



The Wealth of France and of Other Countries

Author(s): M. Alfred de Foville

Source: *Journal of the Royal Statistical Society*, Vol. 56, No. 4 (Dec., 1893), pp. 597-626

Published by: Blackwell Publishing for the Royal Statistical Society

Stable URL: <http://www.jstor.org/stable/2979433>

Accessed: 26/01/2009 11:21

Your use of the JSTOR archive indicates your acceptance of JSTOR's Terms and Conditions of Use, available at <http://www.jstor.org/page/info/about/policies/terms.jsp>. JSTOR's Terms and Conditions of Use provides, in part, that unless you have obtained prior permission, you may not download an entire issue of a journal or multiple copies of articles, and you may use content in the JSTOR archive only for your personal, non-commercial use.

Please contact the publisher regarding any further use of this work. Publisher contact information may be obtained at <http://www.jstor.org/action/showPublisher?publisherCode=black>.

Each copy of any part of a JSTOR transmission must contain the same copyright notice that appears on the screen or printed page of such transmission.

JSTOR is a not-for-profit organization founded in 1995 to build trusted digital archives for scholarship. We work with the scholarly community to preserve their work and the materials they rely upon, and to build a common research platform that promotes the discovery and use of these resources. For more information about JSTOR, please contact support@jstor.org.



Royal Statistical Society and Blackwell Publishing are collaborating with JSTOR to digitize, preserve and extend access to *Journal of the Royal Statistical Society*.

<http://www.jstor.org>

THE WEALTH OF FRANCE AND OF OTHER COUNTRIES. By M. ALFRED DE FOVILLE, *Directeur de l'Administration des Monnaies, Paris.*
 [Translated from the "Dictionnaire des Finances." Edited by M. Léon Say.]

IN ordinary language, the substantive "wealth" conjures up the same idea as the adjective "rich," and presupposes a certain accumulation of the goods of this world. But when, in economics, we speak of "riches" generally, and when in finance we use the words "public wealth," it is not merely a question of opulence. The "public wealth" of a country includes everything within its territory which has an appreciable monetary value. Property, in all its forms, and capital, in whatsoever degree, form an integral portion of wealth. The widow's mite is added to the millionaire's *portefeuille*, cottages are included with mansions.

It is also right that in any discussion of public wealth, the total incomes as well as the amount of capital should be taken into consideration, so that the produce of human labour, salaries, wages, and individual profits of all kinds is added to the produce of personal and real estate. With equal capitals, two families or two nations may perfectly well be in totally different circumstances so far as regards wealth, if the personal activity of the one creates more abundant resources than that of the other. In most cases, however, there is a certain proportion, at least relative, between "wealth capital" and "wealth revenue." The important point, in view of the possible interpretations of the word, is to clearly define them so that no ambiguity may be possible.

Public wealth is the medium in which and on which the finances of the nation subsist; there can therefore be no more important problem in financial statistics than that which has for its object the determination of the wealth, with all its variations, of different nations, and the study of its internal distribution. "Such a work," said Lavoisier ("De la Richesse territoriale de la France"), "would take in the whole science of political economy, or rather this science would cease to be one, for its principles would be so clear and self-evident as to no longer admit of any difference of opinion."¹

These questions, long held to be insoluble, cannot yet be answered with precision: but the approximate solutions which we

¹ *Vide* also Turgot, "Réflexions sur la formation et la distribution des richesses," chapters *ix et seq.*

have now learnt to obtain are already of considerable interest to scientific persons and statesmen.

To introduce as much system as possible into this article, I shall begin with France, and consider first her capital and then her revenue. I shall then deal shortly with other countries.

Capital in France.

Private fortunes and national wealth.—“National capital” also requires to be accurately defined. It is used in two senses, first as representing the sum total of all private fortunes, and secondly the wealth of the nation considered as a whole. These two definitions are not identical. For, if we add up the private fortunes of the 38,000,000 inhabitants of France, it is only right that we should include government stock, which to the owners certainly constitutes an asset. But for the State, the stock issued is a liability, and consequently, if we seek to total the whole wealth of the country, we can no more include the government stock held by the subjects of the State, than the debts—mortgages or others—which are in force between one Frenchman and another: all such debts cancel each other. And if a portion of the debt passes into the hands of a foreigner, by so much should the national assets be reduced. The same remarks apply equally to departmental, communal, and other loans, and the case is very similar with the capital of joint-stock companies, railways, &c.; with bank-notes and the like. On the other hand, if we do not count these different varieties of personal property, we must naturally take into account the value of the property on which all such money was raised: the property of the State, of the departments or communes; the cash at banks and their bills, &c. And so finally the national wealth, at least in France, does not differ very appreciably from the total amount of all the private property.

Preliminary observations.—To estimate in money, either the total of all private property, or the whole national wealth, all that is necessary, theoretically, is to make an inventory of all the various kinds of property, assessing each article at the current market price, just as in the case of a private inheritance. Detractors of such calculations sometimes, it is true, object that, were we to put up for sale, on any particular day, the whole of the lands, houses, personal and real estate of a country like France, we should never succeed in realising the number of millions which we obtain by rating all these different kinds of property at the market price. The objection is trivial, and the hypothesis absurd. No nation has ever dreamed of “liquidating” after such a fashion, and the economist is merely interested in summing up the values which the ordinary conditions of life and trade assign to all that we

possess, even although the great majority of us have no intention of selling. Why should an inventory of national wealth differ from other inventories, small or great? It is the active and not the dead stock, the value in use and not the value in exchange, which we require to measure. This objection needs therefore no further refutation.

A more serious cause of error is the possibility of counting the same thing twice over. For instance, in summing up separately personal property and real property, we must not forget that they have several elements in common, that they dovetail into each other, so to speak. In adding the value of railway shares and bonds to that of the railways themselves, or the value of the shares and bonds of the *Crédit foncier* to that of the lands and houses on which it holds mortgages, we should unduly increase the total; and this is an illusion concerning which we cannot be too careful.

I would also point out that many false impressions would be obtained by imagining that a comparison of the national wealth of different countries could be given in a simple tabular statement. The value of money varies according to the country, and a million in America is by no means the same thing as a million in Europe or Asia. Besides, even supposing the figures to be the same, and to represent the same thing, it may still happen that the stocks at the disposal of two nations would not be equivalent, from the point of view of international competition, if they are not made up of the same materials. The different elements of wealth, in so far as they are economic agents, possess different degrees of efficiency. As Professor Fahlbeck has neatly remarked, it is something like the old story of the pound of lead and the pound of feathers: the weight is the same, but there all resemblance ceases, and if we wished, for instance, to use them as projectiles, what a contrast we should find!² Practically the difference is not less between a million in machinery and a million in jewels, pictures, &c. Pecuniarily equal, these two different kinds of wealth are very far from being of equal use. But I do not wish to investigate the philosophy of wealth, and I have said sufficient to warn the reader of the danger of drawing too absolute conclusions from the following calculations.³

Utilisation of Statistics of Inheritances.—The method which I have suggested for the valuation of the sum total of private

² M. Fahlbeck is of opinion that the principal qualities according to which the "economic properties" of different sorts of wealth are measured are (1) their suitability for production and consumption, (2) their suitability for exchange and transport. He restricts the first class to the precious metals—gold and silver (see the "Bulletin de l'Institut International de Statistique," vol. vi).

³ See in the "Population française," by M. Levasseur, the interesting discussion on the comparative progress of population and wealth.

fortunes—method now adopted by many French and foreign statisticians,—has the advantage of reducing to a minimum the danger of reckoning the same object twice. This method consists in multiplying the average annual amount of inheritances and donations by the average interval between changes of ownership of this nature. This requires some explanation.

The Department charged with the collection of taxes on legacies and successions (changes of ownership through death) and on donations (changes of ownership between the living), has regularly published, since 1826, the annual sums thus taxed (*comptes définitifs des recettes*). The figures are as follows (in millions of francs):—

Inheritances and Gifts Annually Taxed.

Year.	Inheri- tances.	Gifts.	Total.	Year.	Inheri- tances.	Gifts.	Total.
	Millions of Francs.				Millions of Francs.		
1826.....	1,337	449	1,786	1876	4,702	1,068	5,770
'30.....	1,451	465	1,916	'77	4,438	1,028	5,466
'35.....	1,540	519	2,059	'78	4,748	1,054	5,802
'40.....	1,609	607	2,216	'79	5,004	1,103	6,107
'45.....	1,742	702	2,444	1880	5,266	1,117	6,383
'50.....	2,025	659	2,684	'81	4,914	1,089	6,003
'55.....	2,407	726	3,133	'82	5,027	1,046	6,073
'60.....	2,724	802	3,526	'83	5,244	1,062	6,306
'65.....	3,029	851	3,880	'84	5,078	1,023	6,101
1869.....	3,637	930	4,567	'85	5,407	1,021	6,428
1870.....	3,372	682	4,054	'86	5,369	1,019	6,388
'71.....	5,011	718	5,729	'87	5,409	998	6,407
'72.....	3,951	1,128	5,079	'88	5,372	958	6,331
'73.....	3,712	1,033	4,745	'89	5,059	942	6,001
'74.....	3,931	996	4,927	1890	5,811	937	6,748
'75.....	4,254	1,067	5,321	'91	5,792	1,008	6,800
				'92	6,405	1,012	7,417

I have been careful to add here the gifts to the inheritances, because these donations are but a deviation of the stream of inheritances whose total we wish to ascertain. The greater part of these donations may be considered as anticipated legacies, or as advancements on inheritances: they generally represent the dowry of a daughter or the money to start a son in business, &c.

From 1879 to 1889 the inheritances and donations together have constantly oscillated between 6,000 and 6,500 million francs; and the fact that the latter figure has been considerably surpassed in 1890, 1891, and 1892, is only due to the exceptionally large number of inheritances on account of the extra mortality from influenza.

Similarly, the maximum of 1871-72, which were years of general impoverishment, is due to the enormous death-rate of the *année terrible*.⁴ On the other hand the annual total of donations was diminished in 1870-71, and for other reasons—*i.e.*, the decrease in the marriage-rate—is low at the present moment. Thus, from 6 to $6\frac{1}{2}$ milliards of francs is, we may take it, according to the official calculations, the value of the property which, in France, passes from one generation to another in the normal year. This average annual sum clearly represents a definite fraction of the whole mass of individual fortunes.

Although the annual successions have been doubled during the last thirty years, and nearly quadrupled in sixty years, we are not therefore justified in concluding that the value of property has also been doubled and quadrupled in the same time, because certain properties are now taxed which were not so originally, or, in some cases, the method of valuation has been changed (*e.g.*, in 1836, 1841, 1850, 1871, 1875, . . .). But since 1876, at all events, the proportion between the annual total of successions and donations (S + D) and the total sum of private fortunes (F) must have been fairly constant. We have now to determine this proportion: $x = \frac{S + D}{F}$.

This ratio is not equal to the *average life* of a man, as many have believed and stated, but to the *average survival* of the heirs over those from whom they inherit, this survival representing the average interval of the successive changes of ownership which call for the intervention of the Treasury. If, for instance, there were always thirty or forty years between the date of entering into an inheritance and the date of being oneself dispossessed of it by death, the annual successions would then represent the thirtieth or the fortieth part of the total inheritable property.

Those familiar with demographic problems will at once recognise that this average survival of heirs is equal, at least in cases of direct lineage, to the average age of the parents at the time of their children's birth. This is also what is usually called the duration of a generation.⁵

⁴ Heirs and legatees being allowed six months, from the date of death, in which to make the usual declarations and pay the duties, the influence of variations in the death-rate is only felt, in statistics of inheritances, after a delay of five or six months.

⁵ To give a clearer view of the problem, let us imagine a nation in which all the children are born when the parents' age is A, and all die at the age B. Then, clearly, the son would inherit at the age B - A, and would keep the inheritance during B - (B - A) = A years. A would also clearly represent the exact periodicity of the successive generations.

To what extent do the successions other than those from parent to child alter the average survival? I do not think they alter it much, and in any case there is

Since the time of Herodotus, three generations have always been held to cover a century; which would give $x = 33$; and this was still, not so long ago, Dr. Vacher's estimate. After very careful consideration, I have been led to take a somewhat higher figure: thirty-five or thirty-six years. Several facts have led me to this conclusion. In Germany, Rümelin and Goehlert, and in Austria, Inama-Sternegg, have adopted this figure as the result of purely demographical calculations. In France an official inquiry many years ago (which ought to be renewed) showed that real estate changed hands, on an average, once in twenty years: by alienation every forty-five years, and by succession every thirty-six years:—

$$\frac{1}{36} + \frac{1}{45} = \frac{1}{20}$$

I shall therefore assume (subject to subsequent correction) that the average annual total successions are about the thirty-sixth part of the whole amount of inheritable property: $F = 36 (S + D)$. And, accepting the Treasury statistics for the years 1879-89, $S + D = 6\frac{1}{2}$ *milliards*, it follows that $F = 225,000,000,000$ frs.

We have now to inquire how far the administration really accurately registers the values of the inheritances and annual donations. It is only too easy to see that, in this connection, the official statistics, in some points insufficient, are in other points too high.

The official statistics are incomplete:—

(1.) Because certain inheritances (generally very small) and many donations (gifts from hand to hand, both small and great), do not come at all under the notice of the Treasury.

(2.) Because, even when the inheritance is registered, the true amount of the specie, certain sums owing to the deceased, bonds, shares, &c., may often be concealed with impunity.

(3.) Because the valuation of furniture, jewelry, paintings, &c., is generally too low; the same holds good of other kinds of personal property which it is difficult to estimate exactly, and even in the case of real estate, the capitalisation enjoined by law—20 or 25 times the gross letting value, according as the estate is urban or rural⁶—is often too low.

On the other hand the official statistics are too high:—

(1.) Because the French law, in spite of the reform proposed by the Government itself, does not permit the heirs to deduct from

nothing to prove any alteration. The probable survival is considerably diminished when the brother inherits, but, on the other hand, it is considerably increased in the case of a grandson. And so in other cases.

⁶ The law of 21st June, 1875, raised the multiplier from 20 to 25 in the case of rural real estate.

the assets of the dutiable inheritance, the debts which often reduce the value very considerably.

(2.) Because, in the case of an inheritance, where the reversionary interest of an estate goes to one person, and the usufruct to another, the French law, killing two birds with one stone, contrives to augment the dutiable value by 50 per cent.⁷

(3.) Because the method of assessment enjoined by law for town property—20 per cent. of the gross letting value (without any deduction for taxes, expenses of maintenance, periods when a house is untenanted, and bad debts)—often rates it at a higher figure than the true selling value.

These are so many causes of error, but they act in contrary directions; and the importance of the omissions is at least comparable with that of the additions, for the corrections necessary on either side apparently surpass 500 millions, without reaching 1,000 million francs, in the year. By adhering to the official figures, there is therefore not much chance of going far wrong; and in any case, the error, on one side or the other, would not vary much from year to year; and consequently the results successively obtained, being modified in the same proportion, can serve as the basis for some useful comparisons.

I therefore consider the formula $F = 36(S + D)$ as approximately true, S representing the average total annual successions, and D the average total annual donations. And I have shown that this formula leads us to conclude that the *total amount of private property* in France, since 1879, is about 225,000 millions of francs.

The national wealth, which we have seen is not the same thing, seems to amount to about an equal sum, when the liabilities have been deducted.

Former Estimates based on different methods.—Much higher valuations than mine have been made, at periods when France was certainly less rich than she is to-day. But the authors made several more or less serious errors in their reasoning.

M. Elisée Reclus, the well-known geographer, considered that to deduce the national capital from the national income, it would be sufficient to capitalise at 5 per cent. the 25 *milliards* of revenue which he supposed the French people to own. M. Reclus thus obtained 500 *milliards*, a very large figure,⁸ and Dr. Talandier did not hesitate to consider this as a plausible estimate of the total capital owned by the French.⁹ M. Sciana, engineer, went further,

⁷ The person receiving the reversionary interest pays as if he received the whole property, and the usufructuary pays half.

⁸ *Vide* his "Nouvelle Géographie universelle," vol. ii, p. 885.

⁹ *Vide* the "Journal officiel," 29th January, 1878, p. 810.

and with great liberality attributed to us 400 *milliards* of real estate and 200 *milliards* of personal estate, or 600 *milliards* in all. Those who have published these enormous figures, forget that, although the total incomes of the French may amount to 25 *milliards*, more than half of this represents salaries, the earnings of individual labour, and not interest on capital.¹⁰

Dismissing therefore these unfortunate calculations, I shall now consider some estimates made by men who may be considered authorities on this subject.

J. B. Say, at the time of the Restoration, calculated the real estate in France as worth 60 *milliards*, and put the personal estate at the same value, the total therefore being 120,000 million francs. This is too high for that period.

M. Maurice Block, in 1873, thought that he might "venture" on the following very rough estimates as measuring the progress of wealth in France:—

Date.	Real Estate.	Personal Estate.
	<i>Milliards of Francs</i>	
1820.....	40	15
'40.....	—	40
'47.....	100	—
'50.....	—	45
'60.....	—	114
'69.....	—	150
'73.....	120	—

It will be noticed that to avoid all danger of including any kind of wealth under both heads, M. Block refrains from adding the two items together.

The following are a few other valuations, which I reproduce as having a certain interest, but without attempting to discuss them:—

¹⁰ Even if we add the estimated value of *human capital* to that of *owned capital*, we should never arrive at 500 *milliards*, for to value human capital in money we must capitalise, not the gross amount of wages and salaries, but the *net product* of the human machine, deducting the amount required to keep this machine in good working order.

Authors.	Date.	Real Estate.	Personal Estate.	Total Wealth.
		Milliards of Francs.		
E. de Girardin*	1853	92	33	125
Wolowski †	'61	120	55	175
Duc d'Ayen ‡	'72	100	95	195
Dr. Vacher §	'78	216	44	260
A. Amelin	'78	135	105	240
S. Mony ¶	'81	115	101	216

* *Vide* the table at the end of his book, "L'Impôt."

† *Vide* the "Journal Officiel," 23rd December, 1871; proceedings of the National Assembly on the 22nd.

‡ *Vide* "Journal des Economistes," May, 1875. *Vide* also "Revenu Salaire et Capital," 1872.

§ *Vide* "Journal de la Société de Statistique," 1878, p. 281.

|| *Vide* "L'Echo agricole," August and September, 1878.

¶ *Vide* his "Etude sur le travail," 2nd edit., 1881.

Subdivision of the National Wealth according to the nature of the property.—The inheritances and donations taxed are subdivided as follows at the different periods ¹¹:—

Periods.	Successions.		Donations.		Total.	
	Real.	Personal.	Real.	Personal.	Real.	Personal.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
1827-31.....	65	35	45	55	60	40
'37-41.....	63	37	45	55	58	42
'47-51.....	61	39	49	51	58	42
'57-61.....	57	43	46	54	54	46
'67-71.....	54	46	45	55	52	48
'77-81.....	53	47	45	55	51	49
'87-91.....	50	50	40	60	49	51

In the last year for which we have returns (1892), the personal property taxed is subdivided as follows:—

	Per Cent. of the Total Successions during the Year.
French and foreign Government stock	13 per cent.
Other French and foreign stocks	39 "
Other personal property (cash, book-debts, business, merchants' stock, machinery, farm implements, cattle, horses, carriages, boats, furniture, jewellery, works of art)	48 "
	100 "

¹¹ *Meubles* and *immeubles* (literally *movable* and *immovable* property) have been translated generally throughout this article as *personal* and *real* property.

All these figures show how rapid has been the expansion of the personal wealth during the nineteenth century, since, being valued in 1830 at only about one-half of the real property, it seems now to be rated actually above the latter; while judging by the values taxed, the increase, in sixty years, seems to have been more than 250 per cent. in the case of real property (3,158,000,000 frs. in 1887-91, as against 893,000,000 in 1827-31), and nearly 600 per cent. in the case of personal property (3,300,000,000 frs. in 1887-91, as against 480,000,000 in 1827-31).

But the proportions in the last table do not even yet exactly represent the true composition of the wealth of France, since, besides the variations in value introduced by fresh legislation, the errors noticed above affect the two kinds of property differently. For instance, it is practically personal property only which is affected by parties understating their wealth.

To arrive somewhat nearer to the truth, there is accordingly room for a careful examination of each of the elements of the national wealth of which the actual value can be directly revealed by government inquiries or by the researches of specialists.

(1.) *Landed Property.*—The value of the cultivated soil in France, after having increased considerably during the first three-quarters of the century, and especially in the third quarter, has gone back during the last fifteen or twenty years. Combining the various sources of information, I think the average value of the *hectare*, since the Revolution, may be taken to be as follows:—

	Frs.		Frs.
In 1789	500	In 1862	1,850
„ 1815	700	„ '74	2,000
„ '21	800	„ '79	1,830
„ '35	1,000	„ '84	1,785
„ '51	1,275	„ '92	1,700

The averages given for 1851 and 1879 are the result of the two important inquiries set on foot by the Administration of Direct Taxation in those years, preparatory to a fresh valuation of the landed revenue. The results of the latter inquiry were summarily revised in 1884.

The inquiry of 1879 assessed the 50,035,000 *hectares* of taxable landed property at a total value of 91,584,000,000 frs.: if we include the untaxed lands (2,822,000 *hectares*) we should very probably reach a sum of 95 *milliards*. The revision of 1884 has already brought down the 91½ *milliards* to 89 *milliards*, and at the present moment, all things considered, we can scarcely consider the whole landed property, in the eighty-seven departments, as

worth more than 85 *milliards* of francs. Of this total 75 *milliards* would represent the value of private property, subjected to changes of ownership through deaths or gifts.¹²

(2.) *House Property* (including houses, factories, &c.)—The Administration of Direct Taxation in 1887-89 made a searching inquiry into the house property liable to taxation, and this has been the starting point of an important fiscal reform. The immediate object of the inquiry was to ascertain the letting values, and indirectly the selling values. The total worth of the taxable house property comes out at 49 *milliards* of francs (towards which Paris alone is responsible for 11 *milliards*), and the so-called agricultural buildings, which are not taxed, but of which the approximate value was also calculated, would add quite 10 per cent. to this. Even if we admit that the assessors, in certain districts, have somewhat exaggerated the figures, we can nevertheless consider the whole value of house property, taxed and untaxed, to be 55,000 million francs; of which fully 50,000 millions can be set down as owned by private individuals, and is subject to changes of ownership by deaths or gifts.

(3.) *Specie*.—By using the periodical investigations of the Department of Finance (1878, 1885, 1891), I have been led to assign to France, in metallic currency, a sum of 4,000 million francs in gold, and 2,500 millions in silver (face value), *i.e.*, a total of 6,500 millions. On the 8th December, 1893, the Bank of France held a large proportion of this, *viz.*, 2,982 millions (gold, including bullion, and silver). But on the other hand, nearly 3½ *milliards* of its notes are in circulation. Adding together the metal and the bank-notes (although the latter include the bullion on which they are based), we should thus have 10 *milliards*, of which 7 are actually in circulation. But a large proportion of this specie is absorbed by the financial companies, railway companies, and various associations. And we therefore cannot assume that there is actually more than some 4,500 million francs owned individually.

(4.) *Convertible Securities* (*Government stock, shares, bonds*).—The multiplication of convertible securities has been extraordinarily rapid in France during the last half century. Our public debt alone represents, at the market price, some 30,000 million francs, and foreigners to-day hold but a small portion of our stocks. And

¹² Of the 52,857,199 *hectares*, private property accounts for 45,025,598 (85·19 per cent.); the State owns 1,011,155 (1·91 per cent.); the departments 6,513 (0·01 per cent.); the communes 4,621,450 (8·74 per cent.); various establishments 381,598 (0·72 per cent.); while in the case of 1,810,885 *hectares* (3·43 per cent.) the ownership is not stated. [*Enquête agricole de 1882*, published in 1888.]

on the other hand, the tax on the income from securities in 1890, was raised on nearly 1,750 million francs, including—

	Revenue in Mlms of frs.
Shares of French companies	636'4
French bonds: departmental and communal loans	814'6
Foreign shares	60'8
„ bonds	70'1
	1,581'9

In 1891 and 1892, the amount was even greater; and, at the present rates of interest, we can scarcely consider the capitalised value of this enormous revenue as being less than 30 to 35 *milliards*. Adding to the above mentioned 60 or 65 *milliards* the value of the foreign stocks which are not taxed in France, or which escape the tax from the holders residing out of the country, we shall easily arrive at a total of 75 or 80 *milliards*. This figure has already been proposed, and maintained, on different occasions by M. A. Neymarck, whose authority on these questions is well known. The share of this wealth belonging to private individuals seems to be fully 70 *milliards*.

(5.) *Agricultural Implements, Farm Live Stock, Horses.*—This is another element of the national wealth that can be directly calculated. The agricultural investigation of 1882 valued it at 9,000 million francs, exclusive of those horses which were used for purposes other than agriculture. We can therefore confidently say 10 *milliards*, even if we confine ourselves to private wealth.

(6.) We still have to consider the various assets other than those enumerated above, such as the plant of various industries, tradespeople's stocks, the salaries from public offices, business connections, &c., and also furniture, plate, jewels, clothing, works of art, collections, &c., concerning all which a fair estimate would seem to be that their value is about twice the letting value of the houses.

In fine, the following may be taken as a reasonable subdivision of the whole sum of the private wealth (*heritable wealth*):—

	Milliards of frs.
Lands	75
House property (including factories)	50
Specie	5
Convertible securities.....	70
Agricultural implements, live stock.....	10
Other personal property, exclusive of that of which the } value has already been reckoned under real property }	15
	225

If under each heading we had taken the gross assessment at which it is reckoned in the national wealth, public or private, we

should have a much higher figure; but, as explained above, we should require to make considerable reductions on account of liabilities, &c. (the national debt, to begin with), and we should thus, in all probability, obtain a net total of something under 225 *milliards* of francs.

Geographical Distribution of the Capital Wealth.—In a country such as France, the geographical distribution of wealth is necessarily extremely unequal; and in this connection it is only possible to refer the reader for fuller details to the two “Atlas “de Statistique financière,” published in 1881 and 1889 by the Ministry of Finance.¹³ In this the sums annually transferred by inheritance or by deed of gift are divided among the eighty-seven departments, (1) per *hectare*, (2) per head of the population. During the period 1885-87, for instance, the average value of the *hectare* varies from 30,400 frs. in the department of the *Seine* to 14 frs. in the *Hautes-Alpes*, and the average per head varies from nearly 500 frs. in the *Seine* to 54 frs. in the *Corrèze*. The influence of large towns on the localisation of wealth is naturally enormous.

Incomes in France.

Collective Evaluations.—I shall here consider the national income to be simply the sum of all private incomes; that is, in France, the sum of all the resources for satisfying their current requirements annually at the disposal of the 38 or 38½ millions of individuals who, whether grouped in households and families or not, make up the French population. In most cases the idea of a private income is perfectly simple, but in certain instances there may be some doubts, and the following observations will therefore not be out of place.

(1.) The income of a tradesman is very far from including all the receipts which come into his till: we must consider as his income only that portion of these receipts which remains over for his private use after he has paid all the expenses necessitated by his trade.

(2.) Revenues in kind are incomes: consequently a family living on the produce of their field, although receiving no money and spending none, would not be without an income: their revenue would be measured by the value of the produce annually consumed. As a matter of fact, many French people, especially in the country, own the houses they inhabit; in this case also the letting value of their home should be included in their income.

I should add that it is very common for the income of a family

¹³ *Vide* also Ad. Coste, “Etude Statistique sur la richesse comparative des départements de la France:” “Journal de la Société de Statistique de Paris,” February, 1891, p. 47.

or an individual to consist of detached portions of the income of some one else. The persons of independent means buying bread, procures a profit to the baker, *i.e.*, a portion of revenue; the baker who buys a coat contributes similarly to the income of the tailor. The same penny, or the same shilling can, in the same year, be included in the income of a hundred different families.

The national income, thus defined, is not easily determined. Most statisticians who, during the last century or so, have undertaken such calculations, have made separate inquiries into the income from land and that from personal property. The net landed revenue (including that from house property) has been officially assessed at 1,440 million francs in 1791, at 1,580 millions in 1821, at 2,643 millions in 1851, at 3,216 millions in 1862, at 4,049 millions in 1874; and the two last inquiries by the Administration of Direct Taxation, in 1879 (revised in 1884) on landed property, and that of 1889 on house property, bring this net taxable revenue up to 4,671,000,000 frs. (2,581,000,000 from lands, and 2,090,000,000 from houses—excluding the purely agricultural buildings). I will only remark that the totals include, besides private property, that belonging to the departments, communes, hospitals, asylums, companies, societies, &c.

As to the income from personal property, we have only for former times unofficial calculations of varying merit. Delai d'Agier, in 1791, considered this income as comparable with that from lands, and put it at 1,050 millions, of which 400 millions represented the interest on capital, stock, &c., and another 300 millions were public salaries. Ponssielgue, in 1817, put it at 2,130 millions. In 1848, M. Goudchaux, author of a proposal for an income tax, considered that it was 3 or 4 *milliards*; and later, M. Hippolyte Passy made some calculations for a projected law in 1849, based on an estimate for real and personal revenues, of 6 *milliards*, but he stated that this was much below the real value.

Under Louis Philippe, in fact, the whole revenue from personal estate was generally supposed to be somewhere between 6 and 10 *milliards* of francs. M. Edouard Vignes calculated the income from personal property at 8,169 million francs, of which 1,734 millions were the interest on capital, 2,000 millions were profits of industry, 900,000,000 the salaries of professional men, and 3,535,000,000 the wages of manual labour. At the same period, in an article published in the "*Revue des Deux-Mondes*" (January, 1849), M. Cochut came to the conclusion that the *personal* revenue was 3,137 millions, made up as follows: profits from trade and industry 1,555 millions; revenue from government posts and liberal professions 364, salaries, pensions, and remunerations 454, income from capital in Government stock or private undertakings 1,764.

The same author, ten years later, estimated the whole French revenue at 16,000,000,000 frs., and at about the same time, M. de Parieu expressed the opinion, that exclusive of salaries, the revenue from personal estate must be about equal to that from real estate.

After the military and financial disasters of 1870-71, the question came before the Government as often as a proposal was made to introduce some kind of income tax. On the 22nd December, 1871, in the National Assembly, during a debate which has remained famous, M. Wolowski guaranteed that there would be, after deduction of all incomes below 1,200 frs., a minimum of 6 to 7 *milliards* of francs, which could be subjected to taxation: "incomes from the general produce of industry, from labour of all kinds, from wealth already acquired" On the same day, M. Teisserenc de Bort, attacking the proposal advocated by M. Wolowski, said: "The works of the most competent statisticians estimate the whole revenue of England to be between 22 and 25 *milliards*." For the total revenue, M. Wolowski, a little later, considered 20 to 22 *milliards* to be a probable figure, and M. Rouvier, in his speech of the 3rd February, 1874, while adopting on his own account M. Cochut's evaluation of 16 *milliards* in 1859, attempted to justify M. Wolowski's estimate by some ingenious comparisons between France and England. Considering these various data, it will be seen that the best qualified authorities hesitated, a quarter of a century ago, to ascribe to France more than 15 *milliards*, although they agreed that the general wealth had made enormous progress since the time of the first empire, which progress, by the way, the depreciation of the monetary metals caused to appear still greater. After the disasters of 1871, the estimates still varied between 10,000 and 20,000 or 22,000 million francs.

But shortly after, France, in spite of the losses incurred, saw her wealth increase on every side, and during the last ten years, the usual estimates have varied between 20 and 30 *milliards* of francs. Some authors still remain below this figure, as M. Ballue¹⁴ (8 *milliards*), and M. Peytral¹⁵ (16 *milliards*), or go beyond, like M. Cochut,¹⁶ who was led by an illusory theory to say 36 *milliards*, after having put it at 16 in 1859. These extreme results are explained, in all cases, by the fictitious conditions, if I may say so, under which the calculations were made. For the methods employed by different authors to arrive at the national revenue

¹⁴ *Vide* Ballue, "Report of the 26th November, 1886, on the Reform of the Assessment" (Chamber of Deputies, No. 1,314).

¹⁵ *Vide* "Projected Law of 30th October, 1888," and Appendices.

¹⁶ *Vide* in the "Revue des Deux-Mondes," 1st December, 1883, the article "Enchérissement des marchandises et des services."

vary greatly, and in fact, there does not seem to be any absolutely certain way of getting at the truth.

One of the methods suggested consists in finding the proportion between the income and the production—agricultural, industrial, &c.—of a country; but it is not at all easy to determine this ratio, and the ideas of M. Block, the Duc d'Ayen, and M. Cochut, on this point are far from identical. Besides which, it is very difficult to assess the national production, gross and net produce, at all satisfactorily. Extraordinary valuations have sometimes been published in this connection, for instance, that of M. le Trésor de la Rocque, formerly State Councillor. Advocating protection in 1891, he succeeded, by means of a long addition, in which items which had obviously been already included once were made to do duty a second time, and in which the most unexpected blunders occurred, in reaching a total of 37 *milliards*, made up of: agricultural and partly agricultural produce 26 *milliards*, and industrial products 11 *milliards*. M. E. Levasseur had no difficulty in proving that, especially as regards agriculture, M. le Trésor de la Rocque's estimates were more than fanciful.¹⁷

I think that the best way of obtaining any trustworthy data on the national revenue consists in proceeding by successive approximations. In the first place, we can be tolerably certain that the landed revenue is about 5 *milliards* of francs, and that personal property produces at the present moment an income, not merely equal, but superior to that of the real property. This gives a minimum of 10 *milliards* of francs for the income from wealth already acquired. Besides this, it is fairly certain, for any one who has any knowledge of the conditions of existence of the greater number, that the personal gains in agriculture, industry, arts and commerce, wages, &c., are at least of as much value as the produce of capital in providing the French people with the means of existence. The national revenue cannot then, at the present day, be supposed to be less than 20 *milliards*.

The next step is to examine the tax, which also offers a means of investigation and a check. M. P. Leroy-Beaulieu, in the preface to the third edition of his "Traité de la Science des Finances," endeavoured to ascertain the ratio, in the different degrees of the social scale, between the income of the tax payers, and the amount of the tax paid to the Treasury (including tobacco, postage, &c., as well as the departmental and communal rates). For a Parisian working man's family, he found 10·8 per cent. For a millionaire (possessing an income of 80,000 frs. or over), he found 13 or 17 per cent., according to the nature of his riches (personal or real). All

¹⁷ *Vide* also "La Consommation nationale et l'exportation," by A. de Foville, in the "Economiste français," 11th April, 1891.

things considered, there is reason to believe that the average rate of taxation in France is not far from 15 per cent. Now, in 1892, the State levied 2,780 million francs, the department 165, and the communes at least 530 millions; a total of 3,475 millions of francs, or nearly $3\frac{1}{2}$ *milliards*.¹⁸ This sum must be less than 12 per cent. of the national income, if the latter is more than 30 *milliards*; it must be more than 17 per cent., if the revenue is below 20 *milliards*. The national income must consequently be somewhere between 20 and 30 *milliards* of francs; as is, moreover, generally admitted, we should not be far wrong in putting it at 25 *milliards*.

Subdivision of Incomes according to their source.—Many of those who, in the past, have endeavoured to calculate the national income, have sought to attain their end by means of a detailed inventory. I shall here merely notice the most recent official or semi-official data.¹⁹

The notes furnished in 1885 to the parliamentary commission on the reform of the assessment for taxation, contained the following estimates:—²⁰

	Net Revenue. Mils. of frs.
Landed property	2,646
House „	2,200
Convertible securities taxed	1,595
Mortgages and unregistered debts.....	500
Unredeemable Government debt ²¹	740
Redeemable debt ²¹	106
Life annuities	192
Total.....	<u>7,979</u>

The first group of revenues thus amounts, in round numbers, to 8 *milliards* of francs (some of the figures ought certainly to be higher). On the other hand the same thing is evidently counted twice over, when the income from mortgages is added to that from the mortgaged property. It is known also that in some cases the convertible stocks subjected to the “proportional tax” really represent fixed property.

To the above figures must be added some 15 *milliards* of francs

¹⁸ *Vide* the “Bulletin de statistique du ministère des finances,” April, 1892, page 470.

¹⁹ *Vide* M. Ballue’s report, and that of M. Yves Guyot (14th October, 1886), concerning the income tax, No. 1,130.

²⁰ Of the older works, I should mention here the “Essai comparatif sur la formation et la distribution du revenu de la France en 1815 et 1835,” by J. Dutens, 1842.

²¹ The whole debt owned by Frenchmen is included in this, which is not correct; on the other hand, the foreign government stocks owned by Frenchmen are excluded, these stocks not paying the 3 per cent. (now 4 per cent.) tax.

for wages, profits on individual work, or mixed incomes (*i.e.*, from licences, &c.). The net revenue from the last source, according to the calculations of the Administration of Direct Taxation, cannot be far from 3 *milliards*. And even for the poorest wage-earners, agriculturists or artisans, we can put their earnings at almost as many *milliards* as they number millions. The incomes of medical men, barristers and lawyers,²² can be reckoned by hundreds of millions; and those of government, departmental and communal servants amounted, even in 1886, to more than 500 millions, exclusive of pensions.²³

Classification of Incomes according to importance.—

If the determination of the total of all the incomes in France is a difficult task, how much more so is not the classification of incomes according to their size? It would be an awkward question to ask anyone to draw the "pyramid of private fortunes," after the fashion of the "pyramid of ages." All that we can say of the "pyramid of fortunes" is that it is not a pyramid at all, for the large fortunes are infinitely less numerous than the medium-sized, and these latter again are infinitely less numerous than the small ones. It is thus in every country, although the disproportion is less in France than among some of the neighbouring nations. Besides, this disproportion tends to diminish rather than to increase; nothing is more untrue than the proverb: "the rich daily increase their wealth, and the poor daily increase their poverty." The contrary holds good: there is a "tendency towards less inequality in the conditions." Of this, M. P. Leroy-Beaulieu, in France,²⁴

²² *Vide* the remarkable figures given by Mr. Goschen in his budget statement for 1892-93.

²³ The following were the figures laid before the Chamber of Deputies at that time:—

	Number.	Total Salaries.
		frs.
Government (exclusive of teachers)	204,242	322,861,000
Departmental.....	8,677	15,590,000
Communal (including teachers)	247,943	210,580,000
	460,862	549,031,000

²⁴ *Vide* his "Essai sur la répartition des richesses," second edition, 1883. *Vide* also his article on "La lenteur de l'accroissement de la fortune des classes "aisées et opulentes en France," in the "Economiste," 23rd January, 1892. M. Leroy-Beaulieu's results are in no way impaired by the excessive increase of certain private fortunes. On this point, A. de Foville's "Le Morcellement" (p. 217), and De Varigny's "Les Grandes Fortunes aux Etats-Unis et en Angleterre, 1889," may also be consulted. M. de Varigny considers that the number of fortunes of over 25,000,000 of francs may be about 700, of which 200 are owned by Englishmen, 100 by citizens of the United States, 100 by Germans

and Mr. Goschen,²⁵ in England, have convinced all rational men. But there will always be, from the force of circumstances, many more poor than rich.

Among writers who have sought to classify the French private fortunes in order of size, I shall only mention, as a matter of history, the geographer Balbi, whose imaginary valuations are now fifty years old, and M. J. Paysant, who published in a socialist paper²⁶ some years ago, in opposition to those of Balbi, statistics whose exactitude he left the reader to verify, doubtless because he had not succeeded in doing so himself. The valuations made, with all reservations, by the Duc d'Ayen²⁷ in 1875 only included incomes other than those drawn from trade and labour. He put them at 4,080 million francs, and divided them among 2,411,290 families; thus 31,290 families have, excluding trade and labour, an income of more than 25,000 frs. (altogether 1,090 millions); 380,000 receive from 1,500 to 25,000 frs. (in all 1,490 millions); lastly, 2,000,000 families have from 100 to 1,500 frs. (total 1,500 millions). I do not here reproduce the subdivisions of these groups as they appear in the Duc d'Ayen's table. The philosophical results of his studies on social economy appear to be more deserving of credit than his statistics.

M. Leroy-Beaulieu has devoted a whole chapter (the nineteenth) of his "Essai sur la répartition des richesses" to the examination of the chief statistical writings by means of which some idea may

(including Austrians), 75 by Frenchmen, 50 by Russians, 50 by natives of India, &c. The more or less trustworthy data which M. de Varigny uses include the following names at the head of the list of modern Crescuses:—

Name.	Nationality.	Capital.	Revenue.
		Mlrs. of frs.	Mlrs. of frs.
Jay Gould	American	1,375	70
J. W. Mackay	"	1,250	62
Rothschild	English	1,000	50
C. Vanderbilt.....	American	625	31
J. P. Jones.....	"	500	25
Duke of Westminster ...	English	400	20

Astor, who died recently, after Vanderbilt and Jay Gould, had also at least 500,000,000 frs., if not more. The "Year-Book of American Millionaires" (1,000,000 dollars and over), recently published by the "New York Tribune," contains 4,107 names!

²⁵ *Vide* "Journal of the Royal Statistical Society," December, 1887, p. 589.

²⁶ *Vide* the "Ligue nationale du droit des travailleurs à la retraite," No. 2, 1882.

²⁷ *Vide* "Estimation de la richesse en France et en Angleterre," in the "Journal des Economistes," May, 1875, p. 278; also his "Revenu, salaire, et capital, leur solidarité," 1872.

be formed of the distribution of wealth in different countries. In France, having no income tax on which to rely (as in England or Germany), M. Leroy-Beaulieu has restricted his attention to Paris. He considered that the statistics of the tax on personal property, "when interpreted with wisdom and circumspection," justified the following division of the incomes of the Parisian population:—

	Per 1,000.
421 incomes of over 266,000 frs.	0'65
1,413 " varying from 266,000 to 133,000 frs.	2'35
3,049 " " 133,000 " 70,000 "	5
9,985 " " 70,000 " 32,000 "	15
21,453 " " 32,000 " 12,000 "	31
6,198 " " 12,000 " 10,000 "	9
17,202 " " 10,000 " 7,500 "	25
21,147 " " 7,500 " 6,000 "	31
61,083 " " 6,000 " 4,000 "	89
74,360 " " 4,000 " 2,400 "	108
468,641 " of less than 2,400 frs.	684

The statistics of horses and carriages, on the one hand, and those of burials, on the other, seem to bear out the above approximate distribution.

In the whole of France, M. Leroy-Beaulieu does not believe that there are more than 700 or 800 persons having an income of 250,000 frs. and over, or that there are more than 18,000 to 20,000 incomes between 50,000 and 250,000 frs. He also expresses the opinion in his "Traité de la science des finances" (fifth edition), that "three-fourths of the accumulated fortunes, and probably more than four-fifths of the whole national income, are in the hands of workmen, labourers, small tradespeople, and the owners of small capitals."

These calculations may advantageously be compared with the results found in England or Germany by means of the direct taxation of incomes.

FOREIGN COUNTRIES.

Preliminary Observations.—Estimates of the public wealth in certain foreign countries aim in some cases at the capital, in others the revenue, according as the fiscal or other data available in the different countries make the one or the other the easier task. A similar selection is necessary here.²⁸

²⁸ In 1828 the "Almanach de Gotha" made an attempt to add up the average income per head of population in the different European States. M. Camille Pelletan, in his report (22nd November, 1890) on the financial situation of France, exhumes some of these conjectural estimates: Great Britain, 625 frs.; France, 325 frs.; Prussia, 170 frs.; Austria, 100 frs. Fifty years later Mr. Mulhall, in "The Progress of the World," improvised the same figures, as follows:—United Kingdom, 320 frs.; France, 625 frs.; Germany, 425 frs.; Austria-Hungary, 300 frs.

United Kingdom.—Despite its small area, the United Kingdom has become the richest in Europe, and France is the only country, so far as capital is concerned, which can be at all compared to it. The following are the most authoritative estimates of its wealth, dating from the seventeenth century :—

Author.	Date.	Total Wealth.	
		Min. £'s	
Petty	1660	250	England and Wales
Davenant	1703	490	„
Young	'74	1,100	„
Beeke, Eden	1800	1,740	Great Britain
Colquhoun	'12	2,190	United Kingdom
Lord Liverpool	'22	2,600	„
Pablo Pebrer	'33	3,750	„
Porter	'40	4,100	„
Leone Levi	'60	6,000	„
Robert Giffen	'65	6,113	„
„	'75	8,548	„
„	'85	10,037	„
The Treasury	'86	9,400	„

Dr. Giffen, Assistant Secretary to the Board of Trade, has treated the subject more methodically than anyone. He has taken the different incomes, according to the income tax returns, and added to them the incomes exempted from the tax (estimated on very reasonable grounds) or understated by the tax payers, and capitalised the whole (though he is somewhat doubtful as to the rate at which the capitalisation should be made). At the present moment, Dr. Giffen's method gives a result of about 10,400 to 10,800 millions sterling exclusive of the value of the public funds. The calculation for 1885 was as follows :—

[000's omitted in amount columns.]

	Income.	Years' Purchase.	Capital.
	£		£
Schedule A. { Lands	65,039,	26	1,691,313,
{ Houses	123,459,	15	1,926,885,
{ Other profits	877,	30	26,310,
Total	194,375,	—	3,644,508,
B. Farmers' profits	65,233,	8	521,864,
C. Public funds other than home funds...	21,096,	25	527,400,
{ Foreign and colonial securities	9,859,	20	197,180,
{ Railways in United Kingdom	33,270,	28	931,560,
D. " out of "	3,808,	20	76,160,
{ Mines, ironworks, canals, water-works, fisheries, market tolls, &c. }	65,106,	various	1,179,639,
{ Trades and professions	36,096,	15	541,440,
Total under income tax	428,843,	—	7,619,751,
Trades and professions omitted	8,179,	15	122,685,
Income of non-income tax paying classes derived from capital	67,000,	5	335,000,
Foreign investments not in Schedules C and D	50,000,	10	500,000,
Movable property not yielding income	—	—	960,000,
Government and local property, say	—	—	500,000,
	554,022,	—	10,037,436,

It should be noticed that of the whole 10,000 million £ the Government property accounts for 500 millions.

I regret that I cannot here reproduce, with the figures, Dr. Giffen's interesting commentaries on them.

Mr. Goschen, formerly Chancellor of the Exchequer, has shown that the small fortunes are those which increase most in England.²⁹ The same conclusion is brought out, so far as concerns the profits of industry and commerce (Schedule D of the income tax) by the classifications made from time to time by the Government.³⁰

We have seen that Dr. Giffen estimates the income drawn by the English people from their capitals at 554,000,000*l.* With the produce of personal labour, the total revenue would certainly amount to well over 1,200,000,000*l.*³¹

Belgium.—In 1880, one of the ministers, M. Malou, estimated the real property (*immeubles*) of Belgium at 11 *milliards* of francs (house property, &c., 3,400,000,000 frs., landed property 7,500,000,000 frs.) exclusive of the real property exempt from the land tax. M. Mossalski, Professor at the University of Louvain, had in 1878 attempted the direct valuation of the whole wealth of

²⁹ *Vide* "Journal of the Royal Statistical Society," December, 1887, p. 589.

³⁰ *Vide* "28th Report of the Commissioners of Inland Revenue," 1885.

³¹ M. Paul Leroy-Beaulieu put it at 1,120,000,000*l.* in 1878.

the country, and arrived at a total of 30 *milliards*, a sum which has often since been quoted. M. Graux believes this to be below the mark, and thinks it should be at least 34 *milliards*. M. Beernaert, Minister of Finance, has an even better opinion of the wealth of his country, and I am inclined to think he is right.³²

Holland.—For Holland we have the learned researches of M. Boissevain, which M. Pierson, Minister of Finance, has utilised for his tax on wealth.³³ Official statistics in 1880 put the real property at 11·4 *milliards* of francs (8·2 *milliards* for the landed, and 3·2 for the house property). In 1892, the Minister, taking into consideration the depreciation of rents, only estimates the landed property as worth 4·4 *milliards* (twenty times the taxable income), and the total *real* property is reduced to 7·7 *milliards*. For the personal wealth, applying to the existing capital the proportion deduced from the declared inheritances, we get 14·3 *milliards*. Hence the total wealth would be 22,000 million francs.

Germany.—The revenues of Prussia and Saxony are better known than their capital, thanks to the income tax. The late Dr. Soetbeer studied the statistics of this tax with great care, and I shall take the following summary totals from his writings.

Prussia.—For Prussia, Dr. Soetbeer's estimates are as follows:—

Years.	Number of Incomes.	Total Value of Incomes.	Average Income.	Average per Head.
		Mins. of marks	Marks	Marks
1876	8,467,076	7,840	928	316
'79	8,390,257	8,080	909	310
'82	9,205,205	8,320	902	310
'85	9,434,864	8,720	923	317
'88	9,915,739	9,360	941	329
'90	10,207,892	10,000	973	342

The totals are subdivided by Dr. Soetbeer thus: He divides the incomes as given by the Treasury into the following six groups:—

Group A	Incomes under 420 marks.
„ B	„ from 420 marks to 1,650 marks.
„ C	„ „ 1,650 „ 4,800 „
„ D	„ „ 4,800 „ 16,800 „
„ E	„ „ 16,800 „ 84,000 „
„ F	„ over 84,000 marks.

To account for the concealments by the taxpayers, the author adds an average of 25 per cent. to the incomes of the first five groups,

³² *Vide* the "Proceedings of the Chamber of Representatives" (8th March, 1892, p. 744). This figure of 34 *milliards* is that which, with an equal population, would correspond to the 210 *milliards* I proposed for France some years ago.

³³ *Vide* the "Bulletin de Statistique du ministère des finances," October, 1892.

and 10 per cent. in the last group. I proceed now to the results for 1890. In the first place, the classification according to persons is as follows:—

	Number of Incomes	Ratio per Cent.	Number of Persons.	Ratio per Cent.
Group A ...	4,094,428	40·11	8,383,359	28·82
" B ...	5,517,828	54·05	18,562,145	63·81
" C ...	490,541	4·81	1,778,155	6·12
" D ...	91,512	0·90	317,193	1·09
" E ...	12,521	0·13	43,400	0·16
" F ...	1,062			
Total	10,207,892	100·00	29,087,933	100·00

Classification according to incomes:—

	Total Incomes.	Ratio per Cent.	Average Income.	Average per Head.
	Marks		Marks	Marks
Group A ...	1,647,000,000	16·6	402	197
" B ...	5,110,000,000	51·5	928	276
" C ...	1,593,000,000	16·0	3,248	896
" D ...	882,000,000	8·9	9,640	2,780
" E ...	474,000,000	4·8	37,860	11,028
" F ...	219,000,000	2·2	206,782	59,664
Total	9,925,000,000	100·0	973	342

The following table shows the fluctuations in the groups D, E, F, the necessary increases calculated by Dr. Soetbeer being included:—

Years.	GROUP D. Incomes between 6,000 and 20,000 Marks.		GROUP E. Incomes between 20,000 and 100,000 Marks.		GROUP F. Incomes over 100,000 Marks.	
	Number.	Total Incomes.	Number.	Total Incomes.	Number.	Total Incomes.
		Min. marks.		Min. marks.		Min. marks.
1876	58,286	560	7,501	286	532	113
'83	71,065	680	8,966	338	639	125
'90	91,512	882	12,521	474	1,062	220

The results of the fiscal reform undertaken by Dr. Miquel, Prussian Minister of Finance,³⁴ are such as to make us believe that Dr. Soetbeer's calculations are not too optimistic. The re-organised income tax gave a surplus (45 million marks) on which the Government had intentionally not reckoned when framing the budget, and of which only a small fraction (10 millions) is due to the taxation of associations (2,028 societies, with a total capital of 4,240 million marks, a total revenue of 332 millions, and an income taxed, *i.e.*, realised in Prussia, of 256 millions). In

³⁴ *Vide* "Bulletin du ministère des finances," Nov.—Dec., 1892.

1892-93, of 30 millions of inhabitants, 21 millions escape the income tax, all incomes under 900 marks being exempt. The incomes taxed are subdivided as follows :—

	Number of Incomes.	Total Incomes Taxed.
		Min. marks.
Towns	1,410,073	3,872,000
Country	1,025,785	1,852,000
	2,435,858	5,724,000

The following table is worth attention :—

Classification of Incomes Taxed in 1892-93.

Class of Revenue.		Number of Taxpayers.	Amount of the Tax.
			Marks.
From 900 to 3,000 marks ...		2,118,969	32,835,099
" 3,000 " 4,200 "		136,798	9,126,124
" 4,200 " 6,000 "		77,916	9,624,826
" 6,000 " 8,500 "		45,140	8,505,908
" 8,500 " 10,500 "		17,972	5,013,528
" 10,500 " 14,500 "		17,685	6,518,340
" 14,500 " 21,500 "		13,394	7,019,040
" 21,500 " 28,500 "		5,966	4,414,410
" 28,500 " 36,000 "		3,573	3,512,030
" 36,000 " 48,000 "		2,934	4,030,720
" 48,000 " 60,000 "		1,647	3,071,360
" 60,000 " 72,000 "		973	2,278,000
" 72,000 " 84,000 "		645	1,831,220
" 84,000 " 96,000 "		466	1,602,000
" 96,000 " 120,000 "		562	2,348,000
" 120,000 " 205,000 "		715	4,301,000
" 205,000 " 300,000 "		266	2,579,800
" 300,000 " 600,000 "		164	2,688,200
" 600,000 " 900,000 "		38	1,060,200
" 900,000 " 1,500,000 "		23	1,047,200
" 1,500,000 " 3,000,000 "		8	568,600
" 3,000,000 " 4,020,000 "		1	133,400
" 4,020,000 " 4,980,000 "		1	172,400
" 4,980,000 " 7,000,000 "		2	504,400

Saxony.—According to the "Zeitschrift des K. Sächsischen Statistischen Bureaus, Heft 172, 1889," published at Dresden, the following were the fluctuations in the national revenue taxed since 1879 :—

Year.	Number of Taxpayers.	Total Incomes, less Debts.	Average Income per Head.
		Min. marks.	Marks.
1879.....	1,088,002	959	327
'80.....	1,119,546	982	330
'82.....	1,162,694	1,059	346
'84.....	1,213,188	1,741	362
'86.....	1,267,866	1,237	386
'88.....	1,327,771	1,388	407

The incomes in 1888 are decomposed as follows:—

Class of Income.	Total Incomes.	Ratio per Cent.
	Marks.	
Landed revenue.....	247,000,000	17
Income from funds	168,000,000	12
Salaries and wages.....	584,000,000	40
Commerce and industry	444,000,000	31
Total gross revenue	1,443,000,000	100
Deduct debts	105,000,000	—
Total net revenue	1,338,000,000	—

And the following appears to be the comparative importance of the different social classes:—

	Ratio per Cent.	
	1879.	1880.
Poor (incomes of less than 800 marks)	76.40	71.15
Average (incomes from 800 to 1,600 marks)....	20.95	25.75
Well-to-do (incomes from 1,600 to 9,600 marks)	2.20	2.50
Rich (incomes of more than 9,600 marks).....	0.45	0.60
	100.00	100.00

Scandinavia.—The following are the estimates of MM. Fahlbeck and Falbe-Hansen:—

	Denmark, 1880.	Sweden, 1885.	Norway, 1884.
	Mlns. of frs.		
Monetary stock	88	61	36
Agricultural property, forests	3,360	3,843	1,008
Other real property (houses, factories, mines)	1,568	2,101	700
Ways and means of transport	158	619	46
Farm stock	602	617	182
Agricultural material	196	195	—
Mercantile marine	95	111	140
Merchandise and various personal property	1,652	1,582	700
Total.....	7,719	9,129	2,812
Less liabilities to foreigners	—	860	168

The population of these countries at the periods when the above estimates were made were: Denmark, 2,000,000; Sweden 4,682,000, and Norway 1,943,000. The average per head (with-

out deduction for debts) is thus as follows: Denmark 3,860 frs., Sweden 1,950 frs., Norway 1,450 frs.

Austria and Hungary.—In 1880, M. Beer estimated the whole capital of the *Austro-Hungarian* empire at 40,000 million florins, equivalent to 100 *milliards* of francs, supposing the paper florin equal in value to the gold (2 frs. 50 c.). This is, it is true, an augmentation of about a quarter, at the average rate of exchange, and even if we bring the total down to 80 *milliards*, it still appears to me very high. The revenue of Austria-Hungary has been calculated by M. Czoernig to be 8,500 million francs in 1859, and 14 or 15 *milliards* in 1874, by Dr. v. Neumann-Spallart. M. Roschmann-Hoerburg, in 1884, put it at 15 *milliards* of francs (the florin being still supposed equivalent to 2 frs. 50 c.).

For *Austria* alone the real property has been estimated: in 1858, by a Government inquiry, at nearly 15 *milliards* of francs (5,908 million florins); in 1868, by M. Fillunger, at 21,500 million francs (8,572 million florins); in 1884, by M. Roschmann-Hoerburg, at 16,250 millions (6,497 million florins); by Dr. v. Inama-Sternegg, at the same period, at 19,500 millions (7,755 million florins); in 1891, by Dr. Schiff, at 25 *milliards* (10,000 million florins, *i.e.*, 6,500 millions for lands, and 3,200 millions for houses, Dalmatia being excluded). The usual rate of exchange would necessitate a deduction of one-fifth from all these figures. In a very recent treatise Dr. v. Inama-Sternegg, whose statistical works are well known, arrives at the following estimates: total revenue of the Austrian people, 2,400 million florins (nearly 5 *milliards* of francs); capital 30,000 million florins (more than 60,000 million francs).

For *Hungary*, a young statistician, Herr Fellner, has recently adopted the following estimate, which has not been disapproved of by the Royal Hungarian University:—

	Mln. florins.
Landed property and mines.....	6,500
House property	1,100
Ways and means of transport	700
Various convertible securities	2,000
	<hr/>
	10,300

This valuation, so far as concerns landed property, appears to be a minimum.

Italy.—Signor M. Pantaleoni has published, in the “*Rassegna italiana*” and in the “*Giornale degli Economisti*,” some remarkable studies concerning the importance and variations of wealth in Italy. His method is the same as mine: he multiplies by 36 the total amount of inheritances and donations annually taxed, and thus attains the following reasonable results:—

Period.	Inheritances and Donations.			Average per Head.
	Real.	Personal.	Total.	
	Millions of francs.			
1874-78.....	27,000	17,700	44,700	frs. 1,585
'79-83.....	29,600	19,400	49,000	1,690
'84-89.....	33,100	21,600	54,700	1,764

According to the same author the individual wealth in the different regions may be comparatively estimated as follows:—

	Frs.
Piedmont and Liguria	16
Lombardy	14
Latium.....	13
Tuscany	12
Emilia	10
Venetia	9
Neapolitan Provinces.....	7½
Marches, Umbria	7
Sicily	6½
Sardinia	5
	100

Previously to Signor Pantaleoni, Dr. v. Neumann-Spallart had proposed the following figures: Landed property, 29,000 million francs; house property, 9,000 millions; total *immeubles* 38,000 millions, or 48,000 millions including personal property, which he considered worth 10,000 million francs only. Signor Bodio, Director-General of the Statistics of the Kingdom, reproduces in his memoir, "Di alcuni indici misuratori del movimento economico in Italia," Signor Pantaleoni's calculations, with some interesting notes, and on the whole appears to confirm them.

Greece.—M. Skiadan, head of the bureau of Statistics at the Greek Ministry of Finance, estimates the whole income of the Greeks at 670 million francs, while the private fortunes would amount altogether to 5,000 or 6,000 millions, classified as follows:—

	Min. fra.
House property	2,672
Lands	2,090
Forests	252
Government stock	130
Capitals of banks and societies (paid up)	126
Miscellaneous	50
Total.....	5,320

But the forced currency, and the depreciation of the paper money, would here sanction a considerable reduction.

United States of America.³⁵—Under the name of *census*, the United States organise every tenth year a general inventory or universal inquiry, where all the different elements of the national economy find their place. The wealth of the population is there considered in two different forms. On the one hand there is the *assessed valuation*, made with the object of providing a basis for the levy of the tax on capital, and notoriously underrated, especially as regards personal property. On the other hand, there is what they call the *true valuation*, which is purely statistical, and which at all events tends to be a faithful exponent of the truth. The following are the conditions successively ascertained, including the summary results, just published by the Superintendent of the Census of 1890:—

Years.	Assessed Valuation.	Actual Wealth.	
		Absolute Value.	Value per Head.
	\$	\$	\$
1850.....	—	7,135,780,228	302
'60.....	12,084,560,005	16,159,616,068	514
'70.....	14,178,986,732	30,068,518,507	780
'80.....	16,902,993,543	43,642,000,000	870
'90.....	24,249,589,804	62,610,000,000	1,000

The \$62,600,000,000 in 1890 appear to have been obtained by supposing that the ratio between the *true* and the *assessed* valuation (39 per cent.) remained the same in 1890 as in 1880. This ratio was 47 per cent. in 1870, and 75 per cent. in 1860. The total increase between 1880 and 1890 comes out at 18,968,000,000 dollars, *i.e.*, nearly 45 per cent. During the same interval we find that, for 75 towns alone, the capitals embarked in industry have increased by 1,523,000,000 dollars, that the value of the products has increased by 10,120 million dollars, and that of the salaries by 3,390 millions. The fluctuations in the taxable wealth are very different in different States. Since 1880, there has been a decline in South Carolina, Maryland, Illinois, and especially in Nevada (due to exhaustion of the silver mines). The State of New York (richest of all) gains 42 per cent. (2,640 million dollars in 1880, 3,760 millions in 1890); Pennsylvania, which comes next, gains 54 per cent. (1,680 million dollars in 1880, 2,600 millions in 1890); Massachusetts gains 36 per cent. (1,580 and 2,160 millions), Ohio,

³⁵ *Vide* also G. K. Holmes: "Investigations of Mortgages and Farm and Home Proprietorship in the United States." "Journal of the Royal Statistical Society," September, 1893, pp. 477—79. [Ed. S. J.]

16 per cent. (1,520 and 1,780 millions). A few of the States only recently opened up show most extraordinary gains, North Dakota 792 per cent., and South Dakota 1,041 per cent., for instance.

The distribution of wealth is even more unequal in the United States than in Europe. A tract distributed by the democratic party in the course of the last electoral campaign (but which I quote, only of course, as resting entirely upon the authority of the authors), accuses the protectionist government of having concentrated one-half of the wealth of the Great Republic in the hands of 17,000 individuals, and handed over to 250 capitalists one-twelfth of the total assets of 63 millions of citizens.³⁶

Mexico.—Official statistics, which serve as the basis of taxation, and in which the figures appear to be about one-third below the real value, estimate the landed property in Mexico at 506·6 million piastres (2,500 million francs). In this total, the town property is estimated at 263·4 million piastres, and the rural at 243·2 million.

³⁶ See note on p. 625.
