heels.⁷⁰

No subject ever generates as much heat in parliamentary assemblies as taxation, and in the heady atmosphere of popular insurrec-

⁶⁸ Articles 13 and 17, Declaration of 26 Aug. 1789, in *Les déclarations des droits de l'homme, 1789-1793-1848-1946*, ed. L. Jaume (Paris, 1989), p. 15.

⁶⁹ C. Brough Mackenzie, *The Political Theory of Possessive Individualism* (Oxford, 1962), pp. 2-3, 137, 142.

⁷⁰ Smith, *Wealth of Nations*, ii, Section v.ii.k., pp. 900-6; R. Schnerb, *Les contributions directes à l'époque de la Révolution dans le département du Puy-de-Dôme* (Paris, 1933), pp. 3-14, 44-5; W. Doyle, *Origins of the French Revolution* (Oxford, 1982), pp. 45-6, 96-114, 156, 195. Attempts to restore the *gabelle* (23 Sept. 1789) and taxes on leather, soap, tobacco, and the re-establishment of the customs barriers in 1790, met with resistance everywhere: Marion, *Histoire financière de la France*, ii, pp. 14, 88-96.

tion and the overthrow of fiscal privileges and immunities, the Constituent Assembly rose to the occasion. They set about replacing the unequal taxes of the old regime, which had been unjustly distributed and cruelly extorted, with moderate contributions equitably spread over all the land and all its inhabitants and which would only be levied with the express consent of their elected representatives.⁷¹ Although Necker, the architect of the *contribution patriotique*,⁷² preferred indirect taxes, paid without constraint when they chose by those who could afford them, this allegiance to Montesquieu had no impact. The Assembly as a whole was attracted to direct taxation and with its decree of 7 October 1789 reaffirmed the principle of fair proportion (not equal sacrifice) already proclaimed in the Declaration of Rights: from each according to his means.

Among the Constituents who dabbled with economic theory, none gave a more remarkable summary of the fiscal alternatives than Théodore Vernier, a respectable fifty-eight-year-old lawyer from Franche-Comté and *rapporteur* of the house Finance committee, who took the floor on 30 March 1790. From the wide range of possibilities under review, Vernier dwelt on the two main classes of contribution: the “territorial tax” and the “personal subsidy”, while not discounting some “secondary taxes” derived from the former farms (tobacco and beverages). The land-tax would concentrate on the tangible produce and revenue from landed property, but the personal tax would be aimed at catching the more “abstract” or invisible forms of revenue from trade and industry, transferable assets and unearned income from invested capital. It stood to reason that “capitalists”, who made quick fortunes and so often avoided paying tax, should support, as citizens, “a contribution in proportion to their incomes”.⁷³ Vernier was here echoing

⁷¹ The Estates General convened up to and including 1614 had traditionally given substance to the principle of “no taxation without representation”: Clamageran, *Histoire de l'impôt en France*, ii, p. 179.

⁷² Gomel, *Histoire financière de l'Assemblée constituante*, i, pp. 15-21; Marion, *Histoire financière de la France*, ii, pp. 65, 177. The voluntary patriotic contribution, decreed on 6 October 1789, was to become in effect a flat-rate levy on all revenue above 400 livres: Moreau, *Impôt global et progressif*, pp. 155-8; cf. L. Cardenal, *La contribution patriotique du quart du revenu* (Paris, 1937).

⁷³ *Archives parlementaires des Chambres françaises: première série, 1787 à 1797*, 96 vols. (Paris, 1862-1989), x-xxxii, *Assemblée constituante*, xii, pp. 459-60, 462, 464; Marion, *Histoire financière de la France*, ii, pp. 178, 196; A. Kuscinski, *Dictionnaire des conventionnels* (Brueil-en-Vexin, 1973), p. 604; E. H. Lemay, *Dictionnaire des constituants*, 2 vols. (Oxford, 1991), ii, p. 922.

the majority sentiment among the provincial deputies, who, as J. F. Boshier has shown, were outspoken in their criticism of the old financial system dominated by profit-seeking Parisian capitalists who “speculated on the public fortune”.⁷⁴ Vernier distinguished three levels of income, 3,000, 6,000 and 12,000 *livres*, which broadly corresponded to need, comfort and wealth. He recognized that allowances should be granted for dependents and for expenses incurred, but since “it is less costly for the rich man to take from his surplus than for the poor man to cut down on his basic needs”, rates payable should vary. Those whose circumstances did not exceed the first necessities should forfeit a basic quota, say one-twentieth; those who lived in comfort, two-twentieths; those who enjoyed superfluity, three-twentieths; and over and above that, four- or even five-twentieths.⁷⁵

In putting the case for progressive income tax, Vernier did not neglect the vexed issue of assessment. Just as the territorial tax would require a careful survey of the land and the drawing-up of a register of land use, so the personal contribution required a detailed tax return from the taxpayer of all his income and expenses, declared on oath, with suitable penalties for non-declaration or false declarations.⁷⁶ Tax would soon be considered a “sacred duty”, evasion a felony from the public purse, denouncement of defaulters the only decent course of action.

Although Vernier was an optimist, his recommendations did not fall on deaf ears. When the debate on the proposed new tax legislation resumed in September and October, deputies of widely differing backgrounds echoed his ideas. The reactionary marquis de Montcalm-Gozon asked for tax relief for the farming community and swingeing impositions on the massive profits of the *gens d'affaires*; the young lawyer Ramel-Nogaret, representing the commercial interests of Carcassonne, spoke in favour of a municipal tax distributed among the residents in proportion to their personal circumstances; his colleague Rey from Béziers thought it desirable to divide business men into six classes each taxed a fixed sum; Dubuat, on behalf of the Meaux nobility, drew his inspiration from Montesquieu in proposing a tax of 6 *deniers* per *livre* on incomes ranging from 600 to 2,000 *livres*, 1 *sol* from 2,000 to 10,000, and 2 *sols* above 10,000 *livres*, in order to take from

⁷⁴ Boshier, *French Finances, 1770-1795*, p. 253.

⁷⁵ *Archives parlementaires*, xii, p. 465.

⁷⁶ *Ibid.*, p. 468.

the rich man's surplus what the poor man's need prevented him from paying: "It was the burden of a uniform rate which, in the old regime, was overwhelming".⁷⁷ The spokesman of the committee on Imposition, the duc de La Rochefoucauld, had already stated the committee view that the principal tax, the land-tax, should fall on all landed property according to the notion of "proportional equality", whereas the "tax on faculties" might well follow a graduated scale: nil for citizens below a predetermined threshold, and thence, without injustice, "become progressive in accordance with certain rules, in order to relieve the less well off by making slightly greater demands on the rich".⁷⁸

The duc de La Rochefoucauld, together with his cousin La Rochefoucauld-Liancourt, spoke on behalf of the enlightened nobility and embodied, as it were, the social conscience of their class. Indeed Liancourt had been the first in January 1790 to point out a significant omission in the Declaration of the Rights of Man, the "right to subsistence".⁷⁹ By endorsing the principle of graduated taxation and exempting incomes at the bottom of the scale, they were in effect using tax relief as a means of sanctioning this most basic of human rights.

The other leading member of the tax committee⁸⁰ was the physiocrat Dupont de Nemours who made sure priority was given to the land-tax. The *contribution foncière* was thus the first to become law on 23 November 1790, although the thankless task of assessing liability and local resentment effectively foiled its implementation. Dupont was wary of any curb on freedom of enterprise and trade and would have preferred resorting to indirect taxes on non-essential consumable commodities, such as the

⁷⁷ 21 and 23 September, and 28 October 1790: *ibid.*, xx, pp. 70-1; Marion, *Histoire financière de la France*, ii, p. 196; Lemay, *Dictionnaire des constituants*, ii, pp. 684, 787, 804.

⁷⁸ "Idées générales sur le mode constitutionnel de l'impôt", 18 Aug. 1790, in *Archives parlementaires*, xviii, pp. 143-6; Lemay, *Dictionnaire des constituants*, ii, p. 532.

⁷⁹ C. Rist, "Les rapports du Comité de mendicité de la Constituante", *La Révolution française*, xxix (1895), p. 267; J. D. de La Rochefoucauld, C. Wolikow and G. Ikni, *Le duc de La Rochefoucauld-Liancourt, 1747-1827, de Louis XV à Charles X, un grand seigneur patriote et le mouvement populaire* (Paris, 1980), pp. 182-98; cf. A. Forrest, *The French Revolution and the Poor* (Oxford, 1981), and review article by S. J. Woolf, in *Annales E.S.C.*, xxxvii (1982), p. 147.

⁸⁰ The membership of the committee in the months preceding the three tax decrees was: D'Allarde, Dauchy, Defermon, Dupont, Duport, Jary, Laborde de Méréville, La Rochefoucauld, Monneron, Roederer and Talleyrand: Lemay, *Dictionnaire des constituants*, ii, p. 958.

old *octrois*, which would have been politically suicidal.⁸¹ He regarded the tax on movables, the *contribution mobilière*, passed on 13 January 1791, as an undesirable infringement of liberty.

This new tax on revenue was to be assessed on rental values and thus endeavoured to reflect true categories of wealth. Despite a single rate of 5 per cent, the taxpayers were divided into eighteen classes, their income presumed to increase in proportion to their rent: thus, a tenant with a rent of 500 *livres* would pay 5 per cent on 2,000, a tenant with a rent of 12,000 *livres* 5 per cent on 150,000.⁸² But such was the law's complexity that it was to prove wellnigh unworkable at local level. In contrast to the *mobilière*, the trade licence law (*patente*) of 2 March 1791, which also relied on rental values, was extremely simple to operate, but it too met with passive resistance generally. The pricing of the licence was vaguely progressive or sumptuary in inspiration, inasmuch as it was fixed at half the standard rate in the case of bakers and approximately doubled in the case of wine merchants, innkeepers and playing-card manufacturers.⁸³

While prospective income from the nationalized lands appeared to constitute the more immediate source of public revenue, generating ever greater quantities of paper money, the new taxes were met by a stubborn refusal to pay. In the countryside widespread social unrest undermined the rule of law and, while the battle against the feudal order continued to rage, precious little could be expected in way of tax revenue from the local authorities. In these circumstances the likelihood of putting progressive taxation into effect was at an even further remove from practical reality. To have implemented such a scheme in the general euphoria of 1790-1 would have required a degree of constraint incompatible with the prevailing liberal climate of opinion. To have put it to the vote in the Legislative Assembly which followed, during the financial turmoil of the year 1791-2, would have meant courting defeat at the hands of a conservative majority instinctively hostile to any suggestion of redistribution of wealth.

The two leaders of the Gironde, for their part, were resolute

⁸¹ *Archives parlementaires*, xx, pp. 698-712; xxiii, p. 164; Marion, *Histoire financière de la France*, ii, pp. 179-91; see also C. Bloch, *Procès-verbaux du Comité des finances de l'Assemblée constituante* (Paris, 1922).

⁸² Gomel, *Histoire financière de l'Assemblée constituante*, ii, p. 336; Seligman, *Impôt progressif*, p. 25.

⁸³ *Archives parlementaires*, xxii, pp. 169-82; Marion, *Histoire financière de la France*, ii, pp. 217-18; Schnerb, *Contributions directes*, pp. 99-104, 186-220.

in their opposition: Vergniaud, who feared that a permanent progressive tax would result in the inexorable erosion of capital; and Brissot who, despite his avowed liking for Plutarch, staunchly defended the morality of acquired wealth: why, he asked in his news-sheet *Le patriote français*, should the man who through enterprise and thrift built up his estate be penalized and forced to relinquish it to the man who squandered his money at the gaming-table or in the company of girls of easy virtue?⁸⁴ But not all the Girondins saw it in this light. Roland, for one, was shifting his ground and shortly before his resignation as Minister of the Interior, proposed to convert the *contribution mobilière* into a full *contribution progressive*.⁸⁵ Roland and his supporters were bowing to the logic of graduation as expounded by the mathematician Condorcet, who had written on income tax in 1788 and 1790.⁸⁶ Condorcet's tax scheme of 1790 based liability on rental values in order to avoid arbitrary assessment or an invasion of privacy, but on the condition that tax increased as rent increased (“un impôt croissant et non proportionnel”). (See Table 2.) In stating his preference for moderate graduation in one of his last articles, composed in late 1792, Condorcet strove to strike a balance between social justice (tax allowances to cover subsistence) and entrepreneurial freedom (tax incentives to trade and industry).⁸⁷ While recognizing the need to curb large fortunes amassed at the expense of the poor, he felt it was necessary to protect the profit motive, which in itself was not incompatible with “equality and reason”: in fact that was the salient feature of “republican liberty” as he saw it.

Of course Condorcet held strong egalitarian views. Not for nothing was he Edmund Burke's *bête noire*, the “most dangerous” of all the revolutionaries, indeed, an “extravagant fanatick atheist

⁸⁴ Vergniaud stated his views on 4 May and Brissot on 12 August 1793: Gomel, *Histoire financière de la Législative et de la Convention*, i, p. 450; Marion, *Histoire financière de la France*, iii, p. 43.

⁸⁵ Roland's personal tax scheme, finalized on 6 January and submitted to the Assembly on 9 January 1793, comprised 30 classes and 4 rates rising by increments of 2, 5, 10 and 20 *livres*; his avowed aim was to “catch hidden wealth”, while at the same time relieving the manual trades: “Rapport de Jean-Marie Roland, ministre de l'Intérieur”, in *Archives parlementaires*, lvi, pp. 692-3.

⁸⁶ Condorcet, “Essai sur la constitution et les fonctions des assemblées provinciales” (1788) and “Mémoires sur la fixation de l'impôt” (1790), in *Oeuvres de Condorcet*, ed. A. Condorcet O'Connor and M. F. Arago, 12 vols. (Paris, 1847-9), viii, pp. 355-61; xi, pp. 471-83.

⁸⁷ Condorcet, “Sur l'impôt progressif”, *Journal d'instruction sociale*, 1 June 1793, *ibid.*, xii, pp. 625-36.

TABLE 2

MODERATE GRADUATION AS PROPOSED BY CONDORCET IN HIS
PERSONAL TAX SCHEME BASED ON RENTAL VALUES 1790*

| Rent (in livres) | | Rate per livre (in sols, deniers) | Rent (in livres) | | Rate per livre (in sols, deniers) |
|---------------------|----------|--------------------------------------|---------------------|--------|--------------------------------------|
| | below 25 | exempt | | | |
| from 25 | to 35 | 1 s. 0 d. | from 440 | to 470 | 2 s. 9 d. |
| 35 | 45 | 1 s. 1 d. | 770 | 800 | 3 s. 8 d. |
| 45 | 60 | 1 s. 2 d. | 800 | 840 | 3 s. 9 d. |
| 60 | 75 | 1 s. 3 d. | 1,360 | 1,400 | 4 s. 11 d. |
| 75 | 90 | 1 s. 4 d. | 1,400 | 1,450 | 5 s. 0 d. |
| 105 | 120 | 1 s. 6 d. | 2,250 | 2,300 | 6 s. 5 d. |
| 120 | 140 | 1 s. 7 d. | 2,300 | 2,375 | 6 s. 6 d. |
| 220 | 240 | 2 s. 0 d. | 3,725 | 3,800 | 8 s. 1 d. |
| 240 | 265 | 2 s. 1 d. | 3,800 | 3,900 | 8 s. 2 d. |
| 415 | 440 | 2 s. 8 d. | 5,900 | 6,000 | 9 s. 11 d. |
| | | | above 6,000 | | 10 s. 0 d. |

Notes: 1) Rate applicable determined by dividing the rent by the number of adults in a household, two children aged 12-20 and three children below 12 years of age counting as one adult. 2) The Table applies to lodgings only: trade and business premises are taxed at the lowest rate. 3) Very gradual transition necessary to discourage changes of residence.

*Source: Condorcet, "Mémoires sur la fixation de l'impôt", in *Oeuvres de Condorcet*, ed. A. Condorcet O'Connor and M. F. Arago, 12 vols. (Paris, 1847-9), xi, p. 482.

and furious democratic republican", intent on levelling civilized society.⁸⁸ And, as Keith Baker has shown, Condorcet the *académicien* and philosopher stood apart from the political parties and only sided with the Gironde for reasons of circumstance. As his intellectual companionship with the Jacobin Joseph Delaunay demonstrates, Condorcet's radical views, notably on human rights and the republican constitution, brought him closer to the Montagnards on many issues, including the provision of adequate poor relief and free elementary education.⁸⁹

V

PROGRESSIVE TAXATION COMES OF AGE

From its beginnings, the National Convention was tempted by the prospect of *l'impôt progressif* and several decrees were passed flirting with the principle. Deputies from different ends of the

⁸⁸ E. Burke, "Thoughts on French Affairs" (Dec. 1791), in *The Works of the Right Hon. Edmund Burke*, ed. H. Rogers, 2 vols. (London, 1837), i, pp. 574-5.

⁸⁹ See Condorcet's articles for the *Chronique de Paris*, November 1791 to March 1793: K. M. Baker, *Condorcet: From Natural Philosophy to Social Mathematics* (Chicago, 1975), pp. 308-14, 328, 491.

political spectrum spoke up in its favour, men as far apart as Cambon and Lanjuinais. The large subsidies required by the major cities of Paris, Lyons and Rouen during the winter of 1792-3 were to be funded from loans recovered “progressively” from their well-to-do citizens.⁹⁰ Progressive taxation was formally adopted on 18 March 1793. External circumstances make the decree look something of a panic measure: the deteriorating military situation, the insurrection in Vendée, pressure from the Parisian *sans-culottes* as food prices continued to escalate, the non-payment of the *foncière* and *mobilière* contributions voted by the Constituents. Nevertheless, as its slow gestation indicates, the idea had been steadily gaining ground and there was now a general agreement among Girondins and Montagnards that exceptional measures were essential. Fears were growing of a breakdown of law and order, looting and violations of private property. As Adam Smith had said, “The affluence of the rich excites the indignation of the poor who are often driven by want and prompted by envy to invade his possessions”.⁹¹ The rich, it was now felt, were undertaxed and a war subsidy was urgently required to support the levy of troops, help defray their subsistence and defuse the risk of further social unrest.⁹²

To cater for all misgivings, two highly symbolic decrees were passed that same day, 18 March. The first, proposed by Barère and Levasseur de La Sarthe, proclaimed the death penalty on whomsoever proposed a *lex agraria* or “any other measure subversive of territorial, commercial and industrial property”. The second, moved by Ramel-Nogaret, declared that “in order to attain a more accurate proportion in the distribution of the burden each citizen has to bear according to his abilities, there shall be established a graduated and progressive tax on luxury and both

⁹⁰ Decrees of 8, 24 Nov., 3 Dec. 1792, 7, 18 Feb. 1793: Gomel, *Histoire financière de la Législative et de la Convention*, i, pp. 272, 372-4. The proponents of progressive taxation now represented most shades of republican opinion. On 9 March Thuriot proposed that a “war-tax” be levied on the rich. On the centre benches the prevailing mood was now clearly favourable: *Correspondance générale de Carnot*, ed. E. Charvay, 3 vols. (Paris, 1892-7), i, p. 187; Seligman, *Impôt progressif*, pp. 29, 196, 251; Lichtenberger, *Socialisme au XVIIIe siècle*, pp. 126, 197; Retz de Servies, *Impôt progressif*, p. 83; Moreau, *Impôt global et progressif*, p. 159.

⁹¹ Smith, *Wealth of Nations*, ii, Section v.i.b., p. 708.

⁹² Gomel, *Histoire financière de la Législative et de la Convention*, i, p. 386; Marion, *Histoire financière de la France*, iii, p. 37.

landed and transferable wealth".⁹³ Among the Girondins, Vergniaud alone stated his opposition. The moderates all rallied to the view that the tax reforms of the early revolutionary years had been shamefully inadequate, and progressive taxation now appeared to be the only safe and reliable means of building a just democracy.

Again the theoretician was the Girondin sympathizer Théodore Vernier, as mellow in tone and persuasive as three years previously, only now he had the house behind him. Speaking on behalf of the Finance committee on 21 March 1793, Vernier declared that the new progressive tax on luxury and wealth should cover all types of property, and that the existing tax on movable assets could be transformed into a progressive income tax covering all categories of revenue and resources from all quarters. The main object of the legislation was "imperceptibly to divide and attenuate all great fortunes, to destroy inequalities, those monstrous distortions of the body politic, which devour all that surrounds them; above all, it must avoid throwing onto the poor the tribute that must principally weigh upon the rich".⁹⁴ In passing, Vernier made reference to Montesquieu's passage on Solon and the Athenians, to Rousseau's essay on political economy, to the 1789 Declaration of Rights, to recent writings by Condorcet and Delaunay, all of which gave authority to his contention that "this tax is so evidently just that it is likely to be the only one finally adopted in replacement of all the others".⁹⁵

In its proposal, the Finance committee neatly reconciled the conflicting notions of equal sacrifice and fair proportion by using progressive increments: every taxpayer would pay the same tax on the first 1,000 *livres*, the rates increasing thereafter by increments of 1,000. Henceforth the incremental formula was to remain a basic feature of progressive taxation. The scale proposed on 21 March 1793 (the luxury and wealth tax) was very gentle indeed: a man with 48,000 *livres* would pay 2,641 *livres*, while a

⁹³ 18 Mar. 1793: *Archives parlementaires*, lx, p. 292. Cf. P. M. Jones, "The 'Agrarian Law': Schemes for Land Redistribution during the French Revolution", *Past and Present*, no. 133 (Nov. 1991), pp. 96-133. It is important to stress the complementarity of the two decrees: they represent, as it were, the two sides of the same coin.

⁹⁴ *Archives parlementaires*, lx, p. 394.

⁹⁵ *Ibid.*, pp. 397-8. In 1792 Vernier had demonstrated his indebtedness to both Montesquieu and Rousseau in *L'impôt sur le luxe et les richesses*: Seligman, *Impôt progressif*, pp. 196-7; A. Galante-Garrone, *Philippe Buonarroti et les révolutionnaires du XIXe siècle (1828-1837)*, trans. A. and C. Manceron (Paris, 1975), p. 192.

man with 100,000 would pay 7,425. Vernier's aim was to avoid "stifling the growth of industry, activity, emulation, ambition", a passion which could serve the state while ensuring the welfare of the private citizen. The mechanism proposed five days later (the graduated progressive global income tax) was more in line with radical thinking. A taxable income of 10,000 *livres* would be liable to a tax of 320; 40,000, 4,145; 80,000, 16,245; the ceiling being reached at 100,000 *livres* with a tax of 25,295 or just over a quarter. However, these scales were never put to the vote, nor ever discussed further.⁹⁶

Although the Finance committee's motion was shelved, the Jacobin mood was clearly in favour of putting the progressive scheme to the test. Away from the capital, out in the field, the People's Representatives had the freedom of manoeuvre they required and the power to raise taxes. While Vernier was talking in Paris, Bo and Chabot were acting in Castres, where they levied the first progressive tax in France on 26 March 1793. (See Table 3.) After the Tarn *département*, they moved to Rodez and raised a similar tax on the Aveyron on 6 April. Montpellier in the Hérault, Cambon's *département*, followed suit on 19 April with a forced loan of 5 million *livres* to equip the recruits and give financial relief to their families.⁹⁷

In Paris, the Jacobin Club launched into a passionate debate on the desirability of levelling private fortunes,⁹⁸ while the Convention pursued its primary task of drafting the republican constitution. In this dual context, Robespierre tabled a new draft Declaration of the Rights of Man which contained his solution to the problem of the unequal distribution of wealth. On the one hand, Robespierre declared that property was inviolable, which meant that he subscribed to inequality; indeed he did and never wavered from that view. Inequality of ownership, he wrote in 1791, is "a necessary and incurable evil": "equality of ownership is fundamentally impossible in civil society", in 1792; and now, on 24 April 1793, "equality of ownership is a chimera". Progress-

⁹⁶ *Archives parlementaires*, lx, pp. 398, 581.

⁹⁷ Archives départementales du Tarn, Albi, L. 135, missions, 26 Mar. 1793; Archives départementales de l'Aveyron, Rodez, I L 178, missions, 6 Apr. 1793. See also A. Soboul, *Les sans-culottes parisiens en l'an II* (Paris, 1958), pp. 486-7.

⁹⁸ The discussion of the war levy and forced loan flared up sporadically over two months (April-May 1793): F. A. Aulard, *La Société des Jacobins: recueil de documents pour l'histoire du Club des Jacobins de Paris*, 6 vols. (Paris, 1889-97), v, pp. 149-50, 180, 189-90, 201; Retz de Servies, *Impôt progressif*, p. 31.

ive taxation, however, was the way out of this dilemma, the only democratic way to eradicate the extremes of affluence and deprivation, make property accessible to all and “poverty respectable”. “Eternal justice” dictated that it should be enshrined in the new Declaration of Rights, as follows: “Those citizens whose incomes do not exceed what is necessary to their subsistence shall be exempted from contributing to public expenditure, the others shall support it progressively, according to the extent of their fortune”.⁹⁹

Danton, who was a more sceptical man than Robespierre, resorted to a less lofty but equally persuasive argument. To tax the rich, he claimed, was to serve them. What better investment for the large landowners and capitalists than to contribute their profits to keeping the enemy at bay? “The greater the sacrifice on their moneyed interest, the greater the safeguards on the title to their property.” Taxation was thus the ultimate foil to the unwelcome spectre of the agrarian law. Moreover, the so-called “sacrifice” was only short-term. Capital, said Danton, was like a sponge; it sufficed to squeeze it to extract the interest, then it sprang back into shape.¹⁰⁰ The liberal Montagnard Robert Lindet, one of the key members of the newly formed Committee of Twelve, exhorted the Representatives to take action in the provinces: “Too long has idle wealth evaded fatigue and danger, leaving the burden to the least advantaged class; the time has come for private fortunes to be linked inseparably to the public fortune”, indeed taxation was at present the only way to “consolidate freedom and guarantee property”.¹⁰¹

The example of the Hérault *département* tax was officially recommended to all the other *départements* on 27 April and 7 May 1793 and everywhere in France similar measures were taken or contemplated. Paris levied 12 million *livres* to send a body of 12,000 men to fight in the Vendée and Deux-Sèvres, the two

⁹⁹ Robespierre’s speech of 24 Apr. 1793, in *Oeuvres de Maximilien Robespierre*, ed. M. Bouloiseau *et al.*, 10 vols. (Paris, Nancy and Gap, 1910-67), ix, pp. 459-71; cf. Robespierre, “Discours sur le marc d’argent” (20 Apr. 1791), *ibid.*, v, p. 165; Robespierre, “Le Défenseur de la Constitution”, no. 4 (7 June 1792), *ibid.*, iv, pp. 116-19.

¹⁰⁰ Convention (27 Apr. 1793) and Jacobin Club (8 May 1793), in *Oeuvres de Danton*, ed. A. Vermorel (Paris, 1866), p. 195; Aulard, *Société des Jacobins*, v, p. 180; *Archives parlementaires*, lxxiii, pp. 438-9.

¹⁰¹ Instruction of 7 May 1793, in *Recueil des actes du Comité de salut public*, ed. F. A. Aulard *et al.*, 30 vols. (Paris, 1889-1971), iv, p. 41; *Supplément*, ed. M. Bouloiseau, i (Paris, 1966), p. 196.

rebel *départements*. Soon the Haute-Garonne was raising 6,664,000 *livres*, Toulouse 225,000, the Rhône 6 million, the Seine-et-Oise 3,500,000, the Lot (district of Montauban) 1,200,000, the Dordogne 2 million. The Meurthe, Aube, Basses-Alpes and Côtes-du-Nord followed suit with varying amounts and varying degrees of commitment to the progressive formula. Others, more cautious, confined themselves to paying lip-service to the decrees: Charente, Corrèze, Lot-et-Garonne.¹⁰²

The former Constituent and moderate Montagnard Ramel-Nogaret was now charged by the Finance committee with preparing the fine details of the “progressive contribution” and “war subsidy”, the object being to levy a tax on all “income above what is absolutely necessary”. He presented his report on 16 and 20 May 1793.¹⁰³ The final outcome was to be the Forced Loan of 19 August – 3 September, whose rates were very rigorous indeed, in keeping with the prevailing radical Jacobin mood (Table 4), the higher income brackets (9,000 *livres* and above) being relieved of all their surplus in tax and left with a maximum income after tax of 4,500 *livres*. Clearly 9,000–10,000 *livres* was the magic threshold of wealth and those who enjoyed a higher income were in for a hard time. Or so it seemed. For in effect such drastic levelling was purely theoretical, the Forced Loan acting as an incentive to make the rich invest in the Voluntary Loan, Cambon’s pet scheme aimed at alleviating the public debt and taking as many *assignats* as possible out of circulation, and which, far from penalizing the wealthy, actually yielded interest to the investors. As Ramel was quick to point out, it was in any case necessary to differentiate between a public loan imposed once only and a permanent progressive tax which should aim at equalizing fortunes gently (“par des voies douces”).¹⁰⁴

The fiscal measures taken in the field give a better indication of the policy that was emerging and considered realistic. Saint-

¹⁰² L. Lévy-Schneider, *Le conventionnel Jeanbon Saint-André, membre du Comité de salut public, Organisateur de la Marine de la Terreur, 1749-1813*, 2 vols. (Paris, 1901), i, p. 272; Marion, *Histoire financière de la France*, iii, p. 60; A. Trous, *La vie politique dans le département de la Meurthe*, 3 vols. (Nancy, 1936), ii, p. 171.

¹⁰³ *Archives parlementaires*, lxxv, p. 117.

¹⁰⁴ J. Jaurès, *Histoire socialiste de la Révolution française*, ed. E. Labrousse and A. Soboul, 7 vols. (Paris, 1969-86), vii, pp. 250-3; F. Bornarel, *Cambon et la Révolution française* (Paris, 1905), pp. 307-9; Seligman, *Impôt progressif*, p. 133; Schnerb, *Contributions directes*, pp. 283-9; J.-P. Gross, “L’emprunt forcé du 10 brumaire an II et la politique sociale des Robespierriéristes”, in A. Soboul (ed.), *Actes du Colloque Saint-Just (Sorbonne, 25 juin 1967)* (Paris, 1968), pp. 74-5, 81.

TABLE 4
PROGRESSIVE SCHEME OF THE FORCED LOAN DECREED
3 SEPTEMBER 1793*

| | | |
|--------------------------|-----------------------|--------------------|
| <i>Basic allowances:</i> | Single man | 1000 <i>livres</i> |
| | Wife and each child | 1000 <i>livres</i> |
| | Widower with children | 1500 <i>livres</i> |

Surplus to be taxed as follows (all figures in livres):

| Increment | Rate | Taxable income | Tax payable | Income after tax |
|------------|-------|----------------|-------------|------------------|
| 1st 1,000 | 100 | 1,000 | 100 | 900 |
| 2nd 1,000 | 200 | 2,000 | 300 | 1,700 |
| 3rd 1,000 | 300 | 3,000 | 600 | 2,400 |
| 4th 1,000 | 400 | 4,000 | 1,000 | 3,000 |
| 5th 1,000 | 500 | 5,000 | 1,500 | 3,500 |
| 6th 1,000 | 600 | 6,000 | 2,100 | 3,900 |
| 7th 1,000 | 700 | 7,000 | 2,800 | 4,200 |
| 8th 1,000 | 800 | 8,000 | 3,600 | 4,400 |
| 9th 1,000 | 900 | 9,000 | 4,500 | 4,500 (ceiling) |
| 10th 1,000 | 1,000 | 10,000 | 5,500 | 4,500 |
| 12th 1,000 | 1,000 | 11,000 | 7,500 | 4,500 |
| 15th 1,000 | 1,000 | 15,000 | 10,500 | 4,500 |

*Source: *Archives parlementaires des Chambres françaises: première série, 1787 à 1797*, 96 vols. (Paris, 1862-1989), lii-xcvi, *Convention*, lxxiii, pp. 351-4.

Just, on behalf of the Committee of Public Safety, applied the progressive principle in kind to a requisition order for grain supplies to the army: smallholders were made to contribute proportionately less per acre than medium-holders, who in turn were taxed less heavily than the rich farmers, with a ceiling fixed at a quarter of the yield.¹⁰⁵ In cash terms, Bo and Chabot, the progressive pioneers in Castres, granted allowances of 600 *livres* for the head of the family and 250 *livres* for each dependent (significantly less than the 1,000 *livres* allowed by the Forced Loan). Their progressive tax only applied to the “surplus”, the first 400 *livres* of taxable income being subject to a rate of 20 per cent and the rates gradually rising to 50 per cent at the threshold of 10,000 *livres*. Thus a married man with one child and net earnings of

¹⁰⁵ Saint-Just, *Rapport sur l’approvisionnement des armées*, 9 Aug. 1793, Bibliothèque Nationale, Paris, 8° Le³⁸ 393, pp. 6-7.

1,077 *livres* would pay 45 *livres* 8 *sols*; one with three children and net earnings of 2,300 *livres* would pay 143 *livres* 15 *sols*; and a single man with an income of 10,000 would pay 3,375, or roughly a third, in tax. (See Table 3.)

During his mission with Le Bas in Alsace, Saint-Just was to raise a forced loan from the rich citizens of Strasbourg, which increased on a sliding scale from 4,000 *livres* to a hefty 300,000 *livres*, the most numerous contributors being middling shopkeepers and merchants, with bankers and industrialists at the top of the list.¹⁰⁶ In Périgord, Lakanal raised a progressive tax on the rich of Bergerac over and above their ordinary land and income contributions. It started at a fifth of the normal contribution, then went up to a quarter, then a third, and as from 600 *livres* to exactly half. Lakanal's aim was to catch a percentage at least of unearned income and speculative investments: revenue from property, capital, dividends, bank deposits, pensions, annuities. Like Bo and Chabot, he differentiated between "net income", that is the balance of income from land, trade or industry after deduction of all essential expenses, and "surplus income" (*le superflu*), being the balance of net income left once basic allowances were deducted for dependents (excluding domestic servants). The product of the progressive surtax was to be used in part for rent and tax relief for low-income groups particularly hard hit by inflation.¹⁰⁷

Vernerey, in the Creuse, concerned at the rising cost of bread during the hungry gap of the winter of 1793-4, ordered the gathering of a revolutionary surtax of 600,000 *livres*, using two separate progressive scales, one for married taxpayers starting at 25 per cent of their standard tax liability, the other for bachelors over twenty-five years of age not serving in the forces, starting at 33½ per cent. The rates applied to the higher incomes were quite severe, since the effect was to double the standard tax liability for a married man already owing 4,000 *livres* and for a single man owing 2,000 *livres*. At the bottom end of the scale, a 50-*livre* allowance ensured that the citizens most vulnerable to the high cost of subsistence would escape the tax, the aim of

¹⁰⁶ Gross, "Emprunt forcé", pp. 142-4.

¹⁰⁷ Archives nationales, Paris, AF_{II} 96, pl. 707, pp. 1-2, orders and proclamations, Dordogne, 21 Oct. 1793; Archives départementales de la Dordogne, Périgueux, 3 L 24, Bergerac, 21 Oct. 1793; Archives municipales, Bergerac, U 42, minutes, 21 Oct. 1793; H. Labroue, *La mission du conventionnel Lakanal dans la Dordogne en l'an II (octobre 1793 - août 1794)* (Paris, 1912), pp. 309, 322.

which was precisely to procure a ready means of subsidizing the price of bread.¹⁰⁸

The progressive formula was used in inventive ways, some unexpected. A graduated toll, in keeping with the advice of Tifaut de La Noue and Adam Smith, was charged on the bridge over the Dordogne at Bergerac, with pedestrians crossing free of charge, ox carts paying the lowest rate, mounted horses and post-chaises a moderate rate, luxury carriages the highest, while heavy goods vehicles were obliged to cross at night.¹⁰⁹ The small Jacobin Club at Caussade, near Montauban, applied a sliding scale for members' subscriptions — 3, 6, 12, 18, 24 and 30 *livres* — in order to attract *sans-culottes* from the lower income groups (100 to 1,000 *livres*).¹¹⁰ Iron firebacks were requisitioned for melting down into cannon, but exemptions were granted for those measuring one inch in thickness or under, which represented the "basic allowance" for all households. Where there was recourse to food rationing, the whole grain of the rich man was mixed with the poor man's siftings and a "bread of equality" baked in the communal oven.¹¹¹

The unprecedented taxes raised all over France were only justified by the "exceptional circumstances", as Vergniaud had grudgingly allowed in the debate of May 1793, in order to provide urgently needed funds in a time of war and were indeed often labelled "taxes de guerre". Their recovery depended on the goodwill and perseverance of the local authorities and the proceeds, in devalued paper money, rarely exceeded a quarter of the sums demanded, at best a third. The government endeavoured not very successfully to curb the growing fiscal anarchy and centralize the tax-recovery effort, for it required resources to meet the ambitious social security programme decreed by the Convention.¹¹²

¹⁰⁸ Archives nationales, AF_{II} 95, pl. 703, pp. 32-3, orders and proclamations, Creuse, 12 Feb. 1794; Archives départementales de la Creuse, Guéret, L 105, district of Guéret, 12 Feb. 1794.

¹⁰⁹ Tifaut de La Noue, *Réflexions philosophiques sur l'impôt*, p. 98; Smith, *Wealth of Nations*, ii, Section v.i.c., p. 726; Labroue, *Mission du conventionnel Lakanal*, p. 476.

¹¹⁰ E. Campagnac, "L'impôt sur le revenu dans les statuts d'une société populaire en 1793", *Annales révolutionnaires*, iii (1910), pp. 242-4.

¹¹¹ Archives départementales de la Dordogne, 1 L 233, mission of G. Romme, 10 Aug. 1794.

¹¹² G. Thuillier, "Les secours aux parents des défenseurs de la patrie (1792-1796): orientation de recherche", in J. Valette (ed.), *Actes du 113e Congrès national des sociétés savantes, Strasbourg, 1988: colloque sur l'histoire de la sécurité sociale* (Paris, 1989), pp. 459-89; J. Valette, "Les secours aux parents des défenseurs de la patrie (an 2 - an 4)", *ibid.*, 114e Congrès, Paris, 1989 (Paris, 1990), pp. 321-8; J.-P. Gross, "La

(cont. on p. 120)

The main accusation levelled at the revolutionary taxes by the taxpayers was that they were just as arbitrary as the *taille* of old and based on peremptory assessments made by resentful officials. The standard tax rolls were an unreliable indicator of means and no further declarations of income were required. The Terror was a time when hardliners often ruled the roost, and inevitably there were cases of abuse and extortion. Thus, Laplanche at Orléans, Fouché at Nevers and Moulins, Albitte in the Ain, Javogues in the Loire, to mention but the most prominent, all authorized the raising of quite exorbitant taxes. Some used force, or the threat of force and imprisonment, to achieve their ends and many wealthier citizens were unjustly persecuted. But it is fair to say that the mainstream Jacobins frowned upon such excesses. Although none are very moderate and their degree of severity may vary, the typical revolutionary taxes of 1793-4 follow a pattern. Thus Vernerey's tax, more stringent than Lakanal's, progresses rapidly to double the ordinary contribution. Bo's and Chabot's removes a third of taxable income when it reaches the threshold of "wealth" (10,000 *livres*) and half when it reaches the "supertax" level of 20,000 *livres*. All else being equal, these are orders of magnitude (20, 33, 50 per cent) comparable to scales of taxation not considered inappropriate in modern times, at all events more far-reaching than those conceived by Roland and Vernier, and more in line with Graslin's wilder flights of fancy. They are clearly indicative of the kind of tax policy which might have been pursued after the war, had the Jacobin experiment been allowed to continue.¹¹³

When they arrived in Castres in March 1793, Bo and Chabot declared that they were about to "terminate the Revolution". They and their colleagues promised the poor that they were at long last to inherit the earth and receive as their due the surplus

(n. 112 cont.)

protection sociale en l'an II: l'exemple des représentants en mission dans le centre et le sud-ouest", *ibid.*, pp. 155-72.

¹¹³ Gomel, *Histoire financière de la Législative et de la Convention*, i, p. 490; Marion, *Histoire financière de la France*, iii, pp. 173-206; C. Lucas, *The Structure of the Terror: The Example of Javogues and the Loire* (Oxford, 1973), pp. 89-94, 282-4, 350-86. The progressive rates laid down in the tax laws of 1914-20 are given by Bocquet, *Impôt sur le revenu*, pp. 560-2. The income-tax rates applicable in France in 1991 comprise thirteen categories from 0 per cent (exemption), through 24 per cent (income bracket 45,660-57,320 francs), 33.6 per cent (69,370-80,030 francs), to a top rate of 56.8 per cent (annual incomes of 246,770 francs and above): C. S. Bobbett and J. Kesti, *European Tax Handbook, 1991* (Amsterdam, 1991), pp. 95-6.

wealth of the rich. Affluence, they explained, was to be “popularized” and the “errors of fortune” corrected. Yet in the event, this was a far cry from distributive justice of a fundamental kind. In the carefully weighed words of Jeanbon Saint-André, the Protestant pastor from Montauban and radical Montagnard, they were building a society not without rich or poor, but one in which there would “no longer be rich men who are excessively rich, nor poor men who are excessively poor”.¹¹⁴

CONCLUSION

With the fall of Robespierre on 9 Thermidor (26 July 1794), progressive taxation went into partial eclipse. Its long period of favour, which had taken it from crude Plutarchian chronicle to Rousseauist theory and revolutionary practice, was over. Some of its more moderate proponents remained unrepentant, especially Vernier and Ramel who during the Directory were still concocting progressive schemes under different names, such as the “graded” systems of the Forced Loans of 1795–9, which still grouped taxpayers according to their “abilities”.¹¹⁵ But henceforth the establishment as a whole fought shy of graduation under any guise, irremediably tainted as it was by the stigma of Jacobinism.

It is one of the paradoxes of history that precisely when progressive taxation became disreputable in France it found favour in England, with the government of France’s most implacable foe. The Triple Assessment of 1798 and the General Income Tax introduced by Pitt a year later both comprised a moderate but fairly sophisticated form of progression, with exemptions for incomes below £60, graduation between £60 and £200 (5 to 10 per cent of income), a flat 10 per cent for all incomes above £200, and tax allowances for families with four or more children.¹¹⁶

¹¹⁴ Jeanbon Saint-André, *Sur l’éducation nationale* (Dec. 1792), Bibliothèque Nationale, 8° Le³⁸ 2259; Lévy-Schneider, *Jeanbon Saint-André*, i, *passim*.

¹¹⁵ The loan of the Year IV (8 December 1795) divided taxpayers into sixteen classes according to wealth, from 50 *livres* to 6,000 *livres*, personal taxation being now labelled sumptuary rather than progressive. The loan of the Year VII (6 August 1799) triggered the crisis which was to lead to the *coup d’état* of 18 Brumaire (9 November 1799). During the Consulate and Empire, indirect taxes were favoured: Marion, *Histoire financière de la France*, iii, pp. 413–15; Seligman, *Impôt progressif*, pp. 33–6; Moreau, *Impôt global et progressif*, pp. 161–2.

¹¹⁶ *Select Committee on the Income and Property Tax, 1851–2* (facsimile edn., Shannon, 1968), Report of 1852, pp. 1–5; *The Acts Relating to the Income Tax*, ed. S. Dowell and J. E. Piper, 8th edn. (London, 1919); Seligman, *Impôt progressif*, pp. 38–40; cf. n. 6 above on graduated poll-taxes.

While some welcomed the innovatory nature of this enactment, others detected the thin end of the wedge and feared a levelling exercise on the French model. During the parliamentary debate of 1799, Lord Auckland predicted that the graduated tax “would be contrary to all the safety and rights of property”, it would be “worthy only of the French Council of Five Hundred” and “it would amount to neither more nor less than the introduction of a plan for equalizing fortunes”.¹¹⁷

Lord Auckland may have been over-reacting, but events in France at least seemed to bear out his apprehensions. The fact that the followers of Babeuf commandeered *l'impôt progressif* to their own ends made it not just suspect, but subversive. Babeuf himself had begun his political career not as a champion of land reform but as a fiscal rebel, loudly rejecting indirect taxes such as the old *aides* and *gabelles* which were not in proportion to the taxpayers' means,¹¹⁸ though later he grew to have doubts about the relevance of progressive taxation to his vision of a true society of equals. When his supporters, however, forcefully took up the Babouvist cause in the changed circumstances of the restored monarchy, they found the burden of taxation once again weighed heavily against the poor. The events of 1830 led Buonarroti to hope that under the liberal Orleanist regime fiscal justice, like universal suffrage, might gain wider acceptance.¹¹⁹

Not surprisingly French bourgeois opinion now considered pro-

¹¹⁷ W. Eden (Baron Auckland), *The Substance of a Speech Made in the House of Peers, 8th of January 1799, on the Third Reading of the "Bill for Granting Certain Duties upon Income"* (London, 1799), p. 25; Seligman, *Impôt progressif*, p. 135.

¹¹⁸ From January to May 1790: see V. Daline, *Gracchus Babeuf à la veille et pendant la Grande Révolution française (1785-1794)* (Moscow, 1976), pp. 203-27; F. Wartelle, “La lutte contre les aides et gabelles”, in B. Vinot (ed.), *Colloque grandes figures de la Révolution française en Picardie: Blérancourt, 17-18 juin 1989* (Chauny, 1990), pp. 241-55.

¹¹⁹ P. Buonarroti, *Conspiration pour l'égalité dite de Babeuf*, 2 vols. (Brussels, 1828), i, pp. 25-7, 81, 86; ii, pp. 65-72; P. Buonarroti, *Observations sur Maximilien Robespierre*, ed. C. Vellay (Chalon-sur-Saône, 1912), pp. 1-13; G. Lefebvre, introduction to Buonarroti, *Conspiration*, ed. R. Brécy and A. Soboul, 2 vols. (Paris, 1957 edn.), i, pp. 7-16; Galante-Garrone, *Philippe Buonarroti et les révolutionnaires*, pp. 61, 187-90, 271-4. Graduation now divided political thinkers on “party” lines. Thus, while Jeremy Bentham considered poll-taxes to be “misseated”, the Saint-Simonians opted for the principle of quid pro quo, both in the case of income tax (for example, Decourdemanche in 1831, Cabet in 1845) and inheritance duty. J. S. Mill, who opposed graduation when applied to income tax, found it “quite unobjectionable” when applied to legacy and inheritance duties (cf. n. 4 above): J. Bentham, “Principles of the Civil Code”, in *Collected Works*, ed. J. Bowring, 11 vols. (Edinburgh, 1843), i, p. 319; Mill, *Principles of Political Economy*, ii, p. 356; Seligman, *Impôt progressif*, pp. 134, 236-42; Suret, *Impôt progressif*, pp. 153, 175, 245, 444, 504-5.

gressive taxation synonymous with extreme socialism. Marx and Engels included it in their *Manifesto* of 1848, curiously in second position after the abolition of private property; but, as Engels explained in his *Principles of Communism*, it belonged to the transitional stage of constitutional democracy which was to usher in the proletarian revolution, after which, like sumptuary taxes on consumable commodities, it was destined to become redundant.¹²⁰ Its utility was thus confined to the capitalist system. The same reasoning prompted Marx to reproach Boisguilbert for having failed to recognize that the root cause of poverty in France under the *ancien régime* was private property, not arbitrary taxation.¹²¹

The inbuilt redundancy of progressive taxation in the communist perspective relegated it to a sort of limbo, for neither did it square with Guizot's vision of endless industrial growth and unbridled capitalism. The democratic levellers of the short-lived Second Republic, who tried in vain to "introduce into the fiscal system the principles of equity and distributive justice",¹²² were not only at odds with the vested interests of the business class, they were in a sense victims of this ambiguity. Nobody seemed to know what endorsement of the progressive principle entailed, and nothing instils greater anxiety than the unknown. Added to which, left-wing historians were to dismiss the social and economic changes wrought by the eighteenth century as "individualistic and egalitarian" rather than "modern", branding Montesquieu a "feudal liberal" and Rousseau a "retrograde utopian", compared with whom Morelly and, soon, the curé Meslier were to stand out as visionaries born before their time.¹²³

¹²⁰ *Birth of the Communist Manifesto*, ed. David J. Struik (New York, 1971), p. 111. The "Principles of Communism" were drafted in October 1847: *ibid.*, p. 181.

¹²¹ Van Dyke Roberts, *Boisguilbert*, p. 166; Molinier, *Métamorphoses*, pp. 18-20.

¹²² These were the words used by Finance minister Goudchaux in 1849 to describe his tax bill, as recorded by Esquirou de Parieu, the *rapporteur* of the select committee in the Constituent Assembly: Esquirou de Parieu, *Histoire des impôts généraux sur la propriété et le revenu* (Paris, 1856), p. 306. Despite the decree of 29 February 1848 promising a "more equitable distribution of public contributions", the republicans resigned themselves to a partial income-tax scheme from which the progressive concept was explicitly excluded by the new constitution. The British, meanwhile, had re-enacted income tax in 1842 (it had been suspended in 1816) but this time without graduation, which was only reintroduced in a simplified format in 1853. R. Schnerb, "Les hommes de 1848 et l'impôt", *1848 et les révolutions du XIXe siècle*, clxxvi (1947), pp. 5-51; Marion, *Histoire financière de la France*, v, p. 281; Moreau, *Impôt global et progressif*, pp. 163-7.

¹²³ In 1841 the former Fourierist F. Villegardelle published a new edition of Morelly's *Code de la Nature* (first published anonymously in Amsterdam in 1755): see F. Villegardelle, *Histoire des idées sociales avant la Révolution* (Paris, 1846); A. du

(cont. on p. 124)

Notwithstanding these mixed feelings, the fact that progressive taxation was very slowly to regain public confidence during the Third Republic and was to be institutionalized in our own times reinforces the relevance of eighteenth-century thinking on the subject. The reasons given by Jean Jaurès in 1896 for predicting that the “sheer logic” of graduation would in time extend its application to all areas of modern taxation,¹²⁴ are the very same reasons that Jaucourt and Graslin, or Condorcet and Robespierre found compelling. Since the Robespierrists, for their part, believed in freedom of enterprise and security of tenure, but wished to extend these benefits to all without exclusion, they staunchly resisted both the unlimited acquisition of private property and the equal division of the land.¹²⁵ Progressive taxation became in their eyes the “democratic alternative”, hence their insistence that it be enshrined, alongside the right of ownership and the right to social welfare, in the amended Declaration of the Rights of Man.

The difficult lesson passed on to the French Revolution by both Montesquieu and Rousseau was that, although liberty and equality appear to be at odds, the art of wise government must be, not to promote one at the expense of the other, but to ensure

(n. 123 cont.)

Roy, *Principes de la Révolution française considérés comme principes générateurs du socialisme et du communisme* (Lyons, 1851); C. de Bussy, *Histoire et réfutation du socialisme depuis l'antiquité jusqu'à nos jours* (Paris, 1859). The curé Meslier's *Mémoire* (written after 1723) was first published in its entirety in 1864: S. Deruette, “Sur le curé Meslier, précurseur du matérialisme”, *Annales historiques de la Révolution française*, lvii (1985), p. 411. The “socialist” view of Montesquieu and Rousseau is best illustrated by Lichtenberger, *Socialisme au XVIIIe siècle*. The debate on “Rousseau the socialist” still continues: J.-P. Hirsch, “Pensons la Révolution française”, review article of F. Furet's *Penser la Révolution française* (Paris, 1976), in *Annales E.S.C.*, xxxv (1980), p. 327.

¹²⁴ 21 Mar 1896: Marion, *Histoire financière de la France*, vi, p. 193; cf. Jaurès on the Rouvier bill, 29 Nov. 1904: Suret, *Impôt progressif*, p. 512; cf. M. Agulhon, *La République de 1880 à nos jours* (Paris, 1990), pp. 78-9.

¹²⁵ The reference to Adam Smith was a constant among many in the Convention who were to side with the Montagne, for example J.-B. Féraud (16 November 1792), but also with Saint-Just (29 November 1792) and Robespierre (2 December 1792). Moreover, in spite of demands for radical agrarian reform from a number of hard-liners (Jones, “Agrarian Law”, pp. 112, 131), the majority of Montagnards were keenly aware of the legal obstacles to the wholesale redistribution of land, as the text of the 1793 Declaration of Rights makes clear. Recent research on the Ventôse Laws appears to confirm George Lefebvre's contention that the Robespierrists ruled out expropriation in their programme of government: G. Lefebvre, *Questions agraires au temps de la Terreur* (Paris, 1954), p. 57; J.-P. Gross, “Note sur la portée des décrets de ventôse dans le centre et le sud-ouest”, *Annales historiques de la Révolution française*, cclxxv (1989), pp. 16-25.

that the two coexist in harmony. Modern thinkers such as John Rawls are still wrestling with the same basic dilemma.¹²⁶ For rugged individualism, with its emphasis on *laissez-faire* and minimum personal sacrifice, tends to thrive at the expense of the disadvantaged; but conversely, the collective needs of the community may serve as an excuse for the state to make “odious” inroads, as Smith rightly predicted, into the freedom of individuals. The opinion that developed in eighteenth-century France was that acquiescence to taxation, that is to an infringement of liberty in the interest of greater equality, was an exercise in fraternity.¹²⁷ Solon’s, or rather Dacier’s, description of tax as a “contribution” presupposed it to be a voluntary, mutually agreed operation, not a grudging submission to coercion. Provided the tax was approved by their elected representatives and the burden of taxation perceived to be fairly distributed, civic-minded taxpayers in general were expected to give it their consent and contribute in the process to the “common happiness”.¹²⁸

As Voltaire had written in 1764, “it is not inequality which is a real misfortune, it is dependence”.¹²⁹ If the line was to be drawn not between poverty and wealth, but between dependence and independence, then the end-effect of “redistribution” might well turn out to be equality of opportunity. It was this perception and fond hope combined that helped forge a consensus between liberal and radical reformers, first among the *philosophes* and later among the revolutionaries. The fact that many Constituents and the majority of Girondins and Montagnards were to see eye to eye on this issue, before falling out on other matters, is indicative of the strength of the consensus. There is a social continuum here, unmatched by events on the political front, but which helps underscore the practical relevance of the Enlightenment to the progress of the Revolution from 1789 to 1794. It contradicts Marx’s contention that “eighteenth-century thinking, in social

¹²⁶ J. Rawls, *A Theory of Justice* (Oxford, 1972), pp. 11–29; see also N. Hampson, *Will and Circumstance: Montesquieu, Rousseau and the French Revolution* (London, 1983); J. Baechler, *Démocraties* (Paris, 1985).

¹²⁷ M. David, *Fraternité et Révolution française, 1789–1799* (Paris, 1987), pp. 107–97; cf. the “close-knitness” and “difference” principles, as expressed in Rawls, *Theory of Justice*, pp. 82, 94, 102–6, 135–6.

¹²⁸ “The aim of society is the common happiness”: Article 1 of the 1793 Declaration of Rights, in *Déclarations des droits de l’homme*, ed. Jaume, p. 299.

¹²⁹ Voltaire, “Egalité”, in *Dictionnaire philosophique*, ed. R. Etiemble, R. Naves and J. Benda (Paris, 1967), p. 176.

terms, was idealistic".¹³⁰ It also reflects the coalition of interest that aligned the provincial lawyers and administrators who made up the new governing class against the propertied and commercial classes unified by money interests, as the slogan "Make the rich pay" illustrates: the *gens à talents* at odds with the *gens d'affaires*. Suret, writing in 1910, was to describe progressive income tax as a defensive reflex of the lower middle classes: "il fait partie du système défensif de la petite bourgeoisie contre la grande".¹³¹ The fact that fraternity prevailed and antagonism of this type was ultimately overcome, may well indicate that "fair taxation", as the Age of Reason came to understand it, can today provide both a rampart against the resurgence of the arbitrary fiscal practices of times past and a viable alternative to social justice of the modern totalitarian kind.

Jean-Pierre Gross

¹³⁰ J. L. Lecercle, "Rousseau et Marx", in Leigh (ed.), *Rousseau after Two Hundred Years*, p. 67.

¹³¹ Suret, *Impôt progressif*, p. 510.