

A NEW PROUDHON LIBRARY

ESSAYS IN PRACTICAL PHILOSOPHY. — No. 15

THEORY OF
TAXATION

QUESTION OFFERED FOR COMPETITION
BY THE STATE COUNCIL OF THE CANTON OF VAUD

IN 1860

BY P.-J. PROUDHON

Reforms always
Utopias never.

ORIGINALLY PUBLISHED 1861

CORVUS EDITIONS — 2024

A partial working translation by Shawn P. Wilbur, last revised Jun 22, 2024

These are preliminary drafts shared for personal use only. Please do not reproduce or add to digital archives. Scholarly use is not recommended without consulting the original French sources.

TO THE DEMOCRATS

OF THE CANTON OF VAUD

AUTHOR'S TRIBUTE

CITIZENS,

This work, I can say, was composed for the Vaudois democracy;
Your Council of State has welcomed it;
Allow me to pay homage to you.

The democracy is the queen of the age. It is she who, with the upper hand, directs the policy of nations, decides on war and peace, prepares the triumph of armies or assures their defeat, accepts or refuses constitutions. Even where she has ceased to command, power courts her and wears her cockade.

However, it must be admitted, no sovereign ever showed himself less, by intelligence, up to its mission than the democracy in the nineteenth century. It is certainly not its fault: but the excuse does not redeem the incapacity, and this incapacity kills us.

In the past, the ignorance of the masses could up to a certain point be considered as the guarantee of their infallibility. The first civilization operated under the impulse of spontaneous reason; until the end of the eighteenth century, this intuitive reason sufficed to shed light on the progress of nations. The less reflection there was in them, the less they ran the risk of going astray. It was thus that aristocracies, monarchies, and priesthoods were founded, that customs were formed and that ancient constitutions were sketched out. With the help of its impulsive reason, humanity has passed through its period of childhood and accomplished its first metamorphoses.

Now the situation has changed. The spontaneity of the masses, more and more mingled with reasoning, has become perverted; it becomes reckless; it makes evolutions, and it no longer knows how to bring about revolutions. Common sense, once the sovereign and infallible judge, stumbles at every step. No more inspiration, and no science. It is obvious that the progress of right and liberty can only be pursued with the help of philosophical reason: for the people as for the prince, science has become a necessity. Now, philosophy has not yet replaced genius in human societies; we have abjured our dogmas, and we have not laid down our principles; a strange thing, which doubtless we shall never see again, we are, by the idea, equally below our ancestors and below our descendants.

Science, then, such is now the supreme effort commanded of the people, on pain of eternal servitude. Whoever does not have intelligence can only serve as instrument; whoever is not aware of right does not have right. Without conscience and without ideas, the people are unworthy of respect; they do not even deserve that kind of consideration that attaches to strength.

Citizens of the canton of Vaud, it is from your midst that the idea arose of submitting to public discussion the serious and difficult question of taxation. Forty-five competitors have responded, from different parts of Europe, to the call of your magistrates... Thus the social revolution is no

longer, as it was thirteen years ago, lost through the suburbs of a capital, compromised in meaningless demonstrations. It is everywhere where there are free spirits, reasoning consciences; it is there above all where the heads of the state consider it their most glorious prerogative to teach the multitude to reflect on their rights and their duties.

I have summarized in this writing the substance of all that I have published and affirmed, in political economy, for twenty years. The theory of taxation, as it will be presented to you, is a deduction from the principle of justice according to the maxims and definitions of 1789; a corollary of the theory of credit, of the theory of property, I will even say, in spite of the murmurs, of the recently produced theory of the right of force... After the suffrage that I have just obtained among you, am I not entitled to say of my work that it is as conservative as it is radical, a work of order as much as of progress?

To create taxes, institute powers, appoint representatives, make and unmake dynasties, constantly reorganizing the household of the state and its personnel, dividing up lands and dispensing with privileges: all that was easy, but solves nothing. What is difficult is to find a system of weightings acknowledged by right, under which liberty is as comfortable as authority; where faculties and fortunes tend by the very law of their expansion to equilibrium; where ease is equalized by the equality of burdens; where civic virtue becomes common through its identification with the reason of the state. To discover this system, common sense no longer suffices; and if the democracy has the only quality to apply it, it is not in its assemblies and in its clubs that we will discover its formulas.

Citizens, in honoring you with my work, I feel a double satisfaction. First of all, the democracy in your country is not a party, but the whole nation; then, you don't have two ways of being democrats, you are democrats as you are Vaudois, as you are Swiss, as you are republicans.

Accept my fraternal greetings,

P.-J. PROUDHON.

Ixelles-lez-Brussels, August 15, 1861.

THEORY OF TAXATION

QUESTION PROPOSED FOR COMPETITION
BY THE COUNCIL OF STATE OF THE CANTON OF VAUD
IN 1860

Reforms always;
Utopias never.

When I read in the newspapers the announcement of the competition opened by the honorable State Councilors of the Canton of Vaud, I said to myself: Here is yet another of those iniquities against which governments, scholars and the wealthy classes strive to keep us mute, but which from time to time make the people cry out for *revenge!* and from which the republics do not escape any more than the monarchies! Of course, in this corner of the earth, which from afar seemed so calm, so patriarchal, so prosperous, the problem is deep, the situation desperate, so that the Heads of State themselves take the initiative of the examination and, pressed by the democratic clamor, appeal to the lights of Europe. In any case, honor to the magistrates whose loyalty does not recoil before any discussion, and who show themselves willing to give their constituents all the legitimate satisfactions!

When then, having managed to obtain some statistical documents on the canton of Vaud, I was able to judge, at least approximately, what it was all about, the scandal that I had initially experienced gave way to the 'astonishment. What! This is why the Vaudois democracy is agitated and passionate! What would they say if they had the honor of belonging to one of those great States whose splendor would require of them four times as many sacrifices?... It is to calm such anxieties that the Council of State of the canton of Vaud proposes prizes of 800 and 1,200 francs, as an empire of forty million souls could do, supposing that it suited the government of this empire to subject to the discussion of the academies and the newspapers its system of finances and budget!...

But what am I saying? The Waldensian democrats are a hundred times right. There are no small reforms, there are no small savings and there is no small injustice. Man's life is a struggle; society incessant reform. Let us therefore reform and reform unceasingly; do not believe, like the satisfied, the the *best is the enemy of the good*; let us learn to take account of things; let us study facts, ideas, methods, systems, and even utopias. Nothing is useless that can enlighten the masses; nothing serves the prosperity and morality of nations more than just ideas. A just idea popularized is for a people a good fortune, for which it cannot pay too much.

It is therefore to respond both to the appeal of the magistrates of the canton of Vaud and to the expectations of its population that I undertook this study. May I have finally brought light to this thick darkness of taxation! May I, by the evidence of demonstrations, by the wisdom of

conclusions, bring calm to minds, by laying down, once and for all, the true principles of the matter.

Practitioners above all, the promoters of the competition are asking for a workable solution, a reform compatible with the state of the institutions and, as is fair, applicable to the canton of Vaud. I frankly believe, after having taken cognizance of the most important work that has been published on the subject, and having surrounded myself with the most considerable authorities, to have conformed in all respects to the program. I have only had the trouble of drawing the consequences of the observations collected by the most learned economists: for that, I must say, I needed much less genius than decision.

In order to strongly motivate a definitive conclusion, I had to review the different modes of taxation in use, enlarge, as much as possible, the circle of observation, especially borrow my examples from the great civilized nations. A budget of nearly two billion, like that of France, offers critics more varied points of view, richer in consequences, than a budget of three and a half million, like that of a Swiss canton: an advantage of which the Swiss confederation must not be jealous. MM. the judges of the contest will be grateful to me, I hope, for not having restricted my thought to a question of purely local interest. Principles have no country, and perhaps the generous initiative taken in one of the smallest states in Europe will be the starting point for universal reform.

FIRST CHAPTER

TAX BEFORE MODERN RIGHT

Social Dualism: Necessity and Free Will; the state and the individual.

The principles that govern human societies are the product of two opposing forces: *Necessity*, by which I mean the nature of things and its laws, and *Free Will*.

To derive the principles, to determine the conditions of existence of society, is not, as we see, a matter of small difficulty, since it is a question of studying at the same time, in their mutual influence, two forces as diametrically opposed to each other as free will and necessity.

Free will manifests itself in society in two ways: sometimes it speaks in the name of the collectivity, it is the corporation, the caste, the city, the state; sometimes it is the expression of the personality, it is the individual. — The free will of the State takes the name of *Reason of State*; individual free will is properly called *Liberty*.

Just as necessity and free will are opposed to each other, just so reason of state and liberty in turn form a no less striking opposition, to which we shall frequently have to return.

It is in history that the reciprocal action of these antagonistic forces is observed; it is therefore by following history that we can hope to grasp little by little the true principles of government, the conditions of social equilibrium, the rules of public economy, and consequently those of *Taxation*. A rapid glance at the mores of the past, from the point of view of taxation, was here indispensable.

Primitive, necessary constitution of the state and taxation: influence of free will on this constitution. Origin of divine right.

“Human societies,” says M. Hippolyte Passy, “subsist only on the condition of providing, to the extent necessary, for the needs of public affairs. All have to give to the governments that govern them the means of fulfilling their purpose, all have to provide for the expenses to be made in the interest of the defense of the national territory or the maintenance of internal order: and among all the tax exists in forms appropriate to the more or less advanced state of civilization.”

This is the point of departure. Society only subsists on the condition of constituting a government. This government, whatever its form, wants to be maintained. Now, who can meet its expenses? Citizens by their contributions, that is to say by their labor, just as they provide, through labor, for their own subsistence. It is the reason of things, the necessity that demands it be so, and its command has never been flatly refused.

Free will, however, on which all social action depends in the last resort, does not initially proceed with this logical rigor. It is one of the privileges of man to reason regarding necessity, even to combat it, before submitting to it.

One of the first thoughts of man, barely hatched in civilization, without experience of justice, was to discharge himself on his neighbor, by the practice of servitude, of the obligation of labor. And as it is the strongest and the most skillful who up to this day have composed the governments, the reason of State has only consecrated this oppression, by exclusively demanding the tax either from a submissive class, serf or worker, or to foreign populations that have been made dependent.

Thus was originally constituted, by force and with the sanction of religion, the right of conquest or *divine right*, which was maintained officially in all the States of Europe until the end of the last century, and which still exists, in disguise, in most of our institutions.

Philosophical reason for divine right and slavery: the education of the masses.

Yet this reason of state, however odious in its egoist inspiration, is not absurd. It has its secret motives, its aim, its proper mission, as much as the nature to which it seems to do violence. Shall I say it? It has its law, its right, and however legitimate the condemnation of this right may be today, philosophy is reluctant to see in it only an institution of chance or arbitrary Machiavellianism. Philosophy wonders what could be the meaning of this ancient servitude, in which the conscience of the moderns can no longer recognize anything but a striking iniquity.

Divine right, slavery, — we say today the exploitation of man by man, — and taxes, all this was formerly one and the same thing; today, on the contrary, equality and taxation are in principle, and sooner or later will be in practice, one and the same thing. Where does this opposition come from? How has such a change taken place in the ideas and tendencies of nations? The answer to this question should be seriously pondered. For it alone will give us the explanation of the inequalities and anomalies that exist in taxation, and consequently the conditions for a reform.

When the first humans, scattered across the face of the earth, began to gather and to form small political agglomerations, instituted marriages, paternal authority, property, royalty, sacrifices, and some formulas of laws, public power was considered as an emanation from heaven, *omnis potestas à Deo*, and found itself henceforth invested with civilizing action. All property is, for the same reason, subject to government, that is to say, to divine right: *Domini est terra et plenitudo ejus*, the earth belongs to the Eternal and all that fills it, says the Psalmist.

The proprietors, or nobles, companions of the king, were considered as simple usufructuaries: as for the multitude, still in a savage state, which had to be trained in labor and mores, their lot was naturally obedience and bondage. It is by this harsh discipline of slave labor, it must be admitted, that peoples have risen little by little to civilization, to liberty, and to the exercise of their rights. Man emerged from savagery only to become, for long centuries, a convict.

The condition of taxation is therefore parallel to that of property. Everything produced by the slave is supposed to belong to his master; just as everything produced by the vanquished race, helots, serfs, tax settlers, etc., is supposed to belong to the state. As for property, the emanation of the sovereign, the privilege of the free man, that is to say of the noble, it is free of tribute; only it depends on the prince and pays him homage.

Historical evidence: taxation according to the Bible.

The Bible testifies, in the most naive way, to all these relationships. The Lord said to Abraham, “I am the Lord who brought you out of Ur of the Chaldeans, to give you this land to possess.” Which means that Abraham, a foreigner, without property in the Chaldea, in danger of servitude and tribute, was about to become in his turn a landowner and exercise seigneurial rights in the land of Canaan.

This is property according to divine right.

And to Moses: "I will bring you into the land that I swore to give to Abraham, Isaac and Jacob, and will give it to you as an inheritance... I will drive out the Canaanites, the Hittites, the Perizzites, the Hivites, the Jebusites, and will lead you into a land flowing with milk and honey... Drive out before you all the inhabitants of the land; smash their idols, their images of cast metal; destroy their high places, make yourselves masters of the land and dwell therein: for I have given it to you to possess it." — We know that these races, *accursed* by Jewish right, were neither entirely exterminated nor even entirely expelled: a part remained in the country, but were made slaves, at least tributaries.

This is taxation according to divine right.

According to this economy, God, represented by the priesthood, and the heads of families are the masters of men and of the earth; their right extends over the products of trade, industry and over all the fruits of the soil. However the noble Hebrew, possessing only by concession of the god, will have to provide for the expenses of worship: the *tithe* is the share to which the celestial Sovereign agrees to limit his right of suzerainty. Originally the king, head of state, did not collect any tax on the property; he has no income except that of his domains: it is only later, when the hierarchy was constituted, and as representative of God in the temporal, that the king arrogated to himself eminent domain over persons and on things. Thus arose in the end Louis XIV; but it is precisely also the opposite of what the Revolution wanted. Theocracy is the source of absolute power, just as liberty and equality have their principle in the rights of man.

"Everything that is born first among men," says God in the Bible, "will belong to me, and even the first among animals... You will bring the first of the fruits of the earth into the house of the Eternal."

God then shares with the elect, his ministers: "What remains of the cake offered will be for Aaron and his sons. — The firstborn of men, from the age of one month, shall be redeemed for five shekels of silver. As for the children of Levi, I have given them for an inheritance all the tithes of Israel, for the service in which they are employed."

This is the principle of the remuneration of public functionaries, according to divine right.

In dividing the spoils, Moses sets aside one in fifty, both of people and of animals, and gave it to the Levites, as the Eternal had commanded him. — "Each shall give of his towns to the Levites, in proportion to the inheritance he possesses." The chiefs of the tribes competed in zeal in their offerings for the erection of the tabernacle and the dedication of the altar. Thus, the altar and the throne, the civil list and the ecclesiastical budget: there you have, still according to divine right, the first employment of the funds of the State.

To complete the picture, assistance and charity still proceed from divine right: "When you reap the harvest and you have forgotten a few handfuls of ears of corn, you will not return to take them... When you shake your olive trees, you will not you will not return to look for it from branch to branch... When you harvest your vineyard, you will not gather the grapes that remained after you: but it will be for the stranger, the orphan and the widow, so that the Lord may bless you in all the works of your hands."

This manner of recommending alms is touching and poetic; but let us not forget that it has as its corollary divine right, property by divine right, government by divine right, taxation by divine right, that is to say, the exploitation of the masses to the extreme limit of what is necessary. It is good to admire the Bible, a venerable monument of our antiquities. But the Bible, no more than the

Gospel, knows of human rights and equality. Neither Mosaicism nor Christianity had the complete notion of Justice: it was necessary to arrive at the Revolution.

Taxation in pagan society.

The other nations, the great Eastern monarchies, the republics of Greece and Rome, understood public right and taxation no differently than the Hebrews. The expeditions of Sesostris, Nebuchadnezzar, Cyrus and Semiramis had no other object than the raid. Athens lived on the tribute of the towns that it had subjugated, most of which were Greek; Sparta was organized for plunder; Rome, which spread among the peoples the notion of universal right, made itself paid for this service by subjecting the vanquished nations to its theocratic right. If someone asks me how the state subsisted in Rome before the conquest, I repeat that the state consisted quite simply in the exploitation of the plebeian by the patrician; that in principle there was no taxation, since there were no taxpayers; that the king, like the nobles, lived on the produce of his fields; that, when it was necessary to have recourse to contributions, the payment of these charges created for the citizen a new prerogative, *jus tributorum*, analogous to our electoral cens, testimony and compensation of the original immunity; that the public treasury was then filled by means of pillage; and that the tax, established on the foreigner, began before the conquest. So it was in the ancient East; thus feudalism first practiced it in the Middle Ages. Not content with pronouncing the political incorporation of the subjugated nations, the Roman patriciate divide their land: conquest results in expropriation. Everywhere, in the wake of the armies, descended proconsuls, procurators, extortionists, with the mission of extracting from the country all that it could return. What remains in the domain, *ager publicus*, is grown for the benefit of the government by the former proprietors reduced to slavery. Municipalities, constitutions of local aristocracies, only aggravated the misery of the masses. Cicero's plea against Verres reveals to us a series of robberies which were the rule, not the exception. Again, the main grievance of the orator against the accused is drawn, not from the enormity of his exactions, but from the fact that he made them weigh on Roman citizens. The Roman citizen was by right exempt from taxation: this simple observation says enough. — Sad return of things here below! The tribute, by its nature, by its principle, by its object, which was none other than the development of civilization, had been directed by the eldest sons of this civilization against the lower classes and against the barbarian races; and here the barbarians of the Capitol asserted themselves in their turn, against the Greeks and the Orientals their masters, as beneficiaries of divine right, as civilizers!

Nothing dissipates faster than ill-gotten wealth. *Ce qui vient de la flûte s'en va au tambour* — easy come, easy go — this proverb is as true of nations as of individuals. No doubt when the tributes were exhausted, when the tributary towns revolted, Greek citizens and Roman citizens were indeed forced to contribute and to support the expenses of the State with their own income. Taxes were then established, in the same manner and according to the same principles that we follow today. There is perhaps no form of taxation among modern nations that was not known to the Romans and the Greeks: we shall have more than one occasion to speak of this. But what radically separates the Greek or Latin institution from ours, what excludes any assimilation between them, is that, production being established on slave labor, the tax retained in the end, like property, its character of divine right and, while striking sometimes, with extreme moderation,

the citizen proprietor, had however no limit with regard to the worker except what is strictly necessary. In fact, the tax paid to the state by the free man was a share, not of his produce, but, let it not be forgotten, of his *booty*. So Greek and Roman taxation did not bring any serious improvement to the system of taxation.

Taxation during the Middle Ages.

What the Romans, ferocious and rude, had done to the Greeks, the Egyptians and Orientals, their initiators and their models, the barbarians of the North did in their turn to the Romans. Civilization, for the second time, was dependent on barbarism. Then, when there was nothing more to plunder, no more tribute to collect, they began to charge at will and mercy serfs, villains and commoners. Feudalism continued the economic tradition of divine right: benefits in kind, tribute in money, foodstuffs, banalities, tithes, salt tax, expropriations and confiscations pressure the little people, taxable at the will of princes, lords and prelates. These mores are from yesterday: it is useful to remind the democracy of this, so that by measuring with its eye the path it has traveled it can learn to know its task better, to pursue it with intelligence, and above all with patience.

The *terrier* of Magny-sur-Tille, called Courte-Épée, reports that at the first childbirth of the lady the villagers are required to beat the ditches for fifteen days to prevent the cry of the frogs. Windsor Castle, in London, was partly built, under Edward III, by workmen whom the king's police officers kidnapped on the main roads. They had no other payment than their food; those who attempted to escape to return to their families were imprisoned and tried as traitors and felons. The castle of Thouars (Deux-Sèvres), begun in 1635, cost 1,200,000 pounds at the time, not including embankments, transport and part of the labor, executed by means of unpaid *corvées*: such work would cost today a dozen millions. In the construction of Versailles, *in order to advance the pleasures of the king by a few years*, the troops were employed; no one, whatever his rank, had the right to be absent only for a quarter of an hour.

"The king wants to go to Versailles," writes Madame de Sévigné; "but it seems that God does not want it, through the impossibility of ensuring that the buildings are in a condition to receive him and by the prodigious mortality of the workmen, from whom carts full of the dead are carried away every night. We hide this sad march so as not to frighten the workshops."

A widespread opinion is that Versailles cost 1,400 million francs, or, at 5 per cent, a rent of 70 million a year for the accommodation of the great king. The writers who, in monarchical countries, praise princely *glories*, take great care not to count them: it would be too obvious that they are far from being worth what they cost. What makes the glory of man is not to consume immense treasures for trifles; it is, by thought, industry, good administration, to do much with little; it is, following the example of the Creator, to make something out of nothing.

The communal charters, by which the populations tried to put some order in the seigniorial exactions, were for the royalty and the nobility only a kind of discount of their absolutism, the renunciation, for cash, of a part of their plunder. Let us not lose sight of this principle that, in the spirit of divine right, the serf, the villain and the commoner are always the savage, whom the interest of civilization commands to be treated as a beast of burden. When the lord relaxes his severity, it is on his part pure graciousness, generosity and mercy.

The charter for consideration granted to Auxonne in 1229 by Etienne II, Count of Burgundy, contains, among other stipulations:

“1. The prince is bound to pay what he will take from the gardens, either for his kitchen or for his horses, the food of which is taxed at one denier per head and at two deniers for the day and the night. — 2. He must have forty days of credit... — 6. The men of Auxonne owe the lord the host and the ride, or in place the cartage; but he cannot lead them so far that they cannot return to the lodge the same day.”

It took centuries to introduce into the public right of nations principles like these: That all service merits remuneration; that no object of consumption can be obtained, by anyone, and on the part of anyone, except against an equivalent, and that, to accomplish this exchange, the consent of the seller is necessary, as well as that of the applicant. Such maxims, in the eleventh century of the Christian era, were seditious, revolutionary. It was just the opposite that constituted the right of the *seigneur*, who derogated from it only by an act of his good pleasure and by virtue of a special charter.

The kings, in the interest of taxation, take the initiative of emancipation.

“The emancipations depended on the will of the lords,” says Thibaudeau, *Histoire des Etats géneural*. Philip the Fair did more; he gives serfs the right to ransom themselves. “Considering,” he said, “that our kingdom is called the kingdom of France, and wanting the thing to be in truth according to the name, we have ordered that generally throughout our domain servitudes will be reduced to franchises, so that the other lords who are *hommes de corps* take an example from us.

— It is a benefit, adds the author; but it should not be exaggerated. He is reduced to *selling* emancipation to those who present themselves to buy it: kings carry on this trade in their domains, and lords as well. Thus, under the first Caesars, the owners of slaves having recognized that there was more benefit for them in freeing their slaves, in return for a fee that they, once freed, undertook to pay, than in making them show worth on their behalf, the custom of emancipation was established everywhere. The emperors only regulated the thing: it was one of the causes that determined the formation of Christianity.

Freed from the lord, the peasant became a direct subject of the king, and therefore subject to taxation. All that feudalism loses in emancipations, the royal power gains. So, edifying thing, kings are the most ardent promoters of liberty. Louis X, known as the Headstrong, proclaimed that, *according to the law of nature*, everyone must be DUTY-FREE. Do we not already speak the famous declaration of the rights of man and of the citizen? Louis X does not confine himself, like Philippe le Bel, to selling liberty; serfs are too suspicious of themselves, too fearful, too stupid to buy it: he forces them to do so. “Whereas,” he said, “many, through bad advice or lack of good advice, do not know the greatness of the benefit granted them,” orders his officers accordingly to tax the inhabitants sufficiently, and as much as their condition and their wealth may suffer it.

The tax conceived as a remedy for popular laziness.

It must be recognized that there exists in the human multitudes a tendency to inertia that leads them to work only just for what is necessary and, this necessary strictly obtained, makes them

prefer an idle poverty to a liberal ease. This disposition of mind has been observed among all savages: it is found, in a notable degree, among the civilized.

The Corsican spends whole months on his mountains, sleeping and living on chestnuts, which cost him nothing. The lazzarone who has eaten his *polenta* wouldn't stir a bag for all the money in the world: he has to wait until his appetite has returned. Abundance, gain that is too easy, render the multitude lazy and vile: who has not had many times, in our great cities, the opportunity to notice this?

The remedy for this laziness, applied by the owners of slaves, the feudal lords and the kings, is known, it is always the same: to withdraw from the worker a part of his product, so as to force him to produce as much. And note that here the *tax*, because in truth it is not a question of anything else, to be effective, must hit on the necessary, do just the opposite of what we are asking today.

The exaggeration of charges is the first and oldest means of civilization, the most energetic instrument of the police. — "I know the manners of villains," said the Constable of Bourbon to the States held under Charles VIII; "if we do not contain them by overburdening them, they soon become insolent. If therefore you entirely remove the tax on the land, it is certain that immediately they will show themselves towards each other as towards their lords, rebellious and insufferable people. So they must not know liberty; all they need is dependence. For me, I judge this contribution to be the strongest chain that can serve to contain them." The Quakers, those men of pacific and gentle morals, who renewed among them the fraternity of the first Christians, profess very similar maxims: *don't pay them too much*. Such a doctrine has been supported in the French forum: "Labor is a curb!" exclaimed M. Guizot. Now, notice that M. Guizot is neither a man of the ancien régime, nor a partisan of divine right, nor a Catholic; M. Guizot is a man of 89, a constitutional royalist and parliamentarian, and a Protestant.

The Estates General: their ideas on taxation, their influence.

The institution of the States General, for the consent of aids and subsidies, brings a whole revolution in germ in the question of taxes: it is the aristocracy of the nation called to vote the base, the quota, the employment and even to the mode of collection of contributions. In 1346, the Estates of the Langue d'*oïl*, meeting in Paris, and those of the Langue d'*oc*, meeting in Toulouse, consented to the extension of the taxes established on salt and merchandise, but declaring that they were "very unpleasant to the people."

Note this point: it is not the people who are called to vote; that goes without saying. They wouldn't vote for anything at all, and wouldn't even produce enough to pay the tax. Those who are called upon to vote the tax are the direct and immediate heads of the people: landlords, abbots, prelates, bourgeois, heads of trades, etc. The classes represented in the Estates do not pay the tax, but as they draw their own income from the people, they are interested in seeing that the tax is not too onerous or vexatious. Such is the meaning of this famous institution of the Estates General. The same movement occurs in England.

The Estates of 1355, under King John, go one step further. They take the initiative on a host of questions hitherto reserved for the royal prerogative; they decide sovereignly and adjourn at a fixed time; they establish the tax *on all the French*, without exception of classes, and even on the domain

of the crown; they demand that the taxes be collected by their agents, to the exclusion of the royal officers.

Everyone knows that during the captivity of the King of France, a democratic movement took place in Paris, a sort of prologue to the revolution of 89, an echo of the revolution that stirred up Flanders, which took place in another form in the valleys of Helvetia and which agitated the whole of Europe. This agitation had no lasting effects in France. The democracy was vigorously suppressed; the Estates-General continued their palaver, powerless to obtain the slightest reform, but sowing maxims that were to be raised later.

Under Charles VIII, the orators of divine right reproached the deputies of the third estate with diminishing the authority of the king, cutting his nails to the flesh, *forbidding the subjects* to pay the prince as much as the needs of the kingdom demand, of pretend to write the code of an imaginary monarchy and of abolishing the ancient laws.

Always the same complaints from the side of the movement, always the same reproaches from the resistance. The ideas advance however: under Charles IX, the Assembly allows itself to censor the court, the courtiers, the nobility, the clergy, and to cry scandal and the dissolution of morals. — In 1576, the deputies demand, because of previous mystifications, that everything that will be unanimously settled on by the States be approved by the king, and become an irrevocable and inviolable law. But under Louis XIII, in 1614, the States still emancipating themselves, the court reminds the assembly that it does not have the right to deliberate and bring about decisions outside of its cahiers. We were beginning to disagree: victory lay with force. From this convocation, the Estates General were kept aside until 1789.

Whatever influence the Estates-General had on the constitution of modern right in matters of taxation, it can be said that their role was rather moral than effective: as for the results, the following opinion of a royalist writer gives the measure:

“The revenues from the domain of the crown no longer sufficing for the kings,” says Étienne Pasquier, “it was necessary to supplement them with taxes. The whole load fell on the commoner. He was called with the prelates and the lords to make him swallow the purgation more gently and to draw money from it. Honored and tickled in his honor, he made himself bolder in promise. Engaged by his participation in the assembly, he no longer had any reason to murmur. A few good ordinances of reform rendered at the request of the Rdtates were nothing but fine tapestry serving only as parade.” Wouldn't it be like the history, written two hundred and fifty years in advance, of all the representative assemblies and dynastic oppositions?

We conceive, without the need for a long demonstration, all the incredible abuses that such a conception of social relations, and of the tax which is here the expression of it, was to give birth to. However, let us not lose sight of it: this is how the political order began everywhere; it is through such ideas that civilization has advance; and, a much stranger thing, it is in this abominable practice that we shall end up discovering the principles that must govern society and the system of modern contributions.

Effect of the tax on the masses: while the plebs are civilized, the aristocracy is depraved.

Let us therefore cast another glance at this theory of taxation, such as it is given to us in unison by feudalism, divine right and ancient slavery.

Taxation appears everywhere as the original stain and stamp of servitude. Not content with freeing themselves from public charges, the privileged classes were granted pensions out of state revenues. The cahiers of 1483 claim, with regard to pensions, “that lords who enjoy them be content with the income of their seigniories, or at least that these pensions be moderate, reasonable, bearable, because they are taken, not from the domain of the king, who could not provide there, but from the third estate. There is no plowman so poor that he does not contribute to paying these pensions, and it has often happened that, in order to provide for them, he died of hunger with his children.”

Thus, after having first fought the demands of the crown, the privileged classes found themselves interested, for their pensions, in supporting them: in this respect, the system has not changed much in France since 1789.

The grievances are of a sad and distressing uniformity. In 1484, we are in the midst of a renaissance. Now, listen: “The poor plowman must pay and bribe those who beat him, who dislodge him from his house, who make him sleep on the ground, who take away his subsistence.” — 1560. “The lords, having lawsuits with their litigants, send soldiers to their houses who beat them, molest them, work them in any way and reduce them to the last extremity... They have in fact and forcibly taken from the inhabitants of towns and villages the woods, usufruct and pasture rights that they have enjoyed from time immemorial... The men of war are not content with the food found in their hosts' homes; they force them to look elsewhere and leave without paying anything. Very often they take the plowmen's horses and harnesses to one or more stages; they steal and carry away the effects and herds of their hosts, and for payment only beat and insult them... The hunters, falconers, dog handlers, archers, muleteers, force the inhabitants to move from their houses, and take at discretion the provisions and the furniture without paying anything, or pay only half of their value. In the same way, in the travels of the king, they take the horses of the peasants for his service, and they pay arbitrarily for their use.”

Richelieu, quoted by J.-B. Say, says bluntly: “The people are not taxed; it is plundered. Fortunes are not made by industry, but by plunder.” Richelieu, Say adds, was sure enough of his power to be brazen with impunity. Mazarin contented himself with looting without saying so.

It was around this time that the bourgeoisie, having become rich, began to seek ennoblement. By taking letters of nobility, for which the king charged dearly, they became, like the feudal lords, exempt from tax. The ennoblement was a redemption, much more, a right to the favor of the prince and to participation in the public treasury. United by marriage and community of privilege, could the bourgeois and the noble still speak of misalliance?

Thus, as the unfortunate serf, vanquished by blows, hunger and misery, becomes more industrious, more intelligent, more moral, as he cleanses himself and becomes civilized, his masters become depraved and their conduct becomes more atrocious. There is no comparison to be made between the seigniorial mores of the fifteenth, sixteenth and seventeenth centuries, and those of the time of Charlemagne, when the baron ate with his *men*, in the same room, giving them all food and straw, and asking of the settler who had become a serf only what the established usage authorized. And as if royalty, which we saw earlier, under Louis X and Philippe le Bel, emancipator of the serfs, returned to its nature and condemned itself, we find it here, laying down its mask of liberalism, looting and ransoming the peasant, as the last of the squires could have done.

1676. — “All that the people do, all that they plow, all that they work, is for the food, the good and the rest of the other estates. The poor plowman in the fields ploughs, sows and reaps, labors day and night, evening and morning, in the heat, in the cold, in the rain and in the fine weather, in the sweat of his body, living soberly and poorly on coarse bread and water, to make the great live splendidly, at their ease, well served, clothed and maintained with all the necessities of life. It is for these other estates, not for himself, that he works; all his labor is for the convenience of the greatest and most well-to-do.”

These facts should be taught in the schools, as commentaries on ecclesiastical history and Holy Scripture, in order to remind the peoples and those who lead them of what liberty and civilization cost, and of what misery we are all come out.

Fiscal procedures under the regime of divine law. Use of funds.

The principle and purpose of taxation, prior to modern right, being therefore the constraint of man to labor; its general form, the spoliation of the worker: one can imagine that its *base* varied *ad infinitum*. Everything that was worth taking was taxable, payable, either in kind or in money. So there were taxes on everything: on the land, on crops, on cattle, on game, fish, poultry; on labor, on circulation, on grinding, on the baking oven, on birth, on death, on marriage. From the latter came *the droit de seigneur*, which we have tried to laugh at, but which it is not possible to dismiss today. I will not stop to describe each of these taxes, including the most vexatious, which have remained famous under the name of *feudal rights*, fell in 1789 under the reprobation of their own holders. Suffice it to remark for the moment that the principle of the *multiplicity of taxation* has arisen from practice, I should say from feudal iniquity. If that is not a reason to reject it, it is at least a reason to examine it severely.

After the base and the multiplicity of taxation, there is another point of view from which we shall have to consider it, that of *collection*. What does divine right teach us in this regard?

The collection of taxes absorbed most of the public revenue. It was quite simple: the tax was not only, at that time, the income of the State; it was the income of the king, the lords, the ennobled and their creatures. — “More than ten thousand rights [to compensation],” says Mallet in his *Comptes rendus des finances*, “today compose the revenues of the crown, and more than sixty thousand persons are employed in the administration and preservation of these rights. Nothing could be more arbitrary and more unjust in the imposition and collection of the tax, since the distribution and levying of it is done by the intendants, their sub-delegates, the receivers in title and other officers of the king. This is what has caused the *inequality of contributions*, the multiplied expenses, the vexations and the ruin of the best subjects.”

We see appearing here for the first time a phrase of great significance, which will take us far, the *equality of contributions*. In the rigor of the theocratic and feudal system, equality of contributions is nonsense. The serf having to render up all that exceeds his necessities, and even pay some of this necessities, it is clear that no one has to complain of inequality. He who has more gives more, he who has less gives less: provided he is only asked what he has, he has nothing to say. Equality is a misleading expression: it supposes a right, and before his lord and master the right of the servant does not exist. Mallet, his language alone would make one guess, even if he had not dated his book, was writing on the eve of the revolution.

Vauban, in his plan for a *Royal Tithe*, justified the reforms he proposed by abuses of this kind: "All those who know how to fish in troubled waters and accommodate themselves at the expense of the king and the public will not approve of an incorruptible system, which must cut at the root all the looting and poor workmanship that are exercised in the kingdom, in the levying of the revenues of the State." — In Vauban's time ideas were not ripe, the misery of the people did not cry out for vengeance, either because it was not sufficiently felt, or rather because the people had not acquired, to a sufficiently high degree, awareness of their rights. Advanced minds, such as Vauban, Fenelon, Racine, anticipating their contemporaries by a century, were almost disturbers of the public peace. Louis XIV made them see it clearly.

The collection of taxes at the lowest possible price is a principle in direct contradiction with the feudal spirit: there was a whole revolution in this single phrase.

The same observation can be made regarding the *defense* of the revenues of the State.

The use of the funds, like the quota and the distribution, is at the will of the lords and princes. All the assemblies of the Estates General claim that the subsidies voted by them should not be diverted from their purpose. To the Estates held under Louis XIII, La Barillière allows himself to say that François I, instead of thinking of building ships to make himself ruler of the seas, had built the model of his prison in Madrid at the gates of Paris. Henri III spends four million pounds for the wedding of his favorite Joyeuse. Mazarin endows his family on the budget, and makes himself a fortune of three hundred million francs, current currency. Louis XIV had Mansard build, for Madame de Montespan, the Château de Clagny, for 2,861,728 tournois livres. The same swallowed up in the follies of Versailles more than a billion. Frightened by the enormity of the expenses, he burned the memoirs and supporting documents.

"You have been raised to heaven," Fénelon wrote to him in 1695, "for having effaced, it was said, the greatness of all your predecessors; that is to say, for having impoverished the whole of France, in order to introduce into the court a monstrous and incurable luxury. Your name has been made odious and the whole French nation unbearable to its neighbors."

France, alas! it must be remembered in defense of Louis XIV, was largely an accomplice to this pride and this profusion. Her education was not very advanced: she adored the monarch who devoured her; she applauded his pleasures, his loves, his luxury, his victories, his conquests, his insolence, his tyranny. She was still half-feudal, and cared as little for the pains of the peasants as for those of the Protestants. The revolution has taken place, and France has not entirely despoiled the old man; she remained, vis-à-vis her new princes, confident and good-natured, as much as in the finest days of Louis XIV. Armaments, constructions, profusions: we have had all the past of our fathers. The whole difference is that, since 1789, there are well-educated bourgeois in France who vote the tax while pretending to parley; while in the seventeenth century the king took as he pleased, without asking anyone's permission.

That divine tax law has been abolished in theory, not in application.

What did I say? Feudalism is reborn in our day in a new form; it covers the nation, and is already spreading over Europe. Its interests, like those of the great lords formerly, are bound up with those of the tax office; it is partly for it that the tax is collected; as long as it is not shaken, there will be no fear that the budget will be reduced and that taxation will be reformed. As in the

past, the multitude works for a little less than necessary: it forms the fold, of which the high bourgeois are the dogs and the head of state the shepherd. It is not tomorrow that the French people, egalitarian by vanity, not by justice, will know, from experience, what equality is in matters of taxation.

I have spoken of France. Is it necessary to repeat that this system of exploitation of the masses, under the name of taxation, is found throughout feudal Europe, and that it flourishes, at a time when I am writing this memoir, in most of constitutional Europe? The successors of William the Conqueror are obliged to grant the city of London charters of emancipation, in order to prevent the revolt provoked by their exactions. To make triumph the principle of the discussion and the vote of the tax by the faithful communes, England made one of its kings perish on the scaffold and it drove out another of them. Did that prevent the English government, held in check by the communes, from burdening the country with a debt of twenty billion? And what a scandalous history is that of its parliament, of its rotten towns! What a plague is its pauperism!

The theocratic and feudal principle of taxation, in its primitive form, only exists in two states, Turkey and Rome. This is understandable: the sultan and the pope are both heads of state and heads of religions. However, admire the effect of this combination.

In Turkey, four centuries of occupation, of submission on the part of the Christians, of the cohabitation of the victors and the vanquished, have not been able to create a national unity. As in the aftermath of the capture of Constantinople, the Muslim is still the master and lord of the country, and the raïa, the plebeian taxable and corvéable, subjected to the system of raids, molested in his person and in all that he possesses, in the will of the true believer. Very recent revelations about Turkish finances have pointed to waste, organic abuses, inherent in the constitution of the empire, which are found in Persia, in India, and which cannot be compared to possible disorders and liable to penal repressions of which we have spoken in Austria, in Russia and elsewhere.

As for the papal government, the greatest perils could not cause it to deviate, any more than the government of the sultan. He is divine by nature and divine he will remain until his last breath. His system, emanating from his faith, and faithfully followed by all Catholic establishments in the world, convents, relief societies, propaganda, educational institutions, etc., is known: arbitrary taxes, absence of accounts, irresponsibility.

Rome and Turkey, these two scourges of European civilization, give us the measure of the detestable influence that contempt for laws, justice and progress, and the violation of economic principles can exert on human societies. The current generation seems destined to see these governments of another age disappear. Let us hope that their fall will be the signal of a general movement of the peoples in the way of labor, science and liberty.

CHAPTER II

TAXATION ACCORDING TO MODERN RIGHT. DETERMINATION OF THE PRINCIPLES OF TAXATION.

Nothing is as simple, flowing, easy to understand and follow as the arbitrary; nothing, on the contrary, is more difficult to attain than justice and truth. It requires a continual effort of the mind to become a philosopher, an energetic devotion of the will to remain an honest man, while ignorance and immorality are self-evident. Let the thinker, let the citizen relax for a single moment: he falls into faults that sometimes cause the torture and the shame of his whole life.

To chain slaves and compel them to work, to pressure populations, as we saw in the previous chapter, the procedure to follow is not at all troublesome; it is the same among all peoples and at all times. Hypocrisy is not lacking there either: it is a question of the sacred interest of the State, of the civilization that the vile plebs reject!... So, in principle, the slave, serf, villain, commoner, proletarian, servant or subject, — it is all one, — owes to his master, lord, prince, king, despot or tyrant, all his product, less what is absolutely essential to him to subsist. If the lord concedes more to him, it is pure courtesy on his part, and as an encouragement. Let us never lose sight of that, reformers.

Now these ideas are everywhere changed. A great revolution has taken place among the Christian nations: the sovereignty, which previously resided in the prince, lord or prelate, has been transferred to the masses. But the government, the state, although having virtually changed hands, does not consume a penny less for it; often even its expense only increases. It is a question of supporting its expenses, the general expenses of society, in a more equitable way. How will the emancipated nation do it?

In other words, we have seen what tax is under the regime of divine right. What must it be, at this hour, under the regime of human right?

For more than a century the learned economists have devoted themselves to this research; to my knowledge, no clear and decisive answer has emerged from their profound lucubrations. The state councilors of the canton of Vaud attended the discussions of the congress that was held recently in Lausanne. What did they learn that they did not know before? What difficulty, long perceived, has been removed by the Congress? All the vices of taxation have been recognized, analyzed, traced back to their cause: it is difficult to believe that those who so judiciously exposed the evil have not suspected the remedy. How did they not point it out? I want to say it: they did not dare; they recoiled from a prospect that seemed to them revolutionary; they thought that it was not good for society to follow justice to excess, and what was only a misunderstood reserve on the part of the masters became a dogma for their successors.

However, it is not possible for the equivocation to continue. People demand justice and truth, and they have the right to obtain it. Every day the darkness diminishes: at the point where science is, it only takes one man who dares to say everything for everyone to see. I will try to be that man.

§ 1. — ON THE NATURE OF TAXATION.

Let us start by clearing the way. The way to do this is to proceed in the manner of algebraists, by elimination.

Taxation is neither a tribute, nor a royalty, nor rent, nor an honorarium, nor an offering, nor insurance.

What is taxation in a free society?

It is not a *tribute*: the notion of tribute is incompatible with that of liberty and sovereignty. Even in the case of the incorporation of one country into another, the tribute has ceased to exist: the incorporated citizens are assimilated to those of the incorporating State; all pay the same contribution. The Revolution has operated so well, for three quarters of a century, on the old feudal world.

The tax is not a *royalty*: there is no longer any mortmain, and the situation of the French or the Swiss, for example, with regard to their respective governments, cannot be likened to that of the serfs of Russia, currently emancipated, towards their nobles, or of the French nation, which had again become the owner of the goods of the Church, towards its clergy. The ecclesiastical budget in France is considered as a royalty or indemnity of ecclesiastical property. Similarly, the Russian serfs, having obtained their freedom by a spontaneous concession of the Tsar, in agreement with the nobility, will have to pay, for a certain time, to the nobility, an indemnity or royalty. But that is not at all what we mean by taxation.

The tax is not a *rent*, which would return to theocratic right, granting to the State, considered as a person distinct from the nation, a right prior to and superior to the nation itself. The state is nothing other than the nation organized politically; it alone is sovereign and proprietor.

The tax is not an *honorarium*, a kind of bonus or emolument granted to the prince, as *founder*, *initiator* and *director* of the nation, as is practiced in public limited companies, and as the custom is maintained, under the name of civil list, in constitutional monarchies. The nation has no other founder, no other initiator, no other director than itself; it only obeys its own reason, freely manifested by the tribune and by the press. The principle of *authority* does not exist for it. The magistrates, the princes themselves, if there are any, are only its agents: any contrary tendency is a return to theocracy.

The tax is not an *offering*, an *oblation*, as the Marquis de Mirabeau maintained in the last century. This would be to generalize the exception that the clergy claimed for themselves alone before 1789.

The Church, said the casuists, owed nothing to the State; it was free from all kinds of taxation, precisely because it was the source from which flowed the very right of the prince, the right of the state. Applied to the whole nation, which is certainly more than the Church, such a doctrine would be absurd. It would amount to saying that property is above the general interest, or better still that property is the State; that there are in a nation as many states as there are heads of families, entrepreneurs, capitalists and landowners; that all these States are independent of each other, and that he who expresses their collectivity, charged as such with the most sublime functions, obliged to pay great expenses, has nothing to claim except what the citizens are willing to offer him, which falls into inanity.

Tax, finally, is not an *insurance*: here we mean by the word *insurance*, taken as a synonym of tax, the guarantee given to the proprietor against all those who can attack the property, in any way whatsoever. To equate taxation with insurance is, I am not afraid to say, an insult to society. M. Émile de Girardin, by the ways in which he appropriated this thesis, made it his own: “As we understand it,” he said, “the tax should be the insurance premium paid by those who own to insure against the risks likely to disturb them in their possession or enjoyment. Among these risks, we include in the forefront the case of loss due to revolution.”

It is one of the faults of M. de Girardin, when he writes, to be unable to rid himself of the preoccupations of his time. We see too clearly that he went through the revolution of 1848, and that it frightened him. Skeptical spirit, owner of a great fortune, M. de Girardin is not far, especially since February, from seeing in each citizen who does not possess an enemy, a spoliator, whom the fear of God or of the police alone can retain; and it was with a view to insuring himself against the risk of pillage or partition that he raised his famous principle.

The idea of making taxes an insurance, if accepted, would prove three things: 1. that society, supposedly regenerated by the principles of the Revolution, does not believe in justice; 2. that it does not believe in the right of property, but only in the established fact; 3. that consequently, in order to maintain the *status quo*, it is necessary to resort, with regard to the less fortunate classes, to all the means that command safety, which are summed up in this word: FORCE. From then on, the Revolution, liberty, the progress of the masses are nothing but verbiage: 1789 lied; it is necessary to return purely and simply to the old mores. It is, however, the same M. de Girardin who took *Liberty* as his motto ; but neither he nor his readers look at it so closely. Provided they are amused every fortnight with some new sophism, they are content.

What does M. de Girardin mean by these words: *risk of revolution*? Does he mean the damage caused to properties in a riot? No, his thought does not have such a narrow scope. The risk of revolution is the risk of *rent*, of *monopoly*, of *capital*, as they are constituted. The risk of revolution was, in 1789, the abolition of feudal rights and the taking over of the property of the clergy; in 1847, universal suffrage; in 1852, the conversion of the 5 into 4 and a half; tomorrow it will be the resumption of the railways and the various public services, unduly alienated. The risk of revolution in Russia is the emancipation of the serfs; it is, in Rome, the abolition of the temporal power of the popes...

I reject this theory of *Tax-Insurance* as offensive to the human species, especially to the people, as tending to restore divine right, and therefore immoral. Insurance against claims resulting from chance and *force majeure* may form, like viability and banking, a branch of public service: understood in the sense of M. de Girardin, it would be a new innovation of feudalism, a retrogradation of thirty centuries.

Definition of tax. — Tax is an exchange: First principle.

Back to common sense. The tax is *the share to be paid by each citizen for the expenditure of public services*.

“The contribution,” says Chauvet, “is a bet that each individual makes, in the legitimate hope of deriving from his employment a proportional utility: whence it follows that society owes in advantages and enjoyments, to each taxpayer, a dividend proportional to his contribution.”

From this notion, common to all free States, it follows that taxation, or, to speak more correctly, the system of government expenditures and receipts, is at bottom only an exchange. What power gives citizens in services of all kinds must be the exact equivalent of what it asks of them, either in money, or in labor or in products.

This will therefore be our first principle, a principle whose scope everyone immediately feels, but whose application leaves something to be desired at the same time: *Taxation is an exchange.* (A)¹

Just as, for certain utilities, the exchange is made from person to person, from family to family; likewise, for certain other utilities, the exchange can only be made from individuals to a collective person, which has the name of the STATE. The initiative of farmers, manufacturers, merchants, transporters, contractors, workers, clerks, etc., etc., is sufficient to provide for most of society's needs. The interference of government in transactions and enterprises that are the province of personal activity is condemned both by science and by liberty. It has long been demonstrated that state management costs much more than self-employment. However, there are services whose initiative, expenditure and liquidation cannot be the responsibility of this or that individual in particular, and which it is up to the community of citizens to regulate and pay for. These services constitute the specialty of the State and are object of taxation.

The idea of making the government, from the point of view of taxation, a simple exchanger, is still rather new, in spite of our seventy years of revolution; it is too much in contradiction with our morals, all imprinted with theosophy and theocracy, with our habits of subjection, for me not to give it some development here. The theory and practice of taxation entirely depend on it. To assimilate the power to a branch of production is almost an irreverence, a sacrilege. But business does not involve mysticism; its formula is the balance of accounts, not the epic; and when the State and the prince who represents it persist in making it an emanation of the Divinity, when the decrees of the sovereign should be taken, according to the old style, for articles of faith, one would still have to resign oneself to seeing it treated, as far as taxation is concerned, not according to the respect imposed by the power, but according to the rigor of accounting. (B)

Let us first observe that the State is not the only one of its kind. There exist beneath it vast corporations, which may very well be considered as small States within the State and which, organized for certain interests, also have their receipts and their expenses, in a word, their budget. The law that governs them is absolutely the same as that which must govern the State.

Formerly the masterships, jurandes and corporations of the feudal system were small federative oligarchies, tormented by the spirit of exclusion and monopoly that characterized their time, thinking only of insuring themselves against the risk of revolution, like M. de Girardin. These federations had a cashbox, funds, by means of which they provided for the common defense. Nowadays, the privileged professions, notaries, attorneys, bailiffs, printers, have formed union chambers. Men of letters, playwrights, have their committees for the defense of the rights of all and of each member. The consultative chambers of agriculture and commerce, of the arts and manufactures, represent collective interests within the greater community. All these institutions are small specialized states, governments eminently democratic in their form and origin, but which are influence at the same time by both aristocratic influences and the indiscipline of the

¹ The letters placed in parentheses indicate notes that will be found at the end of the volume.

multitude, neither more nor less than the great empires. The expenses of these companies or corporations are government expenses.

In all parts of Europe, big capitalists, rich industrialists, soliciting the concession of railways intended to serve their own factories, undertake to build in common, and with their particular resources, the roads whose profit will be found for them, not in the collection of a tax, since they are both consignors and consignees, transporters and toll collectors, but in the ease and speed of communications. State expenditure.

The shipowners of a port meet and undertake, by subscription, the construction of docks and basins for the unloading and storage of their commodities. State expenditure.

One can conceive in the same way that all the traders of a country take the initiative of a national bank, whose capital, still formed by subscription, would be entitled only to a premium for depreciation, the general profit of the institution having to find itself in the reduction in the cost price of the expenses of discount. Such institutions have long been proposed in France: they have received the beginning of application in Belgium, Prussia, and elsewhere. State expenditure.

All the same, the State is not only justice, the police, diplomacy and war, it is also a management of collective interests; as such, and independently of its sublimity, to which no other agglomeration of interests cannot be compared, the State is subject to the rigorous law of *Debts* and *Credits*, or more simply of exchange.

This understood, we can move forward. We hold the thread which from station to station will lead us out of the labyrinth.

The State renders its services at cost-price: Second principle.

Since the State is nothing but the largest of the corporations which the inhabitants of a country form for the guarantee and the service of their interests, and since between the individual and the State there only exists, from the point of view of taxation, a relation of exchange, a question immediately arises: What is the natural price of the services of the State?

To which I answer without hesitation: *The State renders its services at the price they cost it, that is to say at cost-price, without profit.*

Under the *ancien régime*, the services of the State, supposed to be the services of a prince or a lord, could be assimilated to the trade that an industrialist makes in the products of his industry, for which he demands, in addition to the cost price, a profit. And as the said prince or lord, head of state, was a considerable personage, whom it would have been unseemly to disturb for a meager salary, it had been judged that the benefit to be granted to him in addition to the average price of the day's work should be proportionate to his dignity and consideration. From there the civil lists, gifts of *joyeux avènement*, pensions and sinecures to courtiers, to mistresses, all that made up the splendor of the monarchy. We didn't just pay the prince for his services; we paid him because he was a prince, *nominor quia leo*. It was the people themselves, it was thought, who honored themselves, endowed themselves, magnified themselves in the person of their leader. This usage still subsists, although it is a little veiled: that is the source of the evil spirit which in monarchies reigns over this abstruse matter of taxation. Today, when everyone reasons and calculates, these princely customs, which once dazzled the multitude, are gradually turning into scandal. Political economy lives on principles, not on fictions. The Revolution of 89 said that the king was an agent,

a functionary, an employee. Sooner or later this employee will receive the just price for his services: nothing less, nothing more. It is in the logic of things, much more pitiless than the logic of men.

Let us therefore carefully distinguish between the services and products of private individuals, whose normal, legitimate price is made up of production costs, plus some *percentage* of profit, and the products and services of the State, the price of which must remain equal to the expense, that is to say without profit. The reason for this difference is that the worker, charged alone with the care of his existence, subject to a thousand accidents, must not only live by his labor during the time he works, but must also, in view of the eventualities of the future, have a remainder; while the State subsists on the assured subsidy of the citizens, acts in the name of and only on behalf of the citizens, does not distinguish itself from the community of citizens, so that if, by chance, it realized a profit on its expenses, this profit would not be for itself, but for the citizens, whose representatives would not fail to make this profit the first article of the revenue budget for the following year.

Certainly, the holders of power in the monarchical States formerly governed by divine right could not admit such a distinction. According to them, the principle of public services, especially when it comes to industrial services, such as banking, insurance, viability, warehouses, was on the contrary that the state should aim for the largest net income possible. It is thus that, by a remnant of this old feudal spirit, French law has used it for the railways, by means of which a formidable aristocracy of rentiers has been recreated. Then the prosperity of the country is supposed to be measured, not with the cheapness of the services, but with the quota of the dividends. When railroad stocks rise, public wealth is said to rise: yet just the opposite is the truth. And it is still according to the same theory that the supporters of the *STATE superior to and prior to society* reckon that the more taxes a country pays, the richer it is. The country, for these fiscal economists, is not the taxpayers, it is the beneficiaries of the contributions.

Switzerland, seems less exposed than any other country to the return of these feudal insults. But the truth wants to be studied for itself, and it is good that those who live in a republic know what they would have to gain or lose if they ceased to be republicans.

To obtain money, in addition to the normal allowance, we therefore see the power, its ministers, its agents, at all levels of the scale, faithful to the principle of *honorific* remuneration, feudal extortion, employing all subterfuges, all pretexts. Sometimes they exaggerate the payments, sometimes they accumulate them. The minister of a great empire, such as France, would not be worthily remunerated if he were paid at the same rate as that of a small state like Belgium. Majesty and parsimony do not go together. The glory of a state should be due to its greatness; the salaries of high functionaries, as well as the prince's civil list, in proportion, therefore, not to service, but to population. While King Leopold's ministers receive 20,000 fr. salary, those of the Emperor of the French will have 100,000. What would one say of a shoemaker from Valenciennes who claimed to be paid 20 fr. a pair of pumps, since he is part of the great nation, while the same article is offered at 6 fr. by the shoemaker of Quiévrain? But politics, like religion in the past, has the privilege of changing the relations of things. And it seems so natural that no one finds fault with it. We find it quite simple, in France, that the budget, which in good public economy and according to the principles of 89 should remain proportional to the population, grows, at the contrary, faster than the population.

Moreover, there are a thousand ways of making the services of the State *profitable*; of course it is not the nation that it benefits. From the ordinary corporal who made a *bonus* on the soldier's soup, except to be shared afterwards with the captain, to the intendant of the civil list (see the pamphlets of TIMON) confusing the rights of the crown with those of the Domain, the budget of the prince with that of the State, one can say that everything was plundered and gleaned in a government as vast as that of France; in other words, that the expenses of the State, I speak only of the really useful services, cost 25 and 30 percent more than they should. Only, it must be added that this is done in full and perfect security of conscience. — The same abuses, the same enormities are seen in England and everywhere: the sun of political economy does not shine for the governmental world.

The democracy, I speak of a democracy that is aware and respectful of itself, necessarily follows opposing principles. Not only does it chase away high salaries, accumulations, sinecures, bribes and all kinds of abusive collection, the remnant of the ancient monarchical and feudal divine right; it professes this theory, which cuts short all sophisms, namely that the public services, of whatever nature they are, must be established for the country at *cost-price*. It implies a contradiction that a people profits on itself, imposes taxes on itself in order to create income, *a fortiori* to gratify useless things and onlookers.

It is according to this principle that any toll, any tax on the thoroughfares must be condemned as soon as its purpose is, as is the case in France, England, etc., for canals and railways, to reproduce, with the capital spent, a profit. — This question of means of transport, so misunderstood by the French legislator of 1842, and on which so much idleness rests, deserves that we pause for a moment.

The viability of a country is an essential chapter in the account of its general expenses: as such, exploitation belongs to everyone, that is to say to the State, and therefore in particular to no one. The expenditure once made, the use of the ways must be delivered to the nation free of charge. If it were necessary to charge for the use of roads, local streets, according to the rules of individual trade and with a view to covering the costs of maintenance, interest and the amortization of the capital employed, this would be throwing on circulation an embargo far more ruinous for the country than the collection, in the form of taxes, of the sums necessary for this kind of expenditure. It has been thought possible to deviate from this principle as far as canals and railways are concerned; and already the disastrous consequences of this error are assuming the proportions of a crisis. With regard to the canals, first it was never possible to apply the tariffs provided for by the treaties of 1821 and 1822; on the other hand, the holders of shares claiming the reimbursements and profits promised, the government had to redeem the indiscreetly alienated waterways. As for the railways, the exploitation of which by financial companies raises far more serious complaints, their taking over by the State is a question solved for all practical minds.

In short, the relations of the State with regard to the taxpayers are relations of exchange; this exchange has this particularity that instead of being made by the State with profit, which is the monarchical, feudal and bankocratic thought, it must be regulated at cost-price, in opposition to the vulgar rule of the net product. The impossibility of maintaining tolls on bridges, roads, canals, and soon the railways, demonstrates this. Now, it is the same with the other services of the State, where *profit* is disguised under a thousand different forms, some authorized by custom and tradition, others condemned by law. But that is not all.

State services must be reproductive of utility: Third principle.

It is not enough, in order to have a full understanding of the tax, considered only in its nature, to have reduced it to its true notion, which is that of an exchange; it is not enough to have recognized that as a consequence of this notion, combined with that of the State, public services must be delivered to taxpayers, by the agents of the power, at cost-price: it is necessary that these services respond to real needs, that the public interest requires them; in technical terms, that they are *reproductive of utility*.

Every power tends to distinguish itself from the nation it represents, as if it formed a party external and superior to the country itself. Constituted either as an aristocracy or as a dynasty, it regards as indispensable to its authority a host of expenses which are far from having the same utility for the nation. It needs a police force, a militia, creatures, a whole world of its own, capable of defending it if necessary against popular insurgency. Then it has its ambitious political views, which are far from conforming to the good of the nation, but in which it strives to interest the nation by vanity, by wild hopes, if not by the positivism of profits. To maintain these armies of functionaries and soldiers, to pay for all these enterprises, the power needs money, a lot of money: experience proves that, in all nations, the demands for money exceeding each year the allocations, and the latter exceeding the receipts, there is an incessant increase in taxes, the formation of a debt, which the institution of amortization itself only serves to increase, and finally an increase in the deficit.

It is therefore a question, in order to contain the tax authorities, of recognizing when and how, under what conditions, a State expenditure can be said to be reproductive of utility. This is what the following rule satisfies, a rule that is without exception: *Any product or service must, on pain of being liquidated in loss, meet a need such that he who feels the need agrees to give the product a price equal at least to the expense that this product costs*. Beyond this, the service or product offered, exceeding the needs of consumption, the demand of the market, falls into debasement: which means, as far as the government is concerned, that the expense it has allowed itself has been inopportune, premature, exorbitant, therefore ruinous. In short, the law of *supply and demand* is mandatory for the State as well as for individuals. It is according to this law, felt rather than clearly conceived, that it is admitted in principle, by almost all the nations of Europe, that all State expenditure must be approved by the vote of the country or its representatives. The power, spendthrift by nature, always OFFERS more than is *demande*d of it and something other than what is *demande*d. It has been given overseers, who are deputies of the nation, natural judges of the needs of the country and of the utility of the expenditures of the government. Here we discover the transformation of a principle of economy into a political principle: a radical principle, destructive of all arbitrariness, which would soon have caused the major part of tax abuses to disappear, if it were applied with the vigor that befits an economical and free people.

A consequence of this principle is to assign to state expenditures their true rank in the system of consumption and social reproduction. According to some, state expenditures are for a civilized society expenditures of the first order, which take precedence over all special needs and must come before all other consumption. Adam Smith, on the contrary, and a host of economists after him, generally call government expenditure unproductive, and therefore public officials *unproductive*.

Adam Smith agreed, however, being to that extent a man of the world, on the utility and even the necessity of this species of agent in the social collectivity. It seems that he meant that their output was *negative*, which is not the same as zero. So that by *unproductive* he would have meant to designate workers who produce, so to speak, without producing. What do you think of all this?

For me, all things considered, I cannot prevent myself from regarding as a remnant of divine right the claim to raise political functions above industrial functions. Thus assimilating the *general expenses* of the political establishment to those of any enterprise of commerce and industry, I say, on the one hand, that any useful service, coming to the aid of production, must for that very reason be considered as reproductive; that nevertheless the services of which we speak, being reproductive only in an indirect way and as only auxiliaries, cannot be put on the same line as the direct services; that this is so true that in the books the general expenses are written off by profit and loss, and that consequently it is not true to say that the costs or expenses of the State are the most important and must be considered as the most sacred of a country: these are second-rate expenses, regarding which there is reason for the national deputies to be severe. (C)

Popular prejudices regarding the expenses of the State.

It has been said that the first thing the French do, when they gather somewhere outside of their country, is to build a church; the second, to erect a theatre; the third, to open cafes. This observation, which is not very benevolent, would indicate that, according to the French genius and despite economic definitions, State expenditure is positively the first of all, both by its importance and by the superiority of the need to which it responds.

Who does not see that the French people in question here are not men who are starting out in civilization, but civilized people whose brains have received the imprint of the state regime and of all the refinements of existence, and who, losing sight of the starting point, begin to rebuild the social edifice from the attic? Thus reasons everywhere the multitude, always more eager to follow its ideal and to serve its pleasures than to ensure its subsistence. Churches, theaters, palaces, cafes, houses of pleasure, luxury and magnificence, first; one will think then, if one thinks of it, of the roads, of the lighting, of the ways of communication, of salubrity. In all this it is only too true that the multitude marches in agreement with its government. Oh! When it comes time to pay, it will be something else! The people will accuse the treasury, will complain of the inequality of the tax, will demand sumptuary laws, taxes on the rich, on servants, horses and dogs; they will, at the end of the spectacle, riot against the government. In 1830, in Brussels, it was at the performance of *Masaniello*, that the Neapolitan fisherman, chasing the tax collectors from the market, began the revolution that separated Belgium from Holland. In France, it is only the bourgeoisie who take it into their heads to criticize government spending. The bourgeois, a businessman, knows that expenditure is matched by receipts, which means taxes. But the people do not dream of it; and it is not without a certain feeling of pride that they hear it said that the budget will shortly reach the figure of two billion.

“The tax,” says Michel Chevalier, “takes from the taxpayers sums of which the greater part, if they had been left to them, would have become capital.” The tax thus consumes the substance of popular improvement. When, therefore, one seriously proposes to ameliorate the lot of the poor,

one moderates the tax and employs it usefully; we devote it, as much as possible, to what should favor the production of wealth, and on these various points we are inflexible.”

The people, in their ignorance, are very far from these maxims. They will not be made to understand that the principle of their well-being, for they who live from day to day and who never have anything left over, is in the savings of those to whom something is left every day. On the contrary, the people demand that the tax authorities swoop down on these savings and make them profit from them. It is their system; it is their whole philosophy of taxation. So, the tax on capital, on savings, the tax on successions, the progressive tax, as well as the tax on the rich, have the highest degree of popular favor.

By extending Michel Chevalier's observation to the large companies created by the State to the detriment of the public domain, and which exploit public services like farms, one could say:

“If the nation had to pay five hundred million less each year to these companies, it would be an economy whose general well-being would be increased by the same amount, or a capitalization that would be used to produce new wealth.” Here again the ideas of the democracy are completely misguided. No doubt it does not like the large companies, whose dividends it does not share. But ask it what should be done with the railways: it will answer you, not that the tariffs should be reduced to the cost of operation and maintenance, but that the railways should be delivered to the State, which will receive the income.

One more word on popular tax prejudices, and I close this section.

The people who, for a century, on the faith of the *Social Contract*, have got into the habit of believing themselves to be sovereign, and who sometimes savor in their minds the delights of sovereignty, the people reason about taxes in the manner of Louis XIV. He believed that a ruler keeps things going *by spending a lot*. What, he said to himself, does the size of the budget matter? The money spent is not lost: it circulates, after having served to pay the rentier, the civil servant, the soldier, and the contractors in charge of the works; then it returns to the State through taxation, and things go on for the better.

The economists, to be fair to them, have often refuted this sophism, but what is unfortunate is that their arguments either do not reach the masses or are not understood by them. There is no shortage of even the most skillful business people whom it is impossible to make listen to reason on this point. Here, it seems to me, is how it should be presented to them.

Doubtless, the cash paid to the State, and spent by it, does not perish: from the treasury, it passes into the hands of employees, suppliers, rentiers, of all those whose capital and services the State borrows; from there it goes back down into the nation, through the purchase of subsistence, clothing, etc., etc., which the wage-earners and rentiers of the State need for their consumption. Then, after being dispersed, this cash collects again, and returns the following year to the coffers of the tax authorities, after having given rise to an immense commercial movement. In this Louis XIV and the partisans of big budgets are right, and you, good people, you are not mistaken either.

But notice this: I am taking one item from the budget, the army. The army in France is five to six hundred thousand men, for whom the State spends, year in year out, 500 million that the country is obliged to provide. These 500,000 men either do nothing, or only serve to win victories whose glory is all the profit, to make conquests that are more onerous than useful. Of course, if these 500,000 men had not been engaged in the service, they would also have consumed a sum of 500 millions: only, instead of receiving their pay from the treasury, they would have had to earn it

by work, which means that, against the 500 million crowns which were counted to them, they would have given 500 million products. The State holding them to do nothing, or occupying them unproductively, as Adam Smith says, there was on this side a shortfall of 500 million for the country, which is consequently in deficit, because of the army and tax, of such a sum. We can make the same reasoning about the greater part of the budget, and say that all that is used to pay soldiers, police officers, medical doctors, pensioners, etc., all people who eat well and do no useful work, constitutes unproductive consumption for the country.

Let us suppose, to make the thing even more significant, that the State, in expanding, ends up encompassing the entire national economy; that, as we have seen examples, not content with its political, judicial, diplomatic, etc. attributions, it also arrogated to itself agricultural-industrial functions. Suppose that as a result the head of state, master of labor and workers, sovereign arbiter of schedule, alleging, as always, the peril of circumstances and the reason of public safety, saw fit to transform, for a year, the whole of France into a field of maneuvers, to suspend the cultivation of the land, the work factories and manufactures, and, in the intervals of the exercises, to feast his nation of soldiers. To this end, he would require, as both ordinary and extraordinary taxes, the four billion coins circulating in France, plus an equal value in products of all kinds; then he would borrow, out of the national capital, a similar sum abroad, in return for which he could provide for the needs of his armies, his mobile and sedentary National Guards, their children and their wives, during this memorable sabbatical year.

It is obvious that the twelve billion thus spent would not have been lost, in the sense that the cash would not have been materially destroyed, nor the merchandise and food substances thrown into the manure. Far from it, money would have circulated as never before: wine and food merchants would have done brilliant business; the mass would not have fasted, perhaps even, thanks to this system of military rationing, pauperism would have seemed less intense, and the number of crimes and offenses occasioned by greed, speculation, misery and laziness, would have been almost nil. Only there would have been a loss of earnings, for the nation, of a dozen billions, the amount of the annual consumption, and we would notice it the following year, when the State would have to reimburse the lenders or pay the interest.

Let us therefore conclude that if the billions thrown into the maw of the tax authority are not literally destroyed, they too often constitute, by the unproductiveness of those who consume them, a real deficit.

Let us summarize this first section.

Considered in its nature, the tax is neither a tribute, nor a royalty, nor a rent, nor a fee, nor an insurance: all these definitions bring us back to the system of divine or feudal right.

Tax is the share to be paid by each citizen for the expenditures of the public services.

From this definition, the only one authorized by modern right, we have successively deduced these three principles:

1. That the tax is an *exchange*;
2. That this exchange is unique in that it excludes any idea of profit for the State and must be carried out by it *at cost-price*;
3. That the object for which the contribution is requested must be of positive utility, in accordance with the law of supply and demand, and therefore reduced to what is strictly necessary.

From this last principle are then deduced, as corollaries, the following two propositions:

- a) That State expenses, being only the general expenses of society, are essentially of a secondary order, and must come after the expenses of an economic order;
- b) That the system that consists in levying high taxes and multiplying governmental functions, with a view to maintaining circulation and re-establishing equality between fortunes, is absurd.

§ 2. — BASIS OF TAXATION.

So far we have not encountered any serious difficulties in our research. The discussion has proceeded with a firm step: our answers have been clear, precise. To say what taxation had been in ancient times, what had been the beginning of society in this branch of the administration of peoples, was a question of history: we had only to cite the authors and draw out the spirit of the institutions. To say then what taxation should be, what modern society wanted to do, was not much more difficult. Led by justice and mathematics, the two sciences that are most rigorous in their analyses, the most certain in their deductions, inflexible as necessity itself, we could not go astray. And what follows will prove that indeed we have not departed from the right path.

Difficulty presented, under modern right, by questions concerning the establishment, the base, the quota and the collection of the tax.

Behold now that the light which had enlightened us abandons us: science and conscience, so perfectly united, so demonstrative, so decisive until now, no longer tell us anything.

What is taxation in itself, and what should it be? This entirely objective question, outside of liberty, of personality, in a word, of human subjectivity, presented itself before us as a simple question of right, a problem of algebra immediately resolvable by the ordinary means of legal demonstration and mathematics. Now it is human arbitrariness that is at stake, which, escaping all rules, will make reason tremble.

Who has the right to establish the tax?

From whom, on what should it be collected?

How will the payment be made?

What will its importance be?

These questions, which no amount of subtlety can rule out, are among the most difficult presented by social economy. These are the questions that everyone asks, but to which we hardly answer: we are content to *prejudge* the solution.

Under the rule of divine right, the answer offered nothing difficult. The man was bent before the omnipotence of the sovereign: he had only to speak, and he was obeyed. He was not asked to account for his motives: determined as he was by his reason, by his equity, by his interest, by the spirit of his nation, by his own glory, the sovereign was supposed to be wise in his decisions and infallible.

Thus, to the first question: Who has the right to establish the tax? they answered without hesitation: The sovereign, that is to say the king. The Marquis de Mirabeau having taken it into his head, in his *Théorie de l'impôt*, published in Paris in 1761, to claim, with all sorts of care, that the sovereign has no right to *tax his subjects without their intervention and without their consent*,

he was very well answered by a critic: "You claim that the cooperation of all in the power of one alone is what constitutes power." Couldn't we ask you if this competition should be *voluntary* or *general*? If it is voluntary, it is *free*; consequently everyone has, in right, the faculty of refusing it, and henceforth sovereignty no longer exists. If this same cooperation must be general, another inconvenience; the refusal of a single person will prevent the cooperation from being *unanimous*, and consequently from producing the effect which it was to produce." (*Doutes proposés à l'auteur de la Théorie de l'impôt*, Paris, 1761, anonymous.)

But if one claims to escape the dilemma of the critic by means of the law of the majority, we will reply for him that the law of majority is nothing more than an expedient, which is reduced to the right of force, and returns consequently to the system from which one claimed to escape, namely absolutism. Authority is absolute, or it is nothing; it is in vain that the doctrinaire school, blowing hot and cold, authority and liberty, claims to save them both and one by the other. The facts, stronger than all the sophisms, bring us back to the truth in spite of ourselves. As soon as we affirm the sovereign, we end up with absolute power. How many times since the Revolution has France put it to the test! The Marquis de Mirabeau was sent to the Bastille for his constitutional proposal: unnecessary severity. He had nothing to reply to his critic's argument; he was beaten.

The same dialectic, I always speak of divine right, led to other solutions. Who should pay the tax? Answer: the people. — We have seen the reason for this in the first chapter. In principle, the sovereign has the right to tax whom he pleases and as he pleases, since all property is his responsibility. Those whom it pleases him to exempt will be exempted; those from whom he asks tribute will pay the tribute: such is the theory of sovereignty. It is that of grace. In fact, the people, the working, productive class, paid alone; the nobility got off with offering their swords, a pretext for new favors; the clergy, in times of distress, also offered some money, which soon returned to them in real estate and properties. The parliaments, which alone attempted to oppose arbitrary taxation, enjoyed all sorts of immunities and would not have allowed them to be infringed. Moreover, by intervening in the government, they departed from their attributions: the king got the better of them by a *lit de justice*; in the end he broke them. The people — producers, commoners, villains — alone remained to pay; they made him see it.

What should the tax be levied on? — Answer: on any kind of value, on anything. This is how, from the earliest times, the tax authorities have multiplied its suckers *ad infinitum*. Early on the tax collectors discovered this fiscal truth: that the way to get the most money out of a nation was not to brutally tax a large sum per city, per family, or individual, as a conqueror who has stormed a city and retreats the next day. It is to multiply contributions according to the elements of wealth; so much for land, so much for houses, so much for trades, so much to come and go, so much for furniture, so much for wine, wheat, oil, etc., etc. Everything that has value for the individual has value for the prince; therefore all utility is taxable.

How and in what kind of value will the payment be made? Here the treasury was at first accommodating. Everything was good for it, gold, silver, grain, fodder, cattle, clothes, provisions, *corvées*. Gradually, however, it gave preference to cash, which was an inconvenience to the unfortunate taxpayer, an additional source of insults.

What will be the tax rate? — Answer: anything beyond the worker's necessities: this was the very principle of servitude, the foundation of the theocratic and feudal system. We will see that this is still, in our modern societies, the principle of the proletariat.

All this economy was perfectly logical and regular. It is not through illogicality that divine right has fallen. And modern society would have taken a big step, if it had managed to put in its government the same clarity and the same fixity of principle as the society to which it succeeded.

Now this regime of autocracy and privilege has ceased: we know why, and no one regrets it. But the Revolution is far from reestablishing order on the ruins of absolutism. I am speaking of the theoretical, speculative order, of course, of this order which consists above all in the connection of consequences. In this regard, it is permissible to say, without slandering our time, that we are in a terrible anarchy.

So, to return to our thesis, let us ask ourselves who has the right to impose taxes; as one had answered in the past: It is the king, one answers today with the Marquis de Mirabeau: It is the nation. That is good. Explain to us only how, the principle having been changed, the practice has remained absolutely and identically the same; how the so-called consenting nation does to itself what absolutism did. The most constitutional, most parliamentary governments create taxes out of hand, invent new ones, borrow beyond the bargain, spend, accumulate debts, widen the deficit, — how wonderful. Paul-Louis Courier couldn't believe it. He denounced to the absolute sovereigns of Europe the representative machine as the safest, the most expeditious, to extract wealth from a nation without making it cry. Hadn't it consented? "Try it, princes," he would say, "and you will not want anything else." — Today, sixty years after the revolutionary liquidation, which made the administration of the First Consul so easy by clearing the way for him, France is in a worse situation than in 1789. At the opening of the Estates General, the debt national was about three billion; since the beginning of this century, and despite the Ramel liquidation, it has almost tripled. It is obvious that, since the death of the *ancien régime*, kings, emperors, representatives of the people, have never ceased to play at absolutism; it was enough for that to teach the people to say like Louis XIV: The sovereign, the State, it is me!... How then, will you say, what are we to do with the principle of the sovereignty of the people, to escape absolutism? Can we separate sovereignty from the absolute? Are not the sovereignty of the people and absolutism by chance one and the same thing? Dangerous questions over which I advise any publicist friend to pass over quickly for his peace. Let us return to taxation.

On the second question: On whom should the tax weigh? the old regime had answered frankly: On the vile plebs. — On everyone, replied the new regime proudly; — except the poor, added even the philanthropists.

One could not say it better. But, — strange disappointment! — by distributing the tax on all the classes of citizens, on all the conditions, on all the fortunes, on all the industries, without privilege either for the noble, or for the priest, or for the corporations, it was found that we had only achieved one thing: and that was to disguise privilege and enlarge the circle of the privileged. As for the plebs, their condition remained the same. It is always on it, and almost only on it, that, in countries like France, England, Belgium, with all the more reason in Russia, Austria and Germany, the tax is projected. It is not even possible, under the economic conditions of present-day society, for it to be otherwise.

Is absolutism then the true system of government, and feudalism the most perfect type of social order? Have we been duped by a spirit of lies, when we acclaimed and followed the Revolution?

It is useless to extend the parallel. Money is more than ever the god of nations: this is why the tax, on whatever kind of good, property or consumption it may be, is today payable exclusively in money. The fiscal abyss is deeper, more greedy than we had seen in the good times of the monarchies and aristocracies of divine right; this is why the maxim: *To make taxation return all that it can give*, is an essentially modern maxim. Rigor in collection, raising taxes to the maximum yield, is the rule. Governments of democratic right have so much charm! Divine right has left them so much to do! Hypocrites that we are, don't we blaspheme what we have ceased to understand, and which was perhaps not as terrible as it seemed, absolutism?... This is the question that cannot help to address himself to any man who has reflected on taxation in modern times.

As a result, a revolution has taken place in people's minds. But nothing, almost nothing has changed in things, and one begins to doubt whether this improvement, very slight, which one believes to have noticed in the general condition of the people since the revolutionary debacle of the last century, is not rather the fruit of scientific and industrial progress than of new political institutions.

Here then, the ordinary resources of political economy and of right no longer suffice. To penetrate the mystery of an unprecedented situation, the *Book of Reason* of the States can provide nothing. It is no longer a matter of accounts or accounting: the question is entirely organic; we must enter into the psychology of societies.

Relationship between the State and Liberty, according to modern right.

Modern right, by introducing itself in the place of the ancient right, has done one new thing: it has put in the presence of one another, on the same line, two powers which until now had been in a relation of subordination. These two powers are the *State* and the *Individual*, in other words *Government* and *Liberty*.

The Revolution, indeed, has not suppressed that occult, mystical presence, that one called the sovereign, and that we name more willingly the State; it has not reduced society to lone individuals, compromising, contracting between them, and of their free transaction making for themselves a common law, as the *Social Contract* of J.-J. Rousseau gave us to understand.

No, the Government, the Power, the State, whatever one wishes to call it, is found again, under the ruins of the ancien régime, complete, perfectly intact, and stronger than before. What is new since the Revolution, is Liberty, I mean the condition made of Liberty, its civil and political state.

Let us note, besides, that the State, as the Revolution conceived it, is not a purely abstract thing, as some, Rousseau among others, have supposed, a sort of legal fiction; it is a reality as positive as society itself, as the individual even. The State is the power of collectivity which results, in every agglomeration of human beings, from their mutual relations, from the solidarity of their interests, from their community of action, from the practice of their opinions and passions. The State does not exist without the citizens, doubtless; it is not prior nor superior to them; but it exists for the very reason that they exist, distinguishing itself from each and all by special faculties and attributes. And liberty is no longer a fictive power, consisting of a simple faculty to choose between doing and not doing: it is a positive faculty, *sui generis*, which is to the individual, assemblage of diverse passions and faculties, what the State is to the collectivity of citizens, the highest power of conception and of creation of being. (D)

This is why the reason of the State is not the same thing as individual reason; why the interest of the State is not the same as private interest, even if that was identical in the majority or the totality of citizens; why the acts of government are of a different nature than the acts of the simple individual. The faculties, attributes, interests, differ between the citizen and the State as the individual and the collective differ between them: we have seen a beautiful example of it, when we have posed that principle that the law of exchange is not the same for the individual and for the State.

Under the regime of divine right, the reason of State being confused with the dynastic, aristocratic or clerical reason, could not always be in conformity with justice; that is what has caused the banishment, by modern right, of the abusive principle of the reason of State. Just so, the interest of the State, being confused with the interest of dynasty or of caste, was not in complete conformity with Justice; and it is that which makes every society transformed by the Revolution tend to republican government.

Under the new regime, on the contrary, the reason of State must in complete conformity with Justice, the true expression of right, reason essentially general and synthetic, distinct consequently from the reason of the citizen, always more or less specialized and individual. (E) Similarly, the interest of the State is purged of all aristocratic and dynastic pretension; the interest of the State is above all an interest of noble right, which implies that its nature is other than that of individual interest.

The author of the *Social Contract* claimed in vain, and those who follow him have repeated in vain after him, that the true sovereign is the citizen; that the prince, organ of the State, is only the agent of the citizen; consequently that the State is the chose of the citizen: all that would be bon à dire while it was a question of claiming the rights of man and of the citizen and of inaugurating liberty against despotism. Presently the Revolution no longer encounters obstacles, at least from the side of the ancien régime: it is a question of rightly knowing its thought and of putting it into execution. From this point of view the language of Rousseau has become incorrect, I would even say that it is false and dangerous.

Determination of the functions, attributes and prerogatives of the State, according to modern right.

The State, a power of collectivity, having its own and specific reason, its eminent interest, its outstanding functions, the State, as such, has *rights* too, rights that it is impossible to misunderstand without putting immediately in peril the right, the fortune and the liberty of the citizens themselves.

The State is the protector of the liberty and property of the citizens, not only of those who are born, but of those who are to be born. Its guardianship embraces the present and future, and extends to the future generations: thus the State has rights proportionate to its obligations; without that, what would its foresight serve?

The state oversees the execution of the laws; it is the guardian of the public faith and the guarantor of the observation of contracts. These attributions imply new rights in the State, as much over persons as things, that one could not deny it without destroying it, without breaking the social bond.

The State is the justice-bringer par excellence; it alone is charged with the execution of judgments. On this heading again, the State has its rights, without which its own guarantee, its justice, would become null.

All of that, you say, existed before in the State. The principle then and its corollaries, the theory and the application remain at base the same, nothing has changed? The Revolution has been a useless work.

This has changed between the ancient and the new regime, the in the past the State was incarnated in a man: "*L'État c'est moi*;" while today it finds its reality in itself, as a power of collectivity; — that in the past, that State made man, that State-King was absolute, while now it is subject to justice, and subject as a consequence to the control of the citizens; — that in the past the reason of the State was infected by aristocratic and princely reason, while today, exposed to all the critiques, to all the protests, it has strength only from Right and Truth; — that in the past, the interest of the State was confused with the interest of the princes, which distorted the administration and caused justice to stumble, which today a similar confusion of interests establishes the crime of misappropriation and prevarication; — that finally, in the past, the subject only appeared on its knees before it sovereign, as we saw it in the Estates General, while since the Revolution the citizen deals with the State as equal to equal, which is precisely what allows us to define tax as an exchange, and to consider the State, in the administration of the public funds, as a simple trader.

The State has preserved its power, its strength, which alone renders it respectable, constitutes its credit, creates awards and prerogatives for it, but it has lost its *authority*. It no longer has anything but Rights, guaranteed by the rights and interests of the citizens themselves. It is itself, if we can put it this way, a species of citizen; it is a civil person, like families, commercial societies, corporations, and communes. Just as there is no sovereign, there is no longer a servant, as it has been said, that would be to remake the tyrant: he is the first among his peers.

Thus liberty, which counts for nothing in the State, subordinated, absorbed was it was by the good pleasure of the sovereign, liberty has become a power equal in dignity to the State. Its definition with regard to the State is the same as with regard to the citizens: *Liberty, in the man, is the power to create, innovate, reform, modify, in a word to do everything that exceeds the power of nature and that of the State, and which does no harm to the rights of others*, whether that other is a simple citizen or the State. It is according to this principle that the State must abstain from everything that does not absolutely require its initiative, in order to leave a vaster field to individual liberty.

Ancient society, established on absolutism, thus tended to concentration and immobility.

The new society, established on the dualism of liberty and the State, tends to decentralization and movement. The idea of human perfectibility, or progress, has revealed itself in humanity at the same time as the new right.

Rules concerning the base, distribution and collection of tax.

1. *In an association that relates only to persons, the tax, being exclusively personal, could be unique; in a society that embraces both persons and things, it necessarily becomes real and therefore multiple. From there, in any society that imposes a contribution, a double tendency: a tendency to*

unify the tax, if the contribution to be paid by each one is low; a tendency to diversify it, if the contribution is considerable.

OBSERVATION. — By this first proposition we establish two facts, which nothing can destroy. One is that society is not only composed of men, of wills, of intelligences; it is also composed of things. The other, which follows from the first, is that the citizen contributes not only to public affairs with his thought, his conscience and his action, in a word with his person, but also with his property, which can exist under a thousand forms.

2. The tax is paid by each according to his individuality and according to his faculties. — Hence the consequence that the tax can take simultaneously and alternately the form of a capitation or the provision of a service, or else of a royalty on movable and immovable property, capital and income.

3. The tax, as soon as it exceeds the limit of a personal benefit, is therefore necessarily multiple: it could only return to unity by means of money, the representative sign of values, and of a generalization, that is to say, of a fiscal fiction, which would consist in including all values under a common designation, CAPITAL, LABOR or INCOME.

OBSERVATION. — I will return later to the theory of the single tax. What I want to point out here is that by the words *capital, labor, rent or income* we do not mean positive, real things, things that exist, that let themselves be seen and felt; these are general terms, invented to designate certain relations and certain operations; they are, in a word, abstractions. Now the State does not live on abstractions, any more than the citizen does; it lives on realities. Its consumption consists of wheat, meat, fodder, wine, oil, coal, linen and shoes, iron and bronze, etc. From which it follows that, despite the generality of the expression by which one would designate the tax: *tax on capital, tax on income, etc.*, and notwithstanding the use of cash in the species of which the tax is first paid to the State to then be used to buy from the State the various objects of its consumption, the tax is ultimately collected today, as in the time of Moses, on the fruits of the earth, the growth of animals, the products of labor, etc. The tax is therefore, whatever one does, multiple in its materiality; it is through a fiction of the language and through an artifice of exchange that it can take on a unitary appearance, as in the case where, for example, one would make it consist of a deduction of so many percent on capital or income. How far can this fiction go in practice? This is what we will examine instead.

4. The preference given to cash for the payment of taxes, combined with the movement of securities and the rapidity of transactions, renders it very difficult, if not impossible, for the State, in a multitude of cases, to discover the true owner and consequently of the true taxpayer. From which it follows, a priori, that the problem of the equality of taxation, whether single or multiple, seems insoluble .

OBSERVATION. — It is here that the action of liberty is especially manifested, of which we have said that, since the Revolution, it had become a rival power of the State. So the idea of socialism was first to restrict this inconvenient liberty, which does not allow itself to be measured, weighed, or seized; to regulate all things, which means to return, under the pretext of equality, to absolutism. Producers and consumers, by the way in which they draw up their sales and cost accounts, hide as much as they can from the hand of the tax authorities, by throwing their contributory ratings onto each other. What a scandal! Hence the plans of regulation, of community, of single taxation, etc. But liberty is invincible; to compress it is to prepare new and more formidable explosions. We must accept it as nature gives it to us and thank nature for this

magnificent gift. The whole question is to arrange ourselves with this power, without which we cannot live honorably and which we cannot compel. (F)

5. *In the State budget, all the services are distinguished from each other, and the account of their respective expenditures is drawn up separately. If therefore, as demonstrated above, the tax is resolved into an exchange, it seems that the distinction of expenditures must correspond to a distinction of receipts, which would provide a natural means of accomplishing, without hampering liberty, the collection of at least part of the tax, at the same time as it ensures control of the budget .*

6. *Certain State services concern, ex aequo, the universality of the citizens, who enjoy them, so to speak, jointly; some others are requested only by a greater or lesser fraction of the people. For the first, the tax can and must consist of a uniform contribution, established for example on the land: for the second, is it not fair, normal, that whoever asks for the service should as much as possible be the one who pays the price for it?*

OBSERVATION. — These two propositions are the development of the previous one, no. 4. Their aim is to subject the tax to the evolutions of liberty, instead of the whims of arbitrariness; to apply more rigorously in the collection the principle of exchange, which is that of exact accounting; to make this collection less onerous, and finally to make the tax burden almost insensible to the population.

7. *All taxes are levied on the annual gross product of the country: it is repugnant that a nation, in order to cover its expenses, should encroach on its capital. Even in the event of a loan, the amortization and interest are always deducted from the proceeds. Basically, all taxes are reduced to what is called taxes on CONSUMPTION.*

OBSERVATION. — This proposition, like the first four, is aphoristic. We have too often lost sight of it, when dealing with the tax, its base, its unity, its multiplicity and above all its quota. We will come back to it presently.

Let's first summarize this second section.

In the first part of this chapter, we explained ourselves on the nature of the tax, and we said, in view of the facts: *The tax is an exchange*. Having established this principle, we immediately deduced two others concerning the intrinsic conditions of this exchange, namely the price of the service and its usefulness. These principles are: first, that the State owes its services at cost-price; second, that its services must be reproductive. The elementary notions of political economy and law sufficed for this.

In the section just read we had to resolve more difficult questions: Who has the right to establish the tax? On whom and on what will this tax be levied? How will it be collected? How important will it be?

Here we had to look for new lights. After having noted the transformation that has taken place, from the point of view of principles, in the political order; after showing that the abolition of divine right had not abolished the State, that on the contrary the State had emerged from the revolutionary cataclysm more powerful and better constituted, we have shown that the State no longer reigned alone, that a rival power had arisen opposite it, namely Liberty; that consequently, if the State preserves by its nature, by its mission, irrefutable rights, it however has only rights; it has lost its omnipotence, its absolute sovereignty; it has become a civil person, similar to one of the citizens previously its subjects, which means, from the point of view of taxation, the producer of a special utility and consequently a trader.

It is therefore no longer a question of knowing who has the right or not to create taxes. This outdated style must be banished from modern parlance.

The State is a *trader* of a particular kind, which renders, in return for payment, the services that are asked of it; which consequently has no right to impose them: that is all. It is up to the citizens to agree among themselves, in their prudence and wisdom, and according to the most amicable forms, on the kind of service they wish to ask of the State.

As for the tax base and its distribution, in connection with which we have seen the question of the single or multiple tax so long debated, the answer, although comprehensive and synthetic to the highest degree, was no less precise and explicit.

We neither absolutely affirm nor deny the unity of the tax; we neither affirm nor deny its multiplicity, as if one of these hypotheses were true to the exclusion of the other. We note on the contrary that because of the dualism on which societies are established, State and individuals, public force and liberty, persons and things, there is necessarily a double tendency, a tendency to unity and a tendency to diversity; that these two tendencies are further strengthened by the dualistic nature of the human being, composed of matter and spirit, of me and of not-me; that to pretend to stifle any of these tendencies would be to mutilate man and society, and that all the statesman must do here is, by remaining faithful as far as possible to the unity that is essential to the power, to follow liberty in its evolutions.

It follows that in taxation there will be *universal* taxes, such as personal tax, land tax, and *special* taxes, such as the tax on liquor, salt, tobacco, tolls; that collection, most often in cash, will be *uniform*; in a word, that the tax, unique by its principle, by its subjective and governmental reason, will be multiple by its objectivity and its materiality.

This is not a more or less arbitrary *eclecticism*, as we have pointed out in the proposals formulated by the congress; it is a *synthesis*, that is to say a regularly formed philosophical conception, an expression of the nature of things and of society.

[... translation in progress ...]

CHAPTER V

GENERAL PRINCIPLES OF TAX REFORM IN THE PRESENT SOCIETY.

§ 1. — WHAT TAX MUST BE IN MODERN SOCIETY.

According to the principles of modern right, the tendency of ideas and institutions, taxation is the expression of an exchange between each of the citizens and a producer of a particular species which is called the State: it is the price that the former pay to the latter for its services.

This proposition has resulted for us from the comparison that we have made of ancient society, having slavery, theocracy, feudalism, in a word, divine right, as its character, and modern society, affirming the right of man or, what amounts to the same thing, the humanity of justice, a society whose most striking manifestation since the end of the Middle Ages has been the French Revolution.

Man, by nature and destiny, is a producer, a worker: therein lies his glory. But, to bring him to labor, he first had to be compelled: poverty in the first place, then the institution of castes, priesthood, nobility, royalty, were the agents of this constraint. Under these conditions man, condemned so to speak to forced labor, must return to his masters, to his gods, all that he produces, less what is absolutely indispensable to him in order not to succumb to starvation.

As his education advances, the worker, or to speak the ancient language, the *slave* (T), obtains more liberty and more well-being. Finally, the hour of his emancipation approaches; the worker is proclaimed a citizen, all declared equal before the tax authorities as before the law. Finally, the *State*, hitherto absolute sovereign, is balanced by a rival power, *liberty*, with which it will henceforth have to come into a perpetual reckoning. The intermediary or the instrument of this endless transaction between freedom and the State is the *treasury*, in other words the *tax*.

It follows from this: 1. that the services of the State, formerly sacred functions, are now exchangeable matter, that is to say of an economic order; that they must be productive of utility, either directly and by themselves, or indirectly, by the protection which they assure to labor and to property, and by the execution of the laws; — 2. that the State does not have the right to impose its services, either as to the species or as to the extent, but that it must wait until they are demanded of it: whence this principle of our public right that the tax is consented to and voted on, by chapters and articles, in the assembly of the nation; 3. that the tax must be paid by the universality of citizens *ex aequo*, in the form of a capitation, benefit or individual contribution, if their fortunes are equal; in proportion to the assets of each of them, if the fortunes are unequal.

In right, these propositions are universally accepted. They constitute the new spirit of the tax authorities; the legislator and the statesman are bound to conform themselves to their style.

In fact, it is still the old practice that exists: the application of the new principles is reduced to pure inclinations. Neither has liberty yet had its prerogative fully recognized by the state; nor does the state itself expect its services to be demanded, as it imposes them; nor has the tax been able to

become equal and proportional, it has preserved with regard to the working classes the character of spoliation which it had in antiquity and in the Middle Ages.

Setting aside the political question, and focusing exclusively on the question of taxation posed by the Vaud Council of State, we therefore asked ourselves, in accordance with the program, where this persistent anomaly of taxation came from, and how it would be possible to reconcile practice and principles on this rebellious ground. It is to the first part of this question that we have tried, by criticizing the various forms of taxation, to answer: it now remains for us, to complete our answer, to draw the consequences of the criticism we have made.

§ 2. — THAT THE EQUALIZATION OF THE TAX IS AN INSOLUBLE PROBLEM.

Strictly speaking, the equalization of taxes is in the economic order what the squaring of the circle, the trisection of the angle, the duplication of the cube, the perpetual movement, are in mathematics: an insoluble problem, a contradiction.

This does not mean that the inequality of taxation cannot be greater or less; that consequently one cannot succeed, with the help of certain processes and under certain conditions, in restricting this inequality and approaching equality, just as by multiplying the sides of the polygon inscribed in the circle one arrives at approximating the ratio of the radius to the circumference: this means, a serious matter assuredly, that if the imagination conceives *a priori* the equality or proportionality of the tax, if the conscience demands it, the theory denounces it as an untruth,

This truth must above all be considered as fundamental and strongly inculcated, if one does not want to risk falling back into utopia, opening the door to charlatanism and, under the pretext of serving right, raising deeper and more irreparable inequities.

Where does this contradiction come from?

The reason for the insolubility of the tax problem has been amply developed in this memoir, and I can only repeat here in other terms what we have said about it.

It is not the fault of the proportional principle, nor that of the Revolution, nor that of the tax authorities; it is neither the fault of ideas, nor of men, if the tax continues to strike the different classes of society with such glaring inequality. The fault lies with the institutions, which in turn depend on time, not to say on the very nature of things. Taxation, insofar as it may depend on man's calculations, proceeds with fairness and precision. Political economy commands him to address himself to products; he addresses himself to products. If the tax on products is not enough, or if for some consumers it becomes too heavy, it hides itself, strikes capital, property, man. What could he do, unless he made it suffer a reduction? Comes justice, which commands him to charge each taxpayer according to his faculties, in proportion to his fortune, to his income, to his luxury: and the treasury to distribute his taxes with all the care of which he is capable. He goes even further than justice requires: out of a laudable sense of humanity, he occasionally asks the rich for something more than what is prescribed by proportionality, he subjects them to a progression, testament to his goodwill and philanthropy.

Unfortunately, there is one thing that does not depend on the tax authority and the effect of which he cannot ward off. As he strives to distribute, proportion, compensate, balance the tax, as if it operated on fixed quantities independent of each other and immutable, the values of which the fortune of each citizen is composed do not cease, so to speak, to slip away, to change, to oscillate, to

increase and decrease; they pass from hand to hand, meshed one in the other, unequal, variable, and, in all respects, indeterminable.

The iniquity of the tax therefore does not come from it: it has its principle in these meshed transformations, in this universal oscillation, in these organic inequalities, which ceaselessly, by their incoercible agitation, throw back on the product, and consequently on the mass of consumption, which the tax had endeavored to distribute among properties, houses, industries, capital, rents, etc. It comes, in a word, from this iniquity of taxation, of the circulatory function, the most important of the social economy, which constantly displaces credit and debit from the producer-consumer, at the same time as it causes and lowers values.

So that, to operate the equalization of the tax, it would be necessary to begin by operating the equalization of fortunes, capital, products and services, which means that, to accomplish a simple reform, it is not a question of nothing less than accomplishing a revolution.

Such is therefore the essential fact of which it is important that all, citizens, legislators, statesmen, tax officials, be convinced beforehand, not only in order to avoid the calamitous disappointment of vain projects and chimerical reforms, but also, and above all, in order to determine the conditions for a fairer regime, for an ever closer approximation of equality.

§ 3. — THAT THE UNITY OF TAXATION WOULD BE THE WORST OF REFORMS.

Another illusion from which we must completely get rid of is that of the *unity of taxation*. In this respect, I would venture to say that the opinion expressed by the congress is deplorable. It proves once again how many assembled scholars are subject to more errors than a lone man reflecting in his study, and how little light there is to expect from these scientific meetings, which only result in manifestations of contradictions.

From the fact that no species of tax, examined separately and in itself, can be held to be just, equitable, rational, no more the proportional tax than the capitation tax, no more the progressive tax than the proportional tax, no more tax on capital than the tax on income, no more the sumptuary tax than the tax on consumption, etc.; from the fact that the iniquity and irrationality of taxation have been pointed out, by the economists themselves, for all possible cases, it evidently follows, — how has the Congress not pointed understood it? — that the hypothesis of a single tax crumbles at its base.

This is in view of a greater accuracy and greater distributional equity than the proponents of the single tax propose. Now, it would happen precisely, against the forecast of the authors, that this single tax, by the very fact that it would be unique, would have the privilege of iniquity and would soon appear as the most iniquitous and the most irrational of all systems. In this respect, what would happen to the progressive tax would also happen to the property tax, if it could be unique, and to all the other taxes, if we tried to transform them into unitary taxes. All taxes, let us repeat it once again, without exception, are tainted with iniquity, result in iniquity. Who does not therefore see that a unitary tax system, in which would be concentrated, by the fact of the exclusion of all the others, the sum of fiscal inequities, would be a tax of prodigious iniquity, of an ideal iniquity, since its effect would be to translate more violently and to highlight more the anomaly common to each type of tax, an anomaly which is seen and felt all the less as it is scattered further? This is what was demonstrated in the previous chapter, first, in connection with

the per-head tax, that we assumed a single instant; then about then progressive tax, then about capital tax, then about income tax.

All taxes, we said, are reduced to a tax on consumption, which, according to the most accredited authors, is itself reduced to a capitation. It would therefore be logical, and it would be a great economy of expenses in a country such as France, for example, to abolish all taxes and to confine ourselves to requiring of each individual a contribution of 50 fr. 41 cent. per head. But such a tax reform, irreproachable as to logic, the source of a saving of more than a hundred millions, which would have in itself nothing more unjust than the existing system, would soon appear so monstrous when applied, that it would suffice to propose it to determine an uprising.

The same reasoning can be made with respect to any other tax. What we have said in particular of the progressive tax and the tax on capital suffices to make it clear to what terrible disturbance one would push society if one tried, for six months only, to apply such utopias. The anomaly of the tax, or, to put it better, its contradictory nature, is all the more apparent when we confine ourselves to a single species: it is a handful of rods that have been substituted with a club.

The unity of taxation is purely theoretical. It consists in this fact so often expressed, that all taxes are ultimately levied on the product, and that the different forms taxation takes are only the different ways in which the tax authorities obtain their prebend. Society is the goddess with large and many breasts, which nourishes with its milk, not only the State, but all citizens. Watch how these behave. Are they addressed to one and single nipple? No: by way of exchange they will in turn pump their subsistence into the various categories of production. One they will ask for corn, another for meat; from this one credit, from that one housing; from that other of science, etc., and pay each in money. Thus does, in its way, the State, demanding its wages from whoever can pay it, striking wealth where it finds it, sucking up the substance that nourishes it from all the classes of the nation, because in effect this substance is found, not collected at one point as in a vast reservoir, but spread and disseminated to infinity in the capillary tubes of the social body.

§ 4. — FIRST GLIMPSE OF THE TRUTH IN MATTERS OF TAX.

This double hypothesis, of the equalization of taxation and of its unity, once recognized as chimerical in theory, disastrous in the application, by the disturbances it entails, we hold the thread that must direct us in the labyrinth, and we we can go down the road of amendments. The first condition for doing good, in the government of humanity, is not always to seek rigorous solutions where the laws of living nature oppose them, as that would be to pursue a vain ideal; it is to recognize the possible and its conditions.

Everything was found by us, upon analysis, false, contradictory, impracticable, impossible, iniquitous. Whoever holds to the conclusions of our last chapter should despair of justice; the spectacle of humanity would only result in making it hold in hatred and contempt. However, taxation, as well as the State, nonetheless besiege our minds as a necessity of logic and of existence, and it is impossible to admit that what presents itself with this character of necessity is radically bad, subversive of any kind of right. We must therefore conclude, and this is our last resort, that if truth and justice in this order of ideas do not meet specifically anywhere, it is because they exist organically in the whole, and consequently the first thing to do to find them is to seek the reason of the whole, and to reconstruct, but with more method, this same whole.

These innumerable varieties of taxation, none of which seemed to us suitable for becoming the basis of a regular system, which often seemed to us absurd, ridiculous, let us now try to consider them as parts of a great organism which is developed in each country spontaneously, without any preconception of the sovereign, according to the influences and determinations of the soil, of the race, of the native industry, of politics, of religion, etc. Each of these parts, observed separately, as the possible embryo of a system of taxation, appeared to us as a subversive idea, unjustifiable in theory, unacceptable in practice: who knows if, combined together, according to the rules of right and social economy, they would not give us a completely different result?

Here *a priori* philosophy comes to our aid. What is error? A mutilation of the truth. Evil? A reversal of the good. Injustice? The denial of equivalence between people, services and products. What particular proposition in the philosophy of nature and humanity can be called TRUTH? None; opposition, antagonism, antinomy break out everywhere. The real truth is: 1. in equilibrium, something that our reason conceives marvelously, which constitutes the highest and most fundamental of its categories, but which is only a relation; 2. in the whole, which we can never embrace.

It is therefore no small thing for us to have learned that in this question of taxation all forms are faulty, all hypotheses erroneous and that, as a result, reduced to a general expression, as general as possible, the equation of taxation is a chimera. This shows us that taxation is a particular function in a living being; that consequently its equation cannot be obtained, but only *approximated*; that to this end nothing that is revealed in the tax is to be neglected, and that we are permitted to use, with a view to justice, all that justice has first made us separately condemn, provided that we use it synthetically, with intelligence and discretion, *cum pondère, numero et mensura*.

Let us therefore try to put everything back in place, to reassemble this machine whose parts we have so curiously examined; to re-establish and regulate, if possible, its movement, by opposing the forces and determining their relations. It is no longer a system that we come to propose to the State of Vaud, or to any other State, for the collection and fair distribution of its tax; these are the eternal ideas of the State, of any kind of State, in matters of taxation, of which we are about to decipher, so to speak, the hieroglyph.

§ 5. — FIXING OF A MAXIMUM.

We agree on the nature of taxation; agree on the power to which it belongs to establish it; agree on the principle of equality and proportionality according to which it must be established. On each of these questions modern right has given us its answer, contradictory to the answer of ancient right. On the other hand, we have recognized the uselessness of occupying ourselves further with the equalization of the tax and its reduction to a single form: the conviction that we have acquired in this respect has even become for us a superior reason for now directing our investigations from another side.

The first question that presents itself to us now is that of the proportion of the tax. If this question is not resolved under the conditions and according to the rules that the antinomic nature of taxation has made us conceive, according to a rational approximation, we would try in vain all the combinations of sources, all the oppositions of forces and all the *bascules*; the best thing would

be to give up our task and exclaim with pain: No mercy for the taxpayer; no salvation for humanity!

— How much, asked the ancient legislator, should the producer, taxable and corvéable, give to his masters and to the State? — Everything, answered divine right, minus what is absolutely necessary for him to live.

— How much, asks the modern legislator in turn, should the producer, who has become a citizen, keep? — Everything, replies revolutionary law, minus what is absolutely indispensable to the state in order to perform the service demanded of it.

From the old society to the new, the relationship between man and the state is therefore inverted. Not only does Liberty deal with the State from power to power, from trader to trader, but what it delivers to it of its own, which formerly formed the most considerable portion of its wealth, now is or must be the least.

What, then, will be the maximum, in a free society, the expenditure of the State? In other words, what will be the upper limit of the tax?

The authors neglect this question entirely; the Ministers of State take care not to think of it. The former strive, in their fantastic theories, to solve the problem for all cases, as much for the case of a nation which should deliver to the tax authorities one half or three-quarters of its income, than for that of a country which would have to pay to the treasury only one-fiftieth. The latter do their utmost to accredit the opinion that the more taxes a nation pays, the more prosperous it is. They simply do not notice, neither of them, that the chances of equality, of proportionality, increase as the tribute demanded decreases, that they decrease on the contrary as this same tribute increases, and that this variation has the most serious consequences for public liberties, the happiness of the citizen and the progress of the people.

No doubt, and I take pleasure in doing them this justice, the writers never cease, in their philanthropy, to preach to governments the moderation of expenditure. But who does not see the insufficiency of this recommendation? We have had for eighteen years, in France, the spectacle of a *moderate* policy; but this moderation in policy only served to cover the *IMMODERATION* of expenditure. The empire, in this respect, only continues the reign of Louis-Philippe. No, it is not enough to maintain, against the manipulators of budgets, that heavy taxes, far from enriching nations, exhaust them; we must cry out, and very loudly, that the iniquity of the tax is in direct proportion to its enormity.

When, after having completed the review of the different kinds of tax most used, we began to criticize the disadvantages common to all these kinds, we demonstrated that the per-head taxation for example, where fortunes are unequal, constitutes for the poor a progression in the opposite direction of his faculties. The higher the capitation, the faster the progression; the more consequently the disproportion, the contributory iniquity, between the rich and the poor, increases. The totality of taxes being resolved into a tax on consumption, and thereby into a capitation, it follows, as we have just said, that the tax approaches equality, if it is lowered, but that it moves away from it, if it increases.

In a theory of taxation where the right is counted for something, this consideration, — it cannot be repeated too often, — is of the highest gravity. Not only, by the enormity of the budget, does the State retain a pre-eminence, which in the new society has ceased to belong to it; it maintains, by these abnormal resources, the inequality of the classes, and it favors as much as it is

in it the return to the old servitude; while it should be the organ of the new principles, it denies them by the luxury of its expenditure and abolishes them.

Let us not talk about reforming taxes for a so-called revolutionary nation, which, in seventy years, out of an estimated annual production of ten billion, has managed to pay two into the public treasury. Let us not speak, to this bewildered nation, of order, of liberty, of equality, of progress. Such language is for it the closed book of seven seals.

But to those who ask us our opinion on taxes with a sincere desire to serve justice and science, we can answer: Start by convincing yourself that there is no possible improvement, neither for the nation, nor for the government, nor for the tax, without a law of maximum that fixes first of all the extreme limit of the expenditure of the State at a TENTH of the raw product. And this maximum must still only be taken as provisional: after ten or fifteen years of a liberal practice, the tax must fall from a tenth to a twentieth and even below. Only if a long habit of authority, joined to the competition of parties, to the relentlessness of factions; if inveterate and dangerous abuses to be abolished all at once and all at once do not allow you to return from a leap to the budgetary norm, you must gradually approach it by a series of reductions. The budget of France was forecast for 1862 at 1,929 million (two billion including municipal and departmental expenditure.) It would not take ten years to halve it: what would it be if we were allowed to cut it to the quick, to boldly attack the monopolies, and to approach the liquidation of debts?...

The great taxes are the great iniquities in taxation, absolutism in the state, the resurrection of the aristocracy, the depression of liberty and the enslavement of the plebs.

§ 6. — GOVERNMENT DECENTRALIZATION.

Seeing me, in connection with taxation, constantly enter into considerations of pure politics, people will perhaps complain that I stray from my subject, and they will invite me to confine myself to it exclusively. It is thus, at least as much as I have been permitted to judge from the accounts of the newspapers, that the congress of economists held at Lausanne behaved finally.

As for me, I confess, whatever desire I might have, such reserve seems to me impossible. The question of taxation and the question of government are basically one and the same question; and just as, in a parliament, to discuss the budget is to review the policy, the administration and all the acts of the power, so, for anyone wishing to deal thoroughly with the question of taxation, it would be necessary to examine everything concerning the organization of the State, the importance of its attributions, its relations with its neighbors, its historical development, all the parts of the administration, the police, justice, war, etc.

So far from abusing the right that belonged to me to approach political considerations when speaking of taxation, I believe I have been extremely sober; I will keep this reserve until the end.

Nations must henceforth march by right and science, not by the reason of state: this maxim is essential to modern societies. Now, just as the reason of State has the Power as its organ, an invader by its nature, tending to concentration and absolutism; likewise, right and science have for organ and expression Liberty. Let us develop this proposition.

Under the regime of divine right, where justice, reduced to its elements, exists, so to speak, only in the state of myth; where economic science is almost nonexistent, even contradicted, in its essential parts, by the institutions; where history, for those who read it, has little more significance

than legend; where the political constitution is entirely artificial; where the nation lives an artificial and superstitious life: under such a regime, a superior direction, supported by a strong hierarchy, seems necessary. The state subsists only through the energy of its centralization; society moves only under the impulse of authority; the man, the family, the corporation, the commune, the whole nation, finally, are in full tutelage.

There, on the contrary, where justice, more thorough, has established and developed its rules; where science has placed its divisions; where political economy, in possession of its principles, has begun the demonstration of its theorems; where history, philosophically studied, furnishes the statesman with the support of his experience; where the State and society, finally, appear as an organism that has its own laws, independent of the arbitrariness of man, outside of which any decree of the prince and any reason of the State must be declared null and void: it is clear that community government no longer requires such autocratic leadership; that the ruling thought is no longer at the top but everywhere; that for a lot of things the different groups do not need the command, as they are able to govern themselves, without any other inspiration than their conscience and their reason.

There is therefore, in every State organized according to the principles of modern right, a progressive reduction in governmental action, what is commonly called decentralization. If the opposite were to appear, it would be a sign that society is turning back on itself, an anomaly that could have its excuse, but which in any case could only be considered temporary.

Admittedly, political centralization has advantages that I am not unaware of, but which are expensive. It pleases the people, whose imagination loves to contemplate powers capable of setting up armies of five hundred thousand men, of levying contributions and contracting loans by the billions. It smiles at collective and individual vanity, each estimating himself by reason not only of his merit and his possessions, but of the greatness of his nation, the extent of its territory and the importance of its capital. As a system, finally, centralization is easy to conceive: it is according to this type that all the ancient empires were formed, reason in children and in the people seeking in everything unity, simplicity, uniformity, identity, hierarchy, as much as size and mass. Through all these causes centralization has become an energetic instrument of discipline; it served to extend the views of the philosopher; we owe it the propagation of Roman right and the Gospel.

The people love simple ideas and they are right: unfortunately this simplicity which they seek is found only in elementary things, and the world, society, man, are composed of irreducible elements, of antithetical principles and antagonistic forces. Whoever says organism, says complication; whoever says plurality, says contrariety, opposition, independence. The centralizing system is very beautiful in its grandeur, simplicity, and development; there is only one thing missing, which is that man no longer belongs to it, does not feel himself there, does not live there, has nothing to do with it.

Now, since the Reformation, especially since the French Revolution, a new spirit has arisen in the world. Liberty arose opposite the State, and its idea rapidly becoming widespread, we understood that it was not the result of the individual alone, that it must also exist in the group. To individual freedom they wanted to add corporate, municipal, cantonal, national freedom; so that modern society finds itself placed at the same time under a law of unity and a law of divergence, obeying at the same time a centripetal movement and a centrifugal movement. The result of this dualism, antipathetic to statesmen, which the masses understand little, is to bring it about that one

day, by the federation of free forces and the decentralization of Authority, all States, large and small, will combine the advantages of unity and liberty, economy and power, cosmopolitan spirit and patriotic feeling... But these considerations would lead us too far; I content myself with indicating them summarily, and I return to my thesis.

As far as taxation is concerned, this eccentric movement of society is of the utmost importance.

1. The quota of the tax will be fixed with all the more precision and its distribution will be all the more just, when we will have separated with greater care the central or federal expenses from the communal or provincial expenses, and when each locality will be called, on the one hand, to make the distribution between the taxpayers of its own quota and, on the other, will remain in charge of its own expenses. This proposition does not seem to me to need any further demonstration. Unless it is a question of the construction of a fortress, which matters to the safety of the empire or of the confederate republic, how could the central power be a better judge of the works of public utility to be carried out in a locality than the inhabitants of the locality itself? How could it know better than them how much it cost? How would it make the enterprise better? How, then, would it bring more intelligence and fairness into the distribution of taxes?

Let the central power, through its procurators general and its prefects, exercise high supervision; let it watch over the execution of the laws, especially the observance of the principle of equality; let it be there to put an obstacle to the formation of small parochial tyrannies: this is all that it has to do. Beyond that, its first and true duty is to elevate all parts of the nation to self-government: their life and their prosperity depend on it.

2. A consequence of this distribution of authority will be to reduce the *general expenses* of administration, police and government. No doubt if, as we said earlier, populations living in an eternal childhood needed to be always pushed, directed and trained, centralization would present an economy. For a country like France, a single sovereignty will cost less than thirty-six or ninety. But if we admit that men, through science and right, are more and more capable of governing themselves; if, moreover, liberty, conquered by centuries of revolution, has conferred upon them the sovereign dignity: then it is evident that the sovereign, that the direction being everywhere, the general expenses of the State diminish by reason of this ubiquity, which entails, with an increase in local activity, a reduction in taxation.

3. One of our most important observations, regarding the different kinds of taxes, has been this: In the final analysis, the tax is charged to the masses, paid very nearly exclusively by the masses. This inescapable fact can have its useful side, as we will see presently; but it has incontestably also its harmful side, on which we need not dwell any longer. It will therefore not be indifferent, for an exact and equitable distribution of the tax, that the expenses as well as the receipts to be made in each locality are, as far as possible, attributed to the locality itself. Wouldn't the ideal of government, consequently the ideal of taxation, be that each citizen, governing himself in conformity with the laws, should accomplish himself, for himself, the part of the public services that the collectivity demands and in which he participates? Is it not clear then that each paying for himself, discharging, with the aid of his own resources and to the extent of his fortune, his share of the public charges, one could no longer say, with as much truth as today, that the price of these same charges, the tax, falls on the masses?

Well! Decentralization makes us take a step towards this ideal. Lausanne must pay for Lausanne, not for Bern, Zurich or Fribourg. In France, the government has always gone against this principle: it is consequently moving further and further away from fiscal equality and economy, when it reserves the right to appoint mayors, when it composes municipal councils, when he governs municipalities such as Paris and Lyon, where there is certainly no lack of enlightenment, by commissions.

4. A last consideration, the most serious of all:

There is no equality of distribution in the tax, as we have said, with unequal fortunes: this is mathematically obvious. Absolutely speaking, equality of fortunes is unrealizable, since, were the individuals all equal in talents and abilities, that would still not be enough, it would be necessary to be able to fix the values, which are naturally and necessarily unstable. It follows that the problem of tax equalization is, as we have shown, theoretically insoluble.

But if equality cannot be attained, it does not follow that it cannot be approached; it always remains the law of society, the formula of justice, as much for conditions and fortunes as for the tax. It is therefore a movement of tendency, of indefinite approximation, that must be determined in the social body. Here, everyone will understand that while the state has an important role to play, it cannot act alone. The question interests public economy to the highest degree: it concerns industry, commerce, labor and property, everything that modern right has removed from the sovereignty of the State, in order to endow freedom. If, therefore, the tax authorities can only come closer to justice as far as economic organization comes closer to equality, it is up to the citizens to take the initiative for reform,

As for the State itself, its course is traced. Just as, by the distribution of its power, it must promote the development of all liberties, so by the direction and organization of its services it must procure equality.

But if one makes a pretext of the share of action that I recognize in the Power in this work of leveling; if I am told that I only escape fiscal inequity by appealing to governmental authority, I will not bother to answer. I will leave to free peoples, to confederated republics, to truly parliamentary monarchies, the care of justifying my principles by their example. I will only say to my adversaries: You do not want to hear about political decentralization. So there is no moderation in expenditure, no justice in the state, no liberty for the citizens. Abjure your revolution and return to divine right; you will at least have the merit of frankness, and you will do yourself justice.

[... translation in progress ...]

§ 10. — GENERAL SUMMARY.

Such is the ensemble of ideas resulting from my study of the question raised by the State Council of the canton of Vaud. To first disengage these ideas from the mass of facts, from the chaos of empiricism, and then to explain them with advantage, demanded a profound critique of the fiscal institutions, a critique that I could have made much more voluminous, for no cost but the citations, but that, such as it is, appears to me sufficient for enlightened minds or administrators versed in practice.

A complete theory of taxation, of its principles, its rules, its nature, its object, its anomalies, and its function in the economic system of nations, has never, as far as I know, been given: thanks to the appeal of the honorable councilors of the State of Vaud, it will at least have been sketched, and for the first time.

What is that theory?

Here is no preconceived system, no utopian tendency, nothing that could appear foreign to even the most old-fashioned sorts, nothing that the most routine tax system could by right find paradoxical. We have taken hold of the facts and we have analyzed them; we have isolated their principle and highlighted their spirit. In a rapid review, we have outlined the history of taxation, in ancient as well as modern society; we have determined its aim and clarified its contradictions, which means its laws.

Then, with the aid of reductions, transformations, displacements, applying proportionality here and progression there; sometimes striking the question of consumption, sometimes production and circulation, and making the system pivot on land rent, we have ended up — or at least such is my hope — with a rational, harmonious ensemble, all the parts of which suppose one another, like the members of an animal; we have produced an organic whole, a function of a still larger organism, which is society and the State.

Let the more experienced rework, now, the plan for reforms that we have just presented in rough form, taking the French budget for their topic; let others, applying it to the various States of Europe, subject it to all the modifications demanded by local customs and habits; let them change the proportions proposed in this report; it will matter little.

Whoever concerns themselves with taxation and seeks, for any country or society, its normal constitution, must take into account, above all, the facts and propositions that we have demonstrated, which can be considered as so many axioms. These facts and propositions are:

That taxation, according to ancient law, was first a *tribute*;

But that, according to modern right and economic science, it is nothing other than an EXCHANGE;

That this transformation of taxation, from ancient society to the new society, is the corollary of the transformation undergone by the STATE, once sovereign, but now balanced by a rival power, *Liberty*;

That from that fundamental notion, namely, that taxation is an exchange, its whole THEORY is deduced;

That thus, unlike other traders, the State owes its services at *cost-price*;

That it does not *impose* them, but waits for the nation to demand them;

That, as a consequence of that *free* demand of the citizens, the tax quota could not increase in an indefinite manner, but must on the contrary decrease endlessly, from which arises the necessity of assigning a *maximum* to taxation;

That the centralization of government in a large country is incompatible with that unlimited reduction of the general costs of the State, and consequently with the regularity of the budget;

That, in a normal state of thing, the sum of the contributions would appear to have to be one *twentieth* of the total product of the country, and can be reduced to one *thirtieth*;

That, in modern societies, all the citizens being equal before the law, the expenses of the State must be settled without distinction by all and in *proportion* to their abilities;

That all taxation, whatever its form and its base, is ultimately collected on the collective *product*;

That as a consequence all tax fees are reduced to a tax on consumption;

That, through the movement of values and the rule that presides over the formation of prices, that tax on consumption finds itself settled, in a very large part, not individually as it seems from the rates of contribution, but by the masses;

That as a result of this taxation, taken in its general case, is reduced, but for minor details, to a *capitation*;

That, with regard to the inequality of fortunes, that capitation constitutes a true *progressive* tax in inverse proportion to fortune and direct proportion to indigence;

That, under the influence of these two causes, the incessant movement of values and the inequality of fortunes, the problem of the *equalization of taxation* is insoluble, and that all that we can obtain in this regard is reduced to an *approximation*;

That in order to return to Justice in taxation, the true method, the single and unique means is thus to work toward the *equalization of fortunes* themselves, something that does not depend on the initiative of the State, but solely on the intelligence and will of the citizens who consent to the tax;

That every attempt made in another direction in order to arrive at the equalization of taxation, either by a *progressive tax*, or by a *tax on capital*, or by a *tax on rent or income*, leads to absurdity and brings about enormous perturbations for public economy;

That a single tax, invariably resulting in the concentration in one single instance of all the fiscal iniquities divided in a multitude of taxes, would be the most crushing of taxes and the worst of systems;

That the true march to follow being, in the final account, to submit to the law, or, to put it more correctly, to the egalitarian tendency, the whole difficulty consists in turning taxation in that direction and organizing it in that spirit;

That the first thing to do in order to arrive at that end is to constitute an *allowance* to the State;

That this allowance should be established on the *rent* of lands appropriated and in a good state for cultivation;

That on top of that allowance, on which the whole system of taxation must pivot, the State should establish two categories of taxes, one on *public services*, directly reproductive, credit, means of transport, mines, docks, waters and forests, etc.; the other consisting of a series of *facultative* contributions, on all the objects of consumption and use, on transactions, etc.;

That for these various contributions, the State will apply, according to the circumstances, progression to some, proportionality to others, in such a way as to promote the egalitarian movement, the initiative, direction and acceleration of which will be up to the nation alone.

All of that, I dare say, is simple, clear, natural, logical, and, for whoever rallies to the new right, conclusive. The practice finds its explanation there, the historical movement its justification, the utopia itself its reason. The transitions can be handled as slowly as you wish.

Now, that legislation of taxation, where we see the ancient iniquity converted little by little into an instrument of Justice, is not our invention, and it is that which makes its triumph. We have deduced it from principles and facts above all arbitrariness; we have derived it, in short, from the movements of history and the contradiction of ideas; we have grasped its vestiges and indicated the organizing and liberal tendency even in the inventions of the most tyrannical tax system. So that if our democratic civilization, victorious over foolish resistances, ever manages to determine its aspirations and to constitute itself on a true basis, it would find its most decisive argument, and its consolidation, in the theory of taxation.

The progressive, indefinite reduction of the costs of the State;

Some taxes combined in such a way that they serve at once to pay for the public services, to moderate the economic movement, to discipline the market and to promote the emancipation of the working classes;

The balance of properties;

The inviolability of inheritances;

The leveling of fortunes;

Society advancing with an even step in justice, liberty and wealth:

That is what we mean from now on by this word, odious and cursed for so many centuries,
TAXATION.

§ 11. — OBSERVATION ON TAXATION IN THE CANTON OF VAUD.

The last part of the program containing, with the question to be resolved, the conditions of the competition, is thus designed: "Taxation, in the canton of Vaud, and the modifications that should be made to the current system to embrace all taxable matter and ensure its basis, without harming credit, the circulation of securities, labor and the development of wealth."

I ask my judges, whatever it may cost me, permission to abstain completely on this article. Stranger to the canton of Vaud, knowing only very imperfectly the constitution, the mores, the traditions, the tendencies, the needs and the resources, I am forced to declare my incompetence: it is not up to a cosmopolitan theoretician to discuss such a local issue. I have laid down principles which I am permitted, without too much presumption, to believe universal; by frequently referring to the French tax system, I have shown, by a shining example, in what way and under what conditions tax reforms must be approached: nothing is easier for everyone than to do similar work, pursued in the last detail, on the budget of his nation. It is not so much, moreover, an effective series of reforms to be introduced into the system of Vaud contributions that the judges of the competition expected of the competitors, as a set of certain principles which could serve them as a *criterion*. In this respect I have accomplished, as far as was in me, the task imposed on me, and I

ask nothing better than to be judged on the comparison which will be made of my principles with the results of practice., whoever she is.

What could I say, moreover, of the budgetary situation of the State of Vaud, which was not a eulogy for its administration and a congratulation to its happy inhabitants?

I find, for example, that taxation in the canton of Vaud, after deducting the operating costs of the woods and the saltworks, which cannot be considered as a state expense, amounts to about 15 fr. 77 c. per head per year. Assuming that the average income in the canton of Vaud is 1,200 fr. per family of four, the tax would be a little over one-*twentieth*; and we have assigned one-twentieth of the national product as the normal rate of state spending. What a difference between the citizens of free and modest Helvetia, and the subjects of these great political groups, France, for example, and England, where, for an income certainly lower than that of Waldensian families, each head of inhabitant owes the State 50 and up to 60 francs, without counting the grant from the towns, that is to say nearly one-*fifth of the* income! Let the Waldensian democracy be convinced of this: no one in France would think of attacking the tax, no one would complain of its unequal distribution, if all of a sudden, by a miracle from heaven, this tax of one-fifth was reduced to one-twentieth of the product. We would no longer speak of a progressive tax, nor of a tax on capital, nor of a tax on rents; we would cry out neither against registration, nor against the stamp, nor against patents, licenses and customs; we wouldn't have the slightest grievance against the salt tax and the united rights. *Thirty-five* francs per person per year handed over to taxpayers by the treasury would become for the mass of families like a small inheritance: France would believe itself the freest, the richest, and it would be the most joyous of nations.

According to the information that I have been able to obtain, the property tax, equivalent to a tax on rent, is subject in the canton of Vaud, as well as the registration fee, to a certain progression. This is also what I assume; only the land tax, instead of providing $\frac{3}{5}$ of the tax, as I would like for France, by converting it into a tax on rent, only supports, in the State of Vaud, one-fifth of the contribution. It is not up to me, I repeat, to raise the slightest criticism in this respect. I only think that this tax could be increased, without danger to property, if, by the organization of *public credit*, by the reform of *markets*, etc., the State of Vaud could obtain compensation from its proprietors, without which any surtax could be accused of injustice. It would also be a question of knowing what is, out of the totality of the population in the canton of Vaud, the proportion of proprietor families; because it is evident, according to our principles, that the more numerous the proprietors, in other words, the more that property will be distributed and the fortunes equalized, the more one will be able to leave to the rentier, since the tax, whatever it is, will always approximate, in this case, equality. It is otherwise in France, in England, where the land is distributed in a much less equal way, and where a third of the nation and even more belongs to industry: there it is obvious that rent must be imposed, the mass of tax established on it,

There is an institution that is lacking in Switzerland, which we do not yet encounter anywhere on the globe, and which I may be permitted to consider as one of the main cogs in this great fiscal machine: it is the service of public credit, organized by the public, and operating on behalf of the country. I don't know if a creation of this importance would suit a small state like the canton of Vaud; but it would eminently suit Switzerland, and would harmonize wonderfully with its federal system.

What more can I say? The whole of Switzerland, the canton of Vaud for its part, are the living proof of the truth of this proposition, that one of the conditions of the modern State and of the economy of the overheads of society is in the decentralization of power. The partisans of political centralization, unitary government and strong power affirm to anyone who will listen that France owes it her prosperity, her power and her glory. The reply would hardly trouble me... But what is the point? Such recriminations are out of season and would be wasted. What is indisputable and what matters more to our subject is that for only sixty years, and without going back any further than the consulate, France owes to its governmental system to have seen its budget increased to 1.929 million, not including grants, which is around *one-fifth* of the collective product; to pay, for debts that grow every day, 562 million in interest and amortization; to possess an industrial feudalism worse than the landed feudalism, and to be a prey to such an active pauperism, that one sees it from year to year changing the middle class into a proletariat.

Let the Swiss democracy, driving away from it all greedy passion, all party spirit and all vain utopia, learn, through the calm study of institutions and facts, what are the true conditions of the well-being of the masses, of cheap government and of liberty; let it especially deign to reflect that the anomalies of which it complains in terms of taxation are generally due to social causes, rarely to fiscal ill will; that in this respect all the nations of Europe, today as in the past, suffer from the same abuses, and that it is still in the weakest States that one finds the most equity and the least suffering. Let it consider, finally, that to put an end to the inequality of taxation and to heal the plague of pauperism, which at every moment arouses subjects against governments, it would not even suffice for the citizens of any republic to introduce in their public law all imaginable improvements, it would be necessary to carry the reform in all the countries, considering that, by the progress of civilization, as well as by the community of traditions and prejudices, the nations and states of modern Europe have become, in what concerns the economic order, all united.

Nations cannot live, prosper or suffer in isolation: they must be saved or perish together...

END

APPENDIX

NOTES

Note A.

DEFINITION OF TAXATION. — J.-B. Say seems to me to be of all the economists the one who has come closest to the exact notion of taxation. He says first, in his *Treatise on Political Economy*, book iii, ch. 9.

"Whatever name we give to the tax, whether we call it contribution, tax, duty, subsidy or even a free gift, it is a charge imposed on individuals or on assemblies of individuals by the sovereign, people or prince to supply the consumptions which he *deems fit* to make at their expense."

There is something in this definition that bears witness to the principle of authority, which the Revolution put an end to, if not yet in fact, at least in ideas. Modern public right no longer allows the state to *impose*, especially what it *deems fit*. It is up to the nation to *consent* to what it *deems fit* to give to the state.

In his *Complete Course of Political Economy*, lib. viii, c. iv, J.-B. Say corrects, by his commentary, what his first definition contained of absolutism. "When the peoples," he said, "do not enjoy the advantages that the tax can procure for them, when the sacrifice to which it subjects them is not *balanced* by the advantage which they derive from it, there is iniquity." This good belongs to them: one cannot, unless committing a *theft*, not give them *in exchange* a good that is of equal worth...

"... Just as the price of a commodity, when it is based on a monopoly, and by virtue of this privilege superior to the cost of production, is an attack on the property of the buyer, so a tax which is to raise more than the cost *necessary* to provide the taxpayer with the security he needs, is an attack on the property of the taxpayer.

"Thus, supposing that the citizens could enjoy all the desirable security for a hundred francs contribution per family, if they are made to pay more than this sum, this surplus could pass as an unjust, illegitimate exaggerated price for the advantage that was provided for him; it would be a spoliation."

In this regard, J.-B. Say recalls his theories of *value* and *production*; then he avails himself of the authority of Montesquieu who says: "It is not by what the people *can* give that public revenues (taxes) should be measured, but by what they **MUST** give."

The conclusion of all this is that the tax, no longer imposed by the sovereign, but consented to by the nation, and having to be the price of an equal *utility*, is really an EXCHANGE. But the word was not posited affirmatively as a definition either by Montesquieu, or by J.-B. Say, or, that I know of, by any later writer. Now, as long as a thing is not called by its true name, as long as the idea has not found its proper term, its definition, there is uncertainty in the theory, hence error in the application.

Note B.

DEFINITION OF TAXATION. — M. de Parieu, one of the last elected members of the Academy of Moral and Political Sciences, who came more than forty years after J.-B. Say, fell into the error indicated in the text. He took over the old theory of the *Sovereign*, of his *eminent domain* on persons and things, and he deduced from it his theory of taxation, thus retreating nearly three-quarters of a century.

“Tax can be defined as: the *deduction* made by the State from the wealth or labor of citizens to meet public expenditures.”

And so that we are not mistaken about the substance of his thought, M. de Parieu quotes Locke, whose opinion is not very favorable to this theory, and whom he refutes in these terms:

“Locke pointed out that taxation presupposes the consent of the country or its legitimate representatives for its regular establishment; otherwise the principle of the inviolability of property would be destroyed. — If any, he said in his *Treatise on Civil Government*, claimed to have the right to impose and levy taxes on the people by his own authority and without the consent of the people, he would violate the fundamental law of property in things and would destroy the aim of government. This proposition, the discussion of which relates to the most important problems of politics, cannot, however, lead us to consider the establishment of taxes otherwise than as *one of the most important attributes*, the most important perhaps, *of the legislative sovereignty of the country*. (*Etudes sur le système des impôts*, published by the *Journal des Economistes*, 1857 to 1860, Paris, Guillaumin.)

The establishment of taxes is an attribute of sovereignty: such, in a nutshell, is the doctrine professed by M. de Parieu, and recently accepted in his person by the Academy of Moral Sciences. Now, if one thinks of what the sovereign is, according to the same economist, one is truly frightened.

“All beings seem subject in their existence to a great law: they sustain and develop only by borrowing from other existences from which they assimilate certain elements. Collective beings, in particular, live only on borrowings from the individualities that compose them. As, in the moral order, society demands the devotion of a part of the personal feelings of its members, so, in the material order, the needs of societies can only be satisfied with the aid of the individual resources of those who compose them.”

This means, in plain language, that all living beings are doomed to devour each other; that the most terrible of these devourers are the governments, which subsist both from the sacrifice of feelings and ideas, and from the sacrifice of the fortunes of their subjects.

That M. de Parieu then recognizes a little further on that “where political ideas have emerged, the need for the intervention of the country for the establishment of taxes has been one of the first guarantees and safeguards of the nation,” this is of little consequence. The *Gazette de France*, a journal of legitimist opinion, is nonetheless also one of the most ardent partisans of universal suffrage. And we know from experience how easy it is to make universal suffrage agree with divine right, *Vox populi, vox Dei*. The infallibility of the multitude has become both religious and political dogma in the United States.

Certainly M. de Parieu, former minister of the Emperor Napoleon III, former member of the Constituent Assembly in 1848, recognizes the rights of nations. But he places those of the strong

sovereign above: he does not admit that, in a well-ordered society, citizen and government deal as equals. His religious soul rejects such a revolutionary idea. He does not want the tax understood in the manner of Locke, Montesquieu and J.-B. Say, and defined, following these philosophers, as an exchange. We shall soon see where we arrive with this theory of the sovereignty of the State, and of its eminent domain over persons and property. Let it suffice for the moment to remark that the whole theory of taxation is in its definition, and that all the definitions are reduced to two, that of M. de Parieu, or of divine right, and that which we have deduced from J.-B. Say's own words, or revolutionary right.

Note C.

STATE EXPENDITURES ARE THE GENERAL EXPENSES OF SOCIETY. — If this proposition is true, we must admit this one, which is only its corollary, namely, that the functions and services of the State are of the second order, functions and services consequently to which one cannot in any way sacrifice others, but which may themselves, on occasion, be sacrificed, which in all cases must be subordinated to industrial functions and services.

However, one can raise here a difficulty regarding which it is essential that I explain myself. The State dispenses justice, defends the city against incursions from without or against agitations from within, pays for worship, provides for all needs of general utility. How can one say that such functions are of a secondary order? The Gospel said: *Man does not live by bread alone, but by the word of God*. If the body is only the condition for the exercise of the spirit, the place of manifestation of the soul, its instrument, it is clear that spiritual nourishment prevails over material nourishment. No doubt man must nourish his body, but it is in order to cultivate, nourish, enlarge his soul, the most noble part of himself. The magistrate, the priest, the scholar, the teacher, responsible for distributing this celestial food, are therefore, by the nature of their ministry, as much elevated above the artisan, laborer, laborer, as the soul is elevated above matter, the sky above the earth. No function can be compared, for dignity, to theirs, not even that which aims to produce the thing most necessary to life, bread. How then, according to this, can we say that the expenses of the State are the *general expenses* of society? Wouldn't it be more exact to say on the contrary that it is the expenses of industry which are the general expenses of the State, seeing that society aims to raise the citizen to sovereignty, to political, juridical, liberal life, except for him to discharge his duty beforehand, as a producer, and to provide his work quota?

Such is the objection: it is not made only by the partisans of divine right, theocracy and absolute monarchy; it is also presented by democrats, partisans of the rights of the man and citizen.

It is indisputable that from the point of view of human dignity the needs of the soul pass before those of the body: to satisfy the first is our true destiny, while the need to provide for the second is rather the index of a servitude. In this regard, I do not deviate from common opinion. And the consequence that is drawn from this in favor of state and religious officials, I would also admit, if the position of these officials were the same today as in the ancient society.

Formerly the head of state derived his authority from divine right; his family formed what was called a dynasty, protected from above, not to say descended from the blood of the gods themselves. Those who, under the authority of the prince, filled the administration, the army, the justice; those

who served in worship, all those, nobles and priests, formed classes apart, separated from the rest of the population, as if, for a superior, divine service, men were needed of a chosen race and in some way divine. Thus the race of Aaron and Levi was, by a special prerogative, entrusted with the divine service in the republic of the Hebrews; thus were the patricians of ancient Rome; thus feudalism was established in the Middle Ages.

Now this whole institution is changed: the king or the emperor derives his powers from the nation; nobility is no more than an empty title; all citizens are equally eligible for jobs; all are warriors, vigilantes, even legislators, and it is to them that the executive power is accountable. There is only the Church which raises from God through the pope its vicar: but, to annul this sacerdotal prerogative, the law has admitted freedom of worship, indifference in matters of religion, separation of morality and faith, so that each citizen, having become his own king, can still regard himself as his own judge and his own priest. The consequence of this new order of things is, on the one hand, that the magistrate, the man of war and the man of the Church are no longer anything more than *delegates* of the father of the family, of the industrious man himself, consequently his subordinates; on the other hand, that, by the development of public instruction, civic virtue, individual liberty, industry and social economy, the tendency is to the incessant reduction of the special functionaries of the governmental and spiritual order, all the more because the spiritual itself is only the conception of the laws and relations of the economic order, and the government, the guarantee of their execution.

In short, the spiritual, legal and political progress of a society is adequate to its economic progress: the first is the abstract or idealized expression of the second. The more society perfects itself through labor, industry, the equitable distribution of services and products, the more by that very fact it rises in the spiritual order, and the less, consequently, its members need to submit to *Excellencies*, to *Eminences*, to *Reverences*, as we used to say, to *Commanders*, to *Presidents*, to *Prefects*, to *Mayors*, as we still say, who discipline, judge, confess, tax, punish and moralize them. Teaching is only a corollary of learning; justice, the police and the army, attributes of the corporation. Penal right itself, like taxation, has changed in character.

This is how, without lowering the functions of the political, moral or religious order below the industrial functions, we have been able and have had to say that the expenses of the State are the general expenses of society, expenses which must diminish indefinitely, precisely because the ascent of the masses in morality and freedom is indefinite.

Note D.

LIBERTY AND THE STATE. — The antithesis of State and Liberty, presented here as the foundation and principle of modern society, replacing the supremacy of the State and the subordination of Liberty, which formed the basis of society ancient, this eminently organic antithesis, will not be accepted by publicists who support the principle of authority, the eminent domain of the State, governmental initiative and the subordination of the citizen or rather subject; it will not be understood by those who, trained in the lessons of the old scholasticism, are accustomed to see in the State and in free will only abstractions. These, like the old partisans of divine right, are the born enemies of *self-government*, systematic adversaries of true democracy, and condemned to the eternal arbitrariness of reason of state and taxation. For them the State is a

mystical entity, before which all individuality must bow; Liberty is not a power, taxation is not an exchange; the principles are fictions with which the statesman does what he wants, justice a convention and politics a *bascule*. These *doctrinaires*, as they have been called, whose skepticism and misanthropy govern Europe today, are as much below the ancient monarchists and feudalists, as arbitrariness is below faith, Machiavelli below the Bible. Europe owes to this school of pestilence the confusion of ideas and the dissolution of morals to which it is a prey: the loose maxims of the Jesuits produced nothing comparable.

This is not the place to begin a discussion on the realism of the State and Liberty: I will content myself with referring provisionally to my work *On Justice in the Revolution and in the Church*, Fourth and Eighth Studies of the Belgian edition.

Note E.

OPPOSITION OF COLLECTIVE REASON AND INDIVIDUAL REASON. See, on this curious subject, in the work indicated in the preceding note, the Sixth Study of the Belgian edition.

Note F.

INFLUENCE OF CIRCULATION ON TAXATION. — Economists have written a great deal on what they have called the LAW of the *repercussion* or *diffusion* of taxation, and which is only the fact in question here, to which we shall have to return more than onc., namely, that any producer rejecting, as much as it is in him, in the price of his service or product, the amount of his contributions, the tax tends to be confused with the price of things, and consequently to be distributed on the mass. Some, such as M. Thiers, claim that the repercussion or diffusion, which they compare poetically to the diffusion of light, is indefinite; others, that it extends only to a certain extent and belongs only to certain kinds of taxation. Be that as it may, it is always certain that this distribution, which could be regarded as a sort of equalization of the tax, operating on its own through the solidarity and the mutual influence of industries, if the conditions and fortunes were equal, is on the contrary the greatest cause of inequality, in the present state of the social economy. Following the phenomena of this diffusion in detail is a study that can be useful; but it would be strangely mistaken to see in it, with certain economists, a sort of law confirming the base and the distribution of the tax, such as tradition has fixed them.

"In short," says M. Thiers, "the value of a thing being the compound of all the kinds of labor that have concurred in producing it, the labor of social protection represented by taxation must be one of the essential elements that have entered into this compound; hence the one who consumes the most of all things is the one who pays the greatest share of the taxes, and by one of the wisest, most reassuring laws of Providence, however governments go about it, the rich are, after all, the most subject to taxation."

We hardly expected to see Providence in this affair. M. Thiers highly praises Napoleon I for having re-established the tax on liquor and the tax on salt. "Certainly," said the historian of the *Consulate and the Empire*, "Napoleon did not like liberty, for want of believing in it, for France at least. But he loved the people; he wanted above all to be loved by them. He THUS reestablished the tax on salt following that on beverages, and the finances were balanced."

There are things that you have to read with your eyes and hear with your ears, in order to believe them. Everyone had imagined, by virtue of the very law of the repercussion or distribution of the tax, that it was on the working masses, poor, consuming little, that the tax weighed; that it was because they gave everything to the tax that they had nothing left for themselves; that conversely it was because the rich produced little and paid nothing that they could consume a lot. M. Thiers has just proved the contrary. It was in 1848, when utopia overflowing from all sides threatened property, that M. Thiers cast this idea into the world, taking care to surround it with all oratorical precautions. "I have no inclination," he says, "for singular opinions. I only like common opinions, just as in matters of mind I only like common sense. If this one were only singular, it would not be to my taste, but it is strictly true, and I am going to expose it in order to try to put an end to many errors, very harmful to the poor classes that we are so willing to serve." (*De la Propriété.*) And thereupon M. Thiers begins to compendiously explain the phenomenon of the diffusion of taxation.

A man of the importance of M. Thiers always deserves to be refuted: the certainty of the theory of taxation and the correctness of economic language demand it. There is not a worker who does not feel the falseness of this singular reasoning: *The rich pay the most taxes, because they consume the most.* But not everyone is able to demonstrate its sophism.

With regard to tax on consumption, for example, it is the seller, manufacturer, trader or owner who makes the tax payment. There is nothing wrong with this proposition.

The seller, manufacturer, merchant or owner is reimbursed for his advance by the consumer: there is no doubt about that.

But the consumer, in turn, with what does he reimburse the seller? Naturally with its own product, service or income, delivered either in kind or in cash, all in accordance with the axiom: *Products are exchanged for products.* Hence the consequence noted by us in Chapter II, § 1, that the tax is levied not on capital, but on products.

Since, then, the tax is levied on the product, and we cannot go beyond it, the consequence is that the person who pays the tax, the true taxpayer, in the final analysis, is the producer.

From which it also follows that from the point of view of taxation, interpreted according to economic reason and modern law, every producer is deemed to be a consumer and every consumer a producer, each of these qualities being adequate to the other, in virtue of the principle that no one can consume what belongs to him: *Qui non laborat, ne manducet.*

That said, what is necessary for the distribution of tax to be equal?

It is: 1. that each one produces what he consumes and only consumes what he produces, in other words, that no one produces for others or consumes in his place; 2. that the tax is imposed equally on all production. For if one consumes much while producing little, while the other consumes little while producing much, or if the work of one is heavy while that of the other is not; if the work was badly distributed, the wages badly regulated; if there are prelibations and privileges, there would necessarily be inequality in the distribution. And this inequality would be entirely to the detriment of the person who, having produced the wealth, would obtain only an insufficient share of it: far from the great consumer, the small producer, who would have repaid at the sale the advances made by the merchant to the treasury, boasting of having paid the tax, it is he who could be reproached for having devoured the minimum portion of the worker, a wealth to the production of which he would have contributed little or not at all. He would have lived on the

mass without actually paying a penny of contribution, since the consumer who produces nothing pays nothing. This is double-entry accounting, put in vulgar language: Mr. Thiers, who was Minister of Finance, must know about it.

It will perhaps be asked how it is possible, under a regime of legality and order, that there are people who consume what they do not produce, while others do not consume what they produce. The economists answer this question by explaining that there are two ways of producing, one by labor, the other by the sole virtue of capitalist and proprietary privilege, not to mention the arbitrariness that reigns in the remuneration of workers, civil servants, trade and industry brokers, etc. But this *production* of capitalists and owners, submitted to analysis, is nothing but a *fiction* of the old feudal right, which has passed into modern political economy, and resolves itself into an almost gratuitous allocation of the worker to the capitalist-speculator and proprietor, the last form of human exploitation and of the ancient servitude.

In reality, labor alone, physical or intellectual, is productive. But this theory of production by labor exclusively has not yet prevailed in science, has not entered into public right; all selfishness and prejudice have crossed against it; the worker barely understands it and doesn't seem to stick to it. The democracy, occupied with the great questions of *nationality*, of *natural frontiers*, of *political unity*, does not support it. From all of which it results that labor remains what it was formerly, a condemnation, equality before the tax a lie, and the Revolution a myth.

[...]

Note T.

SYNONYMY OF LABOR AND SLAVERY. — We must relentlessly remind those who are sometimes tempted to deny the progress of justice of this immense fact: that man was thrown on the earth without industry; that he lived for long centuries on what the earth, water, woods and animals spontaneously furnished him, in absolute idleness; that he gave himself up to labor little by little, constrained and forced; and that the first on whom this law of constraint weighed were called slaves, that is to say laborers, the word *servus*, feminine *serva* (literally the man or the woman of the household), indivisibly expressing one and the other. Here the progress of language bears witness to the progress of ideas and of right. The *serf* is no longer the same as the slave, nor is the *servant* the same as the serf. There is an ascent from one to the other. Likewise *servitium* and *servitus* are identical in Latin, while in French they are as opposite as possible. The word service, entered into the language of business, has become scientific, and indicates an honorable function; servitude has remained infamous. What is this difference? Quite simply that service is voluntary, and therefore exchangeable, while servitude is forced and does not give rise to any right for the slave. That is all. It is therefore conceivable that, as long as labor remained reviled, that consequently it had to be imposed and slavery was maintained: it was the very foundation of civilization. From the moment, on the contrary, when the law of labor entered people's minds, when it became a precept of morality, as we see from the Gospel, when there were formed, outside the servile class, voluntary workers, from this moment personal servitude lost its reason to exist, and emancipation began at all points. The establishment of Christianity, long prepared by the struggles of the aristocracy and the plebs, has, from the economic point of view, no other

significance. This emancipation of the worker is still far from being complete: serfdom has just been abolished in Russia, the *corvée* in Austria; the extinction of the *proletariat* was posed as the goal of the revolution of 1848, and it is easy to see, by what we have said about taxation, what prejudices remain to be overcome in order to bring to an end this metamorphosis of servile labor into free and ennobled labor, in which the whole history of mankind has been summed up until now.

[...]