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Taxation as a Cause of the French Revolution: Setting the Record Straight

Introduction

”The French Revolution has become a modern fable written and rewritten for people who imagine they already know the story even before they have read it,” wrote historian J.M. Boshier in 1988¹. A core part of that fable goes as follows: a primary cause of the Revolution was onerous taxation of the commoners – primarily the peasantry – because the clergy and nobility were exempt. However, despite “a virtual rebirth of eighteenth-century political history”² and the work of economic historians such as Mathias, O’Brien, Kwass, White, Morineau, and others, “virtually all textbooks and most historians still subscribe to Marcel Marion’s interpretation ... which is that The Old Regime ... perished because its tax system struck only the inferior classes”³ and that those taxes were oppressively high. Norberg made this observation in 1994, yet it still holds true in large part today. However, in reality, the clergy paid substantial sums in lieu of tax payments, the nobility was only partially exempt, and taxes seem not to have been nearly as onerous as the fable goes, even on the peasantry. There is no question that taxation played a primary role in the Revolution, but it was largely for other reasons than the “common wisdom”. What the royal subjects of *every* social class appear to have passionately hated – far more than tax rates, onerous or not – was an inconsistent, arbitrary, byzantine, system plagued with incompetence and abuse of both taxpayers and the system itself.

¹ John Boshier, *The French Revolution* (New York: Norton, 1988), ix.

² Kathryn Norberg, “The French Fiscal Crisis of 1788 and the Financial Origins of the Revolution of 1789”, in *Fiscal Crises, Liberty and Representative Government, 1450–1789*, edited by Philip Hoffman and Kathryn Norberg (Stanford, CA: Stanford University Press, 1994), 256.

³ *Ibidem*.

A wealth of research in recent decades in particular has brought these issues to light; yet the findings are still not consistently reflected in the general literature. Perhaps the wealth of research both old and new has produced as much confusion as clarity. However, regardless of the reason, the continued portrayal of an inaccurate “common wisdom” indicates a clear need for additional mainstream, holistic coverage of the reasons why the French royal subjects of all social classes so hated the pre-Revolution tax system and why the system could not and did not change these newer views in order that the frequently-presented “common wisdom” of the role of taxation in the French Revolution will move towards a fuller presentation of its complex and fascinating reality. That is the goal of this paper.

Two caveats should be mentioned. First, it is not the intent of this paper to address every issue relating to taxation in the pre-Revolutionary years; that would be a lengthy work indeed. Second, it is not the intent of this paper to minimize the breathtaking sweep of political, social, intellectual, religious, economic, and even climatic factors that also created an environment ripe for revolutionary discourse and action. Rather, it is to shine a light on the tax influences that were part of a perfect storm that changed the course of a country.

Demographic and social class characteristics

Of a population estimated between 24 and 28 million immediately preceding the Revolution, there were perhaps 100,000 members of the clergy (First Estate), 400,000 nobles (Second Estate) and all the rest commoners (Third Estate)⁴. None of the three classes was nearly as homogenous in terms of wealth or income as is generally portrayed.

With respect to the clergy, the greatest share of the income went to the bishops and other “princes of the Church”⁵ while half of the total encountered “real hardship”⁶. Likewise, contrary to popular belief, nobles were not all wealthy. The 4,000 or so nobles at Versailles lived sumptuously, “yet some members of the upper nobility were ruined by this way of life, since the best part of their income was needed to maintain their social position”⁷ In contrast, “poor rural nobility lived among their peasants and often shared the same hardships”⁸. Forbidden

⁴ Georges Lefebvre, *The Coming of the French Revolution*, trans. RR Palmer (New Jersey: Princeton University Press, 1975), 7.

⁵ Alfred Soboul, *The French Revolution, 1787-1799: From the Storming of the Bastille to Napoleon*, trans. Alan Forrest and Colin Jones (London: Unwin Hyman, 1989), 41.

⁶ *Ibidem*.

⁷ *Ibidem*, 36.

⁸ *Ibidem*.

to do manual work and having to rely on fixed feudal dues from peasants, “many of the provincial nobles vegetated in their dilapidated manor-houses”⁹.

The Third Estate was also an extremely heterogeneous group. In part, it comprised the bourgeoisie – the financiers, real estate investors, artisans, merchants, teachers, notaries, lawyers and magistrates that had not yet bought their way into the noble class, among others. These middle and upper classes were generally, but not all, city dwellers. They represented a minority of the Third Estate, since most inhabitants of France were farmers and small artisans, with 22.8 million people living in localities of under 2,000 inhabitants¹⁰.

Contrary to the “conventional picture of a peasant mass oppressed by landlords”¹¹ the great majority of eighteenth-century French peasants had been free of medieval serfdom for many generations and owned a portion of the country’s land that varied from perhaps 10–20% where the church was powerful up to as much as 90% in other areas¹². And although “the ‘legend’ of the destitute French peasant lives on,”¹³ some peasants were quite well off, although a preponderance of their plots were too small to support a family¹⁴. However, in most regions, these peasants were able to supplement their income in a wide variety of ways. Some became day laborers, while others took up an additional trade or worked in rural industries run by merchants¹⁵. Others supplemented their agriculture “by activities such as spinning and weaving partly for home use and partly for sale”¹⁶ or, in the multitude of wine-growing regions, by vineyard work. Yet others participated in seasonal or temporary migration. For example, “several hundreds of thousands of men would leave the high mountains of the Massif Central, the Alps and the Pyrénées each year to work as labourers in the surrounding lowlands”¹⁷. Most of peasants who did not own land leased it from noble proprietors.

Tax structure and burden

Until the French Revolution, the French were subject in varying degrees to levies from three main sources: the king, the church and the lord of the land.

⁹ *Ibidem*.

¹⁰ Emmanuel Le Roy Ladurie, *The French Peasantry, 1450–1660*, trans. Alan Sheridan (Berkeley: University of California Press, 1987), 402.

¹¹ Boshier, *The French Revolution*, 13.

¹² Annie Moulin, *Peasantry and Society in France since 1789*, trans. MC and MF Cleary. (Cambridge: Cambridge University Press, 1991), 12.

¹³ Norberg, 263.

¹⁴ Boshier, *The French Revolution*, 7.

¹⁵ Georges Lefebvre, *The French Revolution from its Origins to 1793* (New York: Columbia University Press, 1962), 47.

¹⁶ Boshier, *The French Revolution*, 23.

¹⁷ Moulin, 15.

And the system of tax assessment, collection and remittance to the king was, in short, a disaster. The fiscal system seemed to most people to be “both a mystery and accountable to no one,”¹⁸ had complexities that “almost defy description,”¹⁹ was rarely levied according to the principles set forth in decrees, and had rates and enforcement that varied wildly from one area of the country to another. For example, average per capita direct taxation differed by as much as 400 percent between parts of Brittany and parts of Guyenne²⁰ and the *gabelle* – the infamous salt tax – varied from zero in some places to 10 times the price of the salt in others²¹.

The primary direct taxes of the Ancien Régime were the *taille*, the *capitation*, and the *vingtième* (which was preceded by the *dixième*). The *taille*, a tax originating in the early Middle Ages, represented about 45% of direct tax receipts at the time of the Revolution²². Nobles were exempt by law and the clergy had purchased exemption by virtue of substantial “donations” as explained below. The *taille* was in theory a tax on various measures of income and/or wealth (notably land), depending on the area of France. However, in practice, the king’s representatives assigned a flat amount to each parish, where the tax was often apportioned among parishioners based on what was at best a rough estimate of each household’s ability to pay, taking the prescribed measure of the tax only inconsistently into account. In many cases, it amounted to no more than an arbitrary tax. In the late 1600s, after a famine severely undermined revenues from the *taille*, the monarchy enacted the *capitation*, the first royal tax universally applicable (in theory) to all three social orders. Quickly thereafter, the church negotiated an annual payment in lieu of the tax, a number of others were exempt due to offices they held, “and the king’s administrators soon found it easier to assign each community a lump sum”²³ as was done for the *taille*. This process bypassed the *capitation* tax rules as written, which designated 22 social classes and applicable tax rates for each. In 1710, a second universal tax was enacted, the *dixième* (theoretically $\frac{1}{10}$ of income), later replaced by another, the *vingtième* ($\frac{1}{20}$ of income). The *vingtième* was in theory levied on income from industry, offices and land²⁴

¹⁸ Donald M.G. Sutherland, *The French Revolution and Empire: The Quest for a Civic Order* (Malden, MA: Blackwell Publishing, 2003), 18.

¹⁹ Philip Hoffman, “Early Modern France, 1450–1700”, in *Fiscal Crises, Liberty and Representative Government, 1450–1789*, edited by Philip Hoffman and Kathryn Norberg (Stanford: Stanford University Press, 1994), 230.

²⁰ Peter M. Jones, *The Peasantry in the French Revolution* (Cambridge: Cambridge University Press, 1988) 41.

²¹ *Idem*, *Reform and Revolution in France: The Politics of Transition, 1774–1791* (Cambridge: Cambridge University Press, 1995), 93.

²² Michael Kwass, *Privilege and the Politics of Taxation in Eighteenth-Century France: Liberté, Egalité, Fiscalité* (Cambridge: Cambridge University Press, 2000), 68.

²³ Christian Morrisson and Wayne Snyder, “The income inequality of France in historical perspective”, *European Review of Economic History*, 4 (2000): 62.

²⁴ Kwass, 89.

although in practice the tax was often levied simply as an addition to the *capitation*. The bulk of the tax came from landowners, both noble and commoner. Landowners in an area of the country called the *pays d'état* made periodic lump sum payments (*abonnements*) in lieu of part or all of the tax. Finally, the *corvée* was a form of unpaid labor required by commoners to service both royal roads and those of more local seigneurs.

In addition to the royal direct taxes, the church and lords of the land also took their often-significant measure. The *tithe* ("*dîme*") was the portion of grains, certain animal products and other agricultural yields that all landowners – including clergy owning personal estates²⁵ – were required to pay to the church. *Seigneurial* dues were another obligation that, in effect, was a tax. Peasants in the eighteenth century could own land but, in a remnant of feudalism, did not have the right to *use* it – planting, harvesting, buying or selling it, or even using machinery on it – without paying a lord²⁶. To obtain that permission, a peasant landowner had to make payments to the lord in the form of seigneurial dues. Lords entitled to these dues included not only nobles, but also bourgeois landowners and religious houses.

Indirect taxes comprised, on average, almost half of tax revenues between 1662 and 1773²⁷, primarily²⁸ from levies on alcoholic beverages (one of the *aides*), salt (the *gabelle*) and tobacco (the *tabac*). All royal subjects were generally subject to these taxes, although the nobility and clergy had limited exemptions from the *aides* and there were widespread exemptions from the *gabelle*, particularly for those with influence. However, as with the direct taxes, the incidence and rate of taxation varied wildly from area to area. The *gabelle* – one of the most hated taxes of the Ancient Regime and one of the most lucrative for both the government and the private company that collected it – is described in more detail below. The *aides* included a wide range of taxes. The most valuable in terms of revenue was the tax on wine and the wine trade, followed by *octrois* (tolls to enter certain towns, the most important of which were the entries to Paris.) The *traites* included customs levies on import/export with other countries and goods moving between the many internal borders of the country, as well as river, bridge and road tolls. There were also many other taxes, including registry taxes, which were sometimes quite significant, plus lesser sales and excise taxes, town duties and other levies.

²⁵ Soboul, 39.

²⁶ Gregory Brown, *Cultures in Conflict: The French Revolution* (Westport, CT: Greenwood Press, 2003), 31–32.

²⁷ Noel D. Johnson, "Banking on the King: The Evolution of the Royal Revenue Farms in Old Regime France", *Journal of Economic History*, Vol. 66, no. 4 (December 2006): 967.

²⁸ *Ibidem*, 969. Probably 70% of indirect tax receipts were from these three levies, according to Peter Mathias and Patrick O'Brien, "Taxation in Britain and France, 1715–1810. A Comparison of the Social and Economic Incidence of Taxes Collected for the Central Governments", *The Journal of European Economic History*, Vol. 5, 1976 (3): 632.

Onerous taxation?

That anger about taxes was a factor in the Revolution is not in doubt. Taxes were among the chief complaints in the *cahiers de doléances*, the lists of grievances prepared by the three Estates in preparation for the May 1789 meeting of the Estates General that had been set by the king the previous year in the face of the worsening budget crisis. And in 1790, the tax committee of the new Constituent Assembly “was so repulsed by the system of taxation that it not only recommended the creation of an entirely new tax system but suggested, in addition, that the very word for tax, *impôt*, ‘disappear from our language.’”²⁹ However, this repulsion was not just on the part of the peasants; taxes were the top complaint of all three classes in the *cahiers de doléances*³⁰.

Clergy and nobility. There is no doubt, even in light of modern analyses, that the clergy and nobility faced far lighter obligations to the state than those of the Third Estate. However, both of the former made payments to the state. The nobility in particular felt the pinch of royal taxation as the monarchy enacted, then later attempted to better enforce, universal taxation and increase the rates on these taxes. Until the late 1600s, the clergy was exempt from all direct taxes. However, they were not exempt from threats by the king to reduce or eliminate that privilege and there is a long record of “voluntary” payments by the clergy to the monarchy whenever the king raised the specter of royal taxation. Many of these payments were enormous. To finance these voluntary “gifts” and other payments, the church levied internal assessments on its members. Thus, according to Kwass³¹, the clergy “did in fact experience forms of taxation that loosely paralleled royal taxation”. The clergy was originally subject to the universal *capitation* that had been enacted in the late 1600s but in 1710 the clergy paid a huge sum in return for permanent exemption. The clergy likewise “arranged” exemptions from two subsequently enacted taxes also originally intended to be universal, the *dixième* and the *vingtième*, though, as indicated, they paid substantial sums in lieu of these taxes as well.

The nobility did not have a blanket tax exemption. For the most part, they were subject to the many indirect taxes, although they had formal exemptions from parts of the wine tax and various individual exemptions from the *gabelle* gained by personal influence. Nobles were exempt from two direct taxes – the *taille* and the *corvée* – and exemption from the *taille* was a major privilege for most (although in some regions, nobles were subject to the *taille* on certain land). However, the nobility was subject to the *capitation*, the *dixième* and the *vingtième*,

²⁹ Kwass, 1.

³⁰ Gilbert Shapiro and John Markoff, *Revolutionary Demands: A Content Analysis of the Cahiers de Doléances of 1789* (Stanford, CA: Stanford University Press, 1998), 276, 277, 387.

³¹ Kwass, 112.

although efforts to actually assess these taxes on them often fell short. For example, the *capitation* rolls were usually prepared simply as an additional column of the *taille* rolls³² and because the nobles were not subject to the *taille*, assessors would have had to take the time and trouble to create new lists, which apparently they were often wont to do. Nobles were less able to avoid the *vingtième*, which became a bigger burden over time, especially after 1771 when a new finance minister ordered the verification of the tax rolls of the *vingtième*, “a procedure that significantly increased the tax assessments of the landed elite”³³. Even with the numerous ways that many nobles managed to avoid or minimize the universal taxes, “it is no exaggeration to suppose that on average the nobility paid a direct equal to between 10 and 12 percent of their income”³⁴. Even without clear empirical evidence, one can surmise this was less than many commoners paid, yet in the *cahiers de doléances*, the nobles complained about taxes as loudly as the commoners (though many believe this was partly a smokescreen to limit efforts to increase their taxes).

Third Estate. By any reckoning, taxes fell most heavily on the Third Estate simply because they were the only group subject to the *taille*. “Excise taxes or aides weighed more heavily upon townspeople than rural folk”³⁵ but the burden of the *taille* fell disproportionately on the rural masses of peasants due to the staggering number of exemptions for others. These included, among others: many professions and trades, a massive variety of municipal and royal officials across the kingdom, plus even whole cities, granted exemption either by royal decree or by purchasing that exemption for a fee. This burden was felt even more sharply by the peasants because neither the *taille* nor the other direct taxes were very progressive in practice and because most country dwellers lacked the money or power to manipulate the other direct taxes as easily as the nobles or the wealthy bourgeois.

Yet were these burdens sky high, as common wisdom has it? It is difficult to draw global conclusions since tax rates and methods of assessment for every tax varied dramatically from one area to another. Even at a local level, however, trying to glean empirical evidence from tax rolls is a rocky proposition. Many records no longer exist (e.g., many municipal offices were torched by the peasants during the Revolution), most tax rolls show assessments without corresponding income or wealth, and they do not show³⁶ the amount that tax collectors

³² Jean Villain, *Le Recouvrement des Impôts Directs Sous l'Ancien Régime* (Geneva: Slatkin Reprints, 1992), 172.

³³ Gail Bossenga, “Financial Origins of the French Revolution”, in *From Deficit to Deluge: The Origins of the French Revolution*, edited by Thomas Kaiser and Dale Van Kley (Stanford, CA: Stanford University Press, 2010), 53.

³⁴ Joël Félix, “The Financial Origins of the French Revolution”, in *The Origins of the French Revolution*, edited by Peter Robert Campbell (Hampshire UK; New York: Palgrave Macmillan, 2006), 47.

³⁵ Norberg, 258.

³⁶ Kwass, 66.

were actually able to collect or any reductions in assessments granted to taxpayers. It is also impossible to know if or how in kind sources of income or wealth were taken into account. For example, peasants presumably consumed a large proportion of their own production and tax rolls do not indicate whether own-consumption of food was considered when taxes were assigned³⁷. Likewise, other types of workers had significant income in-kind that makes accurate income determination impossible, such as domestic workers who were housed and fed at their place of work³⁸. According to Moulin, “Pierre de Saint-Jacob has argued for a figure of around 10 per cent to 15 per cent of farm revenue being paid in direct taxes. In the Auvergne, according to Abel Pointrineau, the amount paid varied from 12 per cent to 22 per cent of revenue”³⁹. One study of the few remaining tax rolls in northern France⁴⁰ reports that taxation weighed less heavily on the villagers as the eighteenth century advanced and that, by 1744, for weaving families, the tax rate had fallen from 15 per cent to 5 per cent. However, those figures do not tell us of the villagers’ feudal dues, tithes or indirect tax burden, nor do they address tax rates after 1744, although Vardi notes that in the village, “to the end of the Old Regime direct taxation continued to weigh lightly on the poor”.

Nevertheless, the view of the crushing tax burden of the peasant has been challenged in recent years based on more aggregate data. Norberg⁴¹ posits that “in fact, the French peasant of 1788 was probably less troubled by the royal fisc than had been his great great grandfather of 1688,” a view supported by Kwass and others. Jones⁴² noted that on the eve of the Revolution, the French peasantry had “the conviction, if not the statistical evidence, that they had never been so highly taxed”. If their tax burden was less crushing than commonly believed, from where did that conviction come?

Inequity, influence, inefficiency, incompetence

That conviction is likely to have come in large part from the fact that during the crisis of 1788–89, food prices skyrocketed and purchasing power plummeted. However, by then people of every class and every region – regardless of their statistical tax burden – had had enough of the many injustices and abuses of tax assessment and collection.

³⁷ Morrisson and Snyder, 63.

³⁸ *Ibidem*.

³⁹ Moulin, 15.

⁴⁰ Liana Vardi, *The Land and the Loom: Peasants and Profit in Northern France, 1680–1800* (Durham, NC: Duke University Press, 1993), 41.

⁴¹ Norberg, 263.

⁴² Jones (1988), 42.

For the clergy, the internal assessments made to finance their “voluntary” contributions to the state appear to have been progressive, at least on paper. However, the rates were applied to self-declared statements of income that were frequently falsified by holders of the most lucrative positions⁴³. Many rural nobles did not have the money or influence to undermine the system as did their well-off urban brethren. Commoners in the city resented the indirect taxes they had to pay, such as the *octroi* and customs duties on numerous items brought into the city, while peasants resented tax exemptions of their city-dwelling compatriots.

There were also breathtaking disparities in the way any given tax was assessed from one place to another as well as wild variations in rate, as indicated above. In addition, for many taxes there was an incoherent array of exemptions – largely accruing to the powerful and wealthy, whether noble or commoner.

The *taille*, on paper, was supposed to be calculated (depending on region) on the amount of an individual’s taxable income or land. However, in practice, a flat amount per parish was apportioned among parishioners by a collector who “attempted to estimate the ability of his neighbors to pay, working without accurate information as to the real economic condition of his fellow parishioners”⁴⁴. This arbitrariness carried over to assessment of the universal taxes as well. In a great many parishes, the job of tax collector fell to the unlucky soul, chosen from his peers, “...who was often ignorant and generally harassed by all the pressures of neighborhood jealousy and intrigue ... [He was] in theory elected to his office by the inhabitants of his parish, but ...in fact was most often simply designated by the intendant”⁴⁵. In other parishes:

”...[T]he job of tax collector ...fell to the richest members of the community or their creatures. The elite could therefore spare themselves and their families and cast a disproportionate burden on the weak or timorous ... They could also see to it that certain parcels of land were discreetly omitted from the *taille* roll...”⁴⁶

However, for the most part, poor and wealthy parishioners alike lived in fear of being selected as a *collecteur*. It was bad enough that the task engendered the resentment of one’s neighbors; far worse was the fact that if the *collecteur* failed to collect the designated amount and turn it over to the royal tax collector, he was personally responsible for the difference. Moreover, if he could not come up with the money, he risked imprisonment⁴⁷. In 1707, Boisguilbert wrote that “there is

⁴³ Kwass, 112.

⁴⁴ George Matthews, *The Royal General Farms in Eighteenth-Century France* (New York: Columbia University Press, 1958), 26–27.

⁴⁵ Matthews, 26.

⁴⁶ Norberg, 259.

⁴⁷ “L’Impôt des Campagnes: Fragile fondement de l’Etat “DIT” modern (XVe–XVIIIe siècle)”, 2005 (Paris: Ministère de l’Economie, des Finances et de l’Industrie, 2005), 59.

not a person, even the most miserable, who would not sell his shirt to be exempt from the servitude of being a tax collector”⁴⁸.

In addition to the many ways that individuals undermined, exempted, avoided and evaded payment, all classes alike – regardless of their tax burden – believed that the royal tax collectors were arbitrary, corrupt and siphoning the flow of tax revenues to the king. And they were largely correct: both direct and indirect tax collection were riddled with abuse and incompetence at every level.

Local officials remitted direct taxes to officials known as Financial Receivers who, in turn, remitted the funds to General Receivers, who in turn were responsible for turning the funds over to the royal treasury. These officeholders were generally not employees appointed based on knowledge of taxation or fiscal matters⁴⁹. They had simply purchased their positions from the king, a practice known as venality that had begun in the 1500s to raise money for the royal coffers. Venal offices amounted to permanent positions since if the king wanted to remove someone from office he would have to give back the money paid to purchase the office. The position also came with right of hereditary succession. “Venality of office permeated nearly all branches of the judicial, civil, and fiscal administration of the old regime. But it took special root in the fiscal and financial services”⁵⁰. Both Financial Receivers and General Receivers were remunerated based on a percentage of funds handled – in itself a ripe temptation in a system with lax controls of any kind.

In addition, the complexity of the fiscal system created further temptation. The General Receivers often did not directly remit funds to the crown; they also managed certain expenditures, which offset the amounts remittable. Among the other complexities of this system, each receiver had his own *caisse* (fund) and there were separate receivers – and *caisses* – for odd and even years⁵¹. The General Receivers also lent their credit and their private money to the king, further muddying the flows and reporting of funds. Moreover, the venal officers often conducted their own separate businesses and frequently these funds were inextricably mixed⁵². In addition, the business of the receivers “was neither inspected nor supervised”⁵³. In the midst of this complexity and lack of control, it was difficult to know how much was going in and out, a fact that was not lost

⁴⁸ Pierre Le Pesant de Boisguilbert PLP (1707), “Le détail de la France sous le regne present; seconde partie (1707)”, 118.

⁴⁹ However, to the extent these hereditary positions were passed from father to son, any acquired familiarity with the work would presumably be passed on as well.

⁵⁰ Matthews, 31.

⁵¹ John Boshier, *French Finances 1770–1795: From Business to Bureaucracy* (Cambridge: Cambridge University Press, 1970), 77.

⁵² Robert Harris, *Necker: Reform Statesman of the Ancien Régime* (Berkeley: University of California Press, 1979), 109–111.

⁵³ Boshier (1970), 11.

on the receivers. “No ... offices offered greater opportunity for profiting from the functions of the office...”⁵⁴.

The Receivers were not the only officeholders resented by taxpayers. In the case of disputes regarding the universal taxes, subjects had to send a petition directly to an *intendant*⁵⁵. These were high level, powerful magistrates recruited by the king from a close, wealthy circle to oversee justice, the police and, in this case, finance. The intendants were the sole and final authority on tax disputes, a power that of itself bred the hostility of all social groups⁵⁶ particularly for those with no influence to peddle.

The primary indirect taxes of the Ancien Regime were generally collected by an organization of private tax collectors known as the *Fermes générales* (General Farms). Tax farming goes back as far as ancient Egypt and Rome, although the French tax farms were the largest in Europe and accounted for well over one third of royal total tax revenues⁵⁷. The *Fermes générales* paid the government a negotiated flat fee in return for the right to collect (and keep the proceeds of) certain taxes. The government benefitted from this arrangement by guaranteed revenue streams and up-front payments and by eliminating the need for a government-run bureaucracy for tax collection. The farmers took on the risk of collection but could make handsome profits if the collections exceeded the rental price of the lease – which made the arrangement ripe for abuse. “Among the institutions of the Ancien Régime that came under attack, the *Fermes Générales* ... was one of the most vilified”⁵⁸. Even a former official in the Farm’s wine tax division spoke out: “The poisonous breath exhaled from the depths of the Hôtel des Fermes spreads across all of France and infects everything. All that is needed is for bread and water to be added to their list and the officials will have tainted all sources of life”⁵⁹.

The tax farmers were hated in part because of the nature of the taxes they collected, and and because taxpayers knew that part of what they paid was not going to the government⁶⁰. The *Fermes*’ perhaps 30,000 agents⁶¹ were often hated because of their often brutal methods of collection (see below). It added further insult to injury to know that the detested employees of the *Fermes générales* were exempt from the most onerous tax they collected – the *gabelle* – as well as some

⁵⁴ Matthews, 31.

⁵⁵ Kwass, 52.

⁵⁶ Soboul, 87.

⁵⁷ White (2001), 1.

⁵⁸ *Ibidem*.

⁵⁹ Jean-Baptiste Darigrand, “L’Anti-financier ou Relevé de quelques des malversations dont se rendent journellement coupables les Fermiers-Généraux et des vexations qu’ils commettent dans les Provinces” (Amsterdam, 1763), 51, as cited by Eugene White in “From privatized to government-administered tax collection: tax farming in eighteenth-century France”, *Economic History Review*, LVII, 4 (2004): 647.

⁶⁰ Simon Schama, *Citizens: A Chronicle of the French Revolution* (New York: Knopf, 1989), 73.

⁶¹ White (2001), 11.

or all direct taxes on the remuneration earned from that employment. Tax farm employees were also exempt from many city levies and other civil obligations.

The organization of the *Fermes Générales* was also problematic for the health of the treasury and the attitude of taxpayers. Nepotism occurred among the higher functionaries and junior personnel were “even more vulnerable to the effects of favoritism and sheer influence peddling”⁶². At the other end of the hierarchy, “the competence and honesty of the inferior *commis simples* and guards was more than questionable ... the thousands of guards and underling *commis* tended to be drawn from the ‘last class of the people,’ from the least reliable and literate elements of the population”⁶³. According to Matthews, this was largely because of the low pay they earned, and this “ignorance and low pay often entailed callousness and dishonesty...”.

Of all the taxes managed by the *Fermes générales*, the *gabelle* was hated most of all, both in its inconsistent rules and rates (from exempt status to up to 10 times the price of the salt, as indicated above) and in its administration. For salt tax purposes, the country was divided into six major regions, each of which had different rules for assessing and collecting the tax (some areas were exempt), although the rules also varied so significantly within each region that it was “a source of bafflement even to the experts of the General Farms”⁶⁴. The tax was also hated because it was compulsory; households in many regulated areas had to purchase minimum quantities of salt that purportedly corresponded to each household’s average needs, but were often in fact much higher.

Due to the suffocating regulation, salt smuggling was rampant and the *Fermes générales* developed a “rigid system of surveillance and coercion backed by drastic penal codes”. This included unannounced, thorough household searches. Equally vexing were the almost infinite regulations governing the use and disposal of salt. For example, it could not be given as a gift or held over from one year to another and it could only be used for the table and cooking. To use salt to preserve fish or meat, a taxpayer had to obtain written permit from the *grenier* (official salt warehouse) and pay an additional tax, which led to the poor going without meat in winter. In addition, the owners of livestock were forbidden to allow their cattle to drink from the sea or the salt marshes⁶⁵. The penalties for owning contraband salt were severe; the penalties for smuggling it were worse, including torture, prison, and execution.

Finally, it was not only the royal taxes that were offensive. The church’s *tithe* was also widely perceived as abusively levied⁶⁶. There was a huge disparity in rates

⁶² Matthews, 209.

⁶³ *Ibidem*, 214.

⁶⁴ *Ibidem*, 89.

⁶⁵ Theodore Sands and Chester Penn Higby, “France and the Salt Tax”, *Historian* 11:2 (1949): 155, 156.

⁶⁶ Jones (1988), 95.

and a tendency for the church to increase them wherever possible. In addition, there were aggressive attempts to extend the tax to secondary sources such as hay and new agricultural innovations, such as planting maize and clover⁶⁷. Nevertheless:

”From the peasant grievance-lists it is evident that the tithe would have been more willingly paid if the proceeds, instead of going in most cases to bishops, abbey or chapters, or even to lay lords..., had been used, as they should have been, to support public worship, the parish church and parsonage and above all the poor. But the peasant, after paying the tithe, saw most of the expense for such purposes still falling upon himself...”⁶⁸

Seigniorial duties were likewise resented for multiple reasons, including the “mysterious origin of these payments ...and the physical removal of grain from their fields by strangers at the time of the harvest . . .”⁶⁹. as well as fact that peasants had to pay tax on the use of land that was subject to and sometimes damaged by the lord’s hunting and other rights⁷⁰. In addition, the levies were, like virtually all other taxes, levied arbitrarily and often inexplicably. For example, a tax official traveling through France in the late 1780s was “astonished to find nobles enforcing ‘rights and dues’ altogether forgotten”⁷¹.

Failed policies

Countless works have been written on France’s convoluted and almost limitless financial problems in the years preceding the Revolution. Countless works have also been written on what the monarchy might have done to solve the chronic deficits, but two notable points relevant to the present paper stand out. First, the country needed more tax revenues. In the minds of some, “technically, the crisis was easy to meet: all that was necessary was to make everyone pay”⁷². But what may have been easy in theory proved impossible in fact because of the inflexibility of both the tax structure itself and the collection system. All social classes resisted efforts to tax them further. Even when they began to acknowledge the need accept more taxation, they could not agree upon terms by which they would be willing to do so. Also, reform of the system would have required – among myriad other innovations – massive changes to the structure of the tax collection system, which the king felt unable to make. For example, already facing financial

⁶⁷ *Ibidem*.

⁶⁸ Lefebvre (1975), 134–135.

⁶⁹ Robert Palmer, “Georges Lefebvre: The Peasants and the French Revolution”, *The Journal of Modern History*, 31:4 (1959): 339.

⁷⁰ Lefebvre (1975), 139.

⁷¹ Peter McPhee, *The French Revolution, 1789–1799* (Oxford: Oxford University Press, 2001), 28.

⁷² Lefebvre (1975), 23.

disaster, he could not afford to give back the money of the uncontrolled venal tax collectors in order to replace them with more professional managers, who would also be accountable for their actions. Likewise, he was not in a position to forego the steady payments of the *Fermes générales* or the badly needed loans that both the venal collectors and the *Fermes* made to the monarchy.

Second, the king and his ministers simply did not have adequate accounting information, systems or controls to allow an accurate determination of the country's tax receipts, expenditures or financial position, though given the politics of the time, it is impossible to know what decisions, if any, might have been different with better information. The monarchy had neither effective comprehensive budgets – the word itself did not even appear in France until approximately 1764⁷³ – nor complete records of income and expenses⁷⁴, nor a centralized system of accounting from which it could have prepared accurate reports. Further, until the Revolution, France's public finance system did not use double-entry bookkeeping, though there had been attempts to do so between 1716 and 1726⁷⁵.

It was not until 1781, when the country's finances were already on shaky ground, that the country's first-ever public record of royal finances, the *Compte rendu au roi*, was published by Jacques Necker, Louis XVI's finance minister at the time. Though the term literally means "account rendered to the king," the report was not a financial statement in any modern sense of the word. And most notably, it was intentionally falsified – the cost of the war, for example, was classified as "extraordinary expenses" rather than ordinary ...and simply omitted from the calculation of the deficit. A second version of the *Compte rendu* – also falsified – was published in 1788, by which time France was insolvent.

One reason why there was no accurate way to determine or verify total receipts or disbursements was because much of both bypassed the royal treasury entirely and there were few controls over these dispersed arrangements. As described above, receipts for indirect taxes were collected by the *Fermes générales* and, rather than being remitted to the national treasury, were often held by the tax farmers, who made disbursements on the monarchy's behalf. The same was true for the cash from direct taxes, managed by the venal collectors. And both commingled their personal funds with those of the kingdom. These primitive, convoluted and corrupt systems of national accounting made it impossible to prevent leaks in tax collection or for the king to fully understand the magnitude and growth of the country's spiraling deficit early enough to possibly change course,

⁷³ Alain Guéry, *Les Finances de la Monarchie Française sous l'Ancien Régime, Annales. Histoire, Sciences Sociales*, 33:2 (1978): 216.

⁷⁴ Michel Morineau, "Budgets de l'Etat et gestion des finances royales en France au dix-huitième siècle", *Revue historique*, 264 (1980): 289.

⁷⁵ Marie-Laure Legay, *La banqueroute de l'Etat royal* (Paris: Editions de l'Ecole des hautes études en sciences sociales, 2011), 89. The book provides excellent coverage of the monarchy's accounting and fiscal policies and processes and their weaknesses.

had he been inclined to do so. Between 1771 and 1781 there were efforts to make the system of public finance more coherent⁷⁶ but many of these innovations were either temporary (e.g., reductions in the number of *caisses*) or did not make it past the proposal stage. A number of reforms were made in 1788, but they were too little, too late.

By the summer of 1788, various meetings had not brought forth agreement as to how to solve the budget crisis. At the beginning of August, the king's finance minister was told that the treasury was empty. He issued a decree on behalf of the king calling for a meeting on 1 May 1789 of the Estates General, an advisory group of representatives of each of the three estates. It was the meeting of the Estates General that led to the new constitution, and it was the king's request for the *cahiers de doléances* that opened an unprecedented floodgate of vocalized discontent.

The Revolution and the move toward modernity

In 1789, France's inefficient, ineffective, hated tax system came tumbling down along with the monarchy, though it took until the early years of the following century to completely dismantle it. In August, amidst the uproar and that had exploded everywhere, the National Constituent Assembly issued a series of 19 decrees known as the August decrees that were officially promulgated 3 November 1789. The first one (*Décret portant abolition du régime féodal, des justices seigneuriales, des dîmes, de la vénalité des offices, des privilèges, des annates, de la pluralité des bénéfices etc.*) struck down a large part of the tax system in one fell swoop. One of its provisions abolished the venality of judicial or municipal offices (article VII); another abolished pecuniary privileges in the payment of taxes and declared that that taxes were to be collected from all citizens and on all property in the same manner and same form (article IX). Article V eliminated *tithes*. A decree of 25 August 1792 eliminated certain remaining feudal dues and a subsequent decree of 17 July 1793 abolished the rest; it also ordered the burning of all feudal records.

The Declaration of the Rights of Man and Citizen of August 1789, adopted on 26 August 1789, provides in part: that a common contribution (i.e., taxation) is essential and should be distributed equally among all citizens according to their ability to pay (article XIII); that all citizens have the right, by themselves or through their representatives, to have demonstrated to them the need for a public contribution (i.e. taxation), to consent to it freely, to watch over its use, and to determine its proportion, basis, collection, and duration (article XIV); and that

⁷⁶ Marc Nikitin, "The Birth of a Modern Public Sector Accounting System in France and Britain and the Influence of Count Mollin", *Accounting History* 6:75 (2001): 79.

society has the right to hold accountable every public agent of the administration (article XV).

The last tax farm lease was ended on 20 March 1791 by the National Constituent Assembly and in May 1794, 28 tax farmers were executed by guillotine.

The Receivers General of Finance were abolished by a decree of 14 November 1790, although the process of winding up the affairs of accountants, including the Receivers General, was long and slow⁷⁷. In December 1792, they were ordered to turn over all remaining funds in their *caisses*. Many of the accountants went bankrupt and others emigrated. For others, “the years 1793 and 1794 were a nightmare of arrests, interrogations, confiscations, imprisonments and executions”⁷⁸ by guillotine.

Between 1790 and 1791, the *aides*, *traites*, *octrois*, *gabelle* and *tabac* were abolished, along with a number of other taxes and fees, although some of them – notably, the *gabelle* and the *octroi* – were reinstated not long afterwards, then later repealed again. Between 1789 and 1793, the old direct taxes were, with brief exceptions, stricken from the books and at long last, true progressive taxation was formally adopted on 18 March 1793.

In 1788 the king ratified reforms for the management and reporting of tax receipts and royal disbursements, including the suppression of many *caisses* and the transfer of their old prerogatives to the Royal Treasury, giving “some hope of a system operating more in keeping with the interests of the State”⁷⁹. Among other reforms, according to Nikitin, the king ordered that the Royal Treasury would be in charge of all receipts and expenditures, that the double-entry method would be used to keep the books of the *caisse*, and that a balance sheet would be required three months after the end of the calendar year. While these reforms were confirmed in a decree of 30 March 1791, it was only after 1815 that “a modern public sector accounting system was progressively established to service the nascent nation”⁸⁰.

Conclusion

In 2009, Eugene White noted that, “contrary to widely-held beliefs at the time, France was not crushed by taxes, but suffocated by an ineffective fiscal system”⁸¹. That widely-held belief of the eighteenth-century continues to be repeated in a number of modern history works, often indicating as well that the Revolution was caused by onerous taxation of the peasants. Rather, notes Gail

⁷⁷ Boshier (1970), 241.

⁷⁸ *Ibidem*, 244.

⁷⁹ Nikitin, 79.

⁸⁰ *Ibidem*, 75.

⁸¹ Joël Félix, Marie-Laure Legay and Eugene White, “Retour sur les origines financière de la Révolution française”, *Annales historiques de la Révolution française*, 356 (avril-juin 2009): 198.

Bossenga⁸², “the real problem with French taxation seems not to have been its crushing weight, but its inequities, inefficiencies, and imperviousness to true reform”. When a more accurate and complete picture of the role of taxation in the French Revolution is more consistently reflected in the general literature, the ‘caricatured interpretation of the rôle of taxation’ in French history⁸³ will itself become history.

Gerri Chanel

Taxation as a Cause of the French Revolution: Setting the Record Straight

Executive summary

Many general works and textbooks on the French Revolution indicate that one of its causes was onerous taxation of the commoners – primarily the peasantry – because the clergy and nobility were exempt. However, in reality, the clergy paid substantial sums in lieu of taxes, the nobility was only partially exempt, and taxes seem to have been lower than commonly believed. What taxpayers appear to have hated most was an inconsistent, arbitrary, byzantine system riddled with incompetence and abuse – a situation whose importance has been vastly underestimated. While these findings are clear, particularly in works of recent decades, they have not made adequate inroads to mainstream history on the French Revolution. One reason may be that many of the findings are set forth in myriad specialized works. Regardless of the explanation, the continued portrayal of the “common wisdom” indicates a need for a more mainstream, holistic dissemination of these newer views. This paper therefore attempts to present such a presentation of the realities of taxation among the classes, the reasons why taxpayers loathed the system and why the system was too inflexible to change, in order that “common wisdom” of the role of taxation in the French Revolution will move closer to its complex and fascinating reality.

⁸² Bossenga, 46.

⁸³ Mathias and O’Brien, 633.