

How important were  
financial problems of  
the crown essay



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The financial problems of the Crown were hugely important in bringing about the French Revolution. However the constitution of France itself at the time was also a major factor of its downfall. The financial problems included the weakness of the tax system, the poor harvests during the 1780s and the war debt accumulated from the wars France fought during the 18th Century. The constitutional problems (the feudal system, lack of will to reform from the nobility, etc. ) could be considered the roots of France's problems. However they often overlap in cause and effect with the financial issues.

France's tax system in the 1700s was considered unfair by the growing bourgeoisie class and the poorest members of society: the peasantry and urban peasants. The tax system was centred on the comfort of the nobility, rather than the revenue of the Crown: the 1st and 2nd Estates were exempt from most fiscal duties. The irony of this system was that these Estates held most of France's money, while the peasantry and bourgeoisie paid the most, despite their financial disadvantage. This was important as it caused the Crown's tax revenue to fall far from its potential, which was needed to resolve the other financial matters at hand.

Another reason for the Crown's falling short of its potential was the actual process of collecting taxes. Private bodies (usually the infamous " Farmer's General") were hired by the Crown to collect the tax, with a pre-arranged minimum income. The remainder of the money was retained by the private body. The bourgeoisie and nobility were the usual owners of such private bodies, removing what could have been the Crown's money permanently. Although this is more a problem of France's constitution, it was recognised

by many of the later Controller-Generals (such as Turgot and Calonne) as a major contributor to the financial issues.

The peasantry lost around 10% of their income to tax along with extra expenditures such as feudal dues, rent and the effects of the “ corvee” (losing workers would mean a loss in income from harvest for most peasant families). The huge burden of tax meant that few peasants could ever make much profit and therefore provide the Crown with more income. The tax system was probably the factor which caused the Crown the most financial problems due to its inefficiency. It was highly important in the development of economy, making its failure salient as a long term cause of the revolution.

The French economy was largely based on agriculture, which had grown steadily between the 1730s and the 1770s. However, the weather of the 1780s brought this period of agricultural prosperity to an end, with the disasters climaxing in 1788, when wet springs and freak hail storms in the summer caused a poor harvest. This resulted in a seriously low income for rural peasants and general employment rates in urban areas sank. Although this directly impacted only the 3rd Estate, France’s general economy was in crisis.

Food prices rose by around 60% from 1788 to 1789, forcing the average labourer (both rural and urban) to increase their expenditure on bread from 50%, to 88% of their income. This left little room for taxes and the other usual dues that peasants were forced to pay, causing a rapid depression and, more importantly, minimalizing the Crown’s tax revenue. In addition to

this, the “Eden Treaty”, signed in 1786, effectively ended the economic war between France and Britain by removing tariffs on imports.

However this negatively impacted many French businesses, such as the textiles industry for example, which suffered a decrease in production (and therefore employment) rates of 50%. While this was only one fraction of France’s many industries, the effects represented the overall importance of the economic problems. Due to the poor harvest there was a small-scale famine in France, which had been developing since 1779, when the weather started to become harsher. This lack of food caused more tension between the Estates, as the peasantry accused the nobility of hoarding grain, as well as potential tax revenue.

Violent riots and raids on chateaus occurred, which served as a precursor to the extreme brutality of the revolutionaries in Paris. This economic failure can therefore be viewed as a trigger of the revolution, and consequently supports the financial problems of the Crown in their significant importance as a cause of the revolution. Another factor which affected the financial problems of the Crown was France’s war debt. In the 18th century, France was involved in the War of Austrian Succession and the Seven Years War.

However, in order to extract revenge from the British, the French sought involvement in the American War of Independence, which took place in the latter half of the century. Loans were made to fund these wars, adding up to huge amounts of debt causing the Crown further financial difficulty. This led to problems nearer the revolution, as lenders were unwilling to give loans to the government reducing the number of options available to the Controllers

General (particularly Brienne). The American War of Independence cost France approximately 1066 million livres and a large deficit of 201.5 million livres appeared by 1789.

The Crown was unable to further support the economy through surplus currency due to the deficit, meaning that the War Debt was vastly important in bringing about the poverty prior to the revolution. On the other hand, one major constitutional factor which was greatly involved in bringing about the revolution in addition to financial problems was the lack of will by the 1st and 2nd Estates to move away from feudalism. The 1st and 2nd Estates had refused any reforms proposed by the Controller Generals such as Turgot and Calonne, restraining France's financial system and leaving its income gravely low.

Therefore the nobility's prevention of constitutional changes was hugely impactful on the Crown's attempts to save the financial system which may have prevented the revolution. However, at the meeting of the Estate's General the "cahiers" from nearly all the deputies of every estate called for a change to the constitution. This was not addressed by the Crown however, meaning that their lack of order was, in fact, part of the reason for the development of the revolution.

As a closing opinion, the most important cause of the French Revolution was the lack of will from the 1st and 2nd Estates to alter the constitution (specifically the taxation system. This is because nobility refused to pay taxes, while they held most of France's money, causing the Crown's income to be greatly lessened. If the nobility had paid equal taxes, there most likely

would not have been a financial crisis for the Crown and for that reason their (the nobility's) reluctance to do so was the more important than the financial problems themselves.