

The Problems of France in the 1780s

A possible solution?

1.



2. The monarchy's finances in 1788 (in livres)

total: 620,000,000 livres (pounds)

Income 503 million
 Spending 632 million
 50.5 % debt service (+ interest)
 26.3 % on the army and diplomats
 5.7% on the court and on pensions
 3% on administration and the police
 4.7 % on help for the poor people,
 schools

+

Total debts 4,000 million

The monarchy's income in 1788

total: 503,000,000 livres (pounds)

direct taxes 31.2 %
 indirect taxes (VAT) 41.4 %
 from the king's possessions 18.7 %
 from other sources 8.7 %

Taxes paid (examples):

- on salt
- on firesides
- on windows
- war tax (not paid by the nobility)
- on land (not paid by the nobility)



The Problems of France in the 1780s

A possible solution?

1.



→ The Third Estates had to support the first and second estates:

- It had to pay high taxes to the king.
- It had to pay fees / tithes to the clergy.
- It had to pay dues to the nobility and do certain services for them.

2. The monarchy's finances in 1788 (in livres)

total: 620,000,000 livres (pounds)

Income	503 million
Spending	632 million
	50.5 % debt service (+ interest)
	26.3 % on the army and diplomats
	5.7% on the court and on pensions
	3% on administration and the police
	4.7 % on help for the poor people, schools

+

Total debts 4,000 million

→ The monarchy spent more money than it received. It was nearly bankrupt.

→ Most of the money was spent on paying back old debts.

→ So it was not easy to reduce spending.

The monarchy's income in 1788

total: 503.000.000 livres (pounds)

direct taxes	31.2 %
indirect taxes (VAT)	41.4 %
from the king's possessions	18.7 %
from other sources	8.7 %

Taxes paid (examples):

- on salt
- on firesides
- on windows
- war tax (not paid by the nobility)
- on land (not paid by the nobility)

→ The king could raise the direct taxes.

→ The king could ask the nobility also to pay taxes.